

PUBLIC FINANCE MANAGEMENT ACT NO. 1 OF 1999

[View Regulation]

[ASSENTED TO 2 MARCH, 1999]
[DATE OF COMMENCEMENT: 1 APRIL, 2000]

(Unless otherwise indicated)

(English text signed by the President)

This Act has been updated to *Government Gazette* 42474 dated 24 May, 2019.

as amended by

Public Finance Management Amendment Act, [No. 29 of 1999](#)

Local Government: Municipal Systems Act, [No. 32 of 2000](#)

Judicial Officers (Amendment of Conditions of Service) Act, [No. 28 of 2003](#)
[with effect from 1 November, 2003]

Public Audit Act, [No. 25 of 2004](#)

South African Airways Act, [No. 5 of 2007](#)
[with effect from 13 July, 2009]

Public Service Amendment Act, [No. 30 of 2007](#)
[with effect from 1 April, 2008]

Broadband Infraco Act, [No. 33 of 2007](#)

South African Express Act, [No. 34 of 2007](#)

Financial Management of Parliament Act, [No. 10 of 2009](#)

National Health Amendment Act, [No. 12 of 2013](#)
[with effect from 2 September, 2013, unless otherwise indicated]

GENERAL NOTE

Please note that the Preferential Procurement Policy Framework Act, [No. 5 of 2000](#) and its Regulations shall apply to all public entities listed in [Schedules 2](#) and [3](#) of this Act, under GNR.501 published in *Government Gazette* No. 34350 dated 8 June, 2011, with effect from 7 December, 2011.

EDITORIAL NOTE

1. Please note that the wording and section numbering in this Act correctly reflects the Act and the amending Act as published in *Government Gazette* Nos. 19814 of 2 March, 1999, and 19978 of 30 April, 1999 respectively. In addition, we draw your attention to the fact that there are inconsistencies between the English and Afrikaans versions of the Act despite the amendments.
2. Please note that details of Notices published in the *Government Gazettes* that amend the Schedules to the Act are annotated at the beginning of the Schedules.

ACT

To regulate financial management in the national government and provincial governments; to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in those governments; and to

provide for matters connected therewith.

[Long title substituted by [s. 47](#) of [Act No. 29 of 1999](#).]

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CHAPTER 1
INTERPRETATION, OBJECT, APPLICATION AND AMENDMENT OF THIS ACT

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 1. Definitions.-In this Act, unless the context otherwise indicates-

1. Definitions.-In this Act, unless the context otherwise indicates-

"**accounting officer**" means a person mentioned in [section 36](#);

"**accounting authority**" means a body or person mentioned in [section 49](#);

"**Accounting Standards Board**" means the board established in terms of [section 87](#);

"**annual Division of Revenue Act**" means the Act of Parliament which must annually be enacted in terms of [section 214 \(1\)](#) of [the Constitution](#);

"**constitutional institution**" means an institution listed in [Schedule 1](#);

"**department**" means a national or provincial department or a national or provincial government component;
[Definition of "[department](#)" substituted by [s. 1 \(a\)](#) of [Act No. 29 of 1999](#) and by [s. 43](#) of [Act No. 30 of 2007](#).]

Wording of Sections

"**executive authority**"-

- (a) in relation to a national department, means the Cabinet member who is accountable to Parliament for that department;
- (b) in relation to a provincial department, means the member of the Executive Council of a province who

is accountable to the provincial legislature for that department;

- (c) in relation to a national public entity, means the Cabinet member who is accountable to Parliament for that public entity or in whose portfolio it falls; and
- (d) in relation to a provincial public entity, means the member of the provincial Executive Council who is accountable to the provincial legislature for that public entity or in whose portfolio it falls;
[Definition of "[executive authority](#)" substituted by [s. 1 \(b\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

"financial year"-

- (a) means a year ending 31 March; or
- (b) in relation to a public entity that existed when this Act took effect and that has a different financial year in terms of other legislation, means that financial year, provided the National Treasury has approved that other financial year;
[[Para. \(b\)](#) amended by [s. 1 \(c\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

"financial statements" means statements consisting of at least-

- (a) a balance sheet;
- (b) an income statement;
- (c) a cash-flow statement;
- (d) any other statements that may be prescribed; and
- (e) any notes to these statements;

"fruitless and wasteful expenditure" means expenditure which was made in vain and would have been avoided had reasonable care been exercised;

"generally recognised accounting practice" means an accounting practice complying in material respects with standards issued by the Accounting Standards Board;

"irregular expenditure" means expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including-

- (a) this Act; or
- (b) the State Tender Board Act, 1968 ([Act No. 86 of 1968](#)), or any regulations made in terms of that Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government;
[Definition of "[irregular expenditure](#)" amended by [s. 1 \(d\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

"main division within a vote" means one of the main segments into which a vote is divided and which-

- (a) specifies the total amount which is appropriated for the items under that segment; and
- (b) is approved by Parliament or a provincial legislature, as may be appropriate, as part of the vote;
[Definition of "[main division within a vote](#)" amended by [s. 1 \(e\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

"MEC for finance" means the member of an Executive Council of a province responsible for finance in the province;

[Definition of "[MEC for finance](#)" inserted by [s. 1 \(f\)](#) of [Act No. 29 of 1999](#).]

"Minister" means the Minister of Finance;

"national department" means a department listed in [Schedule 1](#) to the Public Service Act, 1994 ([Proclamation No. 103 of 1994](#)), but excluding the Office of a Premier;

[Definition of "[national department](#)" substituted by [s. 43](#) of [Act No. 30 of 2007](#).]

Wording of Sections

"national government business enterprise" means an entity which-

- (a) is a juristic person under the ownership control of the national executive;
- (b) has been assigned financial and operational authority to carry on a business activity;
- (c) as its principal business, provides goods or services in accordance with ordinary business principles; and

(d) is financed fully or substantially from sources other than-

- (i) the National Revenue Fund; or
- (ii) by way of a tax, levy or other statutory money;

"national government component" means a national government component listed in Part A of [Schedule 3](#) to the Public Service Act, 1994;

[Definition of "[national government component](#)" added by [s. 43](#) of [Act No. 30 of 2007](#).]

"national public entity" means-

- (a) a national government business enterprise; or
- (b) a board, commission, company, corporation, fund or other entity (other than a national government business enterprise) which is-
 - (i) established in terms of national legislation;
 - (ii) fully or substantially funded either from the National Revenue Fund, or by way of a tax, levy or other money imposed in terms of national legislation; and
 - (iii) accountable to Parliament;

"National Treasury" means the National Treasury established by [section 5](#);

"overspending"-

- (a) in relation to a vote, means when expenditure under the vote exceeds the amount appropriated for that vote; or
- (b) in relation to a main division within a vote, means when expenditure under the main division exceeds the amount appropriated for that main division, subject to [section 43](#);

"ownership control", in relation to an entity, means the ability to exercise any of the following powers to govern the financial and operating policies of the entity in order to obtain benefits from its activities:

- (a) To appoint or remove all, or the majority of, the members of that entity's board of directors or equivalent governing body;
- (b) to appoint or remove that entity's chief executive officer;
- (c) to cast all, or the majority of, the votes at meetings of that board of directors or equivalent governing body; or
- (d) to control all, or the majority of, the voting rights at a general meeting of that entity;

"prescribe" means prescribe by regulation or instruction in terms of [section 76](#);

"provincial department" means-

- (a) the Office of a Premier listed in [Schedule 1](#) to the Public Service Act, 1994;
- (b) a provincial department listed in [Schedule 2](#) to the Public Service Act, 1994;

[Definition of "[provincial department](#)" inserted by [s. 1 \(g\)](#) of [Act No. 29 of 1999](#) and substituted by [s. 43](#) of [Act No. 30 of 2007](#).]

Wording of Sections

"provincial government business enterprise" means an entity which-

- (a) is a juristic person under the ownership control of a provincial executive;
- (b) has been assigned financial and operational authority to carry on a business activity;
- (c) as its principal business, provides goods or services in accordance with ordinary business principles; and
- (d) is financed fully or substantially from sources other than-
 - (i) a Provincial Revenue Fund; or
 - (ii) by way of a tax, levy or other statutory money;

[Definition of "[provincial government business enterprise](#)" inserted by [s. 1 \(g\)](#) of [Act No. 29 of 1999](#).]

"provincial government component" means a provincial government component listed in Part B of [Schedule 3](#) to the Public Service Act, 1994;

[Definition of "[provincial government component](#)" added by [s. 43](#) of [Act No. 30 of 2007](#).]

"provincial public entity" means-

- (a) a provincial government business enterprise; or
- (b) a board, commission, company, corporation, fund or other entity (other than a provincial government business enterprise) which is-
 - (i) established in terms of legislation or a provincial constitution;
 - (ii) fully or substantially funded either from a Provincial Revenue Fund or by way of a tax, levy or other money imposed in terms of legislation; and
 - (iii) accountable to a provincial legislature;

[Definition of "[provincial public entity](#)" inserted by [s. 1 \(g\)](#) of [Act No. 29 of 1999](#).]

"provincial treasury" means a treasury established in terms of [section 17](#);

[Definition of "[provincial treasury](#)" inserted by [s. 1 \(g\)](#) of [Act No. 29 of 1999](#).]

"public entity" means a national or provincial public entity;

[Definition of "[public entity](#)" substituted by [s. 1 \(h\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

"Revenue Fund" means-

- (a) the National Revenue Fund mentioned in [section 213](#) of [the Constitution](#); or
- (b) a Provincial Revenue Fund mentioned in [section 226](#) of [the Constitution](#);

[Definition of "[Revenue Fund](#)" amended by [s. 1 \(i\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

"this Act" includes any regulations and instructions in terms of [section 69](#), [76](#), [85](#) or [91](#);

"trading entity" means an entity operating within the administration of a department for the provision or sale of goods or services, and established-

- (a) in the case of a national department, with the approval of the National Treasury; or
- (b) in the case of a provincial department, with the approval of the relevant provincial treasury acting within a prescribed framework;

[Definition of "[trading entity](#)" amended by [s. 1 \(j\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

"treasury" means the National Treasury or a provincial treasury, as may be appropriate in the circumstances;

[Definition of "[treasury](#)" substituted by [s. 1 \(k\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

"unauthorised expenditure" means-

- (a) overspending of a vote or a main division within a vote;
- (b) expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division;

"vote" means one of the main segments into which an appropriation Act is divided and which-

- (a) specifies the total amount which is usually appropriated per department in an appropriation Act; and
- (b) is separately approved by Parliament or a provincial legislature, as may be appropriate, before it approves the relevant draft appropriation Act as such.

[Definition of "[vote](#)" amended by [s. 1 \(l\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 2. Object of this Act.-The object of this Act is to secure transparency, accountability, and sound management of the revenue, expenditure, assets and liabilities of the institutions to which this Act applies.

2. Object of this Act.-The object of this Act is to secure transparency, accountability, and sound management of the revenue, expenditure, assets and liabilities of the institutions to which this Act applies.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 3. Institutions to which this Act applies.-(1) This Act, to the extent indicated in the Act, applies to-

3. Institutions to which this Act applies.-(1) This Act, to the extent indicated in the Act, applies to-

- (a) departments;
- (b) public entities listed in [Schedule 2](#) or [3](#);
- (c) constitutional institutions; and
- (d)

[[Para. \(d\)](#) substituted by [s. 2 \(a\)](#) of [Act No. 29 of 1999](#) and repealed by [s. 72 \(b\) \(i\)](#) of [Act No. 10 of 2009](#).]

Wording of Sections

(2)

[[Sub-s. \(2\)](#) amended by [s. 2 \(b\)](#) of [Act No. 29 of 1999](#) and repealed by [s. 72 \(b\) \(ii\)](#) of [Act No. 10 of 2009](#).]

Wording of Sections

(3) In the event of any inconsistency between this Act and any other legislation, this Act prevails.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 4. Amendments to this Act.-Draft legislation directly or indirectly amending this Act, or providing for the enactment of subordinate legislation that may conflict with this Act, may be introduced in Parliament-

4. Amendments to this Act.-Draft legislation directly or indirectly amending this Act, or providing for the enactment of subordinate legislation that may conflict with this Act, may be introduced in Parliament-

- (a) by the Minister only; or
- (b) only after the Minister has been consulted on the contents of the draft legislation.

CHAPTER 2
NATIONAL TREASURY AND NATIONAL REVENUE FUND
Part 1: National Treasury

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 5. Establishment.-(1) A National Treasury is hereby established, consisting of-

5. Establishment.-(1) A National Treasury is hereby established, consisting of-

- (a) the Minister, who is the head of the Treasury; and
- (b) the national department or departments responsible for financial and fiscal matters.

(2) The Minister, as the head of the National Treasury, takes the policy and other decisions of the Treasury, except those decisions taken as a result of a delegation or instruction in terms of [section 10](#).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 6. Functions and powers.-(1) The National Treasury must-

6. Functions and powers.-(1) The National Treasury must-

- (a) promote the national government's fiscal policy framework and the co-ordination of macro-economic policy;
- (b) co-ordinate inter-governmental financial and fiscal relations;
- (c) manage the budget preparation process;
- (d) exercise control over the implementation of the annual national budget, including any adjustments budgets;
- (e) facilitate the implementation of the annual Division of Revenue Act;
- (f) monitor the implementation of provincial budgets;
- (g) promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of departments, public entities and constitutional institutions; and
- (h) perform the other functions assigned to the National Treasury in terms of this Act.

(2) To the extent necessary to perform the functions mentioned in [subsection \(1\)](#), the National Treasury-

- (a) must prescribe uniform treasury norms and standards;
- (b) must enforce this Act and any prescribed norms and standards, including any prescribed standards of generally recognised accounting practice and uniform classification systems, in national departments;
- (c) must monitor and assess the implementation of this Act, including any prescribed norms and standards, in provincial departments, in public entities and in constitutional institutions;

[Para. (c) substituted by s. 3 of Act No. 29 of 1999.]

Wording of Sections

- (d) may assist departments and constitutional institutions in building their capacity for efficient, effective and transparent financial management;
 - (e) may investigate any system of financial management and internal control in any department, public entity or constitutional institution;
 - (f) must intervene by taking appropriate steps, which may include steps in terms of [section 100](#) of [the Constitution](#) or the withholding of funds in terms of [section 216 \(2\)](#) of [the Constitution](#), to address a serious or persistent material breach of this Act by a department, public entity or constitutional institution; and
 - (g) may do anything further that is necessary to fulfil its responsibilities effectively.
- (3) [Subsections \(1\) \(g\)](#) and [\(2\)](#) apply to public entities listed in [Schedule 2](#) only to the extent provided for in this Act.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 7. Banking, cash management and investment framework.-(1) The National Treasury must prescribe a framework within which departments, public entities listed in Schedule 3 and constitutional institutions must conduct their cash management.

7. Banking, cash management and investment framework.-(1) The National Treasury must prescribe a framework within which departments, public entities listed in [Schedule 3](#) and constitutional institutions must conduct their cash management.

(2) A department authorised to open a bank account in terms of the prescribed framework, a public entity or a constitutional institution may open a bank account only-

- (a) with a bank registered in South Africa and approved in writing by the National Treasury; and
- (b) after any prescribed tendering procedures have been complied with.

(3) A department, public entity listed in [Schedule 3](#) or constitutional institution may not open a bank account abroad or with a foreign bank except with the written approval of the National Treasury.

(4) The National Treasury may prescribe an investment policy for public entities, constitutional institutions and those departments authorised to open a bank or other account in terms of the prescribed framework.

(5) A bank which has opened a bank account for a department, a public entity listed in [Schedule 3](#) or a constitutional institution, or any other institution that holds money for a department, a public entity listed in [Schedule 3](#) or a constitutional institution, must promptly disclose information regarding the account when so requested by the National Treasury or the Auditor-General, or, in the case of a provincial department or provincial public entity, by the National Treasury, the Auditor-General or the relevant provincial treasury.

[Sub-s. (5) substituted by s. 4 of Act No. 29 of 1999.]

Wording of Sections

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 8. Annual consolidated financial statements.-(1) The National Treasury must-

8. Annual consolidated financial statements.-(1) The National Treasury must-

- (a) prepare consolidated financial statements in accordance with generally recognised accounting practice for each financial year in respect of-
 - (i) national departments;
 - (ii) public entities under the ownership control of the national executive;
 - (iii) constitutional institutions;
 - (iv) the South African Reserve Bank;
 - (v) the Auditor-General; and

(vi) Parliament; and

- (b) submit those statements for audit to the Auditor-General within three months after the end of that financial year.

(2) The Auditor-General must audit the consolidated financial statements and submit an audit report on the statements to the National Treasury within three months of receipt of the statements.

(3) The Minister must submit the consolidated financial statements and the audit report on those statements within one month of receiving the report from the Auditor-General, to Parliament for tabling in both Houses.

(4) The consolidated financial statements must be made public when submitted to Parliament.

(5) If the Minister fails to submit the consolidated financial statements and the Auditor-General's audit report on those statements to Parliament within seven months after the end of the financial year to which those statements relate-

- (a) the Minister must submit to Parliament a written explanation setting out the reasons why they were not submitted; and
- (b) the Auditor-General may issue a special report on the delay.

(Date of commencement of [s. 8](#): 1 April, 2003.)

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 9. Financial statistics and aggregations.-The National Treasury may annually compile in accordance with international standards, and publish in the national Government Gazette, financial statistics and aggregations concerning all spheres of government.

9. Financial statistics and aggregations.-The National Treasury may annually compile in accordance with international standards, and publish in the national *Government Gazette*, financial statistics and aggregations concerning all spheres of government.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 10. Delegations by National Treasury.-(1) The Minister may-

10. Delegations by National Treasury.-(1) The Minister may-

- (a) in writing delegate any of the powers entrusted to the National Treasury in terms of this Act, to the head of a department forming part of the National Treasury, or instruct that head of department to perform any of the duties assigned to the National Treasury in terms of this Act; and
- (b) in relation to a provincial department or provincial public entity, in writing delegate any of the powers entrusted to the National Treasury in terms of this Act to a provincial treasury, or request that treasury to perform any of the duties assigned to the National Treasury in terms of this Act, as the Minister and the relevant MEC for finance may agree.

[[Para. \(b\)](#) added by [s. 5 \(a\)](#) of [Act No. 29 of 1999](#).]

(2) A delegation, instruction or request in terms of [subsection \(1\)](#) to the head of a department forming part of the National Treasury, or to a provincial treasury-

- (a) is subject to any limitations or conditions that the Minister may impose;
- (b) may authorise that head, in the case of [subsection \(1\) \(a\)](#)-
- (i) to sub-delegate, in writing, the delegated power to another National Treasury official, or to the holder of a specific post in the National Treasury, or to the accounting officer of a constitutional institution or a department, or to the accounting authority for a public entity; or
- (ii) to instruct another National Treasury official, or the holder of a specific post in the National Treasury, or the accounting officer for a constitutional institution or a department, or the accounting authority for a public entity, to perform the assigned duty;
- (c) may authorise a provincial treasury, in the case of [subsection \(1\) \(b\)](#)-
- (i) to sub-delegate, in writing, the delegated power to an official in that provincial treasury, or to the holder of a specific post in that provincial treasury, or to the accounting officer for a provincial department, or to the accounting authority for a provincial public entity; or
- (ii) to instruct an official in that provincial treasury, or the holder of a specific post in that provincial treasury, or the accounting officer for a provincial department, or the accounting authority for a provincial public entity, to perform the assigned duty; and

[[Para. \(c\)](#) inserted by [s. 5 \(d\)](#) of [Act No. 29 of 1999](#).]

- (d) does not divest the Minister of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty.

[[Sub-s. \(2\)](#) amended by [s. 5 \(b\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

(3) The Minister may confirm, vary or revoke any decision taken by the head of a department forming part of the National Treasury, or by a provincial treasury, as a result of a delegation, instruction or request in terms of [subsection \(1\) \(a\)](#) or [\(b\)](#), or by a treasury official or accounting officer or accounting authority as a result of an authorisation in terms of [subsection \(2\) \(b\)](#) or [\(c\)](#), subject to any rights that may have become vested as a consequence of the decision.

[[Sub-s. \(3\)](#) substituted by [s. 5 \(e\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

Part 2: National Revenue Fund

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 11. Control of National Revenue Fund.-(1) The National Treasury is in charge of the National Revenue Fund and must enforce compliance with the provisions of section 213 of the Constitution, namely that-

11. Control of National Revenue Fund.-(1) The National Treasury is in charge of the National Revenue Fund and must enforce compliance with the provisions of [section 213](#) of [the Constitution](#), namely that-

- (a) all money received by the national government must be paid into the Fund, except money reasonably excluded by this Act or another Act of Parliament; and
- (b) no money may be withdrawn from the Fund except-
 - (i) in terms of an appropriation by an Act of Parliament; or
 - (ii) as a direct charge against the Fund, subject to [section 15 \(1\) \(a\) \(ii\)](#).

(2) Draft legislation that provides for a withdrawal from the National Revenue Fund as a direct charge against the Fund, may be introduced in Parliament only after the Minister has been consulted and has consented to the direct charge.

(3) Money that must be paid into the National Revenue Fund is paid into the Fund by depositing it into a bank account of the Fund in accordance with any requirements that may be prescribed.

(4) The National Treasury must establish appropriate and effective cash management and banking arrangements for the National Revenue Fund.

(5) The National Treasury must ensure that there is at all times sufficient money in the National Revenue Fund.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 12. Deposits and withdrawals by South African Revenue Services in Revenue Funds.-(1) The South African Revenue Services must promptly deposit into a Revenue Fund all taxes, levies, duties, fees and other moneys collected by it for that Revenue Fund, in

12. Deposits and withdrawals by South African Revenue Services in Revenue Funds.-(1) The South African Revenue Services must promptly deposit into a Revenue Fund all taxes, levies, duties, fees and other moneys collected by it for that Revenue Fund, in accordance with a framework determined by the National Treasury.

(2) The South African Revenue Services may, despite [section 15 \(1\)](#), withdraw money from the National Revenue Fund-

- (a) to refund any tax, levy or duty credits or any other charges in connection with taxes, levies or duties;
- (b) to make other refunds approved by the National Treasury; or
- (c) to transfer to a member of the South African Customs Union any money collected on its behalf.

(3) The National Treasury must promptly transfer all taxes, levies, duties, fees and other moneys collected by the South African Revenue Services for a province and deposited into the National Revenue Fund, to that province's Provincial Revenue Fund.

(4) Withdrawals in terms of [subsection \(2\)](#) or [\(3\)](#) are direct charges against the National Revenue Fund.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 13. Deposits into National Revenue Fund.-(1) All money received by the national government must be paid into the National Revenue Fund, except money received by-

13. Deposits into National Revenue Fund.-(1) All money received by the national government must be paid into the National Revenue Fund, except money received by-

(a)

[[Para. \(a\)](#) repealed by [s. 72 \(b\) \(iii\)](#) of [Act No. 10 of 2009](#).]

Wording of Sections

(b) a national public entity;

(c) the South African Reserve Bank;

(d) the Auditor-General;

(e) the national government from donor agencies which in terms of legislation or the agreement with the donor, must be paid to the Reconstruction and Development Programme Fund;

(f) a national department-

(i) operating a trading entity, if the money is received in the ordinary course of operating the trading entity;

(ii) in trust for a specific person or category of persons or for a specific purpose;

(iii) from another department to render an agency service for that department; or

(iv) if the money is of a kind described in [Schedule 4](#); or

(g) a constitutional institution-

(i) in trust for a specific person or category of persons or for a specific purpose; or

(ii) if the money is of a kind described in [Schedule 4](#).

(2) The exclusion in [subsection \(1\) \(b\)](#) does not apply to a national public entity which is not listed in [Schedule 2](#) or [3](#) but which in terms of [section 47](#) is required to be listed.

(Date of commencement of [sub-s. \(2\)](#): 1 April, 2001.)

(3) Draft legislation that excludes money from payment into the National Revenue Fund may be introduced in Parliament only after the Minister has been consulted on the reasonableness of the exclusion and has consented to the exclusion.

(4) Any legislation inconsistent with [subsection \(1\)](#) is of no force and effect to the extent of the inconsistency.

(5) Money received by a national public entity listed in [Schedule 2](#) or [3](#), the South African Reserve Bank or the Auditor-General must be paid into a bank account opened by the institution concerned.

[[Sub-s. \(5\)](#) amended by [s. 72 \(b\) \(iv\)](#) of [Act No. 10 of 2009](#).]

Wording of Sections

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 14. Withdrawal of exclusions.-(1) The National Treasury may withdraw, from a date determined by it, any exclusion granted to a national department, a constitutional institution or a national public entity in terms of [section 13 \(1\)](#), either with regard

14. Withdrawal of exclusions.-(1) The National Treasury may withdraw, from a date determined by it, any exclusion granted to a national department, a constitutional institution or a national public entity in terms of [section 13 \(1\)](#), either with regard to all money or with regard to money of a specific kind received by that department, constitutional institution or public entity, if-

(a) the exclusion is not reasonable within the context of [section 213](#) of [the Constitution](#); or

(b) the National Treasury regards the withdrawal of the exclusion to be necessary for transparency or more effective and accountable financial management.

(2) The exclusion in terms of [section 13 \(1\)](#) of the following public entities may not be withdrawn:

(a) A national government business enterprise which is a company and in which the state is not the sole shareholder; and

(b) the national public entities listed in [Schedule 2](#).

(3) From the date on which the withdrawal of an exclusion in terms of [subsection \(1\)](#) takes effect until the end of the relevant financial year, the National Treasury may transfer money from the National Revenue Fund, as a direct charge against the Fund, to the national department or public entity affected by the withdrawal, provided that the amount of the transfer does not exceed the amount that would otherwise have been excluded from payment into the Fund.

(4) The Minister must promptly inform Parliament of any withdrawal of an exclusion in terms of [subsection \(1\)](#).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 15. Withdrawals and investments from National Revenue Fund.-(1) Only the National Treasury may withdraw money from the National Revenue Fund, and may do so only-

15. Withdrawals and investments from National Revenue Fund.-(1) Only the National Treasury may withdraw money from the National Revenue Fund, and may do so only-

- (a) to provide funds that have been authorised-
 - (i) in terms of an appropriation by an Act of Parliament; or
 - (ii) as a direct charge against the National Revenue Fund provided for in [the Constitution](#) or this Act, or in any other Act of Parliament provided the direct charge in such a case is listed in [Schedule 5](#);

(Date of commencement of proviso: 31 August, 2001.)

- (b) to refund money invested by a province in the National Revenue Fund; or
- (c) to refund money incorrectly paid into, or which is not due to, the National Revenue Fund.

(2) A payment in terms of [subsection \(1\) \(b\)](#) or [\(c\)](#) is a direct charge against the National Revenue Fund.

(3) (a) The National Treasury may invest temporarily, in the Republic or elsewhere, money in the National Revenue Fund that is not immediately needed.

(b) When money in the National Revenue Fund is invested, the investment, including interest earned, is regarded as part of the National Revenue Fund.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 16. Use of funds in emergency situations.-(1) The Minister may authorise the use of funds from the National Revenue Fund to defray expenditure of an exceptional nature which is currently not provided for and which cannot, without serious prejudice to t

16. Use of funds in emergency situations.-(1) The Minister may authorise the use of funds from the National Revenue Fund to defray expenditure of an exceptional nature which is currently not provided for and which cannot, without serious prejudice to the public interest, be postponed to a future parliamentary appropriation of funds.

(2) The combined amount of any authorisations in terms of [subsection \(1\)](#), may not exceed two per cent of the total amount appropriated in the annual national budget for the current financial year.

(3) An amount authorised in terms of [subsection \(1\)](#) is a direct charge against the National Revenue Fund.

(4) An amount authorised in terms of [subsection \(1\)](#) must-

- (a) be reported to Parliament and the Auditor-General within 14 days, or if the funds are authorised for the deployment of the security services, within a period determined by the President; and
- (b) be attributed to a vote.

(5) A report to Parliament in terms of [subsection \(4\) \(a\)](#) must be submitted to the National Assembly for tabling in the Assembly and made public.

(6) Expenditure in terms of [subsection \(1\)](#) must be included either in the next adjustments budget for the financial year in which the expenditure is authorised or in other appropriation legislation tabled in the National Assembly within 120 days of the Minister authorising the expenditure, whichever is the sooner.

CHAPTER 3
PROVINCIAL TREASURIES AND PROVINCIAL REVENUE FUNDS
[Chapter 3 inserted by [s. 6](#) of [Act No. 29 of 1999](#).]

Part 1: Provincial Treasuries

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 17. Establishment.-(1) There is a provincial treasury for each province, consisting of-

17. Establishment.-(1) There is a provincial treasury for each province, consisting of-

- (a) the MEC for finance in the province, who is the head of the provincial treasury; and
- (b) the provincial department responsible for financial matters in the province.

(2) The MEC for finance as the head of a provincial treasury takes the policy and other decisions of the treasury, except those decisions taken as a result of a delegation or instruction in terms of [section 20](#).

[[S. 17](#) inserted by [s. 6](#) of [Act No. 29 of 1999](#).]

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 18. Functions and powers.-(1) A provincial treasury must-

18. Functions and powers.-(1) A provincial treasury must-

- (a) prepare the provincial budget;
- (b) exercise control over the implementation of the provincial budget;
- (c) promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities; and
- (d) ensure that its fiscal policies do not materially and unreasonably prejudice national economic policies.

(2) A provincial treasury-

- (a) must issue provincial treasury instructions not inconsistent with this Act;

(Date of commencement of [para. \(a\)](#): 31 August, 2001.)

- (b) must enforce this Act and any prescribed national and provincial norms and standards, including any prescribed standards of generally recognised accounting practice and uniform classification systems, in provincial departments;
- (c) must comply with the annual Division of Revenue Act, and monitor and assess the implementation of that Act in provincial public entities;
- (d) must monitor and assess the implementation in provincial public entities of national and provincial norms and standards;
- (e) may assist provincial departments and provincial public entities in building their capacity for efficient, effective and transparent financial management;
- (f) may investigate any system of financial management and internal control applied by a provincial department or a provincial public entity;
- (g) must intervene by taking appropriate steps, which may include the withholding of funds, to address a serious or persistent material breach of this Act by a provincial department or a provincial public entity;
- (h) must promptly provide any information required by the National Treasury in terms of this Act; and
- (i) may do anything further that is necessary to fulfil its responsibilities effectively.

[[S. 18](#) inserted by [s. 6](#) of [Act No. 29 of 1999](#).]

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 19. Annual consolidated financial statements.-(1) A provincial treasury must-

19. Annual consolidated financial statements.-(1) A provincial treasury must-

- (a) prepare consolidated financial statements, in accordance with generally recognised accounting practice, for each financial year in respect of-
 - (i) provincial departments in the province;
 - (ii) public entities under the ownership control of the provincial executive of the province; and
 - (iii) the provincial legislature in the province; and
- (b) submit those statements to the Auditor-General within three months after the end of that financial year.

(2) The Auditor-General must audit the consolidated financial statements and submit an audit report on the statements to the provincial treasury of the province concerned within three months of receipt of the statements.

(3) The MEC for finance in a province must submit the consolidated financial statements and the audit report, within one month of receiving the report from the Auditor-General, to the provincial legislature for tabling in the legislature.

(4) The consolidated financial statements must be made public when submitted to the provincial legislature.

(5) If the MEC for finance fails to submit the consolidated financial statements and the Auditor-General's

audit report on those statements to the provincial legislature within seven months after the end of the financial year to which those statements relate-

- (a) the MEC must submit to the legislature a written explanation setting out the reasons why they were not submitted; and
- (b) the Auditor-General may issue a special report on the delay.
[S. 19 inserted by s. 6 of Act No. 29 of 1999.]

(Date of commencement of s. 19: 1 April, 2003.)

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 20. Delegations by provincial treasuries.-(1) The MEC for finance in a province may, in writing, delegate any of the powers entrusted or delegated to the provincial treasury in terms of this Act to the head of the department referred to in section 17 (

20. Delegations by provincial treasuries.-(1) The MEC for finance in a province may, in writing, delegate any of the powers entrusted or delegated to the provincial treasury in terms of this Act to the head of the department referred to in [section 17 \(1\) \(b\)](#), or instruct that head of department to perform any of the duties assigned to the provincial treasury in terms of this Act.

(2) A delegation or instruction in terms of [subsection \(1\)](#) to the head of the department referred to in [section 17 \(1\) \(b\)](#)-

- (a) is subject to any limitations or conditions that the MEC for finance may impose;
- (b) may authorise that head-
 - (i) to, in writing, sub-delegate the delegated power to another treasury official or the holder of a specific post in that treasury, or to the accounting officer for a provincial department, or to the accounting authority for a provincial public entity in the province; or
 - (ii) to instruct another provincial treasury official or the holder of a specific post in that treasury, or the accounting officer for a provincial department, or the accounting authority for a provincial public entity in the province, to perform the assigned duty; and
- (c) does not divest the MEC for finance of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty.

(3) The MEC for finance may confirm, vary or revoke any decision taken by the head of the department referred to in [section 17 \(1\) \(b\)](#), as a result of a delegation or instruction in terms of [subsection \(1\)](#), or by a treasury official or accounting officer or accounting authority as a result of an authorisation in terms of [subsection \(2\) \(b\)](#), subject to any rights that may have become vested as a consequence of the decision.

[S. 20 inserted by s. 6 of Act No. 29 of 1999.]

Part 2: Provincial Revenue Funds

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 21. Control of Provincial Revenue Funds.-(1) The provincial treasury of a province is in charge of that province's Provincial Revenue Fund and must enforce compliance with the provisions of section 226 of the Constitution, namely that-

21. Control of Provincial Revenue Funds.-(1) The provincial treasury of a province is in charge of that province's Provincial Revenue Fund and must enforce compliance with the provisions of [section 226](#) of [the Constitution](#), namely that-

- (a) all money received by the provincial government must promptly be paid into the Fund, except money reasonably excluded by this Act or another Act of Parliament; and
- (b) no money may be withdrawn from the Fund except-
 - (i) in terms of an appropriation by a provincial Act; or
 - (ii) as a direct charge against the Fund when it is provided for in [the Constitution](#) or a provincial Act.

(2) Money that must be paid into the Provincial Revenue Fund is paid into the Fund by depositing it into a bank account of the Fund in accordance with any requirements that may be prescribed.

(3) A provincial treasury must establish appropriate and effective cash management and banking arrangements for its Provincial Revenue Fund in accordance with the framework that must be prescribed in terms of [section 7](#).

[S. 21 inserted by s. 6 of Act No. 29 of 1999.]

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 22. Deposits into Provincial Revenue Funds.-(1) All money received by a provincial government, including the province's equitable share, and grants made to it, in terms of the annual Division of Revenue Act, must be paid into the province's Provincial

22. Deposits into Provincial Revenue Funds.-(1) All money received by a provincial government, including the province's equitable share, and grants made to it, in terms of the annual Division of Revenue Act, must be paid into the province's Provincial Revenue Fund, except money received by-

(a)

[[Para. \(a\)](#) repealed by [s. 72 \(b\) \(v\)](#) of [Act No. 10 of 2009](#).]

Wording of Sections

(b) a provincial public entity in the province;

(c) the provincial government from donor agencies which in terms of legislation or the agreement with the donor, must be paid to the Reconstruction and Development Programme Fund;

(d) a provincial department in the province-

(i) operating a trading entity, if the money is received in the ordinary course of operating the trading entity;

(ii) in trust for a specific person or category of persons or for a specific purpose;

(iii) from another department to render an agency service on behalf of that department;

(iv) in terms of the annual Division of Revenue Act, if the money is exempted by that Act from payment into the Revenue Fund; or

(v) if the money is of a kind described in [Schedule 4](#).

(2) The exclusion in [subsection \(1\) \(b\)](#) does not apply to a provincial public entity in the province which is not listed in [Schedule 3](#) but which, in terms of [section 47](#), is required to be listed.

(Date of commencement of [sub-s. \(2\)](#): 1 April, 2001.)

(3) Draft legislation that excludes money from payment into a Provincial Revenue Fund may be introduced in Parliament only after the Minister has been consulted on the reasonableness of the exclusion and has consented to the exclusion.

(4) Any legislation inconsistent with [subsection \(1\)](#) is of no force and effect to the extent of the inconsistency.

(5) Money received by a provincial public entity listed in [Schedule 3](#) must be paid into a bank account opened by the entity concerned.

[[S. 22](#) inserted by [s. 6](#) of [Act No. 29 of 1999](#). [Sub-s. \(5\)](#) amended by [s. 72 \(b\) \(vi\)](#) of [Act No. 10 of 2009](#).]

Wording of Sections

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 23. Withdrawal of exclusions from Provincial Revenue Funds.-(1) The National Treasury, after having consulted the relevant provincial treasury, may withdraw, from a date determined by it, any exclusion granted to a provincial department or provincial p

23. Withdrawal of exclusions from Provincial Revenue Funds.-(1) The National Treasury, after having consulted the relevant provincial treasury, may withdraw, from a date determined by it, any exclusion granted to a provincial department or provincial public entity in terms of [section 22 \(1\)](#), either with regard to all money or with regard to money of a specific kind received by that department or public entity, if-

(a) the exclusion is not reasonable within the context of [section 226](#) of [the Constitution](#); or

(b) the National Treasury regards the withdrawal of the exclusion to be necessary for transparency or more effective and accountable financial management.

(2) The exclusion in terms of [section 22 \(1\)](#) of a provincial government business enterprise which is a company and in which the relevant province is not the sole shareholder, may not be withdrawn, provided the National Treasury has given its prior written approval to the province to participate in a company that is not wholly owned by the province.

(3) From the date on which the withdrawal of an exclusion in terms of [subsection \(1\)](#) takes effect until the end of the relevant financial year, a provincial treasury may transfer money from the Provincial Revenue Fund, as a direct charge against the Fund, to the provincial department or provincial public entity affected by the withdrawal of the exclusion-

(a) if a provincial Act provides for the transfer to be a direct charge; and

- (b) provided that the amount of the transfer does not exceed the amount that would otherwise have been excluded from payment into the Fund.
- (4) The Minister must promptly inform Parliament of any withdrawal of an exclusion in terms of [subsection \(1\)](#).
[[S. 23](#) inserted by [s. 6](#) of [Act No. 29 of 1999](#).]

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 24. Withdrawals and investments from Provincial Revenue Funds.-(1) Only a provincial treasury may withdraw money from a Provincial Revenue Fund, and may do so only-

24. Withdrawals and investments from Provincial Revenue Funds.-(1) Only a provincial treasury may withdraw money from a Provincial Revenue Fund, and may do so only-

- (a) to provide funds that have been authorised-
- (i) in terms of an appropriation by a provincial Act; or
 - (ii) as a direct charge against the Provincial Revenue Fund provided for in [the Constitution](#) or a provincial Act;
- (b) to refund money incorrectly paid into, or which is not due to, the Provincial Revenue Fund; or
- (c) to deposit into or invest money in the National Revenue Fund.

(2) A payment in terms of [subsection \(1\) \(b\)](#) or [\(c\)](#) is a direct charge against a Provincial Revenue Fund if a provincial Act so provides.

(3) (a) A provincial treasury, in accordance with a prescribed framework, may invest temporarily in the Republic money in the province's Provincial Revenue Fund that is not immediately needed.

(b) When money in a Provincial Revenue Fund is invested, the investment, including interest earned, is regarded as part of that Fund.

[[S. 24](#) inserted by [s. 6](#) of [Act No. 29 of 1999](#).]

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 25. Use of funds in emergency situations.-(1) The MEC for finance in a province may authorise the use of funds from that province's Provincial Revenue Fund to defray expenditure of an exceptional nature which is currently not provided for and which can

25. Use of funds in emergency situations.-(1) The MEC for finance in a province may authorise the use of funds from that province's Provincial Revenue Fund to defray expenditure of an exceptional nature which is currently not provided for and which cannot, without serious prejudice to the public interest in the province, be postponed to a future appropriation by the provincial legislature.

(2) The combined amount of any authorisations in terms of [subsection \(1\)](#) may not exceed two per cent of the total amount appropriated in the annual provincial budget for the current financial year.

(3) An amount authorised in terms of [subsection \(1\)](#) is a direct charge against the Provincial Revenue Fund if a provincial Act so provides.

(4) An amount authorised in terms of [subsection \(1\)](#) must-

- (a) be reported to the provincial legislature and the Auditor-General within 14 days; and
- (b) be attributed to a vote.

(5) A report to a provincial legislature in terms of [subsection \(4\) \(a\)](#) must be submitted to the provincial legislature for tabling in the legislature and made public.

(6) Expenditure in terms of [subsection \(1\)](#) must be included either in the next provincial adjustments budget for the financial year in which the expenditure is authorised, or in other appropriation legislation tabled in the provincial legislature within 120 days of the MEC for finance in the province authorising the expenditure, whichever is the sooner.

[[S. 25](#) inserted by [s. 6](#) of [Act No. 29 of 1999](#).]

Act/ 26. Annual appropriations.-Parliament and each provincial legislature must appropriate money for each financial year for the requirements of the state and the province, respectively.

26. Annual appropriations.-Parliament and each provincial legislature must appropriate money for each financial year for the requirements of the state and the province, respectively.

[[S. 26](#) substituted by [s. 9](#) of [Act No. 29 of 1999](#).]

Wording of Sections

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 27. National annual budgets.-(1) The Minister must table the annual budget for a financial year in the National Assembly before the start of that financial year or, in exceptional circumstances, on a date as soon as possible after the start of that fin

27. National annual budgets.-(1) The Minister must table the annual budget for a financial year in the National Assembly before the start of that financial year or, in exceptional circumstances, on a date as soon as possible after the start of that financial year, as the Minister may determine.

(2) The MEC for finance in a province must table the provincial annual budget for a financial year in the provincial legislature not later than two weeks after the tabling of the national annual budget, but the Minister may approve an extension of time for the tabling of a provincial budget.

[[Sub-s. \(2\)](#) inserted by [s. 10 \(a\)](#) of [Act No. 29 of 1999](#).]

(3) An annual budget must be in accordance with a format as may be prescribed, and must at least contain-

- (a) estimates of all revenue expected to be raised during the financial year to which the budget relates;
- (b) estimates of current expenditure for that financial year per vote and per main division within the vote;
- (c) estimates of interest and debt servicing charges, and any repayments on loans;
- (d) estimates of capital expenditure per vote and per main division within a vote for that financial year and the projected financial implications of that expenditure for future financial years;
- (e) estimates of revenue excluded in terms of [section 13 \(1\)](#) or [22 \(1\)](#) from the relevant Revenue Fund for that financial year;

[[Para. \(e\)](#) substituted by [s. 10 \(b\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

(Date of commencement of [para. \(e\)](#): 31 August, 2001.)

(f) estimates of all direct charges against the relevant Revenue Fund and standing appropriations for that financial year;

[[Para. \(f\)](#) substituted by [s. 10 \(c\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

- (g) proposals for financing any anticipated deficit for that financial year;
- (h) an indication of intentions regarding borrowing and other forms of public liability that will increase public debt during that financial year and future financial years;
- (i) the projected-
 - (i) revenue for the previous financial year;
 - (ii) expenditure per vote, and per main division within the vote, for the previous financial year; and
 - (iii) borrowing for the previous financial year; and
- (j) any other information as may be prescribed, including any multi-year budget information.

(4) When the annual budget is introduced in the National Assembly or a provincial legislature, the accounting officer for each department must submit to Parliament or the provincial legislature, as may be appropriate, measurable objectives for each main division within the department's vote. The relevant treasury may co-ordinate these submissions and consolidate them in one document.

[[Sub-s. \(4\)](#) substituted by [s. 10 \(d\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

(Date of commencement of [sub-s. \(4\)](#): 1 August, 2002.)

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 28. Multi-year budget projections.-(1) The Minister and the MEC for finance in a province must annually table in the National Assembly and in that province's provincial legislature, respectively, a multi-

28. Multi-year budget projections.-(1) The Minister and the MEC for finance in a province must annually table in the National Assembly and in that province's provincial legislature, respectively, a multi-year budget projection of-

- (a) the estimated revenue expected to be raised during each year of the multi-year period; and
- (b) the estimated expenditure expected to be incurred per vote during each year of the multi-year period, differentiating between capital and current expenditure.

[Sub-s. (1) amended by s. 11 of Act No. 29 of 1999.]

Wording of Sections

(2) A multi-year budget projection tabled by the Minister must contain the Minister's key macro-economic projections.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 29. Expenditure before annual budget is passed.-(1) If an annual budget is not passed before the start of the financial year to which it relates, funds may be withdrawn in accordance with this section from the relevant Revenue Fund for the services of

29. Expenditure before annual budget is passed.-(1) If an annual budget is not passed before the start of the financial year to which it relates, funds may be withdrawn in accordance with this section from the relevant Revenue Fund for the services of the state or the province concerned during that financial year as direct charges against the Fund until the budget is passed.

[Sub-s. (1) substituted by s. 12 (a) of Act No. 29 of 1999.]

Wording of Sections

(2) Funds withdrawn from a Revenue Fund in terms of [subsection \(1\)](#)-

- (a) may be utilised only for services for which funds were appropriated in the previous annual budget or adjustments budget; and
- (b) may not-
 - (i) during the first four months of that financial year, exceed 45 per cent of the total amount appropriated in the previous annual budget;
 - (ii) during each of the following months, exceed 10 per cent of the total amount appropriated in the previous annual budget; and
 - (iii) in aggregate, exceed the total amount appropriated in the previous annual budget.

(3) The funds provided for in [subsection \(1\)](#) are not additional to funds appropriated for the relevant financial year, and any funds withdrawn in terms of that subsection must be regarded as forming part of the funds appropriated in the relevant annual budget for that financial year.

[Sub-s. (3) substituted by s. 12 (b) of Act No. 29 of 1999.]

Wording of Sections

(4) This section does not apply in respect of a province unless a provincial Act provides that the withdrawal of funds in terms of this section is a direct charge against that province's Revenue Fund.

[Sub-s. (4) added by s. 12 (c) of Act No. 29 of 1999.]

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 30. National adjustments budgets.-(1) The Minister may table an adjustments budget in the National Assembly as and when necessary.

30. National adjustments budgets.-(1) The Minister may table an adjustments budget in the National Assembly as and when necessary.

(2) A national adjustments budget may only provide for-

- (a) adjustments required due to significant and unforeseeable economic and financial events affecting the fiscal targets set by the annual budget;
- (b) unforeseeable and unavoidable expenditure recommended by the national executive or any committee of Cabinet members to whom this task has been assigned;
- (c) any expenditure in terms of [section 16](#);
- (d) money to be appropriated for expenditure already announced by the Minister during the tabling of the annual budget;

- (e) the shifting of funds between and within votes or to follow the transfer of functions in terms of [section 42](#);
- (f) the utilisation of savings under a main division of a vote for the defrayment of excess expenditure under another main division of the same vote in terms of [section 43](#); and
- (g) the roll-over of unspent funds from the preceding financial year.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 31. Provincial adjustments budgets.-(1) The MEC for finance in a province may table an adjustments budget in the provincial legislature, subject to subsection (3).

31. Provincial adjustments budgets.-(1) The MEC for finance in a province may table an adjustments budget in the provincial legislature, subject to [subsection \(3\)](#).

(2) An adjustments budget of a province may only provide for-

- (a) the appropriation of funds that have become available to the province;
- (b) unforeseeable and unavoidable expenditure recommended by the provincial Executive Council of the province within a framework determined by the Minister;
- (c) any expenditure in terms of [section 25](#);
- (d) money to be appropriated for expenditure already announced by the MEC for finance during the tabling of the annual budget;
- (e) the shifting of funds between and within votes or to follow the transfer of functions in terms of [section 42](#);
- (f) the utilisation of savings under a main division within a vote for the defrayment of excess expenditure under another main division within the same vote in terms of [section 43](#); and
- (g) the roll-over of unspent funds from the preceding financial year.

(3) The Minister may determine the time when an adjustments budget may be tabled in a provincial legislature, as well as the format for such budgets.

[[S. 31](#) inserted by [s. 13](#) of [Act No. 29 of 1999](#).]

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 32. Publishing of reports on state of budget.-(1) Within 30 days after the end of each month, the National Treasury must publish in the national Government Gazette a statement of actual revenue and expenditure with regard to the National Revenue Fund.

32. Publishing of reports on state of budget.-(1) Within 30 days after the end of each month, the National Treasury must publish in the national *Government Gazette* a statement of actual revenue and expenditure with regard to the National Revenue Fund.

(2) After the end of a prescribed period, but at least quarterly, every provincial treasury must submit to the National Treasury a statement of revenue and expenditure with regard to the Revenue Fund for which that treasury is responsible, for publication in the national *Government Gazette* within 30 days after the end of each prescribed period.

[[Sub-s. \(2\)](#) inserted by [s. 14](#) of [Act No. 29 of 1999](#).]

(3) The statement must specify the following amounts and compare those amounts in each instance with the corresponding budgeted amounts for the relevant financial year:

- (a) The actual revenue for the relevant period, and for the financial year up to the end of that period;
 - (b) the actual expenditure per vote (distinguishing between capital and current expenditure) for that period, and for the financial year up to the end of that period; and
 - (c) actual borrowings for that period, and for the financial year up to the end of that period.
- (4) The National Treasury may determine-
- (a) the format of the statement of revenue and expenditure; and
 - (b) any other detail the statement must contain.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 33. Withholding of appropriated funds.-The relevant treasury-

33. Withholding of appropriated funds.-The relevant treasury-

- (a) may withhold from a department any remaining funds appropriated for a specific function if that function is transferred to another department or any other institution; and
- (b) must allocate those remaining funds to that other department or institution.

[S. 33 amended by s. 15 of Act No. 29 of 1999.]

Wording of Sections

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 34. Unauthorised expenditure.-(1) Unauthorised expenditure does not become a charge against a Revenue Fund except when-

34. Unauthorised expenditure.-(1) Unauthorised expenditure does not become a charge against a Revenue Fund except when-

- (a) the expenditure is an overspending of a vote and Parliament or a provincial legislature, as may be appropriate, approves, as a direct charge against the relevant Revenue Fund, an additional amount for that vote which covers the overspending; or
- (b) the expenditure is unauthorised for another reason and Parliament or a provincial legislature, as may be appropriate, authorises the expenditure as a direct charge against the relevant Revenue Fund.

(2) If Parliament or a provincial legislature does not approve in terms of [subsection \(1\) \(a\)](#) an additional amount for the amount of any overspending, that amount becomes a charge against the funds allocated for the next or future financial years under the relevant vote.

[S. 34 substituted by s. 16 of Act No. 29 of 1999.]

Wording of Sections

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 35. Unfunded mandates.-Draft national legislation that assigns an additional function or power to, or imposes any other obligation on, a provincial government, must, in a memorandum that must be introduced in Parliament with that legislation, give a pro

35. Unfunded mandates.-Draft national legislation that assigns an additional function or power to, or imposes any other obligation on, a provincial government, must, in a memorandum that must be introduced in Parliament with that legislation, give a projection of the financial implications of that function, power or obligation to the province.

[S. 35 inserted by s. 17 of Act No. 29 of 1999.]

CHAPTER 5
DEPARTMENTS AND CONSTITUTIONAL INSTITUTIONS

Part 1: Appointment of Accounting Officers

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 36. Accounting officers.-(1) Every department and every constitutional institution must have an accounting officer.

36. Accounting officers.-(1) Every department and every constitutional institution must have an accounting officer.

(2) Subject to [subsection \(3\)](#)-

- (a) the head of a department must be the accounting officer for the department; and
- (b) the chief executive officer of a constitutional institution must be the accounting officer for that institution.

(3) The relevant treasury may, in exceptional circumstances, approve or instruct in writing that a person other than the person mentioned in [subsection \(2\)](#) be the accounting officer for-

- (a) a department or a constitutional institution; or
- (b) a trading entity within a department.

[Sub-s. (3) amended by s. 18 (a) of Act No. 29 of 1999.]

Wording of Sections

(4) The relevant treasury may at any time withdraw in writing an approval or instruction in terms of [subsection \(3\)](#).

[Sub-s. (4) substituted by [s. 18 \(b\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

(5) The employment contract of an accounting officer for a department, trading entity or constitutional institution must be in writing and, where possible, include performance standards. The provisions of [sections 38](#) to [42](#), as may be appropriate, are regarded as forming part of each such contract.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 37. Acting accounting officers.-When an accounting officer is absent or otherwise unable to perform the functions of accounting officer, or during a vacancy, the functions of accounting officer must be performed by the official acting in the place of th

37. Acting accounting officers.-When an accounting officer is absent or otherwise unable to perform the functions of accounting officer, or during a vacancy, the functions of accounting officer must be performed by the official acting in the place of that accounting officer.

Part 2: Responsibilities of Accounting Officers

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 38. General responsibilities of accounting officers.-(1) The accounting officer for a department, trading entity or constitutional institution-

38. General responsibilities of accounting officers.-(1) The accounting officer for a department, trading entity or constitutional institution-

- (a) must ensure that that department, trading entity or constitutional institution has and maintains-
 - (i) effective, efficient and transparent systems of financial and risk management and internal control;
 - (ii) a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of [sections 76](#) and [77](#);
 - (iii) an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective;
 - (iv) a system for properly evaluating all major capital projects prior to a final decision on the project;
- (b) is responsible for the effective, efficient, economical and transparent use of the resources of the department, trading entity or constitutional institution;
- (c) must take effective and appropriate steps to-
 - (i) collect all money due to the department, trading entity or constitutional institution;
 - (ii) prevent unauthorised, irregular and fruitless and wasteful expenditure and losses resulting from criminal conduct; and
 - (iii) manage available working capital efficiently and economically;
- (d) is responsible for the management, including the safe-guarding and the maintenance of the assets, and for the management of the liabilities, of the department, trading entity or constitutional institution;
- (e) must comply with any tax, levy, duty, pension and audit commitments as may be required by legislation;
- (f) must settle all contractual obligations and pay all money owing, including inter-governmental claims, within the prescribed or agreed period;
- (g) on discovery of any unauthorised, irregular or fruitless and wasteful expenditure, must immediately report, in writing, particulars of the expenditure to the relevant treasury and in the case of irregular expenditure involving the procurement of goods or services, also to the relevant tender board;

[Para. (g) substituted by [s. 19](#) of [Act No. 29 of 1999](#).]

Wording of Sections

- (h) must take effective and appropriate disciplinary steps against any official in the service of the department, trading entity or constitutional institution who-

- (i) contravenes or fails to comply with a provision of this Act;
- (ii) commits an act which undermines the financial management and internal control system of the department, trading entity or constitutional institution; or
- (iii) makes or permits an unauthorised expenditure, irregular expenditure or fruitless and wasteful expenditure;

- (i) when transferring funds in terms of the annual Division of Revenue Act, must ensure that the provisions of that Act are complied with;
- (j) before transferring any funds (other than grants in terms of the annual Division of Revenue Act or to a constitutional institution) to an entity within or outside government, must obtain a written assurance from the entity that that entity implements effective, efficient and transparent financial management and internal control systems, or, if such written assurance is not or cannot be given, render the transfer of the funds subject to conditions and remedial measures requiring the entity to establish and implement effective, efficient and transparent financial management and internal control systems;
- (k) must enforce compliance with any prescribed conditions if the department, trading entity or constitutional institution gives financial assistance to any entity or person;
- (l) must take into account all relevant financial considerations, including issues of propriety, regularity and value for money, when policy proposals affecting the accounting officer's responsibilities are considered, and when necessary, bring those considerations to the attention of the responsible executive authority;
- (m) must promptly consult and seek the prior written consent of the National Treasury on any new entity which the department or constitutional institution intends to establish or in the establishment of which it took the initiative; and
- (n) must comply, and ensure compliance by the department, trading entity or constitutional institution, with the provisions of this Act.

(2) An accounting officer may not commit a department, trading entity or constitutional institution to any liability for which money has not been appropriated.

(Date of commencement of [sub-s. \(2\)](#): 31 August, 2001.)

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 39. Accounting officers' responsibilities relating to budgetary control.-(1) The accounting officer for a department is responsible for ensuring that-

39. Accounting officers' responsibilities relating to budgetary control.-(1) The accounting officer for a department is responsible for ensuring that-

- (a) expenditure of that department is in accordance with the vote of the department and the main divisions within the vote; and
- (b) effective and appropriate steps are taken to prevent unauthorised expenditure.

(2) An accounting officer, for the purposes of [subsection \(1\)](#), must-

- (a) take effective and appropriate steps to prevent any overspending of the vote of the department or a main division within the vote;
- (b) report to the executive authority and the relevant treasury any impending-
 - (i) under collection of revenue due;
 - (ii) shortfalls in budgeted revenue; and
 - (iii) overspending of the department's vote or a main division within the vote; and

[[Para. \(b\)](#) amended by [s. 20 \(a\)](#) of [Act No. 29 of 1999](#).]

[Wording of Sections](#)

- (c) comply with any remedial measures imposed by the relevant treasury in terms of this Act to prevent overspending of the vote or a main division within the vote.

[[Para. \(c\)](#) substituted by [s. 20 \(b\)](#) of [Act No. 29 of 1999](#).]

[Wording of Sections](#)

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 40. Accounting officers' reporting responsibilities.-(1) The accounting officer for a department, trading entity or constitutional institution-

40. Accounting officers' reporting responsibilities.-(1) The accounting officer for a department, trading entity or constitutional institution-

- (a) must keep full and proper records of the financial affairs of the department, trading entity or constitutional institution in accordance with any prescribed norms and standards;
- (b) must prepare financial statements for each financial year in accordance with generally recognized accounting practice;
- (c) must submit those financial statements within two months after the end of the financial year to-
 - (i) the Auditor-General for auditing; and
 - (ii) the relevant treasury to enable that treasury to prepare consolidated financial statements in terms of [section 8](#) or [19](#);
[[Sub-para. \(ii\)](#) substituted by [s. 21 \(a\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

- (d) must submit within five months of the end of a financial year to the relevant treasury and, in the case of a department or trading entity, also to the executive authority responsible for that department or trading entity-
 - (i) an annual report on the activities of that department, trading entity or constitutional institution during that financial year;
 - (ii) the financial statements for that financial year after those statements have been audited; and
 - (iii) the Auditor-General's report on those statements;
[[Para. \(d\)](#) amended by [s. 21 \(b\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

- (e) must, in the case of a constitutional institution, submit to Parliament that institution's annual report and financial statements referred to in [paragraph \(d\)](#), and the Auditor-General's report on those statements, within one month after the accounting officer received the Auditor-General's audit report; and
- (f) is responsible for the submission by the department or constitutional institution of all reports, returns, notices and other information to Parliament, the relevant provincial legislature, an executive authority, the relevant treasury or the Auditor-General, as may be required by this Act.
[[Para. \(f\)](#) substituted by [s. 21 \(c\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

(2) The Auditor-General must audit the financial statements referred to in [subsection \(1\) \(b\)](#) and submit an audit report on those statements to the accounting officer within two months of receipt of the statements.

(3) The annual report and audited financial statements referred to in [subsection \(1\) \(d\)](#) must-

- (a) fairly present the state of affairs of the department, trading entity or constitutional institution, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned; and
- (b) include particulars of-
 - (i) any material losses through criminal conduct, and any unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, that occurred during the financial year;
 - (ii) any criminal or disciplinary steps taken as a result of such losses, unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure;
 - (iii) any material losses recovered or written off; and
 - (iv) any other matters that may be prescribed.

(4) The accounting officer of a department must-

- (a) each year before the beginning of a financial year provide the relevant treasury in the prescribed format with a breakdown per month of the anticipated revenue and expenditure of that department for that financial year;
[[Para. \(a\)](#) substituted by [s. 21 \(d\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

- (b) 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 \(a\)](#); and
- (c) within 15 days of the end of each month submit to the relevant treasury and the executive authority responsible for that department-
 - (i) the information for that month;

- (ii) a projection of expected expenditure and revenue collection for the remainder of the current financial year; and
- (iii) when necessary, an explanation of any material variances and a summary of the steps that are taken to ensure that the projected expenditure and revenue remain within budget.

[Para. (c) amended by [s. 21 \(e\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

(5) If an accounting officer is unable to comply with any of the responsibilities determined for accounting officers in this Part, the accounting officer must promptly report the inability, together with reasons, to the relevant executive authority and treasury.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 41. Information to be submitted by accounting officers.-An accounting officer for a department, trading entity or constitutional institution must submit to the relevant treasury or the Auditor-General, such information, returns, documents, explanations

41. Information to be submitted by accounting officers.-An accounting officer for a department, trading entity or constitutional institution must submit to the relevant treasury or the Auditor-General, such information, returns, documents, explanations and motivations as may be prescribed or as the relevant treasury or the Auditor-General may require.

[[S. 41](#) substituted by [s. 22](#) of [Act No. 29 of 1999](#).]

Wording of Sections

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 42. Accounting officers' responsibilities when assets and liabilities are transferred.-(1) When assets or liabilities of a department are transferred to another department or other institution in terms of legislation or following a reorganisation of fu

42. Accounting officers' responsibilities when assets and liabilities are transferred.-(1) When assets or liabilities of a department are transferred to another department or other institution in terms of legislation or following a reorganisation of functions, the accounting officer for the transferring department must-

- (a) draw up an inventory of such assets and liabilities; and
- (b) provide the accounting officer for the receiving department or other institution with substantiating records, including personnel records of staff to be transferred.

(2) Both the accounting officer for the transferring department and the accounting officer for the receiving department or other institution must sign the inventory when the transfer takes place.

(3) The accounting officer for the transferring department must file a copy of the signed inventory with the relevant treasury and the Auditor-General within 14 days of the transfer.

[[Sub-s. \(3\)](#) substituted by [s. 23](#) of [Act No. 29 of 1999](#).]

Wording of Sections

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 43. Virement between main divisions within votes.-(1) An accounting officer for a department may utilise a saving in the amount appropriated under a main division within a vote towards the defrayment of excess expenditure under another main division wi

43. Virement between main divisions within votes.-(1) An accounting officer for a department may utilise a saving in the amount appropriated under a main division within a vote towards the defrayment of excess expenditure under another main division within the same vote, unless the relevant treasury directs otherwise.

[[Sub-s. \(1\)](#) substituted by [s. 24 \(a\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

(2) The amount of a saving under a main division of a vote that may be utilised in terms of [subsection \(1\)](#), may not exceed eight per cent of the amount appropriated under that main division.

(3) An accounting officer must within seven days submit a report containing the prescribed particulars concerning the utilisation of a saving in terms of [subsection \(1\)](#), to the executive authority responsible for the department and to the relevant treasury.

[[Sub-s. \(3\)](#) substituted by [s. 24 \(b\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

(4) This section does not authorise the utilisation of a saving in-

- (a) an amount specifically and exclusively appropriated for a purpose mentioned under a main division within a vote;
- (b) an amount appropriated for transfer to another institution; and
- (c) an amount appropriated for capital expenditure in order to defray current expenditure.

(5) A utilisation of a saving in terms of [subsection \(1\)](#) is a direct charge against the relevant Revenue Fund provided that, in the case of a province, that province enacts such utilisation as a direct charge.

[[Sub-s. \(5\)](#) substituted by [s. 24 \(c\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

(6) The National Treasury may by regulation or instruction in terms of [section 76](#) regulate the application of this section.

Part 3: Other Officials of Departments and Constitutional Institutions

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 44. Assignment of powers and duties by accounting officers.-(1) The accounting officer for a department, trading entity or constitutional institution may-

44. Assignment of powers and duties by accounting officers.-(1) The accounting officer for a department, trading entity or constitutional institution may-

- (a) in writing delegate any of the powers entrusted or delegated to the accounting officer in terms of this Act, to an official in that department, trading entity or constitutional institution; or
- (b) instruct any official in that department, trading entity or constitutional institution to perform any of the duties assigned to the accounting officer in terms of this Act.

(2) A delegation or instruction to an official in terms of [subsection \(1\)](#)-

- (a) is subject to any limitations and conditions prescribed in terms of this Act or as the relevant treasury may impose;

[[Para. \(a\)](#) substituted by [s. 25](#) of [Act No. 29 of 1999](#).]

Wording of Sections

- (b) is subject to any limitations and conditions the accounting officer may impose;
- (c) may either be to a specific individual or to the holder of a specific post in the relevant department, trading entity or constitutional institution; and
- (d) does not divest the accounting officer of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty.

(3) The accounting officer may confirm, vary or revoke any decision taken by an official as a result of a delegation or instruction in terms of [subsection \(1\)](#), subject to any rights that may have become vested as a consequence of the decision.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 45. Responsibilities of other officials.-An official in a department, trading entity or constitutional institution-

45. Responsibilities of other officials.-An official in a department, trading entity or constitutional institution-

- (a) must ensure that the system of financial management and internal control established for that department, trading entity or constitutional institution is carried out within the area of responsibility of that official;
- (b) is responsible for the effective, efficient, economical and transparent use of financial and other resources within that official's area of responsibility;
- (c) must take effective and appropriate steps to prevent, within that official's area of responsibility, any unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure and any under collection of revenue due;
- (d) must comply with the provisions of this Act to the extent applicable to that official, including any delegations and instructions in terms of [section 44](#); and
- (e) is responsible for the management, including the safe-guarding, of the assets and the management of the liabilities within that official's area of responsibility.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 46. Application.-The provisions of this Chapter apply, to the extent indicated, to all public entities listed in Schedule 2 or 3.

46. Application.-The provisions of this Chapter apply, to the extent indicated, to all public entities listed in [Schedule 2](#) or [3](#).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 47. Unlisted public entities.-(1) The Minister, by notice in the national Government Gazette-

47. Unlisted public entities.-(1) The Minister, by notice in the national *Government Gazette*-

- (a) must amend [Schedule 3](#) to include in the list all public entities that are not listed; and
- (b) may make technical changes to the list.

[General Note: Amended list of public entities has been published under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003.]

(2) The accounting authority for a public entity that is not listed in either [Schedule 2](#) or [3](#) must, without delay, notify the National Treasury, in writing, that the public entity is not listed.

(3) [Subsection \(2\)](#) does not apply to an unlisted public entity that is a subsidiary of a public entity, whether the latter entity is listed or not.

(4) The Minister may not list the following institutions in [Schedule 3](#):

- (a) A constitutional institution, the South African Reserve Bank and the Auditor-General;
- (b) any public institution which functions outside the sphere of national or provincial government; and
[[Para. \(b\)](#) substituted by [s. 26](#) of [Act No. 29 of 1999](#).]

Wording of Sections

- (c) any institution of higher education.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 48. Classification of public entities.-(1) The Minister may by notice in the national Government Gazette classify public entities listed in Schedule 3 in accordance with the relevant definitions set out in section 1, as-

48. Classification of public entities.-(1) The Minister may by notice in the national *Government Gazette* classify public entities listed in [Schedule 3](#) in accordance with the relevant definitions set out in [section 1](#), as-

- (a) national government business enterprises;
- (b) provincial government business enterprises;
- (c) national public entities; and
- (d) provincial public entities.

[[Sub-s. \(1\)](#) substituted by [s. 27](#) of [Act No. 29 of 1999](#).]

Wording of Sections

(2) A public entity is for the purposes of this Act regarded as belonging to the class in which it is classified in terms of [subsection \(1\)](#).

[General Note: Re-classification of public entities has been published under General Notice No. 504 in *Government Gazette* 22337 of 8 June, 2001.]

Part 2: Accounting Authorities for Public Entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 49. Accounting authorities.-(1) Every public entity must have an authority which must be accountable

49. Accounting authorities.-(1) Every public entity must have an authority which must be accountable for the purposes of this Act.

(2) If the public entity-

- (a) has a board or other controlling body, that board or controlling body is the accounting authority for that entity; or
- (b) does not have a controlling body, the chief executive officer or the other person in charge of the public entity is the accounting authority for that public entity unless specific legislation applicable to that public entity designates another person as the accounting authority.

(3) The relevant treasury, in exceptional circumstances, may approve or instruct that another functionary of a public entity must be the accounting authority for that public entity.

[[Sub-s. \(3\)](#) substituted by [s. 28 \(a\)](#) of [Act No. 29 of 1999](#).]

[Wording of Sections](#)

(4) The relevant treasury may at any time withdraw an approval or instruction in terms of [subsection \(3\)](#).

[[Sub-s. \(4\)](#) substituted by [s. 28 \(b\)](#) of [Act No. 29 of 1999](#).]

[Wording of Sections](#)

(5) A public entity must inform the Auditor-General promptly and in writing of any approval or instruction in terms of [subsection \(3\)](#) and any withdrawal of an approval or instruction in terms of [subsection \(4\)](#).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 50. Fiduciary duties of accounting authorities.-(1) **The accounting authority for a public entity must-**

50. Fiduciary duties of accounting authorities.-(1) The accounting authority for a public entity must-

- (a) exercise the duty of utmost care to ensure reasonable protection of the assets and records of the public entity;
- (b) act with fidelity, honesty, integrity and in the best interests of the public entity in managing the financial affairs of the public entity;
- (c) on request, disclose to the executive authority responsible for that public entity or the legislature to which the public entity is accountable, all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the executive authority or that legislature; and
- (d) seek, within the sphere of influence of that accounting authority, to prevent any prejudice to the financial interests of the state.

(2) A member of an accounting authority or, if the accounting authority is not a board or other body, the individual who is the accounting authority, may not-

- (a) act in a way that is inconsistent with the responsibilities assigned to an accounting authority in terms of this Act; or
- (b) use the position or privileges of, or confidential information obtained as, accounting authority or a member of an accounting authority, for personal gain or to improperly benefit another person.

(3) A member of an accounting authority must-

- (a) disclose to the accounting authority any direct or indirect personal or private business interest that that member or any spouse, partner or close family member may have in any matter before the accounting authority; and
- (b) withdraw from the proceedings of the accounting authority when that matter is considered, unless the accounting authority decides that the member's direct or indirect interest in the matter is trivial or irrelevant.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 51. General responsibilities of accounting authorities.-(1) **An accounting authority for a public entity-**

51. General responsibilities of accounting authorities.-(1) An accounting authority for a public entity-

- (a) must ensure that that public entity has and maintains-
 - (i) effective, efficient and transparent systems of financial and risk management and internal control;
 - (ii) a system of internal audit under the control and direction of an audit committee complying with

and operating in accordance with regulations and instructions prescribed in terms of [sections 76](#) and [77](#); and

- (iii) an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective;
- (iv) a system for properly evaluating all major capital projects prior to a final decision on the project;
- (b) must take effective and appropriate steps to-
 - (i) collect all revenue due to the public entity concerned; and
 - (ii) prevent irregular expenditure, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying with the operational policies of the public entity; and
 - (iii) manage available working capital efficiently and economically;
- (c) is responsible for the management, including the safe-guarding, of the assets and for the management of the revenue, expenditure and liabilities of the public entity;
- (d) must comply with any tax, levy, duty, pension and audit commitments as required by legislation;
- (e) must take effective and appropriate disciplinary steps against any employee of the public entity who-
 - (i) contravenes or fails to comply with a provision of this Act;
 - (ii) commits an act which undermines the financial management and internal control system of the public entity; or
 - (iii) makes or permits an irregular expenditure or a fruitless and wasteful expenditure;
- (f) is responsible for the submission by the public entity of all reports, returns, notices and other information to Parliament or the relevant provincial legislature and to the relevant executive authority or treasury, as may be required by this Act;

[[Para. \(f\)](#) substituted by [s. 29](#) of [Act No. 29 of 1999](#).]

Wording of Sections

- (g) must promptly inform the National Treasury on any new entity which that public entity intends to establish or in the establishment of which it takes the initiative, and allow the National Treasury a reasonable time to submit its decision prior to formal establishment; and
- (h) must comply, and ensure compliance by the public entity, with the provisions of this Act and any other legislation applicable to the public entity.

(2) If an accounting authority is unable to comply with any of the responsibilities determined for an accounting authority in this Part, the accounting authority must promptly report the inability, together with reasons, to the relevant executive authority and treasury.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 52. Annual budget and corporate plan by [Schedule 2](#) public entities and government business enterprises.-The accounting authority for a public entity listed in [Schedule 2](#) or a government business enterprise listed in [Schedule 3](#) must submit to the account

52. Annual budget and corporate plan by [Schedule 2](#) public entities and government business enterprises.-The accounting authority for a public entity listed in [Schedule 2](#) or a government business enterprise listed in [Schedule 3](#) must submit to the accounting officer for 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 its financial year-

- (a) a projection of revenue, expenditure and borrowings for that financial year in the prescribed format; and
- (b) a corporate plan in the prescribed format covering the affairs of that public entity or business enterprise for the following three financial years, and, if it has subsidiaries, also the affairs of the subsidiaries.

[[S. 52](#) amended by [s. 30](#) of [Act No. 29 of 1999](#).]

Wording of Sections

(Date of commencement of [s. 52](#): 1 April, 2001.)

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 53. Annual budgets by non-business [Schedule 3](#) public entities.-(1) The accounting authority for a public entity listed in [Schedule 3](#) which is not a government business enterprise must submit to the executive authority responsible for that public entity

53. Annual budgets by non-business [Schedule 3](#) public entities.-(1) The accounting authority for a public entity listed in [Schedule 3](#) which is not a government business enterprise must submit to the executive authority responsible for that public entity, at least six months before the start of the financial year of the department designated in terms of [subsection \(2\)](#) or another period agreed to between the executive authority and the public entity, a budget of estimated revenue and expenditure for that financial year, for approval by the executive authority.

(2) The budget must be submitted to the executive authority through the accounting officer for a department designated by the executive authority, who may make recommendations to the executive authority with regard to the approval or amendment of the budget.

(3) A public entity which must submit a budget in terms of [subsection \(1\)](#), may not budget for a deficit and may not accumulate surpluses unless the prior written approval of the National Treasury has been obtained.

(4) The accounting authority for such a public entity is responsible for ensuring that expenditure of that public entity is in accordance with the approved budget.

(5) The National Treasury may regulate the application of this section by regulation or instruction in terms of [section 76](#).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 54. Information to be submitted by accounting authorities.-(1) The accounting authority for a public entity must submit to the relevant treasury or the Auditor-General such information, returns, documents, explanations and motivations as may be prescri

54. Information to be submitted by accounting authorities.-(1) The accounting authority for a public entity must submit to the relevant treasury or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as the relevant treasury or the Auditor-General may require.

[[Sub-s. \(1\)](#) substituted by [s. 31 \(a\)](#) of [Act No. 29 of 1999](#).]

[Wording of Sections](#)

(2) Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction:

- (a) establishment or participation in the establishment of a company;
- (b) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;
- (c) acquisition or disposal of a significant shareholding in a company;
- (d) acquisition or disposal of a significant asset;
- (e) commencement or cessation of a significant business activity; and
- (f) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.

[[Sub-s. \(2\)](#) amended by [s. 31 \(b\)](#) of [Act No. 29 of 1999](#).]

[Wording of Sections](#)

(3) A public entity may assume that approval has been given if it receives no response from the executive authority on a submission in terms of [subsection \(2\)](#) within 30 days or within a longer period as may be agreed to between itself and the executive authority.

(4) The executive authority may exempt a public entity listed in [Schedule 2](#) or [3](#) from [subsection \(2\)](#).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 55. Annual report and financial statements.-(1) The accounting authority for a public entity-

55. Annual report and financial statements.-(1) The accounting authority for a public entity-

- (a) must keep full and proper records of the financial affairs of the public entity;
- (b) prepare financial statements for each financial year in accordance with generally accepted accounting practice, unless the Accounting Standards Board approves the application of generally recognised accounting practice for that public entity;
- (c) must submit those financial statements within two months after the end of the financial year-
 - (i) to the auditors of the public entity for auditing; and
 - (ii) if it is a business enterprise or other public entity under the ownership control of the national or a provincial government, to the relevant treasury; and

[Sub-para. (ii) substituted by s. 32 (a) of Act No. 29 of 1999.]

Wording of Sections

- (d) must submit within five months of the end of a financial year to the relevant treasury, to the executive authority responsible for that public entity and, if the Auditor-General did not perform the audit of the financial statements, to the Auditor-General-
- (i) an annual report on the activities of that public entity during that financial year;
 - (ii) the financial statements for that financial year after the statements have been audited; and
 - (iii) the report of the auditors on those statements.

[Para. (d) amended by s. 32 (b) of Act No. 29 of 1999.]

Wording of Sections

(2) The annual report and financial statements referred to in [subsection \(1\) \(d\)](#) must-

- (a) fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned;
- (b) include particulars of-
 - (i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;
 - (ii) any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;
 - (iii) any losses recovered or written off;
 - (iv) any financial assistance received from the state and commitments made by the state on its behalf; and
 - (v) any other matters that may be prescribed; and
- (c) include the financial statements of any subsidiaries.

(3) An accounting authority must submit the report and statements referred to in [subsection \(1\) \(d\)](#), for tabling in Parliament or the provincial legislature, to the relevant executive authority through the accounting officer of a department designated by the executive authority.

[Sub-s. (3) substituted by s. 32 (c) of Act No. 29 of 1999.]

Wording of Sections

(4) The relevant treasury may direct that, instead of a separate report, the audited financial statements of a [Schedule 3](#) public entity which is not a government business enterprise must be incorporated in those of a department designated by that treasury.

[Sub-s. (4) substituted by s. 32 (d) of Act No. 29 of 1999.]

Wording of Sections

Part 3: Other Officials of Public Entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 56. Assignment of powers and duties by accounting authorities.-(1) The accounting authority for a public entity may-

56. Assignment of powers and duties by accounting authorities.-(1) The accounting authority for a public entity may-

- (a) in writing delegate any of the powers entrusted or delegated to the accounting authority in terms of this Act, to an official in that public entity; or
- (b) instruct an official in that public entity to perform any of the duties assigned to the accounting authority in terms of this Act.

(2) A delegation or instruction to an official in terms of [subsection \(1\)](#)-

- (a) is subject to any limitations and conditions the accounting authority may impose;
- (b) may either be to a specific individual or to the holder of a specific post in the relevant public entity; and
- (c) does not divest the accounting authority of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty.

(3) The accounting authority may confirm, vary or revoke any decision taken by an official as a result of a delegation or instruction in terms of [subsection \(1\)](#), subject to any rights that may have become vested as a

consequence of the decision.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 57. Responsibilities of other officials.-An official in a public entity-

57. Responsibilities of other officials.-An official in a public entity-

- (a) must ensure that the system of financial management and internal control established for that public entity is carried out within the area of responsibility of that official;
- (b) is responsible for the effective, efficient, economical and transparent use of financial and other resources within that official's area of responsibility;
- (c) must take effective and appropriate steps to prevent, within that official's area of responsibility, any irregular expenditure and fruitless and wasteful expenditure and any under collection of revenue due;
- (d) must comply with the provisions of this Act to the extent applicable to that official, including any delegations and instructions in terms of [section 56](#); and
- (e) is responsible for the management, including the safe-guarding, of the assets and the management of the liabilities within that official's area of responsibility.

Part 4: External Auditors

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 58.

58.

[[S. 58](#) repealed by [s. 53](#) of [Act No. 25 of 2004](#).]

[Wording of Sections](#)

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 59.

59.

[[S. 59](#) repealed by [s. 53](#) of [Act No. 25 of 2004](#).]

[Wording of Sections](#)

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 60.

60.

[[S. 60](#) repealed by [s. 53](#) of [Act No. 25 of 2004](#).]

[Wording of Sections](#)

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 61.

61.

[[S. 61](#) repealed by [s. 53](#) of [Act No. 25 of 2004](#).]

[Wording of Sections](#)

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 62.

62.

[[S. 62](#) amended by [s. 33](#) of [Act No. 29 of 1999](#) and repealed by [s. 53](#) of [Act No. 25 of 2004](#).]

CHAPTER 7
EXECUTIVE AUTHORITIES

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 63. Financial responsibilities of executive authorities.-(1) (a) Executive authorities of departments must perform their statutory functions within the limits of the funds authorised for the relevant vote.

63. Financial responsibilities of executive authorities.-(1) (a) Executive authorities of departments must perform their statutory functions within the limits of the funds authorised for the relevant vote.

(b) In performing their statutory functions executive authorities must consider the monthly reports submitted to them in terms of [section 39 \(2\) \(b\)](#) and [40 \(4\) \(c\)](#).

(2) The executive authority responsible for a public entity under the ownership control of the national or a provincial executive must exercise that executive's ownership control powers to ensure that that public entity complies with this Act and the financial policies of that executive.

[[Sub-s. \(2\)](#) substituted by [s. 34](#) of [Act No. 29 of 1999](#).]

Wording of Sections

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 64. Executive directives having financial implications.-(1) Any directive by an executive authority of a department to the accounting officer of the department having financial implications for the department must be in writing.

64. Executive directives having financial implications.-(1) Any directive by an executive authority of a department to the accounting officer of the department having financial implications for the department must be in writing.

(2) If implementation of the directive is likely to result in unauthorised expenditure, the accounting officer will be responsible for any resulting unauthorised expenditure unless the accounting officer has informed the executive authority in writing of the likelihood of that unauthorised expenditure.

(3) Any decision of the executive authority to proceed with the implementation of the directive, and the reasons for the decision, must be in writing, and the accounting officer must promptly file a copy of this document with the National Treasury and the Auditor-General, and if a provincial department is involved, also with the relevant provincial treasury.

[[Sub-s. \(3\)](#) substituted by [s. 35](#) of [Act No. 29 of 1999](#).]

Wording of Sections

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 65. Tabling in legislatures.-(1) The executive authority responsible for a department or public entity must table in the National Assembly or a provincial legislature, as may be appropriate-

65. Tabling in legislatures.-(1) The executive authority responsible for a department or public entity must table in the National Assembly or a provincial legislature, as may be appropriate-

- (a) the annual report and financial statements referred to in [section 40 \(1\) \(d\)](#) or [55 \(1\) \(d\)](#) and the audit report on those statements, within one month after the accounting officer for the department or the accounting authority for the public entity received the audit report; and
- (b) the findings of a disciplinary board, and any sanctions imposed by such a board, which heard a case of financial misconduct against an accounting officer or accounting authority in terms of [section 81](#) or [83](#).

[[Sub-s. \(1\)](#) amended by [s. 36](#) of [Act No. 29 of 1999](#).]

Wording of Sections

(2) If an executive authority fails to table, in accordance with [subsection \(1\) \(a\)](#), the annual report and financial statements of the department or the public entity, and the audit report on those statements, in the relevant legislature within six months after the end of the financial year to which those statements relate-

- (a) the executive authority must table a written explanation in the legislature setting out the reasons why they were not tabled; and
- (b) the Auditor-General may issue a special report on the delay.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 66. Restrictions on borrowing, guarantees and other commitments.-(1) An institution to which this Act applies may not borrow money or issue a guarantee, indemnity or security, or enter into any other transaction that binds or may bind that institution

66. Restrictions on borrowing, guarantees and other commitments.-(1) An institution to which this Act applies may not borrow money or issue a guarantee, indemnity or security, or enter into any other transaction that binds or may bind that institution or the Revenue Fund to any future financial commitment, unless such borrowing, guarantee, indemnity, security or other transaction-

- (a) is authorised by this Act; and
- (b) in the case of public entities, is also authorised by other legislation not in conflict with this Act; and
- (c) in the case of loans by a province or a provincial government business enterprise under the ownership control of a provincial executive, is within the limits as set in terms of the Borrowing Powers of Provincial Governments Act, 1996 ([Act No. 48 of 1996](#)).

[[Para. \(c\)](#) added by [s. 37 \(a\)](#) of [Act No. 29 of 1999](#).]

(2) A government may only through the following persons borrow money, or issue a guarantee, indemnity or security, or enter into any other transaction that binds or may bind a Revenue Fund to any future financial commitment:

- (a) The National Revenue Fund: The Minister or, in the case of the issue of a guarantee, indemnity or security, the responsible Cabinet member acting with the concurrence of the Minister in terms of [section 70](#).
- (b) A Provincial Revenue Fund: The MEC for finance in the province, acting in accordance with the Borrowing Powers of Provincial Governments Act, 1996.

[[Sub-s. \(2\)](#) substituted by [s. 37 \(b\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

(3) Public entities may only through the following persons borrow money, or issue a guarantee, indemnity or security, or enter into any other transaction that binds or may bind that public entity to any future financial commitment:

- (a) A public entity listed in [Schedule 2](#): The accounting authority for that [Schedule 2](#) public entity.
- (b) A national government business enterprise listed in [Schedule 3](#) and authorised by notice in the national *Government Gazette* by the Minister: The accounting authority for that government business enterprise, subject to any conditions the Minister may impose.

[General Note: Approval published under General Notice No. 972 in *Government Gazette* 29033 of 21 July, 2006 with effect from 21 July, 2006 and subject to Rand Water not exceeding their debt limit as provided in the *Government Gazette* Notice 23450 of 31 May, 2002.]

- (c) Any other national public entity: The Minister or, in the case of the issue of a guarantee, indemnity or security, the Cabinet member who is the executive authority responsible for that public entity, acting with the concurrence of the Minister in terms of [section 70](#).
- (d) A provincial government business enterprise listed in [Schedule 3](#) and authorised by notice in the national *Government Gazette* by the Minister: The MEC for finance in the province, acting with the concurrence of the Minister, subject to any conditions that the Minister may impose.

[[Para. \(d\)](#) added by [s. 37 \(c\)](#) of [Act No. 29 of 1999](#).]

(Date of commencement of [sub-s. \(3\)](#): 1 April, 2001.)

(4) Constitutional institutions and provincial public entities not mentioned in [subsection \(3\) \(d\)](#) may not borrow money, nor issue a guarantee, indemnity or security, nor enter into any other transaction that binds or may bind the institution or entity to any future financial commitment.

[[Sub-s. \(4\)](#) substituted by [s. 37 \(d\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

(5) Despite [subsection \(4\)](#), the Minister may in writing permit a public entity mentioned in [subsection \(3\) \(c\)](#) or [\(d\)](#) or a constitutional institution to borrow money for bridging purposes up to a prescribed limit, including a temporary bank overdraft, subject to such conditions as the Minister may impose.

[[Sub-s. \(5\)](#) substituted by [s. 37 \(e\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

(6) A person mentioned in [subsection \(2\)](#) or [\(3\)](#) may not delegate a power conferred in terms of that subsection, except with the prior written approval of the Minister.

(7) A public entity authorised to borrow money-

- (a) must annually submit to the Minister a borrowing Programme for the year; and
- (b) may not borrow money in a foreign currency above a prescribed limit, except when that public entity is a company in which the state is not the only shareholder.

(Date of commencement of [para. \(b\)](#): 1 April, 2001.)

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 67. No provincial foreign commitments.-A provincial government, including any provincial public entity, may not borrow money or issue a guarantee, indemnity or security or enter into any other transaction that binds itself to any future financial commit

67. No provincial foreign commitments.-A provincial government, including any provincial public entity, may not borrow money or issue a guarantee, indemnity or security or enter into any other transaction that binds itself to any future financial commitment, denominated in a foreign currency or concluded on a foreign financial market.

[[S. 67](#) inserted by [s. 38](#) of [Act No. 29 of 1999](#).]

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 68. Consequences of unauthorised transactions.-If a person, otherwise than in accordance with section 66, lends money to an institution to which this Act applies or purports to issue on behalf of such an institution a guarantee, indemnity or security, o

68. Consequences of unauthorised transactions.-If a person, otherwise than in accordance with [section 66](#), lends money to an institution to which this Act applies or purports to issue on behalf of such an institution a guarantee, indemnity or security, or enters into any other transaction which purports to bind such an institution to any future financial commitment, the state and that institution is not bound by the lending contract or the guarantee, indemnity, security or other transaction.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 69. Regulations on borrowing by public entities.-The Minister may regulate by regulation in terms of section 76 the borrowing of money by or for or on behalf of public entities referred to in section 66 (3) (b), (c) and (d).

69. Regulations on borrowing by public entities.-The Minister may regulate by regulation in terms of [section 76](#) the borrowing of money by or for or on behalf of public entities referred to in [section 66 \(3\) \(b\)](#), [\(c\)](#) and [\(d\)](#).

[[S. 69](#) substituted by [s. 39](#) of [Act No. 29 of 1999](#).]

Wording of Sections

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 70. Guarantees, indemnities and securities by Cabinet members.-(1) A Cabinet member, with the written concurrence of the Minister (given either specifically in each case or generally with regard to a category of cases and subject to any conditions appr

70. Guarantees, indemnities and securities by Cabinet members.-(1) A Cabinet member, with the written concurrence of the Minister (given either specifically in each case or generally with regard to a category of cases and subject to any conditions approved by the Minister), may issue a guarantee, indemnity or security which binds-

- (a) the National Revenue Fund in respect of a financial commitment incurred or to be incurred by the national executive; or
- (b) a national public entity referred to in [section 66 \(3\) \(c\)](#) in respect of a financial commitment incurred or to be incurred by that public entity.

(Date of commencement of [para. \(b\)](#): 1 April, 2001.)

(2) Any payment under a guarantee, indemnity or security issued in terms of-

- (a) [subsection \(1\) \(a\)](#), is a direct charge against the National Revenue Fund, and any such payment must in the first instance be defrayed from the funds budgeted for the department that is concerned with the issue of the guarantee, indemnity or security in question; and

(b) [subsection \(1\) \(b\)](#), is a charge against the national public entity concerned.

(3) A Cabinet member who seeks the Minister's concurrence for the issue of a guarantee, indemnity or security in terms of [subsection \(1\) \(a\)](#) or [\(b\)](#), must provide the Minister with all relevant information as the Minister may require regarding the issue of such guarantee, indemnity or security and the relevant financial commitment.

(4) The responsible Cabinet member must at least annually report the circumstances relating to any payments under a guarantee, indemnity or security issued in terms of [subsection \(1\) \(a\)](#) or [\(b\)](#), to the National Assembly for tabling in the National Assembly.

Part 2: Loans by National Government

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 71. Purposes for which Minister may borrow money.-The Minister may borrow money in terms of section 66 (2) (a) for the following purposes only:

71. Purposes for which Minister may borrow money.-The Minister may borrow money in terms of [section 66 \(2\) \(a\)](#) for the following purposes only:

- (a) To finance national budget deficits;
- (b) to refinance maturing debt or a loan paid before the redemption date;
- (c) to obtain foreign currency;
- (d) to maintain credit balances on a bank account of the National Revenue Fund;
- (e) to regulate internal monetary conditions should the necessity arise; or
- (f) any other purpose approved by the National Assembly by special resolution.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 72. Signing of loan agreements.-The Minister, on conditions determined by the Minister, may authorise another person to sign a loan agreement when the Minister borrows money in terms of section 66 (2) (a).

72. Signing of loan agreements.-The Minister, on conditions determined by the Minister, may authorise another person to sign a loan agreement when the Minister borrows money in terms of [section 66 \(2\) \(a\)](#).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 73. Interest and repayments of loans to be direct charges.-The following payments in connection with loans are direct charges against the National Revenue Fund:

73. Interest and repayments of loans to be direct charges.-The following payments in connection with loans are direct charges against the National Revenue Fund:

- (a) the repayment of money borrowed by the Minister in terms of [section 66 \(2\) \(a\)](#) or repaid in terms of [section 74](#);
- (b) the interest payable on money borrowed; and
- (c) any costs associated with such borrowing and approved by the National Treasury.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 74. Repayment, conversion and consolidation of loans.-The Minister may, on such terms and conditions as the Minister may determine, and, when necessary, with the concurrence of the lender-

74. Repayment, conversion and consolidation of loans.-The Minister may, on such terms and conditions as the Minister may determine, and, when necessary, with the concurrence of the lender-

- (a) repay any loan prior to the redemption date of that loan;
- (b) convert the loan into any other loan, or
- (c) consolidate two or more loans into an existing or new loan.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The

Act/ 75. Obligations from lien over securities.-Neither the Minister, nor the National Treasury is responsible for the fulfilment of any obligation resulting from any lien, whether expressed, implied or construed, held over any security issued in terms of th

75. Obligations from lien over securities.-Neither the Minister, nor the National Treasury is responsible for the fulfilment of any obligation resulting from any lien, whether expressed, implied or construed, held over any security issued in terms of this Act, despite the fact that the Minister or the National Treasury was notified of the lien.

CHAPTER 9
GENERAL TREASURY MATTERS

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 76. Treasury regulations and instructions.-(1) The National Treasury must make regulations or issue instructions applicable to departments, concerning-

76. Treasury regulations and instructions.-(1) The National Treasury must make regulations or issue instructions applicable to departments, concerning-

- (a) any matter that must be prescribed for departments in terms of this Act;
- (b) the recovery of losses and damages;
- (c) the handling of, and control over, trust money and property;
- (d) the rendering of free services;
- (e) the writing off of losses of state money or other state assets or amounts owed to the state;
- (f) liability for losses and damages and procedures for recovery;
- (g) the cancellation or variation of contracts to the detriment of the state;
- (h) the settlement of claims by or against the state;
- (i) the waiver of claims by the state;
- (j) the remission of money due to the Revenue Fund, refunds of revenue and payments from the Revenue Fund, as an act of grace;
- (k) the alienation, letting or other disposal of state assets; and
- (l) gifts or donations by or to the state.

(2) The National Treasury may make regulations or issue instructions applicable to departments, concerning-

- (a) any matter that may be prescribed for departments in terms of this Act;
- (b) the charging of expenditure against particular votes;
- (c) the establishment of and control over trading entities;
- (d) the improvement and maintenance of immovable state assets;
- (e) fruitless and wasteful, unauthorised and irregular expenditure;
- (f) the determination of any scales of fees, other charges or rates relating to revenue accruing to, or expenditure from, a Revenue Fund;
- (g) the treatment of any specific expenditure;
- (h) vouchers or other proofs of receipts or payments, which are defective or have been lost or damaged;
- (i) assets which accrue to the state by operation of any law; or
- (j) any other matter that may facilitate the application of this Act.

(3) Regulations in terms of [subsection \(1\)](#) or [\(2\)](#) may prescribe matters for which the prior approval of a treasury must be obtained.

(4) The National Treasury may make regulations or issue instructions applicable to all institutions to which this Act applies concerning-

- (a) any matter that may be prescribed for all institutions in terms of this Act;
- (b) financial management and internal control;
- (c) the determination of a framework for an appropriate procurement and provisioning system which is

- fair, equitable, transparent, competitive and cost-effective;
 - (d) audit committees, their appointment and their functioning;
 - (e) internal audit components and their functioning;
 - (f) the administration of this Act; and
 - (g) any other matter that may facilitate the application of this Act.
- (5) A treasury regulation or instruction in terms of this section may-
- (a) differentiate between different categories of-
 - (i) institutions to which this Act applies;
 - (ii) accounting officers; or
 - (iii) accounting authorities; or
 - (b) be limited in its application to a specific category of-
 - (i) institutions to which this Act applies;
 - (ii) accounting officers; or
 - (iii) accounting authorities.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 77. Audit committees.-An audit committee-

77. Audit committees.-An audit committee-

- (a) must consist of at least three persons of whom, in the case of a department-
 - (i) one must be from outside the public service;
 - (ii) the majority may not be persons in the employ of the department, except with the approval of the relevant treasury; and
 [Sub-para. (ii) substituted by [s. 40 \(a\)](#) of [Act No. 29 of 1999](#).]
Wording of Sections
 - (iii) the chairperson may not be in the employ of the department;
- (b) must meet at least twice a year; and
- (c) may be established for two or more departments or institutions if the relevant treasury considers it to be more economical.
 [Para. (c) substituted by [s. 40 \(b\)](#) of [Act No. 29 of 1999](#).]
Wording of Sections

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 78. Publishing of draft treasury regulations for public comment.-Draft regulations in terms of section 76 must be published for public comment in the national Government Gazette before their enactment.

78. Publishing of draft treasury regulations for public comment.-Draft regulations in terms of [section 76](#) must be published for public comment in the national *Government Gazette* before their enactment.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 79. Departures from treasury regulations, instructions or conditions.-The National Treasury may on good grounds approve a departure from a treasury regulation or instruction or any condition imposed in terms of this Act and must promptly inform the Audi

79. Departures from treasury regulations, instructions or conditions.-The National Treasury may on good grounds approve a departure from a treasury regulation or instruction or any condition imposed in terms of this Act and must promptly inform the Auditor-General in writing when it does so.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 80. Determination of interest rates for debt owing to state.-(1) The Minister, by notice in the national

80. Determination of interest rates for debt owing to state.-(1) The Minister, by notice in the national *Government Gazette*, must determine-

- (a) a uniform interest rate applicable to loans granted out of a Revenue Fund; and
- (b) a uniform interest rate applicable to all other debts which must be paid into a Revenue Fund.

[[Sub-s. \(1\)](#) substituted by [s. 41](#) of [Act No. 29 of 1999](#).]

Wording of Sections

(2) An interest rate determined in terms of [subsection \(1\) \(b\)](#) may differentiate between different categories of debt.

CHAPTER 10
FINANCIAL MISCONDUCT

Part 1: Disciplinary proceedings

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 81. Financial misconduct by officials in departments and constitutional institutions.-(1) An accounting officer for a department or a constitutional institution commits an act of financial misconduct if that accounting officer wilfully or negligently-

81. Financial misconduct by officials in departments and constitutional institutions.-(1) An accounting officer for a department or a constitutional institution commits an act of financial misconduct if that accounting officer wilfully or negligently-

- (a) fails to comply with a requirement of [section 38, 39, 40, 41](#) or [42](#); or
- (b) makes or permits an unauthorised expenditure, an irregular expenditure or a fruitless and wasteful expenditure.

(2) An official of a department, a trading entity or a constitutional institution to whom a power or duty is assigned in terms of [section 44](#) commits an act of financial misconduct if that official wilfully or negligently fails to exercise that power or perform that duty.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 82. Financial misconduct by treasury officials.-An official of a treasury to whom a power or duty is assigned in terms of [section 10](#) or [20](#) commits an act of financial misconduct if that official wilfully or negligently fails to exercise that power or pe

82. Financial misconduct by treasury officials.-An official of a treasury to whom a power or duty is assigned in terms of [section 10](#) or [20](#) commits an act of financial misconduct if that official wilfully or negligently fails to exercise that power or perform that duty.

[[S. 82](#) substituted by [s. 42](#) of [Act No. 29 of 1999](#).]

Wording of Sections

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 83. Financial misconduct by accounting authorities and officials of public entities.-(1) The accounting authority for a public entity commits an act of financial misconduct if that accounting authority wilfully or negligently-

83. Financial misconduct by accounting authorities and officials of public entities.-(1) The accounting authority for a public entity commits an act of financial misconduct if that accounting authority wilfully or negligently-

- (a) fails to comply with a requirement of [section 50, 51, 52, 53, 54](#) or [55](#); or
- (b) makes or permits an irregular expenditure or a fruitless and wasteful expenditure.

(2) If the accounting authority is a board or other body consisting of members, every member is individually and severally liable for any financial misconduct of the accounting authority.

(3) An official of a public entity to whom a power or duty is assigned in terms of [section 56](#) commits an act of financial misconduct if that official wilfully or negligently fails to exercise that power or perform that duty.

(4) Financial misconduct is a ground for dismissal or suspension of, or other sanction against, a member or person referred to in [subsection \(2\)](#) or [\(3\)](#) despite any other legislation.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 84. Applicable legal regime for disciplinary proceedings.-A charge of financial misconduct against an accounting officer or official referred to in section 81 or 83, or an accounting authority or a member of an accounting authority or an official referred

84. Applicable legal regime for disciplinary proceedings.-A charge of financial misconduct against an accounting officer or official referred to in [section 81](#) or [83](#), or an accounting authority or a member of an accounting authority or an official referred to in [section 82](#), must be investigated, heard and disposed of in terms of the statutory or other conditions of appointment or employment applicable to that accounting officer or authority, or member or official, and any regulations prescribed by the Minister in terms of [section 85](#).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 85. Regulations on financial misconduct procedures.-(1) The Minister must make regulations prescribing-

85. Regulations on financial misconduct procedures.-(1) The Minister must make regulations prescribing-

(a) the manner, form and circumstances in which allegations and disciplinary and criminal charges of financial misconduct must be reported to the National Treasury, the relevant provincial treasury and the Auditor-General, including-

- (i) particulars of the alleged financial misconduct; and
- (ii) the steps taken in connection with such financial misconduct;
[[Para. \(a\)](#) amended by [s. 43 \(a\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

(b) matters relating to the investigation of allegations of financial misconduct;

(c) the circumstances in which the National Treasury or a provincial treasury may direct that disciplinary steps be taken or criminal charges be laid against a person for financial misconduct;

[[Para. \(c\)](#) substituted by [s. 43 \(b\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

(d) the circumstances in which a disciplinary board which hears a charge of financial misconduct must include a person whose name appears on a list of persons with expertise in state finances or public accounting compiled by the National Treasury;

(e) the circumstances in which the findings of a disciplinary board and any sanctions imposed by the board must be reported to the National Treasury, the relevant provincial treasury and the Auditor-General; and

[[Para. \(e\)](#) substituted by [s. 43 \(c\)](#) of [Act No. 29 of 1999](#).]

Wording of Sections

(f) any other matters to the extent necessary to facilitate the object of this Chapter.

(2) A regulation in terms of [subsection \(1\)](#) may-

(a) differentiate between different categories of-

- (i) accounting officers;
- (ii) accounting authorities;
- (iii) officials; and
- (iv) institutions to which this Act applies; and

(b) be limited in its application to a particular category of accounting officers, accounting authorities, officials or institutions only.

Part 2: Criminal proceedings

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 86. Offences and penalties.-(1) An accounting officer is guilty of an offence and liable on conviction to a fine, or to imprisonment for a period not exceeding five years, if that accounting officer wilfully or in a grossly negligent way fails to compl

86. Offences and penalties.-(1) An accounting officer is guilty of an offence and liable on conviction to a fine, or to imprisonment for a period not exceeding five years, if that accounting officer wilfully or in a grossly negligent way fails to comply with a provision of [section 38, 39](#) or [40](#).

(2) An accounting authority is guilty of an offence and liable on conviction to a fine, or to imprisonment for a period not exceeding five years, if that accounting authority wilfully or in a grossly negligent way fails to comply with a provision of [section 50, 51](#) or [55](#).

(3) Any person, other than a person mentioned in [section 66 \(2\)](#) or [\(3\)](#), who purports to borrow money or to issue a guarantee, indemnity or security for or on behalf of a department, public entity or constitutional institution, or who enters into any other contract which purports to bind a department, public entity or constitutional institution to any future financial commitment, is guilty of an offence and liable on conviction to a fine or to imprisonment for a period not exceeding five years.

CHAPTER 11
ACCOUNTING STANDARDS BOARD

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 87. Establishment.-(1) The Minister by regulation in terms of [section 91](#) must establish a board to be known as the Accounting Standards Board.

87. Establishment.-(1) The Minister by regulation in terms of [section 91](#) must establish a board to be known as the Accounting Standards Board.

(2) The Accounting Standards Board is a juristic person.

(Date of commencement of [s. 87](#): 2 March, 1999.)

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 88. Composition.-(1) The Accounting Standards Board consists of no more than 10 members as the Minister may determine.

88. Composition.-(1) The Accounting Standards Board consists of no more than 10 members as the Minister may determine.

(2) The Minister, after consulting the Auditor-General, appoints the members of the Board.

(3) The Board may establish its own operating procedures.

(Date of commencement of [s. 88](#): 2 March, 1999.)

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 89. Functions of Board.-(1) The Accounting Standards Board must-

89. Functions of Board.-(1) The Accounting Standards Board must-

- (a) set standards of generally recognised accounting practice as required by [section 216 \(1\) \(a\)](#) of [the Constitution](#), for the annual financial statements of-
- (i) departments;
 - (ii) public entities;
 - (iii) constitutional institutions;
 - (iv) municipalities and boards, commissions, companies, corporations, funds or other entities under the ownership control of a municipality; and
 - (v) Parliament and the provincial legislatures;
- [Sub-para. (v) substituted by [s. 44](#) of [Act No. 29 of 1999](#).]

Wording of Sections

- (b) prepare and publish directives and guidelines concerning the standards set in terms of [paragraph \(a\)](#);
 - (c) recommend to the Minister effective dates of implementation of these standards for the different categories of institutions to which these standards apply; and
 - (d) perform any other function incidental to advancing financial reporting in the public sector.
- (2) In setting standards the Board must take into account all relevant factors, including-

- (a) best accounting practices, both locally and internationally; and
 - (b) the capacity of the relevant institutions to comply with the standards.
- (3) The Board may set different standards for different categories of institutions to which these standards apply.
- (4) The standards set by the Board must promote transparency in and effective management of revenue, expenditure, assets and liabilities of the institutions to which these standards apply.

(Date of commencement of [s. 89](#): 2 March, 1999.)

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 90. Powers of Board.-The Accounting Standards Board may do all that is necessary or expedient to perform its functions effectively, which includes the power to-

90. Powers of Board.-The Accounting Standards Board may do all that is necessary or expedient to perform its functions effectively, which includes the power to-

- (a) determine its own staff establishment and appoint employees to posts on its staff establishment;
- (b) obtain the services of any person or entity to perform any specific act or function;
- (c) confer with any person or entity;
- (d) acquire or dispose of any right in or to property, but ownership in immovable property may be acquired or disposed of only with the consent of the Minister;
- (e) insure itself against any loss, damage, risk or liability;
- (f) perform legal acts, or institute or defend any legal action in its own name;
- (g) do research and publish reports; and
- (h) do anything that is incidental to the exercise of any of its powers.

(Date of commencement of [s. 90](#): 2 March, 1999.)

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 91. Regulations on accounting standards of Board.-(1) The Minister, after consulting the Auditor-General, may make regulations-

91. Regulations on accounting standards of Board.-(1) The Minister, after consulting the Auditor-General, may make regulations-

- (a) concerning the qualifications, remuneration, term of office and removal of members of the Accounting Standards Board, the filling of vacancies, the chairperson of the Board, and the finances and administration of the Board;
- (b) prescribing the standards set by the Board in terms of [section 89](#); and
- (c) concerning any other matter that may facilitate the proper functioning of the Board or the implementation of those standards.

(2) The Minister must consult the Board on the implementation date of a regulation made in terms of [subsection \(1\) \(b\)](#).

(3) Different regulations may be made in terms of [subsection \(1\) \(b\)](#) for different categories of institutions to which the standards set in terms of [section 89](#) apply.

(4) Draft regulations prescribing standards in terms of [subsection \(1\) \(b\)](#) must be published for public comment in the national *Government Gazette* before their enactment.

(Date of commencement of [s. 91](#): 2 March, 1999.)

CHAPTER 12
MISCELLANEOUS

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 92. Exemptions.-The Minister, by notice in the national Government Gazette, may exempt any institution to which this Act applies, or any category of those institutions, from any specific provisions of this Act for a period determined in the notice.

92. Exemptions.-The Minister, by notice in the national *Government Gazette*, may exempt any institution to which this Act applies, or any category of those institutions, from any specific provisions of this Act for a period determined in the notice.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 93. Transitional provisions.-(1) Anything done in terms of a provision of the Exchequer Act, 1975 (Act No. 66 of 1975), which can be done in terms of a provision of this Act, must be regarded as having been done in terms of this Act.

93. Transitional provisions.-(1) Anything done in terms of a provision of the Exchequer Act, 1975 ([Act No. 66 of 1975](#)), which can be done in terms of a provision of this Act, must be regarded as having been done in terms of this Act.

(2) All treasury regulations and instructions made or issued in terms of the Exchequer Act, 1975, remain in force until repealed in terms of [section 76](#) of this Act.

(3) Until the Accounting Standards Board is established, the National Treasury may perform the functions of the Board.

(4) The provisions of the Revenue Funds Interim Arrangements Act, 1997 ([Act No. 95 of 1997](#)), despite the fact that they have lapsed, must be regarded as forming part of this Act until 1 April 2000.

(Date of commencement of [sub-s. \(4\)](#): 2 March, 1999.)

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 94. Repeal of legislation.-The legislation mentioned in [Schedule 6](#) is repealed to the extent specified in the third column.

94. Repeal of legislation.-The legislation mentioned in [Schedule 6](#) is repealed to the extent specified in the third column.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ 95. Short title and commencement.-This Act is called the Public Finance Management Act, 1999, and takes effect on 1 April 2000 except-

95. Short title and commencement.-This Act is called the Public Finance Management Act, 1999, and takes effect on 1 April 2000 except-

- (a) Chapter 11 and [section 93 \(4\)](#), which take effect on the date of publication of this Act; and
- (b) those provisions determined by the Minister by notice in the national *Government Gazette*, which will take effect on a date determined in the notice, but which may not be a date later than 1 April 2003.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ Schedule 1 CONSTITUTIONAL INSTITUTIONS

Schedule 1 CONSTITUTIONAL INSTITUTIONS

[General Note: Amended public entities have been published under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; and under Government Notice No. 1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002.]

The Commission for Gender Equality

The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities

.....

["The Commission on the Remuneration of Persons Holding Public Office" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

The Financial and Fiscal Commission

The Human Rights Commission

.....
["The Independent Broadcasting Authority" deleted by GN 2302 in GG 22860 of 30 November, 2001.]

Independent Communications Authority of South Africa

["Independent Communications Authority of South Africa" previously "Independent Communications Authority" amended by GN 1863 in GG 22577 of 24 August, 2001.]

The Independent Electoral Commission

The Municipal Demarcation Board

The Pan South African Language Board

The Public Protector

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ Schedule 2 MAJOR PUBLIC ENTITIES

Schedule 2 MAJOR PUBLIC ENTITIES

[General Note: Please note that the Preferential Procurement Policy Framework Act, [No. 5 of 2000](#) and its Regulations shall apply to all public entities listed in [Schedules 2](#) and [3](#) of this Act, under GNR.501 published in *Government Gazette* 34350 dated 8 June, 2011, with effect from 7 December, 2011. Amended public entities have been published under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002, with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003, under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005, under [Act No. 5 of 2007](#) with effect from the transfer date (the date on which the transfer of shares and claims is finalised under an agreement between Transnet and the State) and the conversion date, (the date on which the conversion of South African Airways (Pty.) Ltd. into a public company is registered in terms of section 4 (3), under [Act No. 33 of 2007](#) with effect from the transfer date, (the date on which the transfer of shares and claims is finalised under an agreement between Eskom and the State), and the conversion date (the date determined by the Minister in terms of [section 8 \(1\)](#)) and under [Act No. 34 of 2007](#) with effect from the transfer date, (the date on which the transfer of shares and claims is finalised under an agreement between Transnet and the State), and the conversion date (the date on which the conversion of South African Express (Propriety) Limited into a public company is registered in terms of [section 6 \(1\)](#).)]

Air Traffic and Navigation Services Company

Airports Company

Alexkor Limited

["Alexander Bay Development Corporation Limited" previously "Alexander Bay Development Corporation" amended by GN 683 in *Government Gazette* 23407 of 17 May, 2002.]

["Alexkor Limited" previously "Alexander Bay Development Corporation Limited" amended by GN 1283 in *Government Gazette* 23619 of 19 July, 2002.]

Armaments Corporation of South Africa

Broadband Infraco (Proprietary) Limited

["Broadband Infraco (Proprietary) Limited" inserted by [s. 11 \(a\)](#) of [Act No. 33 of 2007](#) with effect from the transfer date, (the date on which the transfer of shares and claims is finalised under an agreement between Eskom and the State).]

Broadband Infraco Limited

["Broadband Infraco Limited" previously "Broadband Infraco (Proprietary) Limited" substituted by [s. 11 \(b\)](#) of [Act No. 33 of 2007](#) with effect from the conversion date, (the date determined by the Minister in terms of [section 8 \(1\)](#).)]

CEF (Pty) Ltd

["Central Energy Fund (Pty) Ltd" previously "Central Energy Fund" amended by GN 1863 in GG 22577 of 24 August, 2001 and by GN 765 in *Government Gazette* 27599 of 27 May, 2005.]

DENEL

Development Bank of Southern Africa

ESKOM

Independent Development Trust

Industrial Development Corporation of South Africa Limited

Land and Agricultural Bank of South Africa

.....

["SA Abattoir Corporation" deleted by GN 1863 in *Government Gazette* 22577 of 24 August, 2001.]

SA Broadcasting Corporation Limited

["SA Broadcasting Corporation" previously "SA Broadcasting Commission" amended by GN 1863 in GG 22577 of 24 August, 2001.]

["SA Broadcasting Corporation Limited" previously "SA Broadcasting Corporation" amended by GN 2302 in GG 22860 of 30 November, 2001.]

South African Express (Proprietary) Limited

["South African Express (Proprietary) Limited" inserted by [s. 9 \(a\)](#) of [Act No. 34 of 2007](#) with effect from the transfer date, (the date on which the transfer of shares and claims is finalised under an agreement between Transnet and the State) and substituted by [s. 9 \(b\)](#) of [Act No. 34 of 2007](#) with effect from the conversion date, (the date on which the conversion of South African Express (Proprietary) Limited into a public company is registered in terms of [section 6 \(1\)](#).)]

SA Forestry Company Limited

SA Nuclear Energy Corporation

["SA Nuclear Energy Corporation" previously "Atomic Energy Corporation of South Africa Limited" amended by GN 1261 in GG 24731 of 17 April, 2003.]

SA Post Office Limited

South African Airways Limited

["South African Airways Limited" previously known as "South African Airways (Proprietary) Limited" inserted by [s. 9 \(a\)](#) of [Act No. 5 of 2007](#) with effect from the transfer date, (the date on which the transfer of shares and claims is finalised under an agreement between South African Airways (Proprietary) Limited and the State) and substituted by [s. 9 \(b\)](#) of [Act No. 5 of 2007](#) with effect from the conversion date, (the date on which the conversion of South African Airways (Proprietary) Limited into a public company is registered in terms of [section 6 \(1\)](#).)]

(Editorial Note: [S. 9](#) of [Act No. 5 of 2007](#) inserts number 16A for "South African Airways (Proprietary) Limited" and "South African Airways Limited". Since numbering has not been effected in a prior *Gazette*, we will abide by the original format with no numbering.)

Telkom SA Limited

Trans-Caledon Tunnel Authority

Transnet Limited

Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ Schedule 3 OTHER PUBLIC ENTITIES

Schedule 3 OTHER PUBLIC ENTITIES

[General Note: Please note that the Preferential Procurement Policy Framework Act, [No. 5 of 2000](#) and its Regulations shall apply to all public entities listed in [Schedules 2](#) and [3](#) of this Act, under GNR.501 published in *Government Gazette* 34350 dated 8 June, 2011, with effect from 7 December, 2011.]

Part A: National Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under Government Notice No. 504 in *Government Gazette* 22337 of 8 June, 2001 with effect from 8 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 24042 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No. 1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette*

26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005; under General Notice No. 1114 in *Government Gazette* 27773 of 15 July, 2005 with effect from 15 July, 2005; under General Notices Nos. 1263, 1264, 1265, 1268, 1269 and 1271 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notice No. 230 in *Government Gazette* 28519 of 24 February, 2006 with effect from 24 February, 2006, under General Notice No. 396 in *Government Gazette* No. 28605 of 17 March, 2006 with effect from 17 March, 2006, under General Notices Nos. 436 and 441 in *Government Gazette* 28651 of 31 March, 2006 with effect from 31 March, 2006, under General Notice No. 602 in *Government Gazette* 28798 of 12 May, 2006 with effect from 12 May, 2006, under General Notice No. 667 in *Government Gazette* 28847 of 26 May, 2006 with effect from 26 May, 2006, under General Notice No. 972 in *Government Gazette* 29033 of 21 July, 2006 with effect from 21 July, 2006 and subject to Rand Water not exceeding their debt limit, as provided in the *Government Gazette* Notice 23450 of 31 May, 2002, under General Notice Nos. 1010 and 1011 in *Government Gazette* 29050 of 28 July, 2006 with effect from 28 July, 2006, under General Notices Nos. 1476 and 1477 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006, under Government Notice No. 187 in *Government Gazette* 29669 of 9 March, 2007 with effect from 9 March, 2007, under Government Notice No. 1000 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice No. 1003 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008; under Government Notice No. 311 in *Government Gazette* 32013 of 20 March, 2009 with effect from 20 March, 2009, under Government Notice No. 240 in *Government Gazette* 33059 of 1 April, 2010 with effect retrospectively from 1 July, 2005, under Government Notices Nos. 241 and 242 in *Government Gazette* 33059 of 1 April, 2010 with effect from 1 April, 2010, under Government Notice No. 1250 in *Government Gazette* 33900 of 31 December, 2010, under Government Notices Nos. 1253 and 1254 in *Government Gazette* 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010, under Government Notice No. 363 in *Government Gazette* 34233 of 29 April, 2011, with effect retrospectively from 1 April, 2011, under Government Notice Nos. 796, 797 (with effect retrospectively from 1 April, 2011) and 800 in *Government Gazette* 34631 of 30 September, 2011, under Government Notice No. 821 in *Government Gazette* 35759 of 12 October, 2012, with effect from 1 April, 2012, under Government Notice No. 824 in *Government Gazette* 35759 of 12 October, 2012, with effect from 1 April, 2011, under Government Notice No. 187 in *Government Gazette* 36225 of 15 March, 2013, with effect retrospectively from 16 February, 2001, under Government Notice No. 190 in *Government Gazette* 36225 of 15 March, 2013 with effect from 15 March, 2013, under Government Notice No. 392 in *Government Gazette* 37653 of 23 May, 2014, under Government Notice No. 393 in *Government Gazette* 37653 of 23 May, 2014 and s. 8 of Act No. 12 of 2013 with effect from 1 April, 2014, under Government Notice No. 353 in *Government Gazette* 38735 of 30 April 2015 with effect from 30 April 2015, under Government Notice No. 354 in *Government Gazette* 38735 of 30 April, 2015 with effect from 1 April, 2015, under Government Notice No. 358 in *Government Gazette* 38735 of 30 April, 2015 w.e.f 31 March, 2015, under Government Notice Nos. 159 and 161 in *Government Gazette* 40637 of 24 February, 2017 w.e.f 24 February, 2017, under Government Notice No. 388 in *Government Gazette* 41534 of 29 March, 2018 w.e.f. 29 March, 2018 and under Government Notice No. 693 in *Government Gazette* 42474 of 24 May, 2019 w.e.f. 24 May, 2019.]

Accounting Standards Board

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["Africa Institute of South Africa, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 388 in GG 41534 of 29 March, 2018.]

African Renaissance and International Cooperation Fund

["African Renaissance and International Cooperation Fund" added by GN 1139 in GG 26477 of 25 June, 2004.]

Afrikaanse Taalmuseum, Paarl

["Afrikaanse Taalmuseum, Paarl" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Agricultural Credit Board" deleted by GN 1863 in GG 22577 of 24 August, 2001.]

Agrément South Africa

["Agrément South Africa" added and classified by GN 159 in GG 40637 of 24 February, 2017.]

Agricultural Research Council

AGRISETA

["AGRISETA" added by GN 1010 in GG 29050 of 28 July, 2006.]

.....

["Air Services Licensing Council" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

Artscape

["Cape Performing Arts Board (CAPAB), Cape Town" added by GN 402 in GG 22047 of 16 February, 2001.]

["Artscape" previously "Cape Performing Arts Board (CAPAB), Cape Town" amended by GN 1283 in GG 23619 of 19 July, 2002.]

Banking Sector Education and Training Authority

["Banking Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Board on Tariffs and Trade" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Boxing South Africa

["Boxing South Africa" added by GN 3366 in GG 25778 of 5 December, 2003.]

Brand SA

["South African International Marketing Council Trust/Brand South Africa" previously "International Marketing Council" added by GN 1476 in GG 29293 of 20 October, 2006 and amended by GN 800 in GG 34631 of 30 September, 2011.]

["Brand SA" previously "South African International Marketing Council Trust/Brand South Africa" amended by GN 190 in GG 36225 of 15 March, 2013 with effect from 15 March, 2013.]

Breede-Gouritz Catchment Management Agency

["Breede-Gouritz Catchment Management Agency", previously "Breede River Catchment Management Agency", added and classified by GN 1000 in GG 31417 of 19 September, 2008 and amended by GN 353 in GG 38735 of 30 April, 2015.]

.....

["Business and Arts South Africa (BASA)" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 441 in GG 28651 of 31 March, 2006.]

Castle Control Board

["Castle Control Board" previously "Castle Management Board" added by GN 1397 in GG 22321 of 1 June, 2001 and amended by GN 1863 in GG 22577 of 24 August, 2001 and by GN 2302 in GG 22860 of 30 November, 2001.]

.....

["Certification Council for Technikon Education" deleted by GN 683 in GG 23407 of 17 May, 2002.]

Chemical Industries Education and Training Authority

["Chemical Industries Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Clothing, Textiles, Footwear and Leather Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 797 in GG 34631 of 30 September, 2011.]

Commission for Conciliation, Mediation & Arbitration

Community Schemes Ombud Service

["Community Schemes Ombud Service" added by GN 821 in GG 35759 of 12 October, 2012 with effect from 1 April, 2012.]

Companies and Intellectual Property Commission

["Companies and Intellectual Property Commission" added by GN 1254 in GG 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010.]

Companies Tribunal

["Companies Tribunal" added by GN 363 in GG 34233 of 29 April, 2011 with effect retrospectively from 1 April, 2011.]

.....

["Compensation Board" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Compensation Fund, including Reserve Fund

["Compensation Fund, including Reserve Fund" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Competition Board" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Competition Commission

["Competition Commission" added by GN 402 in GG 22047 of 16 February, 2001.]

Competition Tribunal

["Competition Tribunal" added by GN 402 in GG 22047 of 16 February, 2001.]

Construction Education and Training Authority

["Construction Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Construction Industry Development Board

["Construction Industry Development Board" added by GN 2302 in GG 22860 of 30 November, 2001.]

Council for Built Environment (CBE)

["Council for Built Environment (CBE)" added by GN 765 in GG 27599 of 27 May, 2005.]

Council for Geoscience

Council for Medical Schemes

["Council for Medical Schemes" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Council for Mineral Technology (Mintek)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001.]

.....

["Council for Nuclear Safety" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["Council for Scientific and Industrial Research (CSIR)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001.]

Council on Higher Education

["Council on Higher Education" added by GN 402 in GG 22047 of 16 February, 2001.]

Cross-Border Road Transport Agency

["Cross-Border Road Transport Agency" added by GN 1397 in GG 22321 of 1 June, 2001.]

Culture, Arts, Tourism, Hospitality and Sports Education and Training Authority (CATHSSETA)

["Culture, Arts, Tourism, Hospitality and Sports Education and Training Authority (CATHSSETA)" added and classified by GN 796 in GG 34631 of 30 September, 2011.]

.....

["Diplomacy, Intelligence, Defence and Trade & Industry Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["Education and Labour Relations Council" added by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 358 in GG 38735 of 30 April, 2015 w.e.f 31 March, 2015 (Editorial Note: GN 358 in GG 38735 made reference to "Education Labour Relations Council (ELRC)". We suggest "Education and Labour Relations Council" was intended).]

Education, Training and Development Practices SETA (ETDP)

["Education, Training and Development Practices SETA (ETDP)" previously "Education, Training and Development Practices Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

Electricity Distribution Industry Holdings (Pty) Ltd

["Electricity Distribution Industry Holdings (Pty) Ltd" added by GN 3366 in GG 25778 of 5 December, 2003.]

Electronic Communications Security (Pty) Ltd

["Electronic Communications Security (Pty) Ltd" added and classified by GN 311 in GG 32013 of 20 March, 2009.]

.....

["Electronic Communications Security (Pty) Ltd" added and classified by GN 311 in GG 32013 of 20 March, 2009 deleted by GN 1253 in GG 33900 of 31 December, 2010.]

.....

["Employment's Condition Commission" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 765 in GG 27599 of 27 May, 2005.]

Energy and Water Sector Education and Training Authority (EWSETA)

["Energy and Water Sector Education and Training Authority (EWSETA)" previously "Energy Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

.....

["Engelenburg House Art Collection, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["English Dictionary Unit of South Africa, Grahamstown" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Estate Agency Affairs Board

["Estate Agency Affairs Board" added by GN 1397 in GG 22321 of 1 June, 2001.]

.....

["Export Credit Reinsurance Fund" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 683 in GG 23407 of 17 May, 2002.]

Fibre Processing Manufacturing Sector Education and Training Authority (FPMSETA)

["Fibre Processing Manufacturing Sector Education and Training Authority (FPMSETA)" added and classified by GN 796 in GG 34631 of 30 September, 2011.]

Film and Publication Board

["Film and Publication Board" added by GN 1397 in GG 22321 of 1 June, 2001.]

.....

["Film & Publications Review Board" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Financial and Accounting Services SETA (FASSET)

["Financial and Accounting Services SETA (FASSET)" previously "Financial and Accounting Services Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

Financial Intelligence Centre

["Financial Intelligence Centre" added by GN 3366 in GG 25778 of 5 December, 2003.]

Financial Services Board

Financial Sector Conduct Authority

["Financial Sector Conduct Authority" added by GN 693 in GG 42474 of 24 May, 2019.]

.....

["Financial Services Board" deleted by GN 693 in GG 42474 of 24 May, 2019.]

Food and Beverages Manufacturing Industry (FOODBEV)

["Food and Beverages Manufacturing Industry (FOODBEV)" previously "Food and Beverages Manufacturing Industry Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

.....

["Forest Industries Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 797 in GG 34631 of 30 September, 2011.]

.....

["Foundation for Education, Science and Technology, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1139 in GG 26477 of 25 June, 2004.]

.....

["Foundation for Research and Development" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Freedom Park Trust

["Freedom Park Trust" added by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Godisa Trust" added by GN 1139 in GG 26477 of 25 June, 2004 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

Health and Welfare Sector Education and Training Authority

["Health and Welfare Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Housing Development Agency

["Housing Development Agency" added and classified by GN 311 in GG 32013 of 20 March, 2009.]

Human Sciences Research Council

.....

["Immigrants Selection Board" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["Independent Communications Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1863 in GG 22577 of 24 August, 2001.]

Independent Regulatory Board for Auditors

["Independent Regulatory Board for Auditors" added by GN 1011 in GG 29050 of 28 July, 2006.]

Information Systems, Electronics and Telecommunications Technologies Training Authority

["Information Systems, Electronics and Telecommunications Technologies Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Ingonyama Trust Board

["Ingonyama Trust Board" added by GN 402 in GG 22047 of 16 February, 2001.]

Inkomati-Usuthu Catchment Management Agency

["Inkomati-Usuthu Catchment Management Agency", previously "Inkomati Catchment Management Agency", added by GN 396 in GG 28605 of 17 March, 2006 and amended by GN 353 in GG 38735 of 30 April, 2015.]

Insurance Sector Education and Training Authority

["Insurance Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

International Trade Administration Commission

["International Trade Administration" added by GN 1139 in GG 26477 of 25 June, 2004 and amended by GN 765 in GG 27599 of 27 May, 2005.]

.....

["Investment South Africa" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1863 in GG 22577 of 24 August, 2001.]

iSimangaliso Wetland Park

["iSimangaliso Wetland Park" previously "Greater St. Lucia Wetland Park Authority" added by GN 1283 in GG 23619 of 19 July, 2002 and amended by GN 1003 in GG 31417 of 19 September, 2008.]

Iziko Museums of South Africa

["Iziko Museums of South Africa" previously "Iziko Museums of Cape Town" previously "Southern Flagship Institution, Cape Town" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1283 in GG 23619 of 19 July, 2002 and by GN 392 of GG 37653 of 23 May, 2014.]

.....

["JLB Institute of Itchyology" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

(Editorial Note: Wording as per original *Government Gazette*. It is suggested that the word "Itchyology" is intended to be "Ichthyology".)

.....

["Johannesburg World Summit" previously "Johannesburg Earth Summit" added by GN 1397 in GG 22321 of 1 June, 2001 and amended by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1139 in GG 26477 of 25 June, 2004.]

.....

["Judicial Services Commission" deleted by GN 683 in GG 23407 of 17 May, 2002.]

KwaZulu-Natal Museum

["KwaZulu-Natal Museum" previously "Natal Museum, Pietermaritzburg" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

.....

["KwaZulu Ingonyama Trust" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Legal Aid South Africa

["Legal Aid South Africa" previously "Legal Aid Board" amended by GN 1250 in GG 33900 of 31 December, 2010.]

Local Government Education and Training Authority (LGSETA)

["Local Government Education and Training Authority (LGSETA)" previously "Local Government, Water and Related Services Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

Luthuli Museum

["Luthuli Museum" added by GN 1269 in GG 28237 of 25 November, 2005.]

.....

["Manufacturing Advisory Council" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["Manufacturing Development Board" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Manufacturing, Engineering and Related Services Education and Training Authority

["Manufacturing, Engineering and Related Services Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Marine Living Resources Fund

["Marine Living Resources Fund" added by GN 402 in GG 22047 of 16 February, 2001.]

Market Theatre Foundation

["Market Theatre Foundation" added by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Market Theatre, Johannesburg" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["Media, Advertising, Publishing, Printing and Packaging Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 797 in GG 34631 of 30 September, 2011.]

Media Development and Diversity Agency

["Media Development and Diversity Agency" added by GN 1261 in GG 24731 of 17 April, 2003.]

Media, Information and Communication Technologies Sector Education and Training Authority (MICTS)

["Media, Information and Communication Technologies Sector Education and Training Authority (MICTS)" added and classified by GN 796 in GG 34631 of 30 September, 2011.]

Mine Health & Safety Council

["Mine Health & Safety Council" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Mines and Works Compensation Fund" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Mining Qualifications Authority

["Mining Qualifications Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Municipal Infrastructure Investment Unit" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 388 in GG 41534 of 29 March, 2018.]

National Agricultural Marketing Council

["National Agricultural Marketing Council" previously "National Agriculture Marketing Council" amended by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["National Archives Commission" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

National Arts Council

["National Arts Council" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["National Botanical Institute" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 765 in GG 27599 of 27 May, 2005.]

National Consumer Commission

["National Consumer Commission" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

National Consumer Tribunal

["National Consumer Tribunal" added by GN 602 in GG 28798 of 12 May, 2006.]

.....

["National Coordination Office of the Manufacturing Advisory Centre Programme-NAMAC" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GNs 1263, 1264 and 1265 in GG 28237 of 25 November, 2005.]

National Credit Regulator

["National Credit Regulator" added by GN 602 in GG 28798 of 12 May, 2006.]

National Development Agency

["National Development Agency" added by GN 402 in GG 22047 of 16 February, 2001.]

National Economic, Development and Labour Council

.....

["National Electricity Regulator" deleted by GN 1271 in GG 28237 of 25 November, 2005.]

National Electronic Media Institute of SA

["National Electronic Media Institute of SA" added by GN 1397 in GG 22321 of 1 June, 2001.]

National Empowerment Fund

["National Empowerment Fund" added by GN 402 in GG 22047 of 16 February, 2001.]

National Energy Regulator of South Africa

["National Energy Regulator of South Africa" added by GN 1271 in GG 28237 of 25 November, 2005.]

National Film and Video Foundation

["National Film and Video Foundation" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["National Film Board" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

National Gambling Board of SA

["National Gambling Board of SA" added by GN 402 in GG 22047 of 16 February, 2001.]

National Health Laboratory Service

["National Health Laboratory Service" added by GN 683 in GG 23407 of 17 May, 2002.]

National Heritage Council (NHC)

["National Heritage Council (NHC)" added by GN 765 in GG 27599 of 27 May, 2005.]

National Home Builders Registration Council-NHBRC

["National Home Builders Registration Council-NHBRC" added by GN 402 in GG 22047 of 16 February, 2001.]

National Housing Finance Corporation

National Library, Pretoria/Cape Town

["National Library, Pretoria/Cape Town" added by GN 402 in GG 22047 of 16 February, 2001.]

National Lotteries Commission

["National Lotteries Commission", previously "National Lotteries Board", added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 353 in GG 38735 of 30 April, 2015.]

National Metrology Institute of South Africa

["National Metrology Institute of South Africa" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["National Monuments Council" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

National Museum, Bloemfontein

["National Museum, Bloemfontein" added by GN 402 in GG 22047 of 16 February, 2001.]

National Nuclear Regulator

["National Nuclear Regulator" added by GN 402 in GG 22047 of 16 February, 2001.]

National Regulator for Compulsory Specifications

["National Regulator for Compulsory Specifications" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

National Research Foundation

["National Research Foundation" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["National Small Business Council" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

National Student Financial Aid Scheme

["National Student Financial Aid Scheme" added by GN 402 in GG 22047 of 16 February, 2001.]

National Urban Reconstruction and Housing Agency-NURCHA

["National Urban Reconstruction and Housing Agency-NURCHA" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["National Year 2000 Decision Support Centre" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["National Youth Commission" deleted by GN 1253 in GG 33900 of 31 December, 2010 with effect from 1 April, 2010.]

National Youth Development Agency

["National Youth Development Agency" added and classified by GN 311 in GG 32013 of 20 March, 2009.]

.....

["National Zoological Gardens of SA" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1477 in GG 29293 of 20 October, 2006 (Editorial Note: GN 1477 in GG 29293 made reference to "National Zoological Gardens". We suggest "National Zoological Gardens of SA" was intended).]

Nelson Mandela Museum, Umtata

["Nelson Mandela Museum, Umtata" added by GN 402 in GG 22047 of 16 February, 2001.]

Ditsong: Museums of South Africa

["Ditsong: Museums of South Africa" previously "Northern Flagship Institution, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1250 in GG 33900 of 31 December, 2010.]

Office of Health Standards Compliance

["Office of Health Standards Compliance" added and classified by GN 393 in GG 37653 of 23 May, 2014 w.e.f 1 April, 2014 and by [s. 8](#) of [Act No. 12 of 2013](#).]

(Editorial Note: Please note that both GN 393 in GG 37653 of 23 May, 2014 and [section 8](#) of the National Health Amendment Act, [No. 12 of 2013](#) add/insert the expression "Office of Health Standards Compliance" in [Schedule 3](#), Part A with effect from 1 April, 2014.)

Office of the Ombudsman for Financial Services Providers

["Office of the Ombudsman for Financial Services Providers" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

Office of the Pension Funds Adjudicator

["Office of the Pension Funds Adjudicator" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

Performing Arts Council of the Free State

["Performing Arts Council Orange Free State (PACOFs), Bloemfontein" added by GN 402 in GG 22047 of 16 February, 2001.]

["Performing Arts Council of the Free State" previously "Performing Arts Council Orange Free State (PACOFs), Bloemfontein" amended by GN 1283 in GG 23619 of 19 July, 2002.]

Perishable Products Export Control Board

["Perishable Products Export Control Board" added by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Police, Private Security, Legal and Correctional Services" added by GN 402 in GG 22047 of 16 February, 2001.]

["Police, Private Security, Legal and Correctional Services Training Authority" previously "Police, Private Security, Legal and Correctional Services" amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

Ports Regulator of South Africa

["Ports Regulator of South Africa" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["Primary Agricultural Education and Training Authority (PAETA)" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1010 in GG 29050 of 28 July, 2006.]

Private Security Industry Regulatory Authority

["Private Security Industry Regulatory Authority" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

Productivity SA

["Productivity SA" previously "National Productivity Institute" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1003 in GG 31417 of 19 September, 2008.]

.....

["Public Investment Commissioners" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 1114 in GG 27773 of 15 July, 2005.]

.....

["Public Protector" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1863 in GG 22577 of 24 August, 2001.]

Public Service Sector Education and Training Authority (PSETA)

["Public Service Sector Education and Training Authority (PSETA)" previously "Public Sector Education and Training Authority" added by GN 667 in GG 28847 of 26 May, 2006 and amended by GN 800 in GG 34631 of 30 September, 2011.]

.....

["Public Services Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 2302 in GG 22860 of 30 November, 2001.]

Quality Council for Trades and Occupations (QCTO)

["Quality Council for Trades and Occupations (QCTO)" added by GN 1254 in GG 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010.]

Railway Safety Regulator

["Railway Safety Regulator" added by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["Rent Control Board" added by GN 1283 in GG 23619 of 19 July, 2002 and deleted by GN 765 in GG 27599 of 27 May, 2005.]

Road Accident Fund

Road Traffic Infringement Agency (RTIA)

["Road Traffic Infringement Agency (RTIA)" added by GN 1254 in GG 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010.]

Road Traffic Management Corporation

["Road Traffic Management Corporation" added by GN 1396 in GG 24042 of 15 November, 2002.]

Robben Island Museum, Cape Town

["Robben Island Museum, Cape Town" added by GN 402 in GG 22047 of 16 February, 2001.]

Rural Housing Loan Fund

["Rural Housing Loan Fund" added by GN 3366 in GG 25778 of 5 December, 2003.]

Safety and Security Sector Education and Training Authority (SASSETA)

["Safety and Security Sector Education and Training Authority (SASSETA)" previously "Safety and Security Sector

Education and Training" added by GN 240 in GG 33059 of 1 April, 2010 with effect retrospectively from 1 July, 2005 and amended by GN 800 in GG 34631 of 30 September, 2011.]

.....

["South African Blind Workers Organization (SABWO)" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 441 in GG 28651 of 31 March, 2006 (Editorial Note: GN 441 in GG 28651 made reference to "South African Blind Workers Association (SABWO)". We suggest "South African Blind Workers Organization (SABWO)" was intended).]

.....

["SA Bureau of Standards (SABS)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001.]

SA Civil Aviation Authority

.....

["SA Communications Regulatory Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1863 in GG 22577 of 24 August, 2001.]

.....

["SA Council for Architects" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 1139 in GG 26477 of 25 June, 2004.]

SA Council for Educators

["SA Council for Educators" added by GN 402 in GG 22047 of 16 February, 2001.]

South African Diamond and Precious Metals Regulator

["SA Diamond and Precious Metals Regulator" added by GN 187 in GG 29669 of 9 March, 2007.]

.....

["SA Diamond Board" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 187 in GG 29669 of 9 March, 2007.]

.....

["SA Excellence Foundation" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1268 in GG 28237 of 25 November, 2005.]

.....

["SA Geographical Names Commission" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

SA Heritage Resources Agency

["SA Heritage Resources Agency" previously "National Heritage Council" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 683 in GG 23407 of 17 May, 2002.]

.....

["SA Housing Development Board" previously "National Housing Board" amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["SA Housing Fund" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["SA Housing Trust Limited" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

SA Institute for Drug-free Sport

["SA Institute for Drug-free Sport" added by GN 402 in GG 22047 of 16 February, 2001.]

SA Library for the Blind, Grahamstown

["SA Library for the Blind, Grahamstown" added by GN 402 in GG 22047 of 16 February, 2001.]

SA Local Government Association

["SA Local Government Association" added by GN 1283 in GG 23619 of 19 July, 2002.]

SA Maritime Safety Authority

["SA Maritime Safety Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

SA Medical Research Council

SA National Accreditation System

["SA National Accreditation System" added by GN 402 in GG 22047 of 16 February, 2001.]

South African Health Products Regulatory Authority (SAHPRA)

["South African Health Products Regulatory Authority (SAHPRA)" added and classified by GN 159 in GG 40637 of 24 February, 2017.]

South African National Biodiversity Institute (SANBI)

["South African National Biodiversity Institute (SANBI)" added by GN 765 in GG 27599 of 27 May, 2005.]

South African National Energy Development Institute (SANEDI)

["South African National Energy Development Institute (SANEDI)" added by GN 1254 in GG 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010.]

South African National Parks

["South African National Parks" previously "National Parks Board" amended by GN 683 in GG 23407 of 17 May, 2002.]

SA National Roads Agency

["SA National Roads Agency" previously "National Road Fund" amended by GN 1863 in GG 22577 of 24 August, 2001.]

South African National Space Agency

["South African National Space Agency" added and classified by GN 311 in GG 32013 of 20 March, 2009.]

.....

["SA Nuclear Energy Corporation" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 187 in GG36225 of 15 March, 2013 with effect retrospectively from 16 February, 2001.]

SA Qualifications Authority

.....

["SA Quality Institute" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

SA Revenue Service

.....

["SA Road Board" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["SA Road Safety Council" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

South African Social Security Agency

["South African Social Assistance Agency" inserted by GN 230 in GG 28519 of 24 February, 2006 and corrected to read "South African Social Security Agency" by GN 436 in GG 28651 of 31 March, 2006.]

.....

["SA Sport Commission" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["SA Telecommunications Regulatory Authority" deleted by GN 1863 in GG 22577 of 24 August, 2001.]

SA Tourism Board

South African Weather Service

["South African Weather Service" added by GN 2302 in GG 22860 of 30 November, 2001.]

.....

["Secondary Agricultural Sector Education and Training Authority (SETSA)" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1010 in GG 29050 of 28 July, 2006.]

Servcon

["Servcon" added by GN 402 in GG 22047 of 16 February, 2001.]

Services Sector Education and Training Authority

["Services Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Small Enterprise Development Agency (SEDA)

["Small Enterprise Development Agency (SEDA)" added by GNs 1263, 1264 and 1265 in GG 28237 of 25 November, 2005.]

.....

["Social Housing Foundation" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 161 in GG 40637 of 24 February, 2017.]

Special Investigation Unit

["Special Investigation Unit" added by GN 402 in GG 22047 of 16 February, 2001.]

State Information Technology Agency

State Theatre, Pretoria

["State Theatre, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001.]

Technology Innovation Agency

["Technology Innovation Agency" added and classified by GN 311 in GG 32013 of 20 March, 2009.]

The Co-Operative Banks Development Agency

["The Co-Operative Banks Development Agency" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

The National English Literary Museum, Grahamstown

["The National English Literary Museum, Grahamstown" added by GN 402 in GG 22047 of 16 February, 2001.]

The National Radioactive Waste Disposal Institute (NRWDI)

["The National Radioactive Waste Disposal Institute (NRWDI)" added and classified by GN 796 in GG 34631 of 30 September, 2011.]

The National Skills Fund (NSF)

["The National Skills Fund (NSF)" added by GN 821 in GG 35759 of 12 October, 2012 with effect from 1 April, 2012.]

The Playhouse Company, Durban

["The Playhouse Company, Durban" added by GN 402 in GG 22047 of 16 February, 2001.]

The Social Housing Regulatory Authority (SHRA)

["The Social Housing Regulatory Authority (SHRA)" added by GN 1254 in GG 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010.]

Thubelisha Homes

["Thubelisha Homes" added by GN 402 in GG 22047 of 16 February, 2001.]

Tourism and Hospitality Education and Training Authority

["Tourism and Hospitality Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Tourism, Hospitality & Sport Education and Training Authority" deleted by GN 824 in GG 35759 of 12 October, 2012 with effect retrospectively from 1 April, 2011.]

.....

["Investment South Africa" added by GN 402 in GG 22047 of 16 February, 2001.]

["Trade and Investment South Africa" previously "Investment South Africa" amended by GN 1863 in GG 22577 of 24 August, 2001.]

["Trade and Investment South Africa" moved from Schedule 3B to Schedule 3A by GN 2302 in GG 22860 of 30 November, 2001.]

["Trade and Investment South Africa" deleted by GN 1000 in GG 31417 of 19 September, 2008.]

Transport Education and Training Authority

["Transport Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

uMalusi Council for Quality Assurance in General and Further Education and Training

["Umalusi Council for Quality Assurance in General and Further Education and Training" previously "SA Certification Council" amended by GN 1396 in GG 24042 of 15 November, 2002.]

uMsunduzi Museum

["Voortrekker Museum, Pietermaritzburg" added by GN 402 in GG 22047 of 16 February, 2001.]

["uMsunduzi Museum" previously "Voortrekker Museum, Pietermaritzburg" amended by GN 190 in GG 36225 of 15 March, 2013 with effect from 15 March, 2013.]

Unemployment Insurance Fund

Universal Service and Access Agency of South Africa

["Universal Services Agency" added by GN 402 in GG 22047 of 16 February, 2001.]

["Universal Service Agency" previously "Universal Services Agency" amended by GN 1863 in GG 22577 of 24 August, 2001.]

["Universal Service and Access Agency of South Africa" previously "Universal Service Agency" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Universal Service and Access Fund

["Universal Services Fund" added by GN 402 in GG 22047 of 16 February, 2001.]

["Universal Service Fund" previously "Universal Services Fund" amended by GN 2302 in GG 22860 of 30 November, 2001.]

["Universal Service and Access Fund" previously "Universal Service Fund" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Urban Transport Fund

["Urban Transport Fund" added by GN 1397 in GG 22321 of 1 June, 2001.]

Valuer-General, Office of the

["Valuer-General, Office of the" added by GN 388 in GG 41534 of 29 March, 2018.]

Vredefort Dome World Heritage Site

["Vredefort Dome World Heritage Site" added and classified by GN 354 in GG 38735 of 30 April, 2015 w.e.f 1 April, 2015.]

.....

["Wage Board" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

War Museum of the Boer Republics, Bloemfontein

["War Museum of the Boer Republics, Bloemfontein" added by GN 402 in GG 22047 of 16 February, 2001.]

Water Research Commission

Wholesale and Retail Sector Education and Training Authority

["Wholesale and Retail Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

William Humphreys Art Gallery

["William Humphreys Art Gallery" added by GN 402 in GG 22047 of 16 February, 2001 and by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Windybrow Centre" added by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 161 in GG 40637 of 24 February, 2017.]

.....

["Woordeboek van die Afrikaanse Taal (WAT), Paarl" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Any subsidiary or entity under the ownership control of the above public entities

Part B: National Government Business Enterprises

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under Government Notice No. 504 in *Government Gazette* 22337 of 8 June, 2001 with effect from 8 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1114 in *Government Gazette* 27773 of 15 July, 2005 with effect from 15 July, 2005 and under General Notices Nos. 1263, 1264 and 1265 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notice No. 431 in

Government Gazette 28630 of 24 March, 2006, under Government Notice No. 647 in *Government Gazette* 30074 of 20 July, 2007 with effect from 20 July, 2007, under Government Notice No. 242 in *Government Gazette* 33059 of 1 April, 2010 with effect from 1 April, 2010, under Government Notice No. 1251 in *Government Gazette* 33900 of 31 December, 2010, under Government Notice No. 1252 in *Government Gazette* 33900 of 31 December, 2010 with effect from 1 April, 2010, under Government Notice No. 352 in *Government Gazette* 38735 of 30 April, 2015 with effect from 30 April, 2015, under Government Notice No. 357 in *Government Gazette* 38735 of 30 April, 2015 with effect from 31 March, 2015, under Government Notice No. 164 in *Government Gazette* 40637 of 24 February, 2017 with effect from 24 February, 2017 and under Government Notice No. 693 in *Government Gazette* 42474 of 24 May, 2019 with effect from 24 May, 2019.]

.....

["Albany Coast Water Board" previously "Albaniekus Waterraad" amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 1252 in GG 33900 of 31 December, 2010 with effect from 1 April, 2010.]

Amatola Water Board

["Amatola Water Board" previously "Amatola Water" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1863 in GG 22577 of 24 August, 2001.]

Aventura

["Aventura" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Bala Farms (Pty) Ltd" previously "Bala-Bala Farms (Pty) Ltd" amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 431 in GG 28630 of 24 March, 2006.]

Bloem Water

.....

["Bosveld Waterraad" substituted by "Lepelle Northern Water"]

.....

["Botshelo Water" previously "North West Water Supply Authority Board" added by GN 1863 in GG 22577 of 24 August, 2001, amended by GN 3366 in GG 25778 of 5 December, 2003 and deleted by GN 357 in GG 38735 of 30 April, 2015 w.e.f 31 March, 2015 (Editorial Note: GN 357 in GG 38735 made reference to "Botshelo Water Board". We suggest "Botshelo Water" was intended).]

.....

["Bushbuckridge Water Board" previously "Bushbuckridge Water" added by GN 402 in GG 22047 of 16 February, 2001, amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 357 in GG 38735 of 30 April, 2015 w.e.f 31 March, 2015.]

Council for Scientific and Industrial Research (CSIR)

["Council for Scientific and Industrial Research (CSIR)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001.]

Export Credit Insurance Corporation of South Africa Limited

["Export Credit Insurance Corporation of South Africa Limited" added by GN 2302 in GG 22860 of 30 November, 2001 and " amended by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Ikangala Water" added by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 1252 in GG 33900 of 31 December, 2010 with effect from 1 April, 2010.]

Inala Farms (Pty) Ltd

["Inala Farms (Pty) Ltd" previously "Iniala Farms (Pty) Ltd" amended by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Kalahari East Water Board" previously "Kalahari-Oos Waterraad" amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["Kalahari West Water Board" previously "Kalahari-Wes Waterraad" amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["Karos-Geelkoppes Waterraad" deleted by GN 1863 in GG 22577 of 24 August, 2001.]

.....

["Khula Enterprises" deleted by GN 164 in GG 40637 of 24 February, 2017.]

Lepelle Northern Water

["Lepelle Northern Water" inserted by GN 1863 in GG 22577 of 24 August, 2001.]

Magalies Water

Mhlathuze Water

Mintek

["Mintek", previously "Council for Mineral Technology (Mintek)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001 and amended by GN 352 in GG 38735 of 30 April, 2015.]

.....

["Mjindi Farming (Pty) Ltd" deleted from Schedule 3B and moved to Schedule 3D by GN 1863 in GG 22577 of 24 August, 2001.]

.....

["Mpendle-Ntambanana Agricultural Company (Pty) Ltd" deleted from Schedule 3B and moved to Schedule 3D by GN 1863 in GG 22577 of 24 August, 2001.]

.....

["Namakwa Water" deleted by GN 357 in GG 38735 of 30 April, 2015 w.e.f 31 March, 2015 (Editorial Note: GN 357 in GG 38735 made reference to "Namakwa Water Board". We suggest "Namakwa Water" was intended).]

.....

["Ncera Farms (Pty) Ltd" deleted by GN 693 in GG 42474 of 24 May, 2019.]

.....

["Noord Transvaal Water/Meetse" substituted by "Lepelle Northern Water".]

.....

["Ntsika Enterprises" deleted by GNs 1263, 1264 and 1265 in GG 28237 of 25 November, 2005.]

Onderstepoort Biological Products

["Onderstepoort Biological Products" added by GN 402 in GG 22047 of 16 February, 2001.]

Overberg Water

Passenger Rail Agency of South Africa

["Passenger Rail Agency of South Africa" previously "SA Rail Commuter Corporation Limited" amended by GN 242 in GG 33059 of 1 April, 2010.]

.....

["Pelladrift Water Board" previously "Pelladrift Water" amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 357 in GG 38735 of 30 April, 2015 w.e.f 31 March, 2015.]

.....

["Phalaborwa Water" substituted by "Lepelle Northern Water".]

Public Investment Corporation Limited

["Public Investment Corporation Limited" added by GN 1114 in GG 27773 of 15 July, 2005.]

Rand Water

["Rand Water" previously "Rand Water Board" amended by GN 1863 in GG 22577 of 24 August, 2001.]

SA Bureau of Standards (SABS)

["SA Bureau of Standards (SABS)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001.]

Sasria Limited

["Sasria Limited" previously "Sasria" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1251 in GG 33900 of 31 December, 2010.]

Sedibeng Water

["Sedibeng Water" previously "Goudveld Water" amended by GN 1863 in GG 22577 of 24 August, 2001.]

Sentech

["Sentech" added by GN 402 in GG 22047 of 16 February, 2001.]

State Diamond Trader

["State Diamond Trader" included by GN 647 in GG 30074 of 20 July, 2007.]

.....

["Trade and Investment South Africa" previously "Investment South Africa" amended by GN 1863 in GG 22577 of 24 August, 2001 and moved from Schedule 3B to Schedule 3A by GN 2302 in GG 22860 of 30 November, 2001.]

Umgeni Water

["Umgeni Water" previously "Umgeni Water Board" amended by GN 1863 in GG 22577 of 24 August, 2001.]

.....

["Umsobomvu Youth Fund" previously "Umsombomvu Fund" added by GN 1261 in GG 24731 of 17 April, 2003, amended by GN 3366 in GG 25778 of 5 December, 2003 and deleted by GN 1252 in GG 33900 of 31 December, 2010 with effect from 1 April, 2010.]

Any subsidiary or entity under the ownership control of the above public entities

Part C: Provincial Public Entities

[Part C added by [s. 45](#) of [Act No. 29 of 1999](#).]

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005, under General Notices Nos. 1266, 1267 and 1270 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notices Nos. 462 and 476 in *Government Gazette* 28679 of 7 April, 2006 with effect from 7 April, 2006, under General Notice No. 797 in *Government Gazette* 28937 of 23 June, 2006 with effect from 23 June, 2006, under General Notice No. 1475 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006, under Government Notice No. 7 in *Government Gazette* 30637 of 4 January, 2008 with effect from 4 January, 2008, under Government Notice No. 1001 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice No. 1003 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice Nos. 309 and 310 in *Government Gazette* 32013 of 20 March, 2009 with effect from 20 March 2009, under Government Notice No. 241 in *Government Gazette* 33059 of 1 April, 2010 with effect from 1 April, 2010, under Government Notices Nos. 1247, 1248 and 1249 in *Government Gazette* 33900 of 31 December, 2010, with effect from 1 April, 2004, 1 July 2010 and 8 June 2010 respectively, under Government Notice No. 364 in *Government Gazette* 34233 of 29 April, 2011 with effect retrospectively from 1 April, 2010, under Government Notice No. 798 in *Government Gazette* 34631 of 30 September, 2011, under Government Notice No. 822 in *Government Gazette* 35759 of 12 October, 2012, with effect from 14 November, 2007, under Government Notice No. 188 in *Government Gazette* 36225 of 15 March, 2013 with effect retrospectively from 1 December, 2012, under Government Notice Nos. 189 and 191 in *Government Gazette* 36225 of 15 March, 2013 with effect from 15 March, 2013, under Government Notice No. 391 in *Government Gazette* 37653 of 23 May, 2014, under Government Notice Nos. 394 and 395 in *Government Gazette* 37653 of 23 May, 2014 with effect from 1 April, 2014, under Government Notice No. 355 in *Government Gazette* 38735 of 30 April, 2015 with effect from 1 April, 2013, under Government Notice No. 356 in *Government Gazette* 38735 of 30 April, 2015 with effect from 31 March, 2015, under Government Notice No. 523 in *Government Gazette* 39985 of 13 May, 2016 with effect from 13 May, 2016, under Government Notice Nos. 160 and 162 in *Government Gazette* 40637 of 24 February, 2017 with effect from 24 February, 2017, under Government Notice No. 165 in *Government Gazette* 40637 of 24 February, 2017 with effect from 7 April, 2006, under [Government Notice No. 388 in *Government Gazette* 41534 of 29 March, 2018 w.e.f. 29 March, 2018 and under Government Notice No. 693 in *Government Gazette* 42474 of 24 May, 2019 with effect from 24 May, 2019.](#)]

Commissioner for the Environment

["Commissioner for the Environment" added by GN 765 in GG 27599 of 27 May, 2005 (Editorial Note: No Province indicated).]

.....

["Destination Marketing Organisation" previously "Destinations Marketing Organisation" added by GN 7 in GG 30637 of 4 January, 2008, amended by GN 1003 in GG 31417 of 19 September, 2008 and deleted by GN 395 in GG 37653 of 23 May, 2014 w.e.f 1 April, 2014 (Editorial Note: No Province indicated).]

Dube TradePort Corporation (DTPC)

["Dube TradePort Corporation (DTPC)" added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f from 1 April 2011 (Editorial Note: No Province indicated).]

Royal Household Trust

["Royal Household Trust" added and classified by GN 822 in GG 35759 of 12 October, 2012 w.e.f 14 November,

XHASA ATC Agency

["XHASA ATC Agency" added and classified by GN 1001 in GG 31417 of 19 September, 2008 (Editorial Note: No Province indicated).]

Eastern Cape:

.....

["Centre for Investment and Marketing in the Eastern Cape" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Eastern Cape Appropriate Technology Unit" deleted by GN 356 in GG 38735 of 30 April, 2015 w.e.f 31 March, 2015 (Editorial Note: GN 356 in GG 38735 made reference to "Eastern Cape Appropriate Technology Unit (ECATU)". We suggest "Eastern Cape Appropriate Technology Unit" was intended).]

Eastern Cape Provincial Arts and Culture Council

["Eastern Cape Provincial Arts and Culture Council", previously "Eastern Cape Arts Council" amended by GN 388 in GG 41534 of 29 March, 2018.]

.....

["Eastern Cape Consumer Affairs Court" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Eastern Cape Development Corporation" moved from Schedule 3C to Schedule 3D.]

.....

["Eastern Cape Development Tribunal" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

Eastern Cape Gambling and Betting Board

Eastern Cape Liquor Board

.....

["Eastern Cape Local Road Transport Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Eastern Cape Museums" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Eastern Cape Parks and Tourism Agency (ECPTA)

["Eastern Cape Parks and Tourism Agency (ECPTA)" added by GN 1248 in GG 33900 of 31 December, 2010 with effect from 1 July, 2010.]

.....

["Eastern Cape Parks Board" added by GN 1270 in GG 28237 of 25 November, 2005 and deleted by GN 1249 in GG 33900 of 31 December, 2010.]

.....

["Eastern Cape Provincial Housing Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Eastern Cape Provincially Aided Libraries

.....

["Eastern Cape Regional Authorities" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Eastern Cape Rural Development Agency

["Eastern Cape Rural Finance Corporation Limited" previously "Eastern Cape Agricultural Bank" amended by GN 1283 in GG 23619 of 19 July, 2002.]

["Eastern Cape Rural Development Agency" previously "Eastern Cape Rural Finance Corporation Limited" amended by GN 191 in GG 36225 of 15 March, 2013 with effect from 15 March, 2013.]

Eastern Cape Socio-Economic Consultative Council

.....

["Eastern Cape Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Eastern Cape Tourism Board" deleted by GN 1249 in GG 33900 of 31 December, 2010.]

.....
["Eastern Cape Township Board" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....
["Eastern Cape Youth Commission" added by GN 1261 in GG 24731 of 17 April, 2003 and deleted by GN 523 in GG 39985 of 13 May, 2016.]

.....
["East London Industrial Development Zone Corporation" added by GN 3366 in GG 25778 of 5 December, 2003 moved from Schedule 3C to Schedule 3D by GN 1267 in GG 28237 of 25 November, 2005.]

Free State:

.....
["Free State Consumer Affairs" added by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 462 in GG 28679 of 7 April, 2006.]

.....
["Free State Council for Citizenship, Education and Conflict Resolution" added by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Free State Gambling, Liquor and Tourism Authority

["Free State Gambling, Liquor and Tourism Authority", previously "Free State Gambling and Liquor Authority (FSGLA)" added by GN 1248 in GG 33900 of 31 December, 2010 with effect from 8 June, 2010 and amended by GN 388 in GG 41534 of 29 March, 2018.]

.....
["Free State Gambling and Racing Board" previously "Free State Gambling and Gaming Board" amended by GN 765 in GG 27599 of 27 May, 2005 and deleted by GN 1249 in GG 33900 of 31 December, 2010.]

.....
["Free State Investment Agency" added by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 462 in GG 28679 of 7 April, 2006.]

.....
["Free State Investment Promotion Agency" added and classified by GN 310 in GG 32013 of 20 March, 2009 and deleted by GN 356 in GG 38735 of 30 April, 2015 w.e.f 31 March, 2015.]

.....
["Free State Liquor Board" deleted by GN 462 in GG 28679 of 7 April, 2006.]

.....
["Free State Mangaung Nursing College" added by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 462 in GG 28679 of 7 April, 2006.]

.....
["Free State Rural Foundation" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....
["Free State Rural Strategy Unit" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....
["Free State Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....
["Free State Tourism Authority" added by GN 797 in GG 28937 of 23 June, 2006 and deleted by GN 388 in GG 41534 of 29 March, 2018.]

.....
["Free State Tourism Board" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....
["Free State Youth Commission" deleted by GN 241 in GG 33059 of 1 April, 2010.]

.....
["Phakisa Major Sport and Development Corporation" added by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 356 in GG 38735 of 30 April, 2015 w.e.f 31 March, 2015.]

Gauteng:

.....

["Gauteng Agriculture and Farming Development Trust" added by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 1475 in GG 29293 of 20 October, 2006 (Editorial Note: GN 1475 in GG 29293 made reference to "Gauteng Agriculture and Farming Trust". We suggest "Gauteng Agriculture and Farming Development Trust" was intended).]

.....

["Gauteng Consumer Affairs Court" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Gauteng Development Tribunal" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Gauteng Economic Development Agency" deleted by GN 395 in GG 37653 of 23 May, 2014 w.e.f 1 April, 2014.]

.....

["Gauteng Education and Training Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Gauteng Enterprise Propeller

["Gauteng Enterprise Propeller" added and classified by GN 1001 in GG 31417 of 19 September, 2008.]

Gauteng Gambling Board

.....

["Gauteng Housing Fund" previously "Gauteng Provincial Housing Board" amended by GN 2302 in GG 22860 of 30 November, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Gauteng Growth and Development Agency (GGDA)

["Gauteng Growth and Development Agency (GGDA)" previously "Blue IQ Investment Holdings (Pty) Ltd" added by GN 1139 in GG 26477 of 25 June, 2004 and amended by GN 391 in GG 37653 of 23 May, 2014.]

.....

["Gauteng Municipal Demarcation Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Gauteng Partnership Fund (GPF)

["Gauteng Partnership Fund (GPF)" added by GN 1266 in GG 28237 of 25 November, 2005.]

.....

["Gauteng Rental Housing Tribunal" added by GN 1283 in GG 23619 of 19 July, 2002 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["Gauteng Services Appeal Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Gauteng Tourism Authority

.....

["Gauteng Townships Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Gautrain Management Agency

["Gautrain Management Agency" added by GN 1001 in GG 31417 of 19 September, 2008.]

KwaZulu-Natal:

Amafa Akwazulu Natali

["Amafa Akwazulu Natali" previously "KwaZulu-Natal Monuments Council" amended by GN 1261 in GG 24731 of 17 April, 2003.]

Ezemvelo KwaZulu-Natal Wildlife

["Ezemvelo KwaZulu-Natal Wildlife" previously "KwaZulu-Natal Conservation Services" amended by GN 1261 in GG 24731 of 17 April, 2003.]

Agri-Business Development Agency

["Agri-Business Development Agency" previously "KwaZulu-Natal Agricultural Development Trust" added by GN 1139 in GG 26477 of 25 June, 2004 and amended by GN 1247 in GG 33900 of 31 December, 2010.]

.....

["KwaZulu-Natal Appeals Tribunal" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Development Tribunal" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Economic Council" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

KwaZulu-Natal Film Commission

["KwaZulu-Natal Film Commission" added and classified by GN 355 in GG 38735 of 30 April, 2015 w.e.f 1 April, 2013.]

.....

["KwaZulu-Natal Gambling Board" deleted by GN 395 in GG 37653 of 23 May, 2014 w.e.f 1 April, 2014.]

KwaZulu-Natal Gaming and Betting Board

["KwaZulu-Natal Gaming and Betting Board" added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f 1 April, 2011.]

KwaZulu-Natal House of Traditional Leaders

.....

["KwaZulu-Natal International Airport Development Initiative" deleted by GN 1261 in GG 24731 of 17 April 2003.]

KwaZulu-Natal Liquor Authority

["KwaZulu-Natal Liquor Authority" added and classified by GN 189 in GG 36225 of 15 March, 2013 w.e.f 15 March, 2013.]

.....

["KwaZulu-Natal Liquor Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Local Roads Transportation Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["KwaZulu-Natal Marketing Initiative" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Private Townships Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Provincial Peace Committee" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

KwaZulu-Natal Provincial Planning and Development Commission

["KwaZulu-Natal Provincial Planning and Development Commission" previously "KwaZulu-Natal Town and Regional Planning Commission" amended by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Kwazulu-Natal Taxi Council" re-listed by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["KwaZulu-Natal Taxi Task Team" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["KwaZulu-Natal Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

KwaZulu-Natal Tourism Authority

.....

["KwaZulu-Natal Townships Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Youth Commission" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Natal Arts Trust" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Natal Sharks Board

.....

["Natal Trust Fund" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["S.A. Life Saving" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Trade and Investment KwaZulu-Natal

["Trade and Investment KwaZulu-Natal" added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f 1 April, 2011.]

.....

["uMsekeli Municipal Support Services" previously "KwaZulu-Natal Development & Services Board" amended by GN 2302 in GG 22860 of 30 November, 2001 and deleted by GN 160 in GG 40637 of 24 February, 2017.]

Mpumalanga:

.....

(Editorial Note: "Mpumalanga Agricultural Development Corporation" deleted by GN 395 in GG 37653 of 23 May, 2014 w.e.f 1 April, 2014. Please note that this entity did not previously exist in [Schedule 3, Part C](#), instead it was added to [Schedule 3](#), Part D by GN 1283 in GG 23619 of 19 July, 2002.)

Mpumalanga Economic Empowerment Corporation

["Mpumalanga Economic Empowerment Corporation" added by GN 683 in GG 23407 of 17 May, 2002.]

Mpumalanga Economic Regulator

["Mpumalanga Economic Regulator" added by GN 388 in GG 41534 of 29 March, 2018.]

.....

["Mpumalanga Gaming Board previously "Mpumalanga Gambling Board" added by GN 683 in GG 23407 of 17 May, 2002, amended by GN 1283 in GG 23619 of 19 July, 2002.]

["Mpumalanga Gambling Board" previously "Mpumalanga Gaming Board" deleted by GN 1001 in GG 31417 of 19 September, 2008, corrected by GN 309 in GG 32013 of 20 March, 2009 and deleted by GN 388 in GG 41534 of 29 March, 2018.]

(Editorial Note: Please note that GN 1001 in GG 31417 of 19 September, 2008 removes the entity "Mpumalanga Gambling Board" from this list. However, the name of this entity prior to removal is "Mpumalanga Gaming Board". This entity is later corrected, after removal from the list, to "Mpumalanga Gambling Board" by GN 309 in GG 32013 of 20 March, 2009.)

.....

["Mpumalanga Housing Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

(Editorial Note: "Mpumalanga Housing Finance Company" deleted by GN 395 in GG 37653 of 23 May, 2014 w.e.f 1 April, 2014. Please note that this entity did not previously exist in [Schedule 3, Part C](#), instead it was added to [Schedule 3](#), Part D by GN 1283 in GG 23619 of 19 July, 2002.)

.....

["Mpumalanga Investment Initiative" added by GN 1397 in GG 22321 of 1 June, 2001 and by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Mpumalanga Liquor Authority" added and classified by GN 355 in GG 38735 of 30 April, 2015 w.e.f 1 April, 2012 and deleted by GN 388 in GG 41534 of 29 March, 2018.]

.....

["Mpumalanga Parks Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Mpumalanga Regional Training Trust

["Mpumalanga Regional Training Trust" added by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Mpumalanga Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Mpumalanga Tourism and Parks Board

["Mpumalanga Tourism and Parks Board" added and classified by GN 1001 in GG 31417 of 19 September, 2008.]

.....
["Mpumalanga Tourism Authority" added by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Northern Cape:

Kalahari Kid Corporation (KKC)

["Kalahari Kid Corporation (KKC)" added by GN 1248 in GG 33900 of 31 December, 2010 with effect from 1 April, 2004.]

McGregor Museum (Kimberley)

["McGregor Museum (Kimberley)" added and classified by GN 394 in GG 37653 of 23 May, 2014 w.e.f 1 April, 2014.]

Northern Cape Economic Development, Trade and Investment Promotion Agency (NCEDA)

["Northern Cape Economic Development, Trade and Investment Promotion Agency (NCEDA)" added by GN 364 in GG 34233 of 29 April, 2011 with effect retrospectively from 1 April, 2010.]

.....
["Northern Cape Economic Development Unit" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....
["Northern Cape Gambling and Racing Board" previously "Northern Cape Gambling Board" amended by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Northern Cape Gambling Board

["Northern Cape Gambling Board" added and classified by GN 1001 in GG 31417 of 19 September, 2008.]

.....
["Northern Cape Housing Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Northern Cape Liquor Board

["Northern Cape Liquor Board" deleted by GN 1261 in GG 24731 of 17 April, 2003 and re-added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f 1 April, 2010.]

.....
["Northern Cape Local Transportation Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....
["Northern Cape Provincial Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Northern Cape Tourism Authority

.....
["Northern Cape Youth Commission" deleted by GN 1139 in GG 26477 of 25 June, 2004.]

Limpopo:

.....
["Gateway International Airport" deleted by GN 476 in GG 28679 of 7 April, 2006.]

.....
["Limpopo Agribusiness Development Corporation" added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f 1 April, 2009 and deleted by GN 188 in GG 36225 of 15 March, 2013 with effect retrospectively from 1 December, 2012.]

.....
["Limpopo Appeal Tribunals" previously "Northern Province Appeal Tribunals" amended by GN 1003 in GG 31417 of 19 September, 2008 and deleted by GN 388 in GG 41534 of 29 March, 2018.]

.....
["Limpopo Development Enterprise" inserted by GN 476 in GG 28679 of 7 April, 2006 and deleted by GN 165 in GG 40637 of 24 February, 2017 with effect from 7 April, 2006.]

.....
["Limpopo Development Tribunals" previously "Northern Province Development Tribunals" amended by GN 1003 in GG 31417 of 19 September, 2008 and deleted by GN 388 in GG 41534 of 29 March, 2018.]

.....
(Editorial Note: We have been instructed by GN 191 in GG 36225, to change the entity "Limpopo Economic Development Enterprise (LimDev)" to "Limpopo Economic Development Agency (Leda)", however this entity does not exist in the Act.)

Limpopo Gambling Board

["Limpopo Gambling Board" inserted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Limpopo Housing Board" previously "Northern Province Housing Board" amended by GN 1003 in GG 31417 of 19 September, 2008 and deleted by GN 388 in GG 41534 of 29 March, 2018.]

.....

["Limpopo Liquor Board" previously "Northern Province Liquor Board" amended by GN 1003 in GG 31417 of 19 September, 2008 and deleted by GN 693 in GG 42474 of 24 May, 2019.]

.....

["Limpopo Local Business Centres" previously "Northern Province Local Business Centres" amended by GN 1003 in GG 31417 of 19 September, 2008 and deleted by GN 388 in GG 41534 of 29 March, 2018.]

.....

["Limpopo Panel of Mediators" previously "Northern Province Panel of Mediators" amended by GN 1003 in GG 31417 of 19 September, 2008 and deleted by GN 388 in GG 41534 of 29 March, 2018.]

.....

["Limpopo Planning Commission" previously "Northern Province Planning Commission" amended by GN 1003 in GG 31417 of 19 September, 2008 and deleted by GN 388 in GG 41534 of 29 March, 2018.]

Limpopo Roads Agency

["Limpopo Roads Agency" previously "Northern Province Roads Agency" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1003 in GG 31417 of 19 September, 2008.]

Limpopo Tourism and Parks Board

["Limpopo Tourism and Parks Board" inserted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Northern Province Agricultural and Rural Development Corporation" deleted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Northern Province Gaming Board" deleted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Northern Province Investment Initiative" deleted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Northern Province Provincial Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Northern Province Tourism Board" deleted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Trade and Investment Limpopo" inserted by GN 476 in GG 28679 of 7 April, 2006 and deleted by GN 188 in GG 36225 of 15 March, 2013 with effect retrospectively from 1 December, 2012.]

North West:

.....

["Eastern Region Entrepreneurial Support Centre" added by GN 1283 in GG 23619 of 19 July, 2002, deleted by GN 1001 in GG 31417 of 19 September, 2008 and by GN 160 in GG 40637 of 24 February, 2017.]

.....

["Invest North West" added by GN 1283 in GG 23619 of 19 July, 2002 and deleted by GN 160 in GG 40637 of 24 February, 2017.]

Mmabana Arts, Culture and Sport Foundation

["Mmabana Arts, Culture and Sport Foundation" previously "NW Arts Council" and "NW Mmabana Cultural Foundation" amended by GN 1283 in GG 23619 of 19 July, 2002.]

.....
["NW Agricultural Services Corporation" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....
["NW Arts Council" renamed by GN 1283 in GG 23619 of 19 July, 2002.]

NW Parks Board

["NW Parks Board" added and classified by GN 162 in GG 40637 of 24 February, 2017.]

.....
["NW Communication Service" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

NW Gambling Board

NW Housing Corporation

.....
["NW Mmabana Cultural Foundation" renamed by GN 1283 in GG 23619 of 19 July, 2002.]

.....
["NW Ombudsman" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....
["NW Parks and Tourism Board" deleted by GN 160 in GG 40637 of 24 February, 2017.]

.....
["NW Provincial Aids Council" added by GN 1283 in GG 23619 of 19 July, 2002 and deleted by GN 160 in GG 40637 of 24 February, 2017.]

.....
["North West Provincial Heritage Resources Authority" added and classified by GN 1001 in GG 31417 of 19 September, 2008 and deleted by GN 388 in GG 41534 of 29 March, 2018.]

NW Tourism Board

["NW Tourism Board" added and classified by GN 162 in GG 40637 of 24 February, 2017.]

North West Youth Entrepreneurship Services Fund

["North West Youth Entrepreneurship Services Fund" added by GN 388 in GG 41534 of 29 March, 2018.]

Provincial Arts and Culture Council

["Provincial Arts and Culture Council" added by GN 1283 in GG 23619 of 19 July, 2002.]

.....
["NW Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....
["NW Youth Development Trust" added by GN 1283 in GG 23619 of 19 July, 2002 and deleted by GN 160 in GG 40637 of 24 February, 2017.]

Western Cape:

Western Cape Cultural Commission

["Western Cape Cultural Commission" added by GN 1397 in GG 22321 of 1 June, 2001.]

WC Gambling and Racing Board

.....
["WC Housing Development Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Western Cape Language Committee

["Western Cape Language Committee" added by GN 1397 in GG 22321 of 1 June, 2001.]

Western Cape Nature Conservation Board

["Western Cape Nature Conservation Board" added by GN 402 in GG 22047 of 16 February, 2001.]

Western Cape Liquor Authority

["Western Cape Liquor Authority" previously "WC Liquor Board" amended by GN 191 in GG 36225 of 15 March, 2013 with effect from 15 March, 2013.]

.....
["WC Provincial Development Council" deleted by GN 523 in GG 39985 of 13 May, 2016.]

.....
["WC Provincial Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Western Cape Tourism, Trade and Investment Promotion Agency

["Western Cape Tourism, Trade and Investment Promotion Agency", previously "WC Investment and Trade Promotion Agency", amended by GN 391 in GG 37653 of 23 May, 2014.]

.....
["WC Tourism Board" deleted by GN 7 in GG 30637 of 4 January, 2008.]

.....
["Western Cape Provincial Youth Commission" added by GN 765 in GG 27599 of 27 May, 2005 and deleted by GN 241 in GG 33059 of 1 April, 2010.]

Any subsidiary or entity under the ownership control of the above public entities

Part D: Provincial Government Business Enterprises

[Part D added by [s. 45](#) of [Act No. 29 of 1999](#).]

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001. Authorisation of public entities have been published under General Notice No. 318 in *Government Gazette* 23204 of 7 March, 2002. Amended public entities have been published under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under General Notice No. 1315 in *Government Gazette* 23661 of 2 August, 2002 with effect from 2 August, 2002; under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004, under General Notice No. 1267 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notice No. 476 in *Government Gazette* 28679 of 7 April, 2006, under General Notice No. 1002 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under General Notice No. 799 in *Government Gazette* 34631 of 30 September, 2011 with effect retrospectively from 1 April, 2000, under Government Notice No. 823 in *Government Gazette* 35759 of 12 October, 2012, with effect from 1 April 2012, under General Notice No. 395 in *Government Gazette* 37653 of 23 May, 2014 with effect from 1 April, 2014, under Government Notice No. 524 in *Government Gazette* 39985 of 13 May, 2016 with effect from 13 May, 2016, under Government Notice No. 163 in *Government Gazette* 40637 of 24 February, 2017 with effect from 24 February, 2017, under Government Notice No. 165 in *Government Gazette* 40637 of 24 February, 2017 with effect from 15 March, 2013 and under Government Notice No. 388 in *Government Gazette* 41534 of 29 March, 2018 w.e.f. 29 March, 2018.]

Entity:

.....
["Algoa Bus Company" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Casidra (Pty) Ltd

["Casidra (Pty) Ltd" previously "Lanok (Pty) Ltd" amended by GN 1261 in GG 24731 of 17 April, 2003.]

Cowslip Investments (Pty) Ltd

["Cowslip Investment (Pty) Ltd" previously "Cowslip (Pty) Ltd" amended by GN 1315 in GG 23661 of 2 August, 2002.]

["Cowslip Investments (Pty) Ltd" previously "Cowslip Investment (Pty) Ltd" amended by GN 1396 in GG 24042 of 15 November, 2002.]

Eastern Cape Development Corporation

["Eastern Cape Development Corporation" moved from Schedule 3C to Schedule 3D.]

East London Industrial Development Zone

["East London Industrial Development Zone " previously "East London Industrial Development Zone Corporation" added by GN 1267 in GG 28237 of 25 November, 2005 and amended by GN 524 in GG 39985 of 13 May, 2016.]

.....
["Free State Agri-Eco (Pty) Ltd" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

Free State Development Corporation

Gateway Airport Authority Limited

["Gateway Airport Authority Limited" inserted by GN 476 in GG 28679 of 7 April, 2006.]

Ithala Development Finance Corporation

["Ithala Finance Corporation" previously "KwaZulu-Natal Finance & Investment Corporation" amended by GN 1863 in GG 22577 of 24 August, 2001.]

["Ithala Development Finance Corporation" previously "Ithala Finance Corporation" amended by GN 2302 in GG 22860 of 30 November, 2001.]

.....

["KwaZulu Transport Corporation Ltd" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1139 in GG 26477 of 25 June, 2004.]

.....

["Mafikeng Industrial Development Zone (Pty) Ltd" added and classified by GN 1002 in GG 31417 of 19 September, 2008 and deleted by GN 160 in GG 40637 of 24 February, 2017.]

Mayibuye Transport Corporation

Mjindi Farming (Pty) Ltd

["Mjindi Farming (Pty) Ltd" deleted from Schedule 3B and moved to Schedule 3D by GN 1863 in GG 22577 of 24 August, 2001.]

Mpendle Ntambanana Agricultural Company (Pty) Ltd

["Mpendle Ntambanana Agricultural Company (Pty) Ltd" deleted from Schedule 3B and moved to Schedule 3D by GN 1863 in GG 22577 of 24 August, 2001.]

.....

["Mpumalanga Agricultural Development Corporation" added by GN 1283 in GG 23619 of 19 July, 2002 and deleted by GN 395 in GG 37653 of 23 May, 2014 w.e.f 1 April, 2014 (Editorial Note: Please note that GN 395 of 23 May, 2014 instructs that this entity be removed from [Schedule 3, Part C](#). It is suggested that [Schedule 3](#), Part D was in fact meant).]

.....

["Mpumalanga Development Corporation" deleted by GN 1863 in GG 22577 of 24 August, 2001.]

.....

["Mpumalanga Economic Empowerment Corporation" previously "Mpumalanga Finance Corporation" and "Mpumalanga Development Corporation" re-listed by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 1002 in GG 31417 of 19 September, 2008.]

Mpumalanga Economic Growth Agency

["Mpumalanga Economic Growth Agency" added and classified by GN 1002 in GG 31417 of 19 September, 2008.]

.....

["Mpumalanga Finance Corporation" deleted by GN 1863 in GG 22577 of 24 August, 2001.]

.....

["Mpumalanga Housing Finance Company" added by GN 1283 in GG 23619 of 19 July, 2002 and deleted by GN 395 in GG 37653 of 23 May, 2014 w.e.f 1 April, 2014 (Editorial Note: Please note that GN 395 of 23 May, 2014 instructs that this entity be removed from [Schedule 3, Part C](#). It is suggested that [Schedule 3](#), Part D was in fact meant).]

.....

["Natal Trust Farms (Pty) Ltd" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Limpopo Economic Development Agency

["Limpopo Economic Development Agency" previously "Northern Province Development Corporation" and "Limpopo Development Enterprise" replaced by GN 165 in GG 40637 of 24 February, 2017 with effect from 7 April, 2006 and by GN 165 in GG 40637 of 24 February, 2017 with effect from 15 March, 2013.]

Northwest Transport Investments (Pty) Ltd

["Northwest Transport Investments (Pty) Ltd" added and classified by GN 799 in GG 34631 of 30 September, 2011.]

North West Youth Entrepreneurship Services Fund

["North West Youth Entrepreneurship Services Fund" added by GN 388 in GG 41534 of 29 March, 2018. (Editorial note: The instruction in GN 388 of 2018 states that "North West Youth Entrepreneurship Services Fund" should be inserted under "Northwest Transport Investments (Pty) Ltd" in [Part C](#), however, we suggest that the instruction was intended to be read as Part D.)]

NW Development Corporation

Richards Bay Industrial Development Zone Company

["Richards Bay Industrial Development Zone Company", previously "Richards Bay Industrial Development Zone" added and classified by GN 823 in GG 35759 of 12 October, 2012 with effect from 1 April, 2012 and amended by GN 388 in GG 41534 of 29 March, 2018.]

Saldanha Bay IDZ Licencing Company SOC Ltd

["Saldanha Bay IDZ Licencing Company SOC Ltd" added and classified by GN 163 in GG 40637 of 24 February, 2017.]

Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ Schedule 4 EXCLUSIONS FROM REVENUE FUNDS

Schedule 4
EXCLUSIONS FROM REVENUE FUNDS

(In terms of [section 13 \(1\)](#) or [22 \(1\)](#))
[Heading substituted by [s. 46](#) of [Act No. 29 of 1999](#).]

1. SA Schools Act (covering school fees)
2. Fines and estreated bails paid in respect of offences and alleged offences in terms of-
 - (a) by-laws enacted by municipalities; or
 - (b) national or provincial legislation, the administration of which is assigned to municipalities.
[Item 2 added by [s. 121](#) of [Act No. 32 of 2000](#).]

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ Schedule 5 DIRECT CHARGES AGAINST NATIONAL REVENUE FUND

Schedule 5
DIRECT CHARGES AGAINST NATIONAL REVENUE FUND

Payments in terms of the following Acts:

1. Remuneration of Public Office Bearers Act, 1998 ([Act No. 20 of 1998](#)) (Covering the President's salary and the salaries of members of Parliament sections 2 (7) and 3 (7));
2. Remuneration and Allowances of Deputy Presidents, Ministers and Deputy Ministers Act, 1994 ([Act 53 of 1994](#)) (Covering the salary of the Deputy President [section 4 \(a\)](#));
3. Judges' Remuneration and Conditions of Employment Act, 1989 ([Act 88 of 1989](#)) (Covering salaries and allowances of Judges and Judges seconded to governments of other countries in terms of [section 2](#)).
4. Magistrates Act, 1993 ([Act No. 90 of 1993](#)) (covering remuneration of magistrates in terms of [section 12](#)).
[Item 4 added by [s. 13](#) of [Act No. 28 of 2003](#).]

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ The Act/ Schedule 6 REPEAL OF LEGISLATION

Schedule 6
REPEAL OF LEGISLATION

([Section 94](#))

<i>No. and year of Act</i>	<i>Short title</i>	<i>Extent of repeal</i>
(a) Act No. 66 of 1975	Exchequer Act, 1975	The whole, except sections 28, 29, 30
Act No. 106 of 1976	Financial Arrangements with the Transkei Act, 1976	The whole

Act No. 93 of 1977	Financial Arrangements with Bophuthatswana Act, 1977	The whole
Act No. 105 of 1979	Financial Arrangements with Venda Act, 1979	The whole
Proclamation No. R.85 of 1968	South West Africa Constitution Act, 1968 (Act No. 39 of 1968)	Part 3
Act No. 67 of 1980	Railways and Harbours Acts Amendment Act, 1980	Section 19
Act No. 29 of 1981	Railways and Harbours Acts Amendment Act 1981	Section 21
Act No. 118 of 1981	Financial Arrangements with Ciskei Act, 1981	The whole
Act No. 100 of 1984	Exchequer and Audit Amendment Act, 1984	The whole
Act No. 9 of 1989	Legal Succession of the South African Transport Services Act, 1989	Schedule 2 Part 6 of the Act insofar as it relates to the Exchequer Act, 1975
Act No. 120 of 1991	Finance Act, 1991	Sections 14, 15 and 16
Act No. 96 of 1992	Part Appropriation Acts Abolition Act, 1992	The whole
Act No. 69 of 1993	Exchequer Amendment Act, 1993	The whole
Act No. 123 of 1993	Finance Act, 1993	The whole
Act No. 142 of 1993	Exchequer Second Amendment Act, 1993	The whole
Act No. 182 of 1993	Exchequer Third Amendment Act, 1993	The whole
Act No. 41 of 1994	Finance Act, 1994	Sections 17 and 18
(b) Act No. 93 of 1992	Reporting by Public Entities Act, 1992	The whole
(c) Act No. 66 of 1975	Exchequer and Audit Act, 1975	The whole insofar as it is in force in the area of the former Republic of Transkei
Act No. 102 of 1976	Finance Act, 1976	Sections 23, 24 and 25 insofar as it is in force in the area of the former Republic of Transkei
(d) Act No. 29 of 1992 (Bophuthatswana)	Exchequer Act, 1992	The whole
Act No. 16 of 1993 (Bophuthatswana)	Exchequer Amendment Act, 1993	The whole
(e) Act No. 66 of 1975	Exchequer and Audit Act, 1975	The whole insofar as it is in force in the area of the former Republic of Venda
Act No. 111 of 1977	Finance Act, 1977	Sections 9, 10 and 11 insofar as it is in force in the area of the former Republic of Venda
Act No. 94 of 1978	Finance Act, 1978	Sections 12, 13 and 14 insofar as it is in force in the area of the former Republic of Venda
Proclamation No. R.85 of 1979	Exchequer and Audit Proclamation	Sections 16 and 17 insofar as it is in force in the area of the former Republic of Venda
Act No. 21 of 1983 (Venda)	Exchequer and Audit Amendment Act, 1983	The whole
Act No. 18 of 1987 (Venda)	Exchequer and Audit Amendment Act, 1987	The whole
Act No. 28 of 1989 (Venda)	Exchequer and Audit Amendment Act, 1989	The whole

Proclamation No. 25 of 1993 (Venda)	Exchequer and Audit Amendment Act, 1993	The whole
(f) Act No. 28 of 1985 (Ciskei)	Exchequer and Audit Act, 1985	The whole

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 3098 of 1 September 2000: Treasury Regulations on Government Payroll Deductions

GN 3098 of 1 September 2000: Treasury Regulations on Government Payroll Deductions

DEPARTMENT OF FINANCE

The Minister of Finance has made the Treasury Regulations on Government Payroll Deductions ("the Payroll Deduction Regulation") set out in [the Schedule](#).

SCHEDULE

ARRANGEMENT OF REGULATIONS

- [1.](#) Definitions
- [2.](#) Application
- [3.](#) Peral Deductions
- [4.](#) Non-compliance with this Treasury Regulation constituting misconduct
- [5.](#) Transitional Arrangements
- [6.](#) Short Title and Commencement.

PREAMBLE

WHEREAS in the exercise of the executive authority of the Republic in accordance with [section 85 \(2\) \(b\)](#) of the Constitution of the Republic of South Africa, 1996 (Act [No. 108 of 1996](#)), on 28 June 2000 the Cabinet made a policy decision on the management of deductions on the government's payroll;

AND

WHEREAS the management of deductions on the government's payroll is a treasury matter and accordingly has to be regulated in terms of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#));

NOW THEREFORE, I Trevor Andrew Manual, MP, in my capacity as Minister of Finance and head of the National Treasury, and acting in terms of section 76 of the Public Finance Management Act, 1999, make this Treasury Regulation-

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 3098 of 1 September 2000: Treasury Regulations on Government Payroll Deductions/ 1. Definitions.-In this Treasury Regulation, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act, has the same meaning, and-

1. Definitions.-In this Treasury Regulation, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act, has the same meaning, and-

- (a) **"Act"** means the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#));
- (b) **"benefit deduction"** means a deduction on Peral against an employee's salary for the purpose of facilitating the payment of a debt arising from an employee's benefits in terms of his or her conditions of employment or appointment, including payments in respect of a home owner's allowance and the motor finance scheme for senior government employees;
- (c) **"collective agreement deduction"** means a deduction on Peral against an employee's salary arising from a collective agreement entered into by and between the State in its capacity as employer and a union registered with the Public Service Co-ordinating Bargaining Council in accordance with applicable law;
- (d) **"debt"** means amounts of money owed and already payable by an employee to any person;
- (e) **"Director-General"** means the Director-General: National Treasury;
- (f) **"discretionary deduction"** means a deduction on Peral against an employee's salary, other than a benefit deduction, a collective agreement deduction, a State deduction and a statutory deduction;

- (g) **"employee"** means a person employed by or appointed to a department or an executive authority, and includes a magistrate contemplated in [section 1](#) of the Magistrate's Act, 1993 (Act [No. 90 of 1993](#)) and employees of constitutional institutions;
- (h) **"Persal"** means the personnel salary system of government in the national and provincial sphere and includes reference to Persol;
- (i) **"person"** depending on the context, includes reference to the State or any other juristic body;
- (j) **"responsible official"** means an accounting officer contemplated in section 36 of the Act or such other persons to whom that accounting officer has delegated a function to be performed in terms of this Treasury Regulation;
- (k) **"State deduction"** means a deduction on Persal against an employee's salary for the purpose of paying a debt owed to a department or constitutional institution and which is subject to [section 34](#) of the Basic Conditions of Employment Act, 1997 (Act [No. 75 of 1997](#));
- (l) **"statutory deduction"** means a deduction on Persal against an employee's salary which is required or permitted in terms of a law, court order or arbitration award.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 3098 of 1 September 2000: Treasury Regulations on Government Payroll Deductions/ 2. Application.-This Treasury Regulation applies to all departments and constitutional institutions.

2. Application.-This Treasury Regulation applies to all departments and constitutional institutions.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 3098 of 1 September 2000: Treasury Regulations on Government Payroll Deductions/ 3. Persal Deductions.-(1) Subject to item 5, no employee of a department or constitutional institution or of any agency, company or consultant contracted to operate Persal may, for the purpose of the payment of any debt or any other purpose, process a

3. Persal Deductions.-(1) Subject to item 5, no employee of a department or constitutional institution or of any agency, company or consultant contracted to operate Persal may, for the purpose of the payment of any debt or any other purpose, process a discretionary deduction with effect from the date of commencement of this Treasury Regulation.

(2) Before a benefit deduction, a collective agreement deduction, a state deduction or a statutory deduction is processed on Persal, the responsible official must certify that such deduction is due and that he or she is satisfied that no portion of any such deduction is a discretionary deduction.

(3) The responsible official must, if the certification contemplated in sub-item (2) is in respect of an emoluments attachment order issued against an employee in terms of [section 65J](#) of the Magistrate's Court Act, 1944 (Act [No. 32 of 1944](#)), state that he or she is satisfied that-

- (a) the documentation presented by the judgment creditor or his or her attorney *inter alia* reflects that as contemplated in section 65J (2) of the Magistrate's Court Act, 1944:
 - (i) the employee concerned has in writing consented to the issuing of the emoluments attachment order or, in the absence of such consent, the court has authorised that it be issued, whether on application or otherwise, and such authorisation has not been suspended; or
 - (ii) that the judgment creditor or his or her attorney has first sent a registered letter to the employee concerned advising him or her of the amount of the judgment debt and costs as yet unpaid and warning him or her that an emoluments attachment order will be issued if the said amount is not paid within ten days of the date on which that registered letter was posted;
- (b) after satisfaction of the emoluments attachment order, the employee concerned will have sufficient means for his or her own and his or her dependant's maintenance: Provided that if the responsible official's assessment reflects that after satisfaction of the emoluments attachment order, the concerned employee will not have sufficient means for his or her own or his or her dependant's maintenance, he or she must ensure that the judgment creditor or his or her attorney is so advised and requested to inform the court in order that the court either rescind the emoluments attachment order or amend it in such a way that it will affect only the balance of the emoluments of the employee concerned over and above such sufficient means.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 3098 of 1 September 2000: Treasury Regulations on Government Payroll Deductions/ 4. Non-compliance with this Treasury Regulation constituting misconduct.-(1) Any serious or persistent material non-compliance with the provisions of this Treasury Regulation constitutes

misconduct.

4. Non-compliance with this Treasury Regulation constituting misconduct.-(1) Any serious or persistent material non-compliance with the provisions of this Treasury Regulation constitutes misconduct.

(2) The accounting officer of a department or constitutional institution must, in terms of applicable statutory provisions or other conditions of appointment or employment applicable to any person involved in conduct contemplated in sub-item (1), take disciplinary steps against such person.

(3) The Director-General or such other person who has been delegated by the Director-General, including an employee of another department or constitutional institution, may, on just cause and despite any other provision of this Treasury Regulation, exclude any person from receiving a deduction through Persal.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 3098 of 1 September 2000: Treasury Regulations on Government Payroll Deductions/ 5. Transitional Arrangements.-(1) A discretionary deduction which, at the date of commencement of this Treasury Regulation, had been registered against an employee's salary on Persal, remains so registered until 30 June 2001 or until such earlier date

5. Transitional Arrangements.-(1) A discretionary deduction which, at the date of commencement of this Treasury Regulation, had been registered against an employee's salary on Persal, remains so registered until 30 June 2001 or until such earlier date requested by the employee.

(2) A discretionary deduction contemplated in sub-item (1) may, from the date of commencement of this Treasury Regulation to 30 June 2001, be amended upwards only once and only in respect of insurance premiums: Provided that such upward amendment may not exceed 15% of the premium due.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 3098 of 1 September 2000: Treasury Regulations on Government Payroll Deductions/ 6. Short Title and Commencement.-This Treasury Regulation shall be called the Payroll Deduction Regulation, 2000 and takes effect on 1 September 2000.

6. Short Title and Commencement.-This Treasury Regulation shall be called the *Payroll Deduction Regulation, 2000* and takes effect on 1 September 2000.

(Signed)

**T A MANUEL, MP
MINISTER OF FINANCE
Date: 31.08.00**

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 466 of 25 May 2001: Implementation of the National Plan for Higher Education (Government Gazette 22329)

**GN 466 of 25 May 2001: Implementation of the National Plan for Higher Education
(Government Gazette 22329)**

MINISTRY OF EDUCATION

I, Professor Kader Asmal, MP, Minister of Education, in accordance with Treasury Regulation 20 [issued in terms of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#))], hereby establish the committees set out in the schedule hereto to investigate and advise me on the restructuring of the higher education system to ensure that it contributes to social and economic development, as outlined in the National Plan for Higher Education gazetted on 9 March 2001 (*Government Gazette* No. 22138, Notice Number 230).

**Professor Kader Asmal, MP
Minister of Education
23 May 2001**

SCHEDULE

ARRANGEMENT OF REGULATIONS

NATIONAL WORKING GROUP ON THE RESTRUCTURING OF THE HIGHER EDUCATION SYSTEM

1. Purpose
2. Principles
3. Terms of Reference
4. Process

WORKING GROUP ON THE ESTABLISHMENT OF A NATIONAL INSTITUTE FOR HIGHER EDUCATION IN THE NORTHERN CAPE

1. Purpose
2. Principles
3. Terms of Reference
4. Process

WORKING GROUP ON THE ESTABLISHMENT OF A NATIONAL INSTITUTE FOR HIGHER EDUCATION IN MPUMALANGA

1. Purpose
2. Principles
3. Terms of Reference
4. Process

WORKING GROUP ON THE INCORPORATION OF THE QWA-QWA BRANCH OF THE UNIVERSITY OF THE NORTH INTO THE UNIVERSITY OF THE FREE STATE

1. Purpose
2. Principles
3. Terms of Reference
4. Process

WORKING GROUP ON THE ESTABLISHMENT OF A SINGLE DEDICATED DISTANCE EDUCATION INSTITUTION

1. Purpose
2. Principles
3. Terms of Reference
4. Process

WORKING GROUP ON THE ESTABLISHMENT OF A SINGLE DEDICATED DISTANCE EDUCATION INSTITUTION

1. Purpose
2. Principles
3. Terms of Reference
4. Process

NATIONAL WORKING GROUP ON THE RESTRUCTURING OF THE HIGHER EDUCATION SYSTEM

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 466 of 25 May 2001: Implementation of the National Plan for Higher Education (Government Gazette 22329)/ 1. Purpose.-The National Working Group on the restructuring of the higher education system will investigate and advise the Minister on appropriate arrangements for consolidating the provision of higher education on a regional basis through establishing

1. Purpose.-The National Working Group on the restructuring of the higher education system will investigate and advise the Minister on appropriate arrangements for consolidating the provision of higher education on a regional basis through establishing new institutional and organisational forms, including the feasibility of reducing the number of higher education institutions. The investigation forms part of the broader process for the restructuring of the higher education system to ensure that it contributes to social and economic development, as outlined in the National Plan for Higher Education gazetted on 9 March 2001 (*Government Gazette* No 22138, Notice Number 230).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 466 of 25 May 2001: Implementation of the National Plan for Higher Education (Government Gazette 22329)/ 2. Principles.-The investigation must be guided by the principles and goals for the transformation of the higher education system as outlined in the Education White Paper 3: A Programme for the Transformation of the Higher Education System. In addition,

2. Principles.-The investigation must be guided by the principles and goals for the transformation of the higher education system as outlined in the Education White Paper 3: A Programme for the Transformation of the Higher Education System. In addition, the National Working Group must ensure that its recommendations address and promote the following goals-

- . Social and educational goals, in particular, the contribution of higher education to social and economic development, both regionally and nationally.
- . Access and equity goals in relation to both student and staff equity, as well as institutional redress.
- . Quality and efficiency goals in terms of economies of scale and scope, both programme and infrastructural, as well as the spread and quality of programmes and graduation and retention rates.
- . Institutional sustainability and viability goals in terms of student numbers, income and expenditure patterns and management and governance capacities.
- . Institutional identity and culture goals in terms of overcoming the legacy of apartheid (CHE, pp. 58-59).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 466 of 25 May 2001: Implementation of the National Plan for Higher Education (Government Gazette 22329)/ 3. Terms of Reference.-The National Working Group must-

3. Terms of Reference.-The National Working Group must-

3.1 Address how the number of institutions can be reduced and the form that the restructured institutions should take, and not on whether the number of institutions can or should be reduced.

3.2 Ensure that the reduction in the number of institutions does not result in the closure of existing sites of delivery, that is, it must be underpinned by the principle that higher education programmes would continue to be offered at all the current sites of delivery, but within new institutional and organisational forms and structures.

3.3 Consider the full range of potential institutional arrangements, including the rationalisation of programme development and delivery through institutional collaboration, as well as different models of mergers.

3.4 Consider the role and function of all existing institutions in the development of new institutional and organisational forms, that is, no institution should be exempted from the need to change fundamentally and from contributing to achieving a new higher education landscape.

3.5 Recommend the incorporation of the constituent campuses of Vista University into appropriate existing higher education institutions within each region given the decision to unbundle Vista University. This does not include the distance education centre of Vista University, which will be incorporated into a single dedicated distance education institution through the merger of UNISA and Technikon South Africa.

3.6 Consider the following regional demarcations for purposes of the investigation-

- . Eastern Cape.
- . Free State.
- . KwaZulu Natal.
- . Gauteng.
- . Northern Province.
- . North West.
- . Western Cape.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 466 of 25 May 2001: Implementation of the National Plan for Higher Education (Government Gazette 22329)/ 4. Process

4. Process

4.1 The National Working Group must consult with the appropriate constituencies at both the national and regional levels.

4.2 The National Working Group may commission specialist studies and draw on the experience and expertise of other individuals both within and outside of the higher education sector as and when necessary.

4.3 The Higher Education Branch of the Department of Education will serve as the secretariat to the National Working Group.

4.4 The National Working Group is accountable to the Minister of Education. It is required to complete its investigation and to submit its recommendations to the Minister by no later than the end of December 2001.

The National Working Group consists of.-

Mr. Sakie Macozoma - Chairperson; Deputy Chairperson of the Standard Bank Investment Corporation. Served

on the Council on Higher Education Task Team on the Size and Shape of the Higher Education System.

Prof. Hugh Africa, retired Vice-Chancellor, Vista University and a member of the Council on Higher Education.

Prof. Malegupuru Makgopa, President, Medical Research Council of South Africa.

Ms. Gill Marcus, Deputy Governor, South African Reserve Bank.

Mr. Murphy Morobe, Chairperson, Fiscal and Finance Commission and the National Parks Board.

Prof. Wiseman Nkhulu, Economic Adviser to the President; Chairperson, Council on Higher Education.

Ms. Joyce Phekane, Deputy Vice President, Congress of South African Trade Unions.

Ms. Maria Ramos, Director-General, Department of Finance.

Prof. Jairam Reddy, Chairperson of Council, United Nations University; Chaired the National Commission on Higher Education.

Prof. Hennis Rossouw, retired Deputy Vice-Chancellor, University of Stellenbosch; Served on the National Commission on Higher Education.

Prof. Stuart Saunders, retired Vice-Chancellor, University of Cape Town.

WORKING GROUP ON THE ESTABLISHMENT OF A NATIONAL INSTITUTE FOR HIGHER EDUCATION IN THE NORTHERN CAPE

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 466 of 25 May 2001: Implementation of the National Plan for Higher Education (Government Gazette 22329)/ 1. Purpose.-The Working Group will develop a framework and implementation plan for the establishment of a National Institute for Higher Education in the Northern Cape, as outlined in the National Plan for Higher Education.

1. Purpose.-The Working Group will develop a framework and implementation plan for the establishment of a National Institute for Higher Education in the Northern Cape, as outlined in the National Plan for Higher Education.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 466 of 25 May 2001: Implementation of the National Plan for Higher Education (Government Gazette 22329)/ 2. Principles.-The Working Group will be guided by the principles and goals for the transformation of the higher education system as outlined in the Education White Paper 3: A Programme for the Transformation of the Higher Education System.

2. Principles.-The Working Group will be guided by the principles and goals for the transformation of the higher education system as outlined in the Education White Paper 3: A Programme for the Transformation of the Higher Education System.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 466 of 25 May 2001: Implementation of the National Plan for Higher Education (Government Gazette 22329)/ 3. Terms of Reference.-The development of the framework and implementation plan must include-

3. Terms of Reference.-The development of the framework and implementation plan must include-

3.1 Developing an appropriate administrative, management, governance and funding structure based on the Higher Education Act (Act [No. 101 of 1997](#)), but taking into account that the National Institute will not be an autonomous higher education institution.

3.2 Identifying the infrastructure within the province, including the existing colleges of education, as well as the satellite campuses of higher education institutions operating in the province, that could serve as the nucleus for the National Institute.

3.3 Developing a coherent menu of higher education programmes that address regional social, economic and labour market needs.

3.4 Identifying the existing and potential capacity of higher education institutions that currently operate in the province to contribute to the development of the National Institute.

3.5 Exploring the potential role of higher education institutions that do not currently operate in the province to contribute to the development of the National Institute should the existing institutions not have the capacity to meet the identified programme needs.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 466 of 25 May 2001: Implementation of the National Plan for Higher Education (Government Gazette 22329)/ 4. Process.

4. Process.

4.1 The Working Group must consider the outcomes and recommendations of previous investigations into the establishment of a higher education institution in the province that have been undertaken by the provincial government.

4.2 The Working Group must consult with the existing higher education institutions operating in the province, as well as appropriate constituencies in the province, in particular, organised business and labour.

4.3 The Working Group may commission specialist studies and draw on the experience and expertise of other individuals both within and outside of the higher education sector as and when necessary.

4.4 The provincial Department of Education will serve as the secretariat to Working Group.

4.5 The Working Group is accountable to the Minister of Education. It is required to complete its investigation and to submit its recommendations to the Minister by no later than the end of December 2001.

The Northern Cape Working Group consists of.-

Mr. Jonathan Godden, Chairperson, previously the Superintendent-General of Education, Eastern Cape.

Dr. Michael Smout, recently retired Vice-Principal of Rhodes University.

Mr. Tembile Kulati, until recently Ministerial adviser on higher education.

Mr. Kevin Abrahams, Education Management Information specialist at the Education Foundation.

Rev. Dr Moknelo Mahlatsi, Minister, Methodist Church, Kimberley.

WORKING GROUP ON THE ESTABLISHMENT OF A NATIONAL INSTITUTE FOR HIGHER EDUCATION IN MPUMALANGA

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 466 of 25 May 2001: Implementation of the National Plan for Higher Education (Government Gazette 22329)/ 1. Purpose.-The Working Group will develop a framework and implementation plan for the establishment of a National Institute for Higher Education in Mpumalanga, as outlined in the National Plan for Higher Education.

1. Purpose.-The Working Group will develop a framework and implementation plan for the establishment of a National Institute for Higher Education in Mpumalanga, as outlined in the National Plan for Higher Education.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 466 of 25 May 2001: Implementation of the National Plan for Higher Education (Government Gazette 22329)/ 2. Principles.-The Working Group will be guided by the principles and goals for the transformation of the higher education system as outlined in the Education White Paper 3: A Programme for the Transformation of the Higher Education System.

2. Principles.-The Working Group will be guided by the principles and goals for the transformation of the higher education system as outlined in the Education White Paper 3: A Programme for the Transformation of the Higher Education System.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 466 of 25 May 2001: Implementation of the National Plan for Higher Education (Government Gazette 22329)/ 3. Terms of Reference.-The development of the framework and implementation plan must include-

3. Terms of Reference.-The development of the framework and implementation plan must include-

3.1 Developing an appropriate administrative, management and governance and funding structure based on the Higher Education Act (Act [No. 101 of 1997](#)), but taking into account that the National Institute will not be an autonomous higher education institution.

3.2 Identifying the infrastructure within the province, including the existing colleges of education, as well as

the satellite campuses of higher education institutions operating in the province, that could serve as the nucleus for the National Institute.

3.3 Developing a coherent menu of higher education programmes that address regional social, economic and labour market needs.

3.4 Identifying the existing and potential capacity of higher education institutions that currently operate in the province to contribute to the development of the National Institute.

3.5 Exploring the potential role of higher education institutions that do not currently operate in the province to contribute to the development of the National Institute should the existing institutions not have the capacity to meet the identified programme needs.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 466 of 25 May 2001: Implementation of the National Plan for Higher Education (Government Gazette 22329)/ 4. Process

4. Process

4.1 The Working Group must consider the outcomes and recommendations of previous investigations into the establishment of a higher education institution in the province that have been undertaken by the provincial government.

4.2 The Working Group must consult with the existing higher education institutions operating in the province, as well as appropriate constituencies in the province, in particular, organised business and labour.

4.3 The Working Group may commission specialist studies and draw on the experience and expertise of other individuals both within and outside of the higher education sector as and when necessary.

4.4 The provincial Department of Education will serve as the secretariat to Working Group.

4.5 The Working Group is accountable to the Minister of Education. It is required to complete its investigation and to submit its recommendations to the Minister by no later than the end of December 2001.

The Mpumalanga Working Group consists of-

Mr. James Maseko, Chairperson, previously the Superintendent-General of Education, Gauteng.

Dr. Michael Smout, recently retired Vice-Principal of Rhodes University.

Mr. Tembile Kulati, until recently Ministerial adviser on higher education.

Mr. BP Nkambule, Independent Consultant on public sector transformation.

Mr. Vuyile Resha, Adviser, MEC for Education, Mpumalanga.

WORKING GROUP ON THE INCORPORATION OF THE QWA-QWA BRANCH OF THE UNIVERSITY OF THE NORTH INTO THE UNIVERSITY OF THE FREE STATE

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 466 of 25 May 2001: Implementation of the National Plan for Higher Education (Government Gazette 22329)/ 1. Purpose.-The Working Group will develop a framework and implementation plan for the incorporation of the Qwa-Qwa branch of the University of the North into the University of the Free State.

1. Purpose.-The Working Group will develop a framework and implementation plan for the incorporation of the Qwa-Qwa branch of the University of the North into the University of the Free State.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 466 of 25 May 2001: Implementation of the National Plan for Higher Education (Government Gazette 22329)/ 2. Principles.-The Working Group will be guided by the principles and goals for the transformation of the higher education system as outlined in the Education White Paper 3: A Programme for the Transformation of the Higher Education System.

2. Principles.-The Working Group will be guided by the principles and goals for the transformation of the higher education system as outlined in the Education White Paper 3: A Programme for the Transformation of the Higher Education System.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 466 of 25 May 2001: Implementation of the National Plan for Higher Education (Government Gazette 22329)/ 3. Terms of Reference.-The framework and implementation plan for establishing the Qwa-Qwa campus as a branch of the University of the Free State must include-

3. Terms of Reference.-The framework and implementation plan for establishing the Qwa-Qwa campus as a branch of the University of the Free State must include-

3.1 Developing a mission and vision for the Qwa-Qwa campus as an integral component of the broader mission and vision of the University of the Free State.

3.2 Developing an appropriate administrative, management and governance structure for ensuring the smooth functioning of the Qwa-Qwa campus.

3.3 Developing an appropriate academic structure linked to a coherent menu of higher education programmes that address regional social, economic and labour market needs.

3.4 Developing an appropriate personnel structure, including the financial implications based on the proposed academic, administrative and governance structures.

3.5 Outlining the labour relation's implications of the proposed personnel structure, including the processes necessary to implement the proposed personnel structure.

3.6 Developing a financial framework to ensure the sustainability of the Qwa-Qwa campus, including identifying the existing assets and liabilities of the Qwa-Qwa campus and the implications of the latter for the incorporation.

3.7 Ensuring that provision is made to enable the existing students to complete their academic programmes.

3.8 Identifying the financial implications for the existing students in terms of differences in the tuition and residential fee structure of the University of the North and the University of the Free State.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 466 of 25 May 2001: Implementation of the National Plan for Higher Education (Government Gazette 22329)/ 4. Process

4. Process

4.1 The Working Group must consult with the appropriate constituencies at the Qwa-Qwa campus and the University of the Free State.

4.2 The Working Group must establish sub-Working Groups consisting of representatives of the Qwa-Qwa campus and the University of the Free State to deal with the different aspects of its work.

4.3 The Working Group may commission specialist studies and draw on the experience and expertise of other individuals both within and outside of the higher education sector as and when necessary.

4.4 The University of the Free State will provide a secretariat for the Working Group.

4.5 The Working Group is accountable to the Minister of Education. It is required to complete its investigation and to submit its recommendations to the Minister by no later than the end of December 2001.

The Qwa-Qwa - Free State Working Group consists of-

Dr. Bethuel Setai, Chairperson, Independent Consultant on governance and public sector transformation.

Dr. Mashupye Kgaphola, Policy Analyst, Development Bank of South Africa.

Prof. Angina Parekh, Ministerial adviser on higher education.

Vice-Chancellor of the University of the Free State or his representative.

Administrator of the University of the North or his representative.

WORKING GROUP ON THE ESTABLISHMENT OF A SINGLE DEDICATED DISTANCE EDUCATION INSTITUTION

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 466 of 25 May 2001: Implementation of the National Plan for Higher Education (Government Gazette 22329)/ 1. Purpose.-The Working Group will facilitate the establishment of a single dedicated distance education institution through the merger of the University of South Africa (UNISA) and Technikon South Africa (TSA) and the incorporation of the distance educ

1. Purpose.-The Working Group will facilitate the establishment of a single dedicated distance education institution through the merger of the University of South Africa (UNISA) and Technikon South Africa (TSA) and the

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 466 of 25 May 2001: Implementation of the National Plan for Higher Education (Government Gazette 22329)/ 2. Principles.-The Working Group will be guided by the principles and goals for the transformation of the higher education system as outlined in the Education White Paper 3: A Programme for the Transformation of the Higher Education System.

2. Principles.-The Working Group will be guided by the principles and goals for the transformation of the higher education system as outlined in the Education White Paper 3: A Programme for the Transformation of the Higher Education System.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 466 of 25 May 2001: Implementation of the National Plan for Higher Education (Government Gazette 22329)/ 3. Terms of Reference

3. Terms of Reference

3.1 The Working Group will develop a framework and implementation plan for establishing a single dedicated distance education institution, including-

3.1.1 Developing a mission and vision for the institution.

3.1.2 Developing an appropriate administrative, management and governance structure for ensuring the smooth functioning of the institution.

3.1.3 Developing an appropriate academic structure.

3.1.4 Developing an appropriate personnel structure, including the financial implications, based on the proposed academic, administrative and governance structures.

3.1.5 Outlining the labour relation's implications of the proposed personnel structure, including the processes necessary to implement the proposed personnel structure.

3.1.6 Developing a financial framework to ensure the sustainability of the institution

3.1.7 Ensuring that provision is made to enable the existing students to complete their academic programmes.

3.1.8 Identifying the financial implications for the existing students in terms differences in the tuition and residential fee structure of UNISA, TSA and V University.

3.2 The Working Group will also investigate and advise on-

3.2.1 The broader role of distance education in higher education in the light of current and future trends, in particular, changes in information and communication technology.

3.2.2 The role that the single dedicated distance education institution could play in the development of innovative and quality programmes that would contribute to promoting access and enhancing quality within the higher education system as a whole.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 466 of 25 May 2001: Implementation of the National Plan for Higher Education (Government Gazette 22329)/ 4. Process

4. Process

4.1 The Working Group must consult with the appropriate constituencies at UNISA, TSA and Vista University.

4.2 The Working Group must establish sub-Working Groups consisting of representatives of UNISA, TSA and Vista University to deal with the different aspects of its work.

4.3 The Working Group may commission specialist studies and draw on the experience and expertise of other individuals both within and outside of the higher education sector as and when necessary.

4.4 The Working Group is accountable to the Minister of Education. It is required to complete its investigation and to submit its recommendations to the Minister by no later than the end of June 2002.

The Single Dedicated Distance Education Working Group consists of-

Mr. Franklin Sonn, Chairperson, formerly South African Ambassador to the United States of America.

Ms. Cynthia Mpathi, Head, District Development Project, KwaZulu-Natal Department of Education.

Prof. Rolf Stumph, Deputy Vice-Chancellor, University of Stellenbosch.

Vice-Chancellor of the University of South Africa or his representative.

Vice-Chancellor of Vista University or his representative.

Vice-Chancellor of Technikon South Africa or his representative.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.1095 of 30 October 2001: Regulations made under Section 91 (1) (b) of the Public Finance Management Act, 1999

GNR.1095 of 30 October 2001: Regulations made under [Section 91 \(1\) \(b\)](#) of the Public Finance Management Act, 1999

NATIONAL TREASURY

By virtue of the powers vested in me by [section 91 \(1\) \(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), I, Trevor Andrew Manuel, Minister of Finance, hereby prescribe the standards of generally recognised accounting practice as set by National Treasury in terms of [section 89 \(1\) \(a\) \(ii\)](#), read with [section 93 \(3\)](#) of that Act, for the annual financial statements of national public entities, in respect of taxes, duties, levies, fees and other monies collected by such entities which must be deposited into a Revenue Fund, as defined in that Act.

The standards of generally recognised accounting practice set out in Schedule 1 hereto apply, subject to the approval of the Accounting Standards Board in terms of [section 55 \(1\) \(b\)](#), in respect of the financial years ended 31 March 2001, 31 March 2002 and 31 March 2003.

**T A MANUEL
MINISTER OF FINANCE**

SCHEDULE 1

1. The annual financial statements in respect of taxes, duties, levies, fees and other monies collected by any national public entity which must be deposited into a Revenue Fund, must consist of-

- (a) a balance sheet (statement of financial position);
- (b) an income statement (statement of financial performance);
- (c) a cash flow statement;
- (d) notes to the annual financial statements; and
- (e) such other statements as may be determined by the Accounting Standards Board.

2. The material accounting policies applied must be disclosed.

3. The annual financial statements must, by means of figures and a descriptive report, explain any other matters and information material to the affairs of the public entity.

4. The statements must be prepared on a cash basis of accounting which must be represented by gross collections net of refunds.

5. The statements must be accompanied by the audit opinion of the Auditor-General.

6. Uncashed refund cheques and monies received and banked on behalf of any national department or any provincial government which have not been allocated must be reflected in the balance sheet.

7. For the purpose of these regulations-

- (a) "gross collections" means taxes, duties, levies, fees and other monies received and banked; and
- (b) "refunds" are represented by refund cheques issued or electronic refunds raised.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ BN 60 of 25 July 2003: Regulations for Accounting Standards

BN 60 of 25 July 2003: Regulations for Accounting Standards

NATIONAL TREASURY

The Minister of Finance has in terms of [section 91](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), made the regulations set out in [the Schedule](#).

SCHEDULE

ARRANGEMENT OF REGULATIONS

- [1.](#) Definitions
- [2.](#) Qualifications of members
- [3.](#) Term of office
- [4.](#) Remuneration, allowances and benefits of members
- [5.](#) Termination of membership
- [6.](#) Conduct of members
- [7.](#) Removal from office
- [8.](#) Filling of vacancies
- [9.](#) Chairperson and Deputy Chairperson
- [9A.](#) *Ex officio members*
- [10.](#) Operating procedures of the board meetings of the Board
- [11.](#) Quorums and decisions
- [12.](#) Procedure for conduct of meetings
- [13.](#) Committees
- [14.](#) Delegation of powers and duties
- [15.](#) Employment of staff
- [16.](#) Funding
- [17.](#) Liability of Board

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ BN 60 of 25 July 2003: Regulations for Accounting Standards/ 1. Definitions.-In these regulations, a word or expression to which a meaning has been assigned in the Act, has the same meaning, and unless the context otherwise indicates-

1. Definitions.-In these regulations, a word or expression to which a meaning has been assigned in the Act, has the same meaning, and unless the context otherwise indicates-

"**Board**" means the Accounting Standards Board established in terms of section 87 of the Act;

"**Minister**" means the Minister of Finance;

"**the Act**" means the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)).

Members of Board

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ BN 60 of 25 July 2003: Regulations for Accounting Standards/ 2. Qualifications of members.-A member of the Board must-

2. Qualifications of members.-A member of the Board must-

- (a) be a fit and proper person to hold office as a member;
- (b) have a holistic knowledge and understanding of financial reporting;
- (c) have the ability to act in the public interest; and
- (d) demonstrate, *inter alia*, some of the following skills:
 - (i) the ability to contribute to the development of best accounting practices, both locally and internationally;
 - (ii) expertise in the field of accounting standards; and
 - (iii) relevant expertise in public sector finance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ BN 60 of 25 July 2003: Regulations for Accounting Standards/ 3. Term of office.-(1) All appointments after the enactment of these regulations must be for a term of three years.

3. Term of office.-(1) All appointments after the enactment of these regulations must be for a term of three years.

(2) A retiring member may be re-appointed for one additional term.

(3) One third of the members determined by lot retire by rotation annually after the commencement of the second term.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ BN 60 of 25 July 2003: Regulations for Accounting Standards/ 4. Remuneration, allowances and benefits of members.-(1) The Minister, after consulting with the Auditor-General, may determine the remuneration, allowances and other benefits of members of the Board.

4. Remuneration, allowances and benefits of members.-(1) The Minister, after consulting with the Auditor-General, may determine the remuneration, allowances and other benefits of members of the Board.

(2) The remuneration, allowances and any other monetary benefits of members of the Board must be paid from the funds of the Board.

(3) A member, including an ex officio member appointed in terms of [regulation 9A](#), of the Board, or a committee of the Board, who is an official of an organ of state, as defined in [section 239](#) of the Constitution of the Republic of South Africa, 1996, may not be remunerated.

[[Sub-reg. \(3\)](#) inserted by GNR.1558 of 29 November 2019.]

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ BN 60 of 25 July 2003: Regulations for Accounting Standards/ 5. Termination of membership.-(1) A person appointed to the Board ceases to be a member of the Board when that person-

5. Termination of membership.-(1) A person appointed to the Board ceases to be a member of the Board when that person-

- (a) is no longer eligible in terms of [regulation 2](#) to be a member;
- (b) resigns; or
- (c) is removed from office in terms of [regulation 7](#).

(2) A member may resign by giving at least three months written notice to the Minister, but the Minister may accept a shorter notice period in a specific case.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ BN 60 of 25 July 2003: Regulations for Accounting Standards/ 6. Conduct of members.-(1) A member of the Board-

6. Conduct of members.-(1) A member of the Board-

- (a) must perform the functions of office in good faith and without favour or prejudice;
- (b) must disclose to the Board any personal or private business interest that that member or any spouse, partner or close family member may have in any matter before the Board, and must withdraw from the proceedings of the Board when that matter is considered unless the Board decides that the interest of that member in the matter is trivial or irrelevant;
- (c) may not use the position, privileges, or knowledge of a member for private gain or to improperly benefit another person; and
- (d) may not act in any other way that compromises the credibility, impartiality, independence or integrity of the Board.

(2) A member of the Board who contravenes or fails to comply with [subregulation \(1\)](#) is guilty of misconduct.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/

Rules and Regulations/ Regulations/ BN 60 of 25 July 2003: Regulations for Accounting Standards/ 7. Removal from office.-The Minister, after consulting with the Auditor-General, may remove a member of the Board from office, but only on the ground of-

7. Removal from office.-The Minister, after consulting with the Auditor-General, may remove a member of the Board from office, but only on the ground of-

- (a) misconduct;
- (b) incapacity;
- (c) incompetence; or
- (d) absence from three consecutive meetings of the Board without the prior permission of the Board.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ BN 60 of 25 July 2003: Regulations for Accounting Standards/ 8. Filling of vacancies.-When a vacancy has occurred, the Minister, after consulting the Auditor-General, must appoint a person to fill that vacancy. That person holds office for the remaining part of the vacating member's term.

8. Filling of vacancies.-When a vacancy has occurred, the Minister, after consulting the Auditor-General, must appoint a person to fill that vacancy. That person holds office for the remaining part of the vacating member's term.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ BN 60 of 25 July 2003: Regulations for Accounting Standards/ 9. Chairperson and Deputy Chairperson.-(1) Whenever necessary the Board must elect from its members a person to be the Chairperson and another person to be the Deputy Chairperson of the Board.

9. Chairperson and Deputy Chairperson.-(1) Whenever necessary the Board must elect from its members a person to be the Chairperson and another person to be the Deputy Chairperson of the Board.

(2) A person elected to be the Chairperson or the Deputy Chairperson holds office for three years or until that person's term as a member expires, whichever occurs first.

(3) The Deputy Chairperson acts as chairperson when-

- (a) the Chairperson is absent or unable to perform the functions of chairperson; or
- (b) the office of chairperson is vacant.

(4) The Deputy Chairperson does not automatically succeed as Chairperson if the office of chairperson becomes vacant.

(5) The Chairperson must be available for the work of the Board in addition to the attendance of Board meetings.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ BN 60 of 25 July 2003: Regulations for Accounting Standards/ 9A. Ex officio members.-(1) The Minister must appoint-

9A. Ex officio members.-(1) The Minister must appoint-

- (a) an official of the office of the Auditor-General nominated by the Auditor-General; and
- (b) the Accountant-General in the National Treasury or another official from the office of the Accountant-General,

as an ex officio member of the Board.

(2) An ex officio member of the Board may participate in a meeting of the Board or a committee of the Board but may not vote.

(3) An ex officio member of the Board is not part of the number of members to determine a quorum for a meeting of the Board or a committee of the Board, as envisaged in [regulation 11 \(1\)](#).

(4) An ex officio member of the Board may not be-

- (a) elected as the Chairperson or Deputy Chairperson of the Board in terms of [regulation 9](#);
- (b) appointed as the Chairperson of a committee of the Board in terms of [regulation 13 \(3\) \(b\)](#).

(5) [Regulations 2, 4, 5 \(1\) \(a\), 13 \(3\) \(e\) and 14 \(1\) \(a\)](#) do not apply to an ex officio member of the Board.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ BN 60 of 25 July 2003: Regulations for Accounting Standards/ 10. Operating procedures of the board meetings of the Board.-(1) The Chairperson of the Board decides when and where the Board meets, but a majority of the members may request the Chairperson in writing to convene a Board meeting at a time and place se

10. Operating procedures of the board meetings of the Board.-(1) The Chairperson of the Board decides when and where the Board meets, but a majority of the members may request the Chairperson in writing to convene a Board meeting at a time and place set out in the request.

(2) The Chairperson or Deputy Chairperson presides at meetings of the Board, but if both are absent from a meeting, the members present must elect another member to preside at the meeting.

(3) Meetings of the Board are open to the public, but the Board may close its meetings when deliberating confidential matters.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ BN 60 of 25 July 2003: Regulations for Accounting Standards/ 11. Quorums and decisions.-(1) A majority of all the members of the Board constitutes a quorum for a meeting of the Board.

11. Quorums and decisions.-(1) A majority of all the members of the Board constitutes a quorum for a meeting of the Board.

(2) Where the number of members present is insufficient to constitute a quorum for a meeting of the Board, the Chairperson may determine that a further meeting be held at a specified time and place. The members then present constitute a quorum for such meeting, provided that a least five members are present.

(3) The Board must decide the following matters by the votes of two-thirds of all the members present at a Board meeting-

- (a) the setting of a standard in terms of section 89 (1) (a) of the Act;
- (b) any interpretation of such a standard; and
- (c) the issuing of a directive or guideline in terms of section 89 (1) (b) of the Act.

(4) Any other matter before the Board is decided by the votes of the majority of the members present at the meeting: Provided that-

- (a) the members present constitute a quorum for a meeting of the Board; and
- (b) the member presiding at the meeting must exercise a casting vote in addition to that member's vote as a member, if there is an equality of votes.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ BN 60 of 25 July 2003: Regulations for Accounting Standards/ 12. Procedure for conduct of meetings.-The Board-

12. Procedure for conduct of meetings.-The Board-

- (a) may determine rules of procedure for the conduct of its business at meetings;
- (b) must keep minutes of its proceedings and decisions; and
- (c) must make such minutes available to an interested person on request.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ BN 60 of 25 July 2003: Regulations for Accounting Standards/ 13. Committees.-(1) The Board may-

13. Committees.-(1) The Board may-

- (a) appoint one or more committees to assist it in the performance of any of its functions or the exercise of any of its powers; and
- (b) dissolve a committee at any time.

(2) When appointing members to a committee the Board is not restricted to Board members.

(3) The Board-

- (a) must determine the functions of a committee;
- (b) must appoint a Chairperson and other members of a committee;
- (c) may remove a member of a committee at any time;
- (d) may determine a committee's operating procedures; and
- (e) may remunerate members of committees within a framework approved by the Minister.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ BN 60 of 25 July 2003: Regulations for Accounting Standards/ 14. Delegation of powers and duties.-(1) When necessary for the proper performance of its functions, the Board may delegate any of its powers or duties to-

14. Delegation of powers and duties.-(1) When necessary for the proper performance of its functions, the Board may delegate any of its powers or duties to-

- (a) the Chairperson or any other Board member;
- (b) a committee referred to in [regulation 13](#); or
- (c) a staff member of the Board.

(2) A delegation in terms of [subregulation \(1\)](#)-

- (a) is subject to any limitations, conditions or directions the Board may impose;
- (b) must be in writing; and
- (c) does not divest the Board of the responsibility concerning the exercise of the power or the performance of the duty.

(3) The Board may confirm, vary or revoke any decision taken in consequence of a delegation in terms of [subregulation \(1\)](#), subject to any rights that may have accrued to a person as a result of the decision.

Administration of Board

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ BN 60 of 25 July 2003: Regulations for Accounting Standards/ 15. Employment of staff.-The Board may-

15. Employment of staff.-The Board may-

- (a) determine a staff establishment necessary for the work of the Board; and
- (b) appoint persons in posts on the staff establishment on terms and conditions of employment determined by the Board within a framework approved by the Minister.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ BN 60 of 25 July 2003: Regulations for Accounting Standards/ 16. Funding.-The funds of the Board consists of-

16. Funding.-The funds of the Board consists of-

- (a) income derived by it from the performance of its functions;
- (b) money appropriated for its purposes by Parliament; and
- (c) grants received from organs of state.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ BN 60 of 25 July 2003: Regulations for Accounting Standards/ 17. Liability of Board.-No person, including the Board, is liable for anything done or omitted in good faith, when performing a function or exercising a power in terms of Chapter 11 of the Act or these regulations.

17. Liability of Board.-No person, including the Board, is liable for anything done or omitted in good faith, when performing a function or exercising a power in terms of Chapter 11 of the Act or these regulations.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76

GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76

(Editorial Note: Although these regulations were named an "Amendment of the Treasury Regulations in terms of section 76", it is suggested that the Department intended to name it the "Treasury Regulations".)

	as amended by	
Notice	Government Gazette	Date
GNR.146	29644	20 February 2007
R.874	37042	15 November 2013

NATIONAL TREASURY

GENERAL NOTE

The Treasury Regulations were originally published in [GNR.345 of 9 April 2001](#), and subsequently amended in total by [GNR.740 of 25 May 2002](#), [GN 2012 of 28 July 2003](#), [GN 37 of 16 January 2004](#) and [GNR.225 of 15 March 2005](#), respectively.

The Minister of Finance has, in terms of [Section 76](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), amended the Treasury Regulations that were published in *Government Gazette* No. 23463 dated 25 May 2002 as set out in the Schedule.

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PART 1

DEFINITIONS, APPLICATION AND DATE OF COMMENCEMENT

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 1. General definitions, application and date of commencement

1. General definitions, application and date of commencement

1.1 General definitions

In these Treasury Regulations, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act, has the same meaning, and-

"Act" means the Public Finance Management Act (Act [No. 1 of 1999](#)), as amended;

"debt" means an amount owing to the State;

"division of revenue grants" mean allocations from the national government to provinces and local government as listed in the schedules to the annual Division of Revenue Act, including transfers in terms of that Act;

"executive authority" in relation to a constitutional institution consisting of a body of persons, means the chairperson of the constitutional institution, and in relation to a constitutional institution with a single office bearer, means the incumbent of that office;

"head official of the treasury" means the administrative head of the department responsible for financial and fiscal matters which forms part of the relevant treasury;

"institution" means a department or a constitutional institution;

"official" means a person in the employ of a department or constitutional institution.

1.2 Application

1.2.1 These Treasury Regulations apply-

- (a) to all departments, but only to the extent as indicated in [regulations 1 to 24](#) and [26](#);
- (b) to all constitutional institutions, but only to the extent as indicated in [regulations 1 to 22](#);
- (c) to all public entities listed in Schedule 2, but only to the extent as indicated in paragraph 6.1.2 and [regulations 24, 25, 27 to 29](#) and [31 to 33](#);
- (d) to all public entities listed in Schedules 3A and 3C, but only to the extent as indicated in paragraph 6.1.2 and [regulations 16, 16A, 24 to 28](#) and [30 to 33](#);
- (e) to all public entities listed in Schedules 3B and 3D, but only to the extent as indicated in paragraph 6.1.2 and [regulations 16, 24, 25, 27 to 29](#) and [31 to 33](#); and
- (f) to the South African Revenue Service as a Schedule 3A public entity but only to the extent as indicated in paragraphs 6.1.2, [regulations 16, 16A, 24 to 28](#) and [30 to 33](#).

1.2.2 These Treasury regulations, read in context, also apply to the South African Revenue Service as a department, but only to the extent that it collects and administers State revenue and as indicated in [regulations 6.1.2, 7.1, 7.2, 11.1, 11.2.1 \(a\), 11.3, 11.4, 12.1.1, 12.2.1 \(a\) to \(d\), 12.5.1, 12.6, 12.7.1 to 12.7.3, 15.4, 15.7, 15.10.2, 15.11, 17.2, and 22.1](#).

1.2.3 For purposes of [regulation 1.2.2](#), the Treasury Regulations that do apply to the South African Revenue Service, apply as though it were a department with its Commissioner as its accounting officer.

1.3 Date of commencement

1.3.1 These Treasury Regulations take effect from 15 March 2005, unless otherwise indicated in the text.

PART 2 MANAGEMENT ARRANGEMENTS

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 2. Corporate management

2. Corporate management

2.1 Chief financial officer

2.1.1 Unless directed otherwise by the relevant treasury, each institution must have a chief financial officer serving on the senior management team.

2.1.2 The chief financial officer is directly accountable to the accounting officer.

2.1.3 Without limiting the right of the accounting officer to assign specific responsibilities, the general responsibility of the chief financial officer is to assist the accounting officer in discharging the duties prescribed in [Part 2](#) of Chapter 5 of the Act and the annual Division of Revenue Act. These duties relate to the effective financial management of the institution including the exercise of sound budgeting and budgetary control practices, the operation of internal controls and the timely production of financial reports.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 3. Internal control

3. Internal control

3.1 Audit committees [Sections 76 (4) (d) and 77 of the PFMA]

3.1.1 If considered feasible, the relevant treasury may direct that institutions share audit committees. If such a determination is made, the Auditor-General must be informed within 30 days of the determination.

3.1.2 In the case of a non-shared audit committee, the accounting officer of an institution must appoint audit committee members in consultation with the relevant executive authority.

3.1.3 In the case of a shared audit committee, the head of the relevant treasury must appoint audit committee members after consultation with the relevant executive authorities.

3.1.4 The chairperson of an audit committee must be independent, be knowledgeable of the status of the position, have the requisite business, financial and leadership skills and may not be a political office bearer.

3.1.5 Audit committees must be constituted so as to ensure their independence and their membership must be disclosed in the annual report of the institution.

3.1.6 Members of an audit committee who have been appointed from outside the public service pursuant to section 77 (a) (i) of the Act must have appropriate experience, be appointed on contract and be remunerated in accordance with paragraph 20.2.2 of these regulations. Should it be deemed necessary, such members may be remunerated taking into account tariffs determined by the South African Institute of Chartered Accountants in consultation with the Auditor-General as provided for in paragraph 20.2.3.

3.1.7 The relevant executive authority must concur with any premature termination of the services of a person serving on an audit committee.

3.1.8 An audit committee must operate in terms of a written terms of reference, which must deal adequately with its membership, authority and responsibilities. The terms of reference must be reviewed at least annually to ensure its relevance.

3.1.9 It must be disclosed in the institution's annual report whether or not the audit committee has adopted a formal terms of reference and if so, whether the committee satisfied its responsibilities for the year, in compliance with its terms of reference.

3.1.10 The audit committee must, amongst others review the following-

- (a) the effectiveness of the internal control systems;
- (b) the effectiveness of the internal audit function;
- (c) the risk areas of the institution's operations to be covered in the scope of internal and external audits;
- (d) the adequacy, reliability and accuracy of the financial information provided to management and other users of such information;
- (e) any accounting and auditing concerns identified as a result of internal and external audits;
- (f) the institution's compliance with legal and regulatory provisions; and
- (g) the activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations.

3.1.11 The audit committee must have explicit authority to investigate matters within its powers, as identified in the written terms of reference. The audit committee must be provided with the resources it needs to investigate such matters and shall have full access to information. The audit committee must safeguard all the information supplied to it within the ambit of the law.

3.1.12 An audit committee must report and make recommendations to the accounting officer, but the accounting officer retains responsibility for implementing such recommendations.

3.1.13 In addition to the above, an audit committee must, in the annual report of the institution, comment on-

- (a) the effectiveness of internal control;
- (b) the quality of in year management and monthly/quarterly reports submitted in terms of the Act and the Division of Revenue Act; and
- (c) its evaluation of the annual financial statements.

3.1.14 Should a report to an audit committee, whether from the internal audit function or any other source, implicate the accounting officer in fraud, corruption or gross negligence, the chairperson of the audit committee must promptly report this to the relevant executive authority.

3.1.15 An audit committee may communicate any concerns it deems necessary to the executive authority, the relevant treasury and the Auditor-General.

3.1.16 The audit committee must meet at least annually with the Auditor-General to ensure that there are no unresolved issues of concern.

3.2 Internal controls and internal audit [Sections 38 (1) (a) (i) and 76 (4) (e) of the PFMA]

3.2.1 The accounting officer must ensure that a risk assessment is conducted regularly to identify emerging risks of the institution. A risk management strategy, which must include a fraud prevention plan, must be used to direct internal audit effort and priority, and to determine the skills required of managers and staff to improve controls and to manage these risks. The strategy must be clearly communicated to all officials to ensure that the risk management strategy is incorporated into the language and culture of the institution.

3.2.2 Each institution to which these Regulations apply must have an internal audit function.

3.2.3 If considered feasible, the relevant treasury may direct that institutions share internal audit functions. If such a determination is made, the Auditor-General must be informed within 30 days of the determination.

3.2.4 An internal audit function may be partly or wholly contracted to an external organisation with

specialist audit expertise, provided that its selection is in accordance with the relevant government's competitive tendering procedures.

3.2.5 The purpose, authority and responsibility of the internal audit function must, in consultation with the audit committee, be formally defined in an audit charter and be consistent with the Institute of Internal Auditors ("IIA") definition of internal auditing.

3.2.6 Internal audit must be conducted in accordance with the standards set by the Institute of Internal Auditors.

3.2.7 An internal audit function must prepare, in consultation with and for approval by the audit committee-

- (a) a rolling three-year strategic internal audit plan based on its assessment of key areas of risk for the institution, having regard to its current operations, those proposed in its strategic plan and its risk management strategy;
- (b) an annual internal audit plan for the first year of the rolling three year strategic internal audit plan;
- (c) plans indicating the proposed scope of each audit in the annual internal audit plan; and
- (d) a quarterly report to the audit committee detailing its performance. against the annual internal audit plan, to allow effective monitoring and possible intervention.

3.2.8 An internal audit function must assess the operational procedure and monitoring mechanisms over all transfers made and received, including transfers in terms of the annual Division of Revenue Act.

3.2.9 An internal audit function must report directly to the accounting officer and shall report at all audit committee meetings. The function must be independent of activities that are audited, with no limitation on its access to information.

3.2.10 The internal audit function must co-ordinate with other internal and external providers of assurance to ensure proper coverage and to minimise duplication of effort.

3.2.11 The internal audit function must assist the accounting officer in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. The controls subject to evaluation should encompass the following-

- (a) the information systems environment;
- (b) the reliability and integrity of financial and operational information;
- (c) the effectiveness of operations;
- (d) safeguarding of assets; and
- (e) compliance with laws, regulations and controls.

3.2.12 The internal audit function must assist the accounting officer in achieving the objectives of the institution by evaluating and developing recommendations for the enhancement or improvement of the processes through which-

- (a) objectives and values are established and communicated;
- (b) the accomplishment of objectives is monitored;
- (c) accountability is ensured; and
- (d) corporate values are preserved.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 4. Financial misconduct

4. Financial misconduct

4.1 Investigation of alleged financial misconduct [Sections 85 (1) (b), (c) and (d) of the PFMA]

4.1.1 If an official is alleged to have committed financial misconduct, the accounting officer of the institution must ensure that an investigation is conducted into the matter and if confirmed, must ensure that a disciplinary hearing is held in accordance with the relevant prescripts and agreements applicable in the public service.

4.1.2 The accounting officer must ensure that such an investigation is instituted within 30 days from the date of discovery of the alleged financial misconduct.

4.1.3 If an accounting officer is alleged to have committed financial misconduct, the relevant treasury, as soon as it becomes aware of the alleged misconduct, must ensure that the relevant executive authority initiates an investigation into the matter and if the allegations are confirmed, holds a disciplinary hearing in accordance with the

prescripts applicable and agreements applicable in the public service.

4.1.4 A relevant treasury may-

- (a) direct that an official other than an employee of the institution conducts the investigation; or
- (b) issue any reasonable requirement regarding the way in which the investigation should be performed.

4.2 Criminal proceedings [Section 86 of the PFMA]

4.2.1 The accounting officer must advise the executive authority, relevant treasury and the Auditor-General of any criminal charges it has laid against any person in terms of section 86 of the Act.

4.2.2 The relevant treasury may direct an institution to lay criminal charges against any person should an accounting officer fail to take appropriate action.

4.3 Reporting [Section 85 (1) (a) and (e) of the PFMA]

4.3.1 The accounting officer must, as soon as the disciplinary proceedings are completed, report to the executive authority, the Department of Public Service and Administration and the Public Service Commission on the outcome, including-

- (a) the name and rank of the official against whom the proceedings were instituted;
- (b) the charges, indicating the financial misconduct the official is alleged to have committed;
- (c) the findings;
- (d) any sanction imposed on the official; and
- (e) any further action to be taken against the official, including criminal charges or civil proceedings.

4.3.2 The accounting officer of a constitutional institution must report the information required in terms of paragraph 4.3.1 (a) to (e) of these regulations to Parliament.

4.3.3 The accounting officer of a department must inform the executive authority, the relevant treasury, the Department of Public Service and Administration and the Public Service Commission of the outcome of any criminal proceedings instituted against any person for financial misconduct in terms of section 86 of the Act, whilst the accounting officer of a constitutional institution must inform Parliament of such outcomes.

4.3.4 The accounting officer must, on an annual basis, submit to the provincial treasury (if applicable), National Treasury and Auditor-General a schedule of-

- (a) the outcome of any disciplinary proceedings and/or criminal charges;
- (b) the names and ranks of officials involved; and
- (c) the sanctions and any further actions taken against these officials.

4.3.5 The schedule mentioned in paragraph 4.3.4 must be accompanied by a report which refers to any changes made to the institution's systems of financial and risk management as a result of any investigation.

PART 3 PLANNING AND BUDGETING

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 5. Strategic planning.-

5. Strategic planning.-

5.1 Preparation of strategic plans

5.1.1 The accounting officer of an institution must prepare a strategic plan that is consistent with the period covered by the Medium Term Expenditure Framework for approval by the relevant executive authority.

5.2 Submission and contents of strategic plans

5.2.1 In order to facilitate the annual discussion of individual votes, accounting officers must provide Parliament or the relevant legislature with their respective institution's medium-term strategic plan, and where applicable, with its annual performance plan.

5.2.2 Parliament or the relevant legislature should receive the plans of departments at least 10 days prior to the discussion of the department's budget vote.

5.2.3 The strategic plan must-

- (a) cover a period of at least three years and be consistent with the institution's published medium term expenditure estimates;
- (b) include specific Constitutional and other legislative, functional and policy mandates that indicate the output deliverables for which the institution is responsible;
- (c) include policy developments and legislative changes that influence programme spending plans over the MTEF period;
- (d) include the measurable objectives, expected outcomes, programme outputs, indicators (measures) and targets of the institution's programmes;
- (e) include details of proposed acquisitions of fixed or movable capital assets, planned capital investments and rehabilitation and maintenance of physical assets;
- (f) include details of proposed acquisitions of financial assets or capital transfers and plans for the management of financial assets and liabilities;
- (g) include multi-year projections of income and projected receipts from the sale of assets;
- (h) include details of the Service Delivery Improvement Programme;
- (i) include details of proposed information technology acquisition or expansion in reference to an information technology plan;
- (j) for departments, include the requirements of Chapter 1, Part III B of the *Public Service Regulations, 2001*; and
- (k) include details of specific plans that the executive authority, Parliament or the relevant provincial legislature may direct the institution to report on.

5.2.4 The strategic plan must form the basis for the annual reports of accounting officers as required by [sections 40 \(1\) \(d\)](#) and [\(e\)](#) of the Act.

5.3 Evaluation of performance [\[Section 27 \(4\)\]](#) read with 36 (5) of the PFMA]

5.3.1 The accounting officer of an institution must establish procedures for quarterly reporting to the executive authority to facilitate effective performance monitoring, evaluation and corrective action.

[\[Reg. 5](#) substituted by GNR.146 of 2007.]

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 6. Budgeting and related matters

6. Budgeting and related matters

6.1 Annual budget circular

6.1.1 The accounting officer of a department must comply with any annual budget circulars issued by the relevant treasury. Budget circulars issued by provincial treasuries must be consistent with any budget circular issued by the National Treasury to provincial treasuries.

6.1.2 The accounting officer of a constitutional institution or the accounting authority of a public entity who receives transfers appropriated by vote must provide such information as may be required by the accounting officer responsible for the vote for the purposes of complying with a budget circular. A budget submission by such a constitutional institution or public entity must be made through the accounting officer of the department responsible for transfers to that constitutional institution or public entity.

6.1.3 An accounting officer of a budget vote must ensure that the budget submission for that vote includes appropriate supporting information in respect of constitutional institutions and public entities receiving transfers on that vote.

6.2 Formats of the annual budget [\[Section 27 \(3\) of the PFMA\]](#)

6.2.1 The annual budget documentation, as presented to Parliament or a provincial legislature, must conform to the formats as determined by the National Treasury.

6.3 Virement [\[Sections 43 and 76 \(3\) of the PFMA\]](#)

6.3.1 For purposes of section 43 (1) of the Act-

- (a) compensations of employees and transfers and subsidies to other institutions, excluding transfers and subsidies to other levels of government for purposes of paying levies and taxes imposed by legislation, may not be increased without approval of the relevant treasury;
- (b) new transfers and subsidies to other institutions may not be introduced without the approval of the

relevant treasury;

- (c) allocations earmarked by the relevant treasury for a specific purpose (excluding compensation of employees) may not be used for other purposes, except with its approval; and
- (d) virement of funds from compensation of employees to transfers and subsidies for the payment of severance/exit packages are excluded from the provisions of (a) and (b).

6.4 Rollovers [Sections 30 (2) (g) and 31 (2) (g) of the PFMA]

6.4.1 Funds appropriated but not spent in a particular financial year may be rolled over to a subsequent year subject to approval of the relevant treasury. Such approval will be guided by the following limitations-

- (a) Payment for capital assets: Unspent funds on capital expenditure may only be rolled over to finalise projects or asset acquisitions still in progress.
- (b) Transfers and subsidies: Savings on transfers and subsidies may not be rolled over for purposes other than originally voted for.
- (c) Current payments: Savings on compensation of employees may not be rolled over. A maximum of five percent of a department's payments for goods and services may be rolled over.

6.4.2 Requests for rollovers must be submitted to the relevant treasury on or before the last working day of April, in a format determined by the National Treasury and must include-

- (a) the purpose for which the funds were appropriated;
- (b) the reasons why the funds were not spent;
- (c) proposed changes to the use of the funds, if any; and
- (d) a disbursement schedule indicating the month(s) in which the expenditure is expected to be incurred.

6.4.3 Funds for a specific purpose may not be rolled over for more than one financial year, unless approved in advance by the relevant treasury.

6.5 Transfer of functions [Section 42 of the PFMA]

6.5.1 Where a function is to be transferred between votes during a financial year, the relevant treasury must be consulted in advance, to facilitate any request for the resulting transfer of funds voted for that function in terms of section 33 of the Act. In the absence of agreement between the affected departments on the amount of funds to be transferred, the relevant treasury will determine the funds to be shifted.

6.5.2 Should the Minister of Public Service and Administration or a Premier of a province make a determination regarding the transfer of a function between departments in terms of the Public Service Act, 1994, that determination must accompany a request for the transfer of funds as per paragraph 6.5.1. Should the Minister of Public Service and Administration or a Premier approve a function transfer after the finalisation of the adjustments estimates, it must be dealt with on a recoverable basis.

6.5.3 Before seeking formal approval from the Minister of Public Service and Administration or the Premier of a province for any transfer of functions to another sphere of government, the transferring accounting officer must first seek the approval of the relevant treasury or treasuries on any funding arrangements.

6.5.4 The transfer of functions to provinces and municipalities must be dealt with in terms of the annual Division of Revenue Act and the Local Government Municipal Finance Management Act (MFMA), 2003 (Act [No. 56 of 2003](#)).

6.6 Additional funds through an adjustments budget [Sections 30 (2) (b) and 31 (2) (b) of the PFMA]

6.6.1 For purposes of an adjustments budget, the following will not be considered unforeseeable and unavoidable expenditure-

- (a) expenditure that, although known when finalising the estimates of expenditure, could not be accommodated within allocations;
- (b) tariff adjustments and price increases; and
- (c) extensions of existing services and the creation of new services that are not unforeseeable and unavoidable.

6.6.2 The department requesting additional funds through an adjustments budget must submit a memorandum to the relevant treasury, the Cabinet/EXCO Secretariat and any treasury committee of the Cabinet/EXCO, on a date determined by the relevant treasury.

6.6.3 Where a national adjustments budget allocates funds to a province, the relevant provincial treasury must table an adjustments budget within 30 days of the tabling of the national adjustments budget, or within such longer period as the National Treasury may approve.

6.7 Definitions introduced by the new Economic Reporting Format

6.7.1 For purposes of ensuring alignment between the new Economic Reporting Format, the Public Finance Management Act, 1999 and the Treasury Regulations, the following terms must be used interchangeably:

- (a) *Personnel expenditure* referred to in the Act is the same as *compensation of employees* in the new Economic Reporting Format;
- (b) *Transfer* referred to in the Act is the same as *transfers* in the new Economic Reporting Format for entities of government, but excludes public entities listed in Schedules 2, 3B and 3D to the Act;
- (c) *Transfers* referred to in the Act that are made to public entities listed in Schedules 2, 3B and 3D to the Act are the same as *transfers and subsidies* in the new Economic Reporting Format; and
- (d) *Capital expenditure* referred to in the Act is the same as *payments for capital assets* in the new Economic Reporting Format.

PART 4 REVENUE AND EXPENDITURE MANAGEMENT

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 7. Revenue management

7. Revenue management

7.1 Application

7.1.1 This regulation applies to the identification, collection, recording and safeguarding of all revenue for which an institution is responsible.

7.2 Responsibility for revenue management

7.2.1 The accounting officer of an institution must manage revenue efficiently and effectively by developing and implementing appropriate processes that provide for the identification, collection, recording, reconciliation and safeguarding of information about revenue.

7.3 Services rendered by the State

7.3.1 The accounting officer of an institution must review, at least annually when finalising the budget, all fees, charges or the rates, scales or tariffs of fees and charges that are not or cannot be fixed by any law and that relate to revenue accruing to a revenue fund. The accounting officer must obtain approval from the relevant treasury for the proposed tariff structure.

7.3.2 Information on the tariff structure must be disclosed in the annual report, including information on exemptions, discounts, free services and any other aspect of material influence on the revenue yield.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 8. Expenditure management

8. Expenditure management

8.1 Responsibility of the accounting officer [Section 76 (4) (b) of the PFMA]

8.1.1 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 controls should provide reasonable assurance that all expenditure is necessary, appropriate, paid promptly and is adequately recorded and reported.

8.2 Approval of expenditure [Section 38 (1) (f) and 76 (4) (b) of the PFMA]

8.2.1 An official of an institution may not spend or commit public money except with the approval (either in writing or by duly authorised electronic means) of the accounting officer or a properly delegated or authorised officer.

8.2.2 Before approving expenditure or incurring a commitment to spend, the delegated or authorised official must ensure compliance with any limitations or conditions attached to the delegation or authorisation.

8.2.3 Unless determined otherwise in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgement.

8.3 Compensation of employees [Section 76 (4) (b) of the PFMA]

8.3.1 Activities relating to the authorisation of appointments, the authorisation of payments and the recording of those payments may not be performed by the same person.

8.3.2 The accounting officer of an institution must ensure that the costs related to compensation of employees, as well as promotion and salary increases, can be met within the budgetary allocation of the institution.

8.3.3 Unless otherwise determined by the National Treasury, personnel are divided into the following groups for the payment of salaries-

- (a) Group A: Persons who must be paid on the 15th day of the month, or if it is not a working day, on the last working day preceding the 15th. These include-
 - (i) persons appointed permanently on the fixed establishment and employed in terms of the Public Service Act, 1994; and
 - (ii) persons appointed on contract in terms of section 8 (1) (c) of the Public Service Act, 1994 and other similar legislation.
- (b) Group B: This group represents personnel paid on the last working day of the month and includes temporary and part-time staff, and persons appointed on probation.

8.3.4 For all employees, the person in charge at the respective pay-points must certify on the date of payment that all persons listed on the payroll report are entitled to payment. Employees paid by cheque must sign the payroll report when collecting their cheques.

8.3.5 Within ten days of being certified, the payroll report must be returned to the chief financial officer. The accounting officer must ensure that all pay-point certificates have been received on a monthly basis.

8.4 Transfers and subsidies (excluding Division of Revenue grants and other allocations to municipalities) [Section 38 (1) (j) of the PFMA]

8.4.1 An accounting officer must maintain appropriate measures to ensure that transfers and subsidies to entities are applied for their intended purposes. Such measures may include-

- (a) regular reporting procedures;
- (b) internal and external audit requirements and, where appropriate, submission of audited statements;
- (c) regular monitoring procedures;
- (d) scheduled or unscheduled inspection visits or reviews of performance; and
- (e) any other control measures deemed necessary.

8.4.2 An accounting officer may withhold transfers and subsidies to an entity if he or she is satisfied that-

- (a) conditions attached to the transfer and subsidy have not been complied with;
- (b) financial assistance is no longer required;
- (c) the agreed objectives have not been attained; and
- (d) the transfer and subsidy does not provide value for money in relation to its purpose or objectives.

8.4.3 Treasury [Regulations 8.4.1](#) and [8.4.2](#) do not apply to transfers and subsidies to other countries, international bodies, to other bodies in terms of economic and financial agreements and to levies and taxes imposed by other levels of government and which are classified as transfers and subsidies in the budgets of departments. Transfers and subsidies in respect of levies and taxes imposed by other levels and entities of government are governed by section 38 (1) (e) of the Act.

8.4.4 Transfers and subsidies to other countries, international bodies, other bodies in terms of economic and financial agreements and transfers and subsidies to other levels and entities of government for purposes of paying levies and taxes imposed by legislation are exempt from the written assurance, as required by section 38 (1) (j) of the Act.

8.5 Division of Revenue Grants [Section 38 (1) (i) of the PFMA]

8.5.1 Accounting officers of departments transferring funds to other spheres of government in terms of the annual Division of Revenue Act must comply with the provisions of that Act.

8.6 Other allocations to municipalities

8.6.1 A provincial accounting officer transferring a grant from the provincial revenue fund to a municipality in accordance with an assignment in terms of [section 156 \(4\)](#) of The Constitution, 1996 (Act [No. 108 of 1996](#)) or a delegation in terms of [section 238](#) of The Constitution, 1996 other than an agency payment in terms of [section 238](#) of The Constitution, 1996 must comply with the relevant provisions of the annual Division of Revenue Act, the Local Government: Municipal Finance Management Act (MFMA), 2003 (Act [No. 56 of 2003](#)), [sections 9](#) and [10](#) of the Municipal Systems Act, 2000 (Act [No. 32 of 2000](#)) and other relevant legislation.

8.7 Charging of expenditure against a particular vote or main division of a vote [Section 76 (2) (b) of the

8.7.1 Should a dispute arise over which vote or main division of a vote should be charged with any particular expenditure, the relevant treasury must settle the dispute and determine the vote or main division against which the expenditure must be charged.

8.8 Recovery, disallowance and adjustment of payments

8.8.1 Amounts charged to voted funds, which are recovered in the financial year in which payment was made, shall on or before the closing of books of that financial year, be allocated to the main division that was originally debited.

8.8.2 Such amounts which are recovered after the closing of books of a financial year shall be paid to the relevant revenue fund, provided that such amounts have not been allocated to a clearing or suspense account during the financial year in which payment was made.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 9. Unauthorised, irregular, fruitless and wasteful expenditure

9. Unauthorised, irregular, fruitless and wasteful expenditure

9.1 General [Sections 38 (1) (g) and 76 (2) (e) of the PFMA]

9.1.1 The accounting officer of an institution must exercise all reasonable care to prevent and detect unauthorised, irregular, fruitless and wasteful expenditure, and must for this purpose implement effective, efficient and transparent processes of financial and risk management.

9.1.2 When an official of an institution discovers unauthorised, irregular or fruitless and wasteful expenditure, that official must immediately report such expenditure to the accounting officer. In the case of a department, such expenditure must also be reported in the monthly report, as required by section 40 (4) (b) of the Act. Irregular expenditure incurred by a department in contravention of tender procedures must also be brought to the notice of the relevant tender board or procurement authority, whichever is applicable.

9.1.3 When an accounting officer determines the appropriateness of disciplinary steps against an official in terms of section 38 (1) (g) of the Act, the accounting officer must take into account-

- (a) the circumstances of the transgression;
- (b) the extent of the expenditure involved; and
- (c) the nature and seriousness of the transgression.

9.1.4 The recovery of losses or damages resulting from unauthorised, irregular or fruitless and wasteful expenditure must be dealt with in accordance with [regulation 12](#).

9.1.5 The amount of the unauthorised, irregular, fruitless and wasteful expenditure must be disclosed as a note to the annual financial statements of the institution.

PART 5 ASSET AND LIABILITY MANAGEMENT

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 10. Asset management

10. Asset management

10.1 Responsibility for asset management [Section 38 (1) (d) of the PFMA]

10.1.1 The accounting officer of an institution must take full responsibility and ensure that proper control systems exist for assets and that-

- (a) preventative mechanisms are in place to eliminate theft, losses, wastage and misuse; and
- (b) stock levels are at an optimum and economical level.

10.1.2 The accounting officer must ensure that processes (whether manual or electronic) and procedures are in place for the effective, efficient, economical and transparent use of the institution's assets.

10.2 Assets accruing to the State by operation of any law [Section 76 (2) (i) of the PFMA]

10.2.1 Where any money, property or right accrues to the State by operation of law (*bona vacantia*), the

relevant treasury may exercise all powers, authority and prerogatives, and fulfil any obligation on behalf of the State.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 11. Management of debtors

11. Management of debtors

11.1 Application

11.1.1 This regulation applies to all debts accruing to an institution and includes any amount owing to or receivable by the institution, such as invoices for charges for goods or services, fees or fines outstanding.

11.2 Responsibility for the management of debtors [Section 38 (1) (c) (i) and (d) of the PFMA]

11.2.1 The accounting officer of an institution must take effective and appropriate steps to timeously collect all money due to the institution including, as necessary-

- (a) maintenance of proper accounts and records for all debtors, including amounts received in part payment; and
- (b) referral of a matter to the State Attorney, where economical, to consider a legal demand and possible legal proceedings in a court of law.

11.3 Recovery of debts by instalments

11.3.1 Unless otherwise determined by law or agreement, debts owing to the State may, at the discretion of the accounting officer of the institution, be recovered in instalments.

11.4 Writing off of debts owing to the State [Sections 76 (1) (e) and 76 (4) (a) of the PFMA]

11.4.1 An accounting officer may only write off debts owed to the State if he or she is satisfied that-

- (a) all reasonable steps have been taken to recover the debt and the debt is irrecoverable; or
- (b) he or she is convinced that-
 - (i) recovery of the debt would be uneconomical;
 - (ii) recovery would cause undue hardship to the debtor or his or her dependants; or
 - (iii) it would be to the advantage of the State to effect a settlement of its claim or to waive the claim.

11.4.2 An accounting officer must ensure that all debts written off are done in accordance with a write off policy determined by the accounting officer.

11.4.3 All debts written off must be disclosed in the annual financial statements, indicating the policy in terms of which the debt was written off.

11.5 Interest payable on debts to the State [Section 80 of the PFMA]

11.5.1 Interest must be charged on debts to the State at the interest rate determined by the Minister of Finance in terms of section 80 of the Act.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 12. Management of losses and claims

12. Management of losses and claims

12.1 General

12.1.1 Subject to the provisions of this regulation, or any other legislation or agreement, the State will bear its own damages and accident risks and be responsible for all claims and losses of State property where these arise from State activities by an official who is liable in law and who is or was employed by an institution.

12.1.2 Notwithstanding paragraph 12.1.1, the accounting officer of an institution may (if deemed economical and based on a risk assessment) insure motor vehicles, including hired vehicles, or such other movable assets determined by the relevant treasury, but the insurance premium cost may not exceed R250 000 a year on that vote, unless otherwise approved by the relevant treasury.

12.2 Claims against the State through acts or omissions [Section 76 (1) (h) of the PFMA]

12.2.1 An institution must accept liability for any loss or damage suffered by another person, which arose from an act or omission of an official as a claim against the State and does not recover compensation from an official, provided the official shall forfeit this cover if he or she, with regard to the act or omission, is liable in law and-

- (a) intentionally exceeded his or her powers;
- (b) made use of alcohol or drugs;
- (c) did not act in the course and scope of his or her employment;
- (d) acted recklessly or intentionally;
- (e) without prior consultation with the State Attorney, made an admission that was detrimental to the State; or
- (f) failed to comply with or ignored standing instructions, of which he or she was aware or could reasonably have been aware of, which led to the loss, damage or reason for the claim, excluding damage arising from the use of a State vehicle; and
- (g) in the case of a loss, damage or claim arising from the use of a State vehicle, the official-
 - (i) used the vehicle without authorisation;
 - (ii) did not possess a valid driver's licence or other appropriate licence;
 - (iii) did not use the vehicle in the interest of the State;
 - (iv) allowed unauthorised persons to handle the vehicle; or
 - (v) deviated materially from the official journey or route without prior authorisation.

12.2.2 If in doubt, the accounting officer of the institution must consult the State Attorney on questions of law on the implementation of paragraph 12.2.1.

12.2.3 Where an official has forfeited his or her cover in terms of paragraph 12.2.1, the amount paid by the institution for the loss, damage or claim arising from an act or omission must be recovered from the official concerned.

12.2.4 The State Attorney may only obligate the funds of an institution with the prior written approval of the accounting officer.

12.3 Claims by the State against other persons

12.3.1 If the State suffers a loss or damage and the other person denies liability, the accounting officer must, if deemed economical, refer the matter to the State Attorney for legal action, including the recovery of the value of the loss or damage.

12.4 Claims by officials against the State

12.4.1 If an official sustains a loss or damage in the execution of official duties and is not compensated, the accounting officer may make good the loss or damage provided that the official can prove such loss or damage.

12.5 Losses or damages through criminal acts or omissions [Section 76 (1) (f) of the PFMA]

12.5.1 When it appears that the State has suffered losses or damages through criminal acts or possible criminal acts or omissions, the matter must be reported, in writing, to the accounting officer and the South African Police Service. If liability can be determined, the accounting officer must recover the value of the loss or damage from the person responsible.

12.5.2 The accounting officer may write off losses or damages arising from criminal acts or omissions if, after a thorough investigation, it is found that the loss or damage is irrecoverable.

12.5.3 When movable assets are written off, this must be noted in the asset register.

12.6 Losses and damages through *vis major* and other unavoidable causes [Section 76 (1) (e) of the PFMA]

12.6.1 The accounting officer may write off losses and damages that result from *vis major* and other unavoidable causes.

12.7 Losses or damages through acts committed or omitted by officials [Sections 76 (1) (b) and 76 (4) (a) of the PFMA]

12.7.1 Losses or damages suffered by an institution because of an act committed or omitted by an official, must be recovered from such an official if that official is liable in law.

12.7.2 The accounting officer must determine the amount of the loss or damage and, in writing, request that official to pay the amount within 30 days or in reasonable instalments. If the official fails to comply with the request, the matter must be handed to the State Attorney for the recovery of the loss or damage.

12.7.3 A claim against an official must be waived if the conditions in paragraph 12.2.1 (a) to (g) are not applicable.

12.7.4 If in doubt, the accounting officer of the institution must consult the State Attorney on questions of law in the implementation of paragraphs 12.7.1 and 12.7.3.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 13. Loans, guarantees, leases and other commitments

13. Loans, guarantees, leases and other commitments

13.1 General [Section 66 of the PFMA]

13.1.1 The executive authority of a provincial department may not issue a guarantee, security or indemnity that may bind the provincial revenue fund, except with the prior written approval of the MEC for finance in the province.

13.1.2 The accounting officer of a department must ensure that no official in that department or any other person borrows money on behalf of that department, or issues an unauthorised guarantee, security or indemnity. The accounting officer must ensure that appropriate misconduct or criminal proceedings are instituted against any person responsible for transgressions with regard to borrowings, guarantees, securities or indemnities.

13.1.3 Should the accounting officer be responsible for transgressions with regard to borrowings, guarantees, securities or indemnities, the relevant treasury must, as soon as it becomes aware of the transgression, initiate appropriate misconduct or criminal proceedings against the accounting officer.

13.1.4 The accounting officer must report on all known contingent liabilities of the department in its annual report.

13.1.5

[[R. 13.1.5](#) deleted by GNR.874 of 15 November 2013.]

13.2 Lease transactions

13.2.1 For the purpose of this regulation, a lease is an agreement whereby the lessor conveys to the lessee in return for a payment or a series of payments the right to use an asset for an agreed period of time.

13.2.2 A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

13.2.3 An operating lease is a lease other than a financial lease.

13.2.4 The accounting officer of an institution may, for the purposes of conducting the institution's business, enter into lease transactions without any limitations provided that such transactions are limited to operating lease transactions.

13.2.5 With the exception of agreements concluded in terms of Treasury [Regulation 16](#), the accounting officer of an institution may not enter into financial lease transactions.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 14. Money and property held in trust

14. Money and property held in trust

14.1 General

14.1.1 [Regulation 15](#) is not applicable to the management of trust money.

14.2 Responsibility for trust money and property [Section 76 (1) (c) of the PFMA]

14.2.1 For purposes of this regulation, trust money or property is money or property that does not belong to the State and that is held by an institution on behalf of other persons or entities in terms of a deed of trust or equivalent instrument that details the specific purposes for which it may be used.

14.2.2 The accounting officer, through the chief financial officer or a duly authorised agent, is responsible for the safekeeping and proper use of trust money and property, in accordance with the relevant deed of trust or equivalent instrument.

14.2.3 The institution, or its duly authorised agent, may charge a fee for the administration of a trust account at rates approved by the board of trustees or, in its absence, as agreed with the trustee. Such fees are

payable from the trust account and are revenue accruing to the relevant revenue fund.

14.3 Trust money must be kept in a trust account

14.3.1 The accounting officer must, for each separate portion of trust money-

- (a) open and maintain a separate bank account, called a trust account;
- (b) assign to the trust account a name or title that clearly identifies the account;
- (c) maintain separate accounting records for each trust account, of the transactions, including investment transactions, undertaken; and
- (d) annually prepare separate annual financial statements that comply with generally accepted accounting practice.

14.4 Investment of trust money

14.4.1 The accounting officer may, provided that it does not conflict with the terms of the trust arrangement, invest any trust money on such terms and conditions as may be appropriate-

- (a) on deposit with any bank within or outside South Africa as approved by the National Treasury;
- (b) in public securities issued by the government; or
- (c) in other securities approved by the National Treasury.

14.4.2 The proceeds of an investment, including interest and realised capital gains, and all money received from the realisation, sale or conversion of securities, must be treated as money of the trust on whose behalf the money was invested.

PART 6 FRAMEWORKS

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 15. Banking, cash management and investment

15. Banking, cash management and investment

15.1 Control of the national and provincial revenue funds [Sections 11 and 21 of the PFMA]

15.1.1 Each treasury is responsible for the effective and efficient management of its revenue fund.

15.1.2 Each treasury must ensure that its revenue fund always has sufficient money for appropriated expenditure and direct charges to meet the progressive cash flow requirements.

15.1.3 Each revenue fund consists, at any point in time, of all cash balances of the fund, derived from the relevant treasury's operating, investing and financing activities.

15.2 Bank account configuration [Sections 7 and 21 of the PFMA]

15.2.1 The bank account configuration for the National Revenue Fund comprises an Exchequer bank account, a Paymaster-General bank account with the South African Reserve Bank, the four tax and loan accounts with commercial banks, and any other bank account opened to facilitate the management of the National Revenue Fund. The National Treasury may open additional accounts on such terms and conditions as it may determine.

15.2.2 Each provincial revenue fund must have a bank account configuration that consists of at least an Exchequer bank account and a Paymaster-General bank account, opened with a commercial bank.

15.2.3 Each head of a provincial treasury must nominate one bank account, which is under the control of the provincial treasury and is part of the provincial revenue fund, as the accredited account into which all transfers from national departments must be deposited.

15.2.4 If the accounting for a department necessitates a separate bank account, the relevant treasury may approve one sub-account within the Paymaster-General account of the relevant revenue fund. Such sub-accounts remain an integral part of the bank account configuration of the relevant revenue fund.

15.3 Deposits into the revenue funds [Sections 13 and 22 of the PFMA]

15.3.1 In terms of sections 11 (3) and 21 (2) of the Act, money is paid into a revenue fund by depositing it into a bank account in accordance with the configuration requirements prescribed above.

15.3.2 Money deposited into the Paymaster-General account must immediately be available to the relevant treasury for funding expenditure or investment according to its central cash management responsibilities.

15.4 Responsibilities of the South African Revenue Service [Section 12 of the PFMA]

15.4.1 The South African Revenue Service must supply the relevant treasury with an annual revenue projection no later than the tenth working day of March preceding the start of the financial year. It must also submit the actual collection for the preceding month and an updated monthly revenue projection for the remainder of the year, no later than the 15th working day of each month.

15.4.2 For purposes of section 12 of the Act, the South African Revenue Service must implement measures to ensure that all taxes, levies, duties, fees and other money due to and collected by it for a revenue fund are accounted for and deposited daily into the relevant fund. The relevant treasury must be informed daily of such revenue and its standard revenue classifications.

15.5 Responsibilities of departments [Sections 13 and 22 of the PFMA]

15.5.1 All revenue received by a department must be paid daily into its Paymaster-General account or, for amounts less than R500, as soon as practicable, but at least by the last working day of the month.

15.5.2 No provincial department may receive transfers from a national department or public entity directly; such funds must be deposited into the nominated banking account of the province as required by paragraph 15.2.3.

15.5.3 Money collected by a department, which is not classified as revenue, must be paid into the department's Paymaster-General account and accounted for in its ledger. This includes money received for agency services provided to another department.

15.6 Withdrawals from and investments in revenue funds [Sections 7 (4) and 24 (3) of the PFMA]

15.6.1 Provincial treasuries may, in accordance with section 24 of the Act, temporarily invest surplus money in the provincial revenue fund in an account in South Africa, approved as part of the bank account configuration of the fund.

15.7 Requisitioning of funds by departments

15.7.1 When requesting the transfer of appropriated funds, accounting officers of national departments must submit such requisitions to the National Treasury, in accordance with approved cash flow estimates, at least four full working days before the end of the month preceding the month in which the funds are required. Provincial treasuries may determine their own time-scales in this regard.

15.7.2 Provincial treasuries will receive their grants from the National Revenue Fund in accordance with the payment schedule determined in terms of the annual Division of Revenue Act.

15.8 Surrender of voted surplus funds

15.8.1 At the end of each financial year, and after the books of account of a department have been closed, the accounting officer must surrender to the relevant treasury any unexpended voted money, for re-depositing into the Exchequer bank account of the relevant revenue fund.

15.9 Accounting and reporting

15.9.1 Each treasury must account daily for the cash movements of all bank accounts in the books of its revenue fund.

15.10 Banking and cash management

15.10.1 General [Sections 7 and 21 of the PFMA]

15.10.1.1 The accounting officer is responsible for establishing systems, procedures, processes and training and awareness programmes to ensure efficient and effective banking and cash management.

15.10.1.2 For purposes of this regulation, sound cash management includes-

- (a) collecting revenue when it is due and banking it promptly;
- (b) making payments, including transfers and subsidies to other levels of government and non-government entities, no earlier than necessary, with due regard for efficient, effective and economical programme delivery and the government's normal terms for account payments;
- (c) avoiding prepayments for goods or services (i.e. payments in advance of the receipt of the goods or services), unless required by the contractual arrangements with the supplier;
- (d) accepting discounts to effect early payment only when the payment has been included in the monthly cash flow estimates provided to the relevant treasury;
- (e) pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable by the government are collected and banked promptly;
- (f) accurately forecasting the institution's cash flow requirements so that the National Treasury can optimise its central cash management responsibilities on behalf of the government;

- (g) timing the in and outflow of cash;
- (h) recognising the time value of money, i.e. economically, efficiently and effectively managing cash;
- (i) taking any other action that avoids locking up money unnecessarily and inefficiently, such as managing inventories to the minimum level necessary for efficient and effective programme delivery, and selling surplus or underutilised assets;
- (j) performing bank reconciliations on a daily basis to detect any unauthorised entries;
- (k) ensuring that dishonoured warrant vouchers and cheques are followed up immediately; and
- (l) the separation of duties to minimise the incidence of fraud.

15.10.2 Cash flow

15.10.2.1 The accounting officer must annually submit to the relevant treasury a breakdown of anticipated revenue and expenditure in the format determined by the National Treasury, no later than the last working day of February preceding the financial year to which it relates.

15.10.2.2 Provincial treasuries must submit to the National Treasury, by the 15th working day of March, projections of their expenditure, revenue and borrowings, in a format determined by the National Treasury.

15.10.2.3 Once such amounts have been approved, modified as necessary after consultation with the relevant treasury, the accounting officer may not draw from the revenue fund more than the amount approved for a month, without prior written approval from the relevant treasury.

15.10.2.4 Should the accounting officer need to adjust the approved projections, the proposed adjustments must be motivated to the relevant treasury for evaluation against the availability of funds in the Exchequer.

15.10.3 Banking arrangements [Section 7 (2) of the PFMA]

15.10.3.1 Institutions may not open a bank account without the written approval of the relevant treasury. Only bank accounts approved after 1 April 2001 shall be considered as valid.

15.10.3.2 The National Treasury will negotiate with the approved clearing banks for appropriate banking services on a regular basis for national departments and constitutional institutions.

15.10.3.3 With effect from 15 November 2013, no department or constitutional institution may, subject to [regulation 15.10.3.5](#), obtain a credit or debit card, whether in the name of the institution or any office-bearer or official of the department or constitutional institution.

[[R. 15.10.3.3](#) added by GNR.874 of 15 November 2013.]

15.10.3.4 The accounting officer of a department or constitutional institution must, subject to [regulation 15.10.3.5](#), cancel each credit or debit card issued before 1 December 2013 and valid on that date, with effect from-

- (a) 1 December 2013; or
- (b) if the terms for the credit or debit card require a longer period of notice, with effect from the earliest date in terms of those terms.

[[R. 15.10.3.4](#) added by GNR.874 of 15 November 2013.]

15.10.3.5 A department or constitutional institution may retain or obtain-

- (a) a credit or debit card lodged with a travel agency for purposes of payment for travel and accommodation related expenses;
- (b) one credit or debit card in the name of the department or constitutional institution with approval authority by only one office-bearer or official of the department or constitutional institution for purposes of travel and accommodation related expenses, on-line transactions and petty cash; and
- (c) fleet management, petrol and garage cards.

[[R. 15.10.3.5](#) added by GNR.874 of 15 November 2013.]

15.10.3.6 The National Treasury may, subject to conditions, exempt a department or constitutional institution, or a category of departments or constitutional institutions, from [regulation 15.10.3.3](#) or 15.10.3.4, if special circumstances justify it.

[[R. 15.10.3.6](#) added by GNR.874 of 15 November 2013.]

15.11 Private money, private bank accounts and cashing private cheques

15.11.1 Private money may not be deposited into an official bank account, except in accordance with the provisions relating to money held in trust for other persons or bodies, nor may State money be paid into a private bank account.

15.11.2 The safekeeping of private money or personal possessions in a State safe or strongroom is prohibited. However, an accounting officer or an official authorised by the accounting officer may approve

arrangements for safeguarding personal effects reasonably held on official premises in the course of official duty (e.g. by providing lockable rooms for staff).

15.11.3 State money may not be used to cash private cheques.

15.12 Warrant vouchers, cheques and electronic payments [Section 76 (2) (h) of the PFMA]

15.12.1 Accounting officers of departments must assign authority in writing to officials to approve warrant vouchers, cheques or electronic payments.

15.12.2 Only authorised officials may sign hand-drawn vouchers or cheques and must initial the counterfoils.

15.12.3 All payments in excess of R2 000 must be effected electronically unless otherwise approved by the relevant treasury. Payments may not be split to circumvent this regulation and any non-compliance with this regulation constitutes financial misconduct.

15.12.4 All warrant vouchers and cheques must be crossed "NOT NEGOTIABLE" and "NOT TRANSFERABLE" between parallel lines. The cancellation of crossings is not permitted.

15.12.5 When an issued warrant voucher or cheque is lost, stolen or damaged, an instruction to stop payment must immediately be issued to the responsible bank. Once confirmation has been received that the cheque was stopped, the transaction must be reversed and a new warrant voucher or cheque issued and accounted for.

15.12.6 All cashed warrant vouchers of national departments that have not been captured on the respective financial systems will be returned as unpaid.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 16. Public private partnerships

16. Public private partnerships

[Editorial note: Treasury [Regulation 16](#) published in GN 37 of *Government Gazette* 25915 of 16 January 2004 is hereby repealed and substituted by GNR.225 of *Government Gazette* 27388 of 15 March 2005.]

16.1 Definitions

In this regulation, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act, has the same meaning, and-

"affordability" means that the financial commitments to be incurred by an institution in terms of the PPP agreement can be met by funds-

- (a) designated within the institution's existing budget for the institutional function to which the agreement relates; and/or
- (b) destined for the institution in accordance with the relevant treasury's future budgetary projections for the institution;

"institution" means a department, a constitutional institution, a public entity listed, or required to be listed in Schedules 3A, 3B, 3C and 3D to the Act, or any subsidiary of any such public entity;

"institutional function" means-

- (a) a service, task, assignment or other function that an institution is entitled or obliged to perform-
 - (i) in the public interest; or
 - (ii) on behalf of the public service generally; or
- (b) any part or component of or any service, task, assignment or other function performed or to be performed in support of such a service, task, assignment or other function;

"private party" means a party to a PPP agreement, other than-

- (a) an institution to which the Act applies;
- (b) a municipality or a municipal entity under the ownership control of one or more municipalities; or
- (c) the accounting officer, accounting authority or other person or body acting on behalf of an institution, municipality or municipal entity referred to in [paragraph \(a\)](#) or [\(b\)](#);

"project officer" means a person identified by the accounting officer or accounting authority of an institution, who is capable and appropriately qualified to manage a PPP to which that institution is party from its inception to its expiration or termination;

"public-private partnership" or **"PPP"** means a commercial transaction between an institution and a private

party in terms of which the private party-

- (a) performs an institutional function on behalf of the institution; and/or
- (b) acquires the use of State property for its own commercial purposes; and
- (c) assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of State property; and
- (d) receives a benefit for performing the institutional function or from utilising the State property, either by way of:
 - (i) consideration to be paid by the institution which derives from a revenue fund or, where the institution is a national government business enterprise or a provincial government business enterprise, from the revenues of such institution; or
 - (ii) charges or fees to be collected by the private party from users or customers of a service provided to them; or
 - (iii) a combination of such consideration and such charges or fees;

"preferred bidder" means the bidder, including any bidding consortium, to be appointed as preferred bidder in terms of [regulation 16.5.4](#);

"PPP agreement" means a written contract recording the terms of a PPP concluded between an institution and a private party;

"relevant treasury" means the National Treasury unless delegated in terms of section 10 (1) (b) of the Act;

"State property" includes all movable and immovable property belonging to the State as well as intellectual property rights vested in the State;

"transaction advisor" means a person or persons appointed in writing by an accounting officer or accounting authority of an institution, who has or have appropriate skills and experience to assist and advise the institution in connection with a PPP, including the preparation and conclusion of a PPP agreement; and

"value for money" means that the provision of the institutional function or the use of State property by a private party in terms of the PPP agreement results in a net benefit to the institution defined in terms of cost, price, quality, quantity, risk transfer or a combination thereof.

16.2 Exclusive competency of accounting officers and accounting authorities

16.2.1 Only the accounting officer or the accounting authority of an institution may enter into a PPP agreement on behalf of that institution.

16.3 Project inception

16.3.1 As soon as the institution identifies a project that may be concluded as a PPP, the accounting officer or accounting authority must in writing-

- (a) register the PPP with the relevant treasury;
- (b) inform the relevant treasury of the expertise within that institution to proceed with a PPP;
- (c) appoint a project officer from within or outside the institution; and
- (d) appoint a transaction advisor if the relevant treasury so requests.

16.4 Feasibility study - Treasury Approval: I

16.4.1 To determine whether the proposed PPP is in the best interests of an institution, the accounting officer or the accounting authority of that institution must undertake a feasibility study that-

- (a) explains the strategic and operational benefits of the proposed PPP for the institution in terms of its strategic objectives and government policy;
- (b) describes in specific terms-
 - (i) in the case of a PPP involving the performance of an institutional function, the nature of the institutional function concerned and the extent to which this institutional function, both legally and by nature, may be performed by a private party; and
 - (ii) in the case of a PPP involving the use of State property, a description of the State property concerned, the uses, if any, to which such State property has been subject prior to the registration of the proposed PPP and a description of the types of use that a private party may legally subject such State property to;
- (c) in relation to a PPP pursuant to which an institution will incur any financial commitments, demonstrates the affordability of the PPP for the institution;
- (d) sets out the proposed allocation of financial, technical and operational risks between the institution

and the private party;

- (e) demonstrates the anticipated value for money to be achieved by the PPP; and
- (f) explains the capacity of the institution to procure, implement, manage, enforce, monitor and report on the PPP.

16.4.2 An institution may not proceed with the procurement phase of a PPP without prior written approval of the relevant treasury for the feasibility study.

16.4.3 The treasury approval referred to in [regulation 16.4.2](#) shall be regarded as Treasury Approval: I.

16.4.4 If at any time after Treasury Approval: I has been granted in respect of the feasibility study of a PPP, but before the grant of Treasury Approval: III in respect of the PPP agreement recording that PPP, any assumptions in such feasibility study are materially revised, including any assumptions concerning affordability, value for money and substantial technical, operational and financial risk transfer, then the accounting officer or accounting authority of the institution must immediately-

- (a) provide the relevant treasury with details of the intended revision, including a statement regarding the purpose and impact of the intended revision on the affordability, value for money and risk transfer evaluation contained in the feasibility study; and
- (b) ensure that the relevant treasury is provided with a revised feasibility study after which the relevant treasury may grant a revised Treasury Approval: I.

16.5 Procurement - Treasury approvals: IIA and IIB

16.5.1 Prior to the issuing of any procurement documentation for a PPP to any prospective bidders, the institution must obtain approval from the relevant treasury for the procurement documentation, including the draft PPP agreement.

16.5.2 The treasury approval referred to in [regulation 16.5.1](#) shall be regarded as Treasury Approval: IIA.

16.5.3 The procurement procedure-

- (a) must be in accordance with a system that is fair, equitable, transparent, competitive and cost-effective; and
- (b) must include a preference for the protection or advancement of persons, or categories of persons, disadvantaged by unfair discrimination in compliance with relevant legislation.

16.5.4 After the evaluation of the bids, but prior to appointing the preferred bidder, the institution must submit a report for approval by the relevant treasury, demonstrating how the criteria of affordability, value for money and substantial technical, operational and financial risk transfer were applied in the evaluation of the bids, demonstrating how these criteria were satisfied in the preferred bid and including any other information as required by the relevant treasury.

16.5.5 The treasury approval referred to in [regulation 16.5.4](#) shall be regarded as Treasury Approval: IIB.

16.6 Contracting PPP agreements - Treasury Approval: III

16.6.1 After the procurement procedure has been concluded but before the accounting officer or accounting authority of an institution concludes a PPP agreement, that accounting officer or accounting authority must obtain approval from the relevant treasury-

- (a) that the PPP agreement meets the requirements of affordability, value for money and substantial technical, operational and financial risk transfer as approved in terms of [regulation 16.4.2](#) or revised in terms of [regulation 16.4.4](#);
- (b) for a management plan that explains the capacity of the institution, and its proposed mechanisms and procedures, to effectively implement, manage, enforce, monitor and report on the PPP; and
- (c) that a satisfactory due diligence including a legal due diligence has been completed in respect of the accounting officer or accounting authority and the proposed private party in relation to matters of their respective competence and capacity to enter into the PPP agreement.

16.6.2 The treasury approval referred to in [regulation 16.6.1](#) shall be referred to as Treasury Approval: III.

16.7 Management of PPP agreements

16.7.1 The accounting officer or accounting authority of the institution that is party to a PPP agreement is responsible for ensuring that the PPP agreement is properly implemented, managed, enforced, monitored and reported on, and must maintain such mechanisms and procedures as approved in Treasury: Approval III for-

- (a) measuring the outputs of the PPP agreement;
- (b) monitoring the implementation of the PPP agreement and performances under the PPP agreement;
- (c) liaising with the private party;

- (d) resolving disputes and differences with the private party;
- (e) generally overseeing the day-to-day management of the PPP agreement; and
- (f) reporting on the PPP agreement in the institution's annual report.

16.7.2 A PPP agreement involving the performance of an institutional function does not divest the accounting officer or accounting authority of the institution concerned of the responsibility for ensuring that such institutional function is effectively and efficiently performed in the public interest or on behalf of the public service.

16.7.3 A PPP agreement involving the use of State property by a private party does not divest the accounting officer or accounting authority of the institution concerned of the responsibility for ensuring that such State property is appropriately protected against forfeiture, theft, loss, wastage and misuse.

16.8 Amendment and variation of PPP agreements

16.8.1 The prior written approval of the relevant treasury is required for any material amendments to a PPP agreement including any material variations to the outputs therein, or any waivers contemplated or provide for in the PPP agreement.

16.8.2 The relevant treasury will approve a material amendment only if it is satisfied that the PPP agreement, if so amended, will continue to provide-

- (a) value for money;
- (b) affordability; and
- (c) substantial technical, operational and financial risk transfer to the private party.

16.8.3 The accounting officer or accounting authority must substantially follow the procedure prescribed by [regulations 16.4](#) and [16.6](#) for obtaining such treasury approval.

16.9 Agreements binding on the State

16.9.1 A PPP agreement or an agreement amending a PPP agreement, binds the State only if the agreement was entered into on behalf of an institution-

- (a) by the accounting officer or accounting authority of that institution; and
- (b) if all treasury approvals required in terms of this [regulation 16](#) have been granted by the relevant treasury in respect of the PPP.

16.10 Exemptions

16.10.1 The relevant treasury may, subject to any terms and conditions that it considers appropriate and upon written application from an institution, exempt that institution whether in relation to a specific PPP or in general, from complying with any or all of the provisions of this [regulation 16](#).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 16A. Supply Chain Management

16A. Supply Chain Management

16A1. Definitions

In this regulation, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act, has the same meaning, and-

"institution" means a department, constitutional institution or public entity listed in Schedule 3A and 3C of the Act; and

"official" means a person in the employ of a department, constitutional institution or public entity listed in Schedule 3A and 3C of the Act.

16A2. Application

16A2.1 This framework applies to all-

- (a) departments;
- (b) constitutional institutions; and
- (c) public entities listed in Schedules 3A and 3C to the Act.

16A3. Supply chain management system

16A3.1 The accounting officer or accounting authority of an institution to which these regulations apply must develop and implement an effective and efficient supply chain management system in his or her institution for-

- (a) the acquisition of goods and services; and
- (b) the disposal and letting of State assets, including the disposal of goods no longer required.

16A3.2 A supply chain management system referred to in paragraph 16A3.1 must-

- (a) be fair, equitable, transparent, competitive and cost effective;
- (b) be consistent with the Preferential Procurement Policy Framework Act, 2000 (Act [No. 5 of 2000](#));
- (c) be consistent with the Broad Based Black Economic Empowerment Act, 2003 (Act [No. 53 of 2003](#)); and
- (d) provide for at least the following:
 - (i) demand management;
 - (ii) acquisition management;
 - (iii) logistics management;
 - (iv) disposal management;
 - (v) risk management; and
 - (vi) regular assessment of supply chain performance.

16A4. Establishment of supply chain management units

16A4.1 The accounting officer or accounting authority must establish a separate supply chain management unit within the office of that institution's chief financial officer, to implement the institution's supply chain management system.

16A5. Training of supply chain management officials

16A5.1 The accounting officer or accounting authority must ensure that officials implementing the institution's supply chain management system are trained and deployed in accordance with the requirements of the Framework for Minimum Training and Deployment issued by the National Treasury.

16A6. Procurement of goods and services

16A6.1 Procurement of goods and services, either by way of quotations or through a bidding process, must be within the threshold values as determined by the National Treasury.

16A6.2 A supply chain management system must, in the case of procurement through a bidding process, provide for-

- (a) the adjudication of bids through a bid adjudication committee;
- (b) the establishment, composition and functioning of bid specification, evaluation and adjudication committees;
- (c) the selection of bid adjudication committee members;
- (d) bidding procedures; and
- (e) the approval of bid evaluation and/or adjudication committee recommendations.

16A6.3 The accounting officer or accounting authority must ensure that-

- (a) bid documentation and the general conditions of a contract are in accordance with-
 - (i) the instructions of the National Treasury; or
 - (ii) the prescripts of the Construction Industry Development Board, in the case of a bid relating to the construction industry;
- (b) bid documentation include evaluation and adjudication criteria, including the criteria prescribed in terms of the Preferential Procurement Policy Framework Act, 2000 (Act [No. 5 of 2000](#)) and the Broad Based Black Economic Empowerment Act, 2003 (Act [No. 53 of 2003](#));
- (c) bids are advertised in at least the *Government Tender Bulletin* for a minimum period of 21 days before closure, except in urgent cases when bids may be advertised for such shorter period as the accounting officer or accounting authority may determine;
- (d) awards are published in the *Government Tender Bulletin* and other media by means of which the bids were advertised;
- (e) contracts relating to information technology are prepared in accordance with the State Information Technology Act, 1998 (Act [No. 88 of 1998](#)), and any regulations made in terms of that Act;

- (f) Treasury [Regulation 16](#) is complied with when goods or services are procured through public private partnerships or as part of a public private partnership; and
- (g) instructions issued by the National Treasury in respect of the appointment of consultants are complied with.

16A6.4 If in a specific case it is impractical to invite competitive bids, the accounting officer or accounting authority may procure the required goods or services by other means, provided that the reasons for deviating from inviting competitive bids must be recorded and approved by the accounting officer or accounting authority.

16A6.5 The accounting officer or accounting authority may opt to participate in transversal term contracts facilitated by the relevant treasury. Should the accounting officer or accounting authority opt to participate in a transversal contract facilitated by the relevant treasury, the accounting officer or accounting authority may not solicit bids for the same or similar product or service during the tenure of the transversal term contract.

16A6.6 The accounting officer or accounting authority may, on behalf of the department, constitutional institution or public entity, participate in any contract arranged by means of a competitive bidding process by any other organ of State, subject to the written approval of such organ of State and the relevant contractors.

16A7. Disposal and letting of State assets

16A7.1 Disposal of movable assets must be at market-related value or by way of price quotations, competitive bids or auction, whichever is most advantageous to the State, unless determined otherwise by the relevant treasury.

16A7.2 Notwithstanding the provisions of paragraph 16A7.1, accounting officers and accounting authorities may transfer movable assets free of charge to other departments, constitutional institutions or public entities by means of formal vouchers.

16A7.3 Any sale of immovable State property must be at market-related value, unless the relevant treasury approves otherwise.

16A7.4 The letting of immovable State property (excluding State housing for officials and political bearers) must be at market-related tariffs, unless the relevant treasury approves otherwise. No State property may be let free of charge without the prior approval of the relevant treasury.

16A7.5 The accounting officer or accounting authority must review, at least annually when finalising the budget, all fees, charges, rates, tariffs or scales of fees or other charges relating to the letting of State property to ensure sound financial planning and management.

16A7.6 The accounting officer or accounting authority must, when disposing of firearms, obtain the approval of the National Conventional Arms Control Committee for any sale or donation of firearms to any person or institution within or outside the Republic.

16A7.7 The accounting officer or accounting authority must, when disposing of computer equipment, firstly approach any State institution involved in education and/or training to determine whether such an institution requires such equipment. In the event of the computer equipment being required by such a State institution, the accounting officer or accounting authority may transfer such equipment free of charge to the identified institution.

16A8. Compliance with ethical standards

16A8.1 All officials and other role players in a supply chain management system must comply with the highest ethical standards in order to promote-

- (a) mutual trust and respect; and
- (b) an environment where business can be conducted with integrity and in a fair and reasonable manner.

16A8.2 The National Treasury's Code of Conduct for Supply Chain Management Practitioners must be adhered to by all officials and other role players involved in supply chain management.

16A8.3 A supply chain management official or other role player-

- (a) must recognise and disclose any conflict of interest that may arise;
- (b) must treat all suppliers and potential suppliers equitably;
- (c) may not use their position for private gain or to improperly benefit another person;
- (d) must ensure that they do not compromise the credibility or integrity of the supply chain management system through the acceptance of gifts or hospitality or any other act;
- (e) must be scrupulous in their use of public property; and
- (f) must assist accounting officers or accounting authorities in combating corruption and fraud in the supply chain management system.

16A8.4 If a supply chain management official or other role player, or any close family member, partner or associate of such official or other role player, has any private or business interest in any contract to be awarded,

that official or other role player must-

- (a) disclose that interest; and
- (b) withdraw from participating in any manner whatsoever in the process relating to that contract.

16A8.5 An official in the supply chain management unit who becomes aware of a breach of or failure to comply with any aspect of the supply chain management system must immediately report the breach or failure to the accounting officer or accounting authority, in writing.

16A9. Avoiding abuse of supply chain management system

16A9.1 The accounting officer or accounting authority must-

- (a) take all reasonable steps to prevent abuse of the supply chain management system;
- (b) investigate any allegations against an official or other role player of corruption, improper conduct or failure to comply with the supply chain management system, and when justified-
 - (i) take steps against such official or other role player and inform the relevant treasury of such steps; and
 - (ii) report any conduct that may constitute an offence to the South African Police Service;
- (c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, nor any of its directors, are listed as companies or persons prohibited from doing business with the public sector;
- (d) reject any bid from a supplier who fails to provide written proof from the South African Revenue Service that that supplier either has no outstanding tax obligations or has made arrangements to meet outstanding tax obligations;
- (e) reject a proposal for the award of a contract if the recommended bidder has committed a corrupt or fraudulent act in competing for the particular contract; or
- (f) cancel a contract awarded to a supplier of goods or services-
 - (i) if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract; or
 - (ii) if any official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of that contract that benefited that supplier.

16A9.2 The accounting officer or accounting authority-

- (a) may disregard the bid of any bidder if that bidder, or any of its directors-
 - (i) have abused the institution's supply chain management system;
 - (ii) have committed fraud or any other improper conduct in relation to such system; or
 - (iii) have failed to perform on any previous contract; and
- (b) must inform the relevant treasury of any action taken in terms of [paragraph \(a\)](#).

16A9.3 The National Treasury and each provincial treasury must establish a mechanism:

- (a) to receive and consider complaints regarding alleged non-compliance with the prescribed minimum norms and standards; and
- (b) to make recommendations for remedial actions to be taken if non-compliance of any norms and standards is established, including recommendations of criminal steps to be taken in the case of corruption, fraud or other criminal offences.

16A10. National Industrial Participation Program

16A10.1 An accounting officer or accounting authority must obtain clearance for a recommended bidder from the Department of Trade and Industry, in respect of contracts which are subject to the National Industrial Participation Program of that Department.

16A11. Reporting of supply chain management information

16A11.1 The accounting officer or accounting authority must submit to the relevant treasury such supply chain management information as that treasury may require.

16A11.2 A provincial treasury must submit to the National Treasury such supply chain management information as the National Treasury may require.

16A11.3 Information referred to in paragraphs 16A11.1 and 16A11.2 must be submitted to the relevant treasury in such format and at such intervals as that treasury may require.

16A12. Interim arrangements

16A12.1 If a department lacks the capacity to fully comply with these regulations, that department may continue to make use of existing procurement processes through the relevant Tender Boards or other provincial procurement authorities (whichever applicable), subject to any instructions of the relevant treasury.

16A12.2 If a constitutional institution or public entity lacks the capacity to fully comply with these regulations, that constitutional institution or public entity may, until 31 March 2005, continue to utilise their existing procurement procedures, provided that their existing procurement procedures are consistent with the contents of practice notes issued by the National Treasury.

PART 7 ACCOUNTING AND REPORTING REQUIREMENTS

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 17. Basic accounting records and related issues

17. Basic accounting records and related issues

17.1 Use of clearing and suspense accounts [Section 40 (1) (a) of the PFMA]

17.1.1 All the transactions of an institution must be supported by authentic and verifiable source documents, clearly indicating the approved accounting allocation.

17.1.2 Should it be necessary, in exceptional cases, to account for revenue and expenditure transactions in a clearing or suspense account because the classification has not been resolved, the accounting officer must ensure that-

- (a) the sources of the transactions are readily identifiable;
- (b) amounts included in clearing or suspense accounts are cleared and correctly allocated to the relevant cost centres on a monthly basis;
- (c) monthly reconciliation's are performed to confirm the balance of each account; and
- (d) reports are provided to the accounting officer about uncleared items on a monthly basis.

17.1.3 In each month's section 40 (4) report, the accounting officer must certify that the forecast/projection for the remainder of the financial year adequately makes provision for all amounts not yet cleared from clearing and suspense accounts.

17.2 Availability of financial information [Section 40 (1) (a) of the PFMA]

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 years to which the information relates.

17.2.2 After the expiry of the above retention periods, the information may, if required, be secured in an alternative form 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.

17.2.3 Irrespective of paragraph 17.2.1, the following standards apply to the retention of certain types of record-

<i>Type of Record</i>	<i>Years after which records can be disposed of</i>
General ledger and cash books or similar records	15
Main transaction summary records, including general journals and transaction summaries Internal audit reports System appraisals	10
Primary evidentiary records, including copies of forms issued for value, vouchers to support payments made, pay sheets, returned warrant vouchers or cheques, invoices and similar records associated with the receipt or payment of money	5

Subsidiary ledgers, including inventory cards and records relating to assets no longer held or liabilities that have been discharged	
Supplementary accounting records, including, for example, cash register strips, bank statements and time sheets	5
General and incidental source documents not included above, including stock issue and receivable notes, copies of official orders (other than copies for substantiating payments or for unperformed contracts), bank deposit books and post registers	5

17.2.4 When financial information is required as evidence in proceedings before a court, Parliament, a provincial legislature, an official inquiry or otherwise, or for purposes of an audit, it must be secured in its then current form until no longer required, even if the National Archivist has authorised its disposal.

17.3 Changes to financial systems

17.3.1 Institutions may not amend existing or institute new computerised systems that will affect financial administration without the prior written approval of the National Treasury.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 18. Monthly and annual reports

18. Monthly and annual reports

18.1 Monthly reports [Sections 32 (2) and 40 (4) (b) and (c) of the PFMA]

18.1.1 In addition to the reporting requirements of sections 40 (4) (b) and (c) of the Act, the accounting officer must also comply with the reporting requirements of the annual Division of Revenue Act.

18.1.2 A provincial treasury must submit a statement to the National Treasury on actual revenue and expenditure with regard to its revenue fund before the 22nd day of each month in the format determined by the National Treasury. Such a statement must include a certificate to the effect that the information supplied has been verified by the head official of the provincial treasury. The information supplied must be based on information submitted to the provincial treasury by provincial accounting officers in terms of section 40 (4) (c) of the Act.

18.2 Annual financial statements [Section 40 (1) (b) of the PFMA]

In the absence of any implementation dates set for the standards of generally recognised accounting practice issued by the Accounting Standards Board, the following reporting standards comprise generally recognised accounting practice and must be adhered to for the preparation of annual financial statements, unless otherwise approved by the National Treasury:

<i>Reporting entity</i>	<i>Generally recognised accounting practice</i>
National and provincial revenue funds	<p>Annual financial statements must consist of-</p> <ul style="list-style-type: none"> (a) a statement of liabilities and financially related assets; (b) a balance sheet (statement of financial position); (c) an income statement (statement of financial performance); (d) a cash flow statement; (e) notes to the annual financial statements; (f) a report on the financial position of and performance by the Treasury; and (g) such other statements as may be determined by the National Treasury. <p>The annual financial statements must be prepared on a modified cash basis in accordance with the formats prescribed by the National Treasury and must be accompanied by the audit opinion of the Auditor-General.</p> <p>The annual financial statements must, by means of figures and a descriptive report, explain any other matters and information material to the affairs of the relevant revenue fund.</p>
Departments	<p>Annual financial statements must consist of-</p> <ul style="list-style-type: none"> (a) a balance sheet (statement of financial position); (b) a statement of changes in equity; (c) an income statement (statement of financial performance); (d) a cash flow statement; (e) an appropriation statement;

	<p>(f) notes to the appropriation statement and annual financial statement; and</p> <p>(g) such other statements as may be determined by the National Treasury.</p> <p>The statements must be prepared on a modified cash basis in accordance with the formats prescribed by the National Treasury and must be accompanied by the audit opinion of the Auditor-General.</p> <p>The annual financial statements must, by means of figures and a descriptive report, explain any other matters and information material to the affairs of the institution.</p>
Trading entities Constitutional institutions	<p>Annual financial statements must consist of-</p> <p>(a) a balance sheet (statement of financial position);</p> <p>(b) an income statement (statement of financial performance);</p> <p>(c) a cash flow statement;</p> <p>(d) notes to the annual financial statements; and</p> <p>(e) such other statements as may be determined by the National Treasury.</p> <p>The annual financial statements must be accompanied by the audit opinion of the Auditor-General.</p> <p>The annual financial statements must conform with <i>generally accepted accounting practice</i>. These statements must fairly represent the financial position at the end of the financial year concerned and cash flows of the institution for the year then ended.</p> <p>Should these statements materially depart from the Statements of GAAP, the financial statements must provide a disclosure of the departure, the particulars thereof, the reasons therefor and the effect of such a departure on the financial statements.</p> <p>The annual financial statements must, by means of figures and a descriptive report, explain any other matters and information material to the affairs of the institution.</p>

18.3 Contents of annual reports [Section 40 (1) (d) of the PFMA]

18.3.1 In preparing the annual report of an institution, the accounting officer must-

- (a) in the case of a department or trading entity, comply with the requirements prescribed in Chapter 1, Part III J of the Public Service Regulations, 2001;
- (b) include information about the institution's efficiency, economy and effectiveness in delivering programmes and achieving its objectives and outcomes against the measures and indicators set out in any strategic plan for the year under consideration;
- (c) include information on transfers and subsidies per organisation for the entire financial year as well as a report on compliance with section 38 (1) (j) of the Act;
- (d) include all information required in terms of the annual Division of Revenue Act;
- (e) include any additional information required by Parliament or the provincial legislature;
- (f) report on the use of foreign aid assistance, detailing the source and intended use of the assistance (including the value of any aid-in-kind in rand), performance information on the institution's use of the assistance, and any pending applications for assistance;
- (g) a report from the audit committee as required by paragraph 3.1.13; and
- (h) include information on the management of PPP agreements as required by paragraph 16.7.1 (f).

18.4 Additional annual reporting requirements for departments controlling trading entities, and public entities

18.4.1 A department's annual report must include a list of trading and/or public entities, controlled by or reporting to the department or responsible executive authority, together with-

- (a) an indication of the legislation under which the trading and/or public entity was established;
- (b) a statement of the functions of each trading and/or public entity; and
- (c) the accountability arrangements established between the accounting officer or executive authority and the management of the trading and/or public entity.

19. Trading entities

19.1 Definitions [Section 76 (4) (b) of the PFMA]

In this regulation, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act, has the same meaning, and-

"**head of the trading entity**" refers to either-

- (a) the accounting officer appointed in terms of section 36 (3) (b) of the Act; or
- (b) an official assigned to head the trading entity in terms of section 44 (1) (a) of the Act.

19.2 General

19.2.1 For purposes of this regulation, a trading entity is regarded as an entity operating within the administration of a department. All obligations on departments in these regulations apply to trading entities, unless the context indicates otherwise.

19.2.2 The accounting officer of the department operating a trading entity must ensure that the head of the trading entity complies with the Act and these Treasury Regulations.

19.2.3 Trading entities allowed to open bank accounts may not borrow for bridging purposes and may not run overdrafts on their banking accounts.

19.3 Policy and reporting framework

19.3.1 The accounting officer of a department operating a trading entity must formulate a policy and reporting framework for the head of the trading entity.

19.3.2 The head of the trading entity is accountable to the accounting officer of the department operating that trading entity and must forward all reports or approvals required in the Act via the accounting officer of the department.

19.4 Establishment

19.4.1 Provincial treasuries may only establish a trading entity after consultation with the National Treasury.

19.5 Capital requirements and user charges

19.5.1 The capital requirements of the trading entity must be determined in consultation with the relevant treasury, and increases in such requirements are also subject to treasury approval.

19.5.2 In determining charges for goods or services, the head of the trading entity must aim to recover the full cost of providing the goods or services, unless the relevant treasury approves lower charges.

19.5.3 The head must review rates for user charges at least annually before the budget, and any tariff increases are subject to approval by the relevant treasury.

19.6 Disposal of assets

19.6.1 When assets are disposed of other than in the ordinary course of the business of the trading entity, the relevant treasury must approve the transaction.

19.7 Surrender of surplus funds

19.7.1 An accounting officer of a department operating a trading entity must, at the end of each financial year and after books of account have been closed, declare any surplus or deficit to the relevant treasury. The relevant treasury may apply such surplus to reduce any proposed allocation to the trading entity, or require that all or part of it be redeposited in the Exchequer bank account.

19.7.2 Where a trading entity suffers a deficit in trading, the accounting officer of the department operating the trading entity must investigate whether-

- (a) the head of the trading entity reported any foreseeable potential overexpenditure in the monthly reports;
- (b) appropriate steps were taken to address the deficit; and
- (c) financial misconduct sanctions should be instituted if [paragraphs \(a\)](#) and [\(b\)](#) were not adhered to.

19.7.3 In the event of a trading entity incurring a deficit, the accounting officer of the department

controlling the trading entity must disclose the financial impact of such a deficit on the department in its annual report.

19.8 Monthly and annual reporting

19.8.1 The accounting officer of a department controlling a trading entity must provide the monthly information as required by section 40 (4) (b) and (c) of the Act in respect of such a trading entity in the monthly report of the department.

19.8.2 In the event of the accounting officer of the trading entity not being the accounting officer of the department, then such an accounting officer must provide the information required in Treasury [Regulation 19.8.1](#) to the accounting officer of the department for inclusion in the department's monthly report.

19.8.3 The relevant treasury may direct that the annual report and financial statements of the trading entity be incorporated into those of the department responsible for that trading entity.

19.8.4 The annual financial statements in respect of a trading entity must be compiled in accordance with paragraph 18.2.

19.9 Closure of a trading entity

19.9.1 Upon closure of a trading entity, all assets of the trading entity shall be transferred to the controlling department and taken on record.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 20. Commissions and Committees of Inquiry

20. Commissions and Committees of Inquiry

20.1 Definitions

In this regulation, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act, has the same meaning, and-

"commission" means a commission of inquiry appointed by the President or the Premier of a province to investigate a matter of public concern, and does not include any permanent commission, board, council, committee or similar body, whether appointed pursuant to any law or otherwise;

"committee" means a committee of inquiry appointed by the executive authority and includes an interdepartmental committee of inquiry, but does not include any permanent commission, board, council, committee or similar body, whether appointed pursuant to any law or otherwise;

"non-official member" means a person who is not an official member;

"official member" means a person as defined in section 8 (1) of the Public Service Act, 1994 (Proclamation No. R.103 of 1994), a member of Parliament or a judge, as well as a person employed by a body that was established by an Act of Parliament and that receives its funds wholly, or in part, from the National Revenue Fund, where such a person represents the department or body where he or she is employed as a member of a commission or committee.

20.2 Remuneration of members

20.2.1 An official member may not receive additional remuneration. Subsistence and other allowances may be paid to the official member by the institution that employs the official member in accordance with his or her conditions of service.

20.2.2 A non-official member must be remunerated according to scales approved by the National Treasury.

20.2.3 Should the accounting officer deem it necessary, he or she can, in consultation with the executive authority, determine other remuneration, provided that-

- (a) the terms of reference are properly defined in terms of time and cost; and
- (b) if applicable, the remuneration is considered taking into account the tariffs as determined by the institute that regulates the profession that the non-official member belongs to.

20.2.4 The remuneration of all members of a commission or committee must be disclosed as notes to the financial statements of the institution.

20.3 Services rendered by members during private time

20.3.1 Should the chairperson request a non-official member of a commission or committee to render services in his or her private time, other than the normal preparations for meetings, the person may be paid an honorarium (within the budget), as determined by the accounting officer and the executive authority. In the case of official members, section 30 of the Public Service Act of 1994 must be complied with.

21. Gifts, donations and sponsorships

21.1 Granting of gifts, donations and sponsorships by the State [Section 76 (1) (j) of the PFMA]

21.1.1 The accounting officer may approve gifts, donations and sponsorships of State money and other movable property in the interest of the State. When such cash amounts exceed R100 000 per case, the approval of the relevant legislature must be sought by including the item separately in the appropriation bill.

21.2 Acceptance of gifts, donations and sponsorships to the State

21.2.1 The accounting officer may approve the acceptance of any gift, donation or sponsorship to the State, whether such gifts, donations or sponsorships are in cash or kind.

21.2.2 All cash gifts, donations or sponsorships must be paid into the relevant revenue fund, except those donations received in terms of paragraph 21.2.5.

21.2.3 Where it is not apparent for what purpose a gift, donation or sponsorship should be applied, the relevant executive authority may decide how it must be utilised.

21.2.4 All gifts, donations or sponsorships received during the course of the financial year must be disclosed as a note to the annual financial statements of the institution.

21.2.5 Donor funding received in terms of the Reconstruction and Development Fund Act (Act [No. 7 of 1994](#), as amended by Act [No. 79 of 1998](#)), must be dealt with as determined by the National Treasury from time to time.

21.3 Gifts or donations of immovable property by or to the State [Sections 76 (1) (k) and (l) of the PFMA]

21.3.1 The relevant treasury's approval must be obtained before institutions offer or accept any gifts or donations of immovable property.

21.3.2 Institutions must submit to the relevant treasury the reasons for and the conditions under which the gift or donation of immovable property is offered or accepted.

21.4 Identity of donors and sponsors

21.4.1 When a donor or sponsor requests to remain anonymous, the accounting officer must submit to the relevant treasury a certificate from both the Public Protector and the Auditor-General, which states that the identity of the donor or sponsor has been revealed to them, that they have noted it and have no objection.

21.4.2 The above provision in no way limits the Auditor-General or the Public Protector from supplying this information to their staff, and where they deem it in the public interest, to report on this.

22. Payments and remissions as an act of grace

22.1 General [Section 76 (1) (j) of the PFMA]

22.1.1 Where no legislative authority exists, the accounting officer may approve as an act of grace or favour-

- (a) the remission of money due to a revenue fund; and
- (b) payments from a vote.

22.1.2 Where such payments from a vote exceed R100 000, Parliament or provincial legislature approval must be sought by including the item separately in the appropriation bill.

22.1.3 Where there is doubt as to whether an amount may be written off in terms of [clause 11.4](#) of these Regulations, or should be treated as a remission as an act of grace, the relevant treasury must make the decision.

22.1.4 All remissions or payments made as an act of grace during the financial year must be disclosed as a note to the annual financial statements of the institution.

23. Government payroll deductions

23.1 Definitions

In this regulation, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act, has the same meaning, and-

"Accountant-General" means the officer of the National Treasury designated as the Accountant-General;

"basic salary" means the annual notch that an official is employed on divided by 12. It excludes additional remuneration from overtime or other allowances;

"benefit deduction" means a deduction on Persal against an official's salary for a debt arising from employment benefits, including home owner's allowances and the motor finance scheme for senior officials;

"collective agreement deduction" means a deduction on Persal against an official's salary arising from a collective agreement between the State and a union registered with the Public Service Coordinating Bargaining Council or similar body, in accordance with applicable law;

"debt" means an amount of money owed and already payable by an official to any person and for the purposes of these regulations, includes insurance premiums deducted in terms of policies with long and short-term insurers;

"deduction code" means a code issued by the Accountant-General to enable a person to deduct money from an individual paid via the Persal system;

"Director-General" means the Director-General: National Treasury;

"discretionary deduction" means a deduction on Persal against an official's salary, other than benefit, collective agreement, State or statutory deductions;

"official" means a person in the employ of a department or a person in the employ of a constitutional institution who receives his or her salary via Persal, but excludes persons employed in terms of [section 1](#) of the Magistrates Act, 1993 (Act [No. 90 of 1993](#)) and [section 3](#) of the Intelligence Services Act, 2002 (Act [No. 65 of 2002](#));

"Persal" means the personnel salary system of national and provincial government, and includes the Persol system;

"person" depending on the context, includes reference to the State or any other legal entity;

"State deduction" means a deduction on Persal against an official's salary for a debt to a department that is subject to [section 34](#) of the Basic Conditions of Employment Act (Act [No. 75 of 1997](#));

"statutory deduction" means a deduction on Persal against an official's salary, which is required or permitted in terms of a law, court order or arbitration award.

23.2 Persal deductions

23.2.1 No official or employee of an entity contracted to operate Persal may, whether for paying a debt or any other purpose, process a discretionary deduction except in accordance with the provisions of these regulations and the agreement as contemplated in paragraph 23.3.

23.2.2 Before a benefit, collective agreement, State or statutory deduction is processed on Persal, the accounting officer must certify that the deduction is due and that no portion of it is a discretionary deduction.

23.2.3 Where such certification is for an emoluments attachment order issued against an official in terms of [section 65J](#) of the Magistrates' Court Act (Act [No. 32 of 1944](#)), [the](#) accounting officer must be satisfied that-

- (a) the documentation presented by the judgement creditor or his or her attorney *inter alia* reflects, as contemplated in this Act-
 - (i) that the official has given written consent to the issuing of the order or that a court has authorised it (on application or otherwise), and that this authorisation has not been suspended; or
 - (ii) that the official has first been sent a registered letter advising him or her of the amount of the judgement debt and costs, and warning that an emoluments attachment order will be issued if this amount is not paid within ten days of the date of its posting;
- (b) after the deduction, the official will have sufficient means for maintenance for him or herself and any dependants.

23.2.4 Should the deduction not leave the official with sufficient means for maintenance or for that of his or her dependants, the accounting officer must advise the official of his or her right to approach the court to either rescind the order or amend it to affect only the balance of the salary after provision for such maintenance.

23.3 Deduction codes

23.3.1 Any person may apply for a deduction code for a discretionary deduction, subject to the requirements as laid down by the Accountant-General.

23.3.2 Only the Accountant-General may approve the issuing of deduction codes, in terms of an agreement between the Accountant-General and a person qualifying for such a code.

23.3.3 A person applying for a deduction code must certify in the application that-

- (a) the code is required by-
 - (i) a department;
 - (ii) an insurance company (for insurance deduction codes) approved by the Financial Services Board;
 - (iii) a company (for loan deduction codes) that is registered under the Banks Act (Act [No. 94 of 1990](#)) or [with the Micro Finance Regulatory Council \(MFRC\)](#);
 - (iv) a public higher education institution; or
 - (v) a private higher education institution approved by the national Department of Education.
- (b) third parties, including brokers, will not be allowed access to the code;
- (c) the person consents to-
 - (i) entering into an agreement with the Accountant-General, which is subject to annual review;
 - (ii) the oversight of the Financial Services Board and the National Treasury to monitor compliance with the agreement and this regulation; and
 - (iii) an audit, at own expense, by parties determined by the Accountant-General;
- (d) the person is in good standing with the South African Revenue Services and will annually provide the Accountant-General with proof of such good standing.

23.3.4 The Accountant-General may levy a fee of up to 5 percent of deductions for emolument attachment orders, except orders specifically for child maintenance.

23.3.5 The National Treasury may, for a discretionary loan deduction, determine the maximum loan period, the maximum loan amount and the interest rate (this will form part of the agreement with the Accountant-General)-

- (a) for loans over R10 000, the Usury Act limit is the maximum, all inclusive interest rate;
- (b) for loans below R10 000, the maximum is 27 percent plus an administrative cost subject to a limit set out in the agreement with the Accountant-General.

23.3.6 Discretionary deductions may not exceed 40 percent of the official's basic salary, provided that-

- (a) deductions for insurance premiums do not exceed 15 percent;
- (b) other discretionary deductions do not exceed 25 percent; and
- (c) the minimum take-home pay is as specified in the agreement with the Accountant General.

23.3.7 Notwithstanding the provisions of paragraph 23.3.6, discretionary deductions in excess of the limits prescribed by that paragraph may be deducted: Provided that the Accountant-General is satisfied that not allowing such deductions will substantially prejudice the interests of the employee and that such deductions shall be limited in duration to a period as determined by the Accountant-General.

23.3.8 The Minister of Finance may determine the future of the discretionary deductions system and the number of deduction codes on the Persal system.

23.3.9 Insurance companies to whom deduction codes are allocated may vary premiums periodically, provided that the annual increase does not exceed 15 percent of the premium or ten rand (R10), whichever is greater.

23.4 Contravention of regulations and penalties

23.4.1 Any serious or persistent material non-compliance with this regulation or the terms of the agreement with the Accountant-General constitutes misconduct.

23.4.2 It is a serious contravention for any person to knowingly exceed the deduction limits described above.

23.4.3 The Accountant-General may penalise a person for contravening this regulation by-

- (a) withdrawing or suspending the use of a deduction code;
- (b) refusing access to the Persal system for a specific period;

- (c) publishing the identity of the person and the details of the contravention;
- (d) laying criminal charges; and
- (e) if the person is an official, direct that the contravention be dealt with in terms of the Act.

23.4.4 Any person aggrieved by a decision of or penalty imposed by the Accountant-General may appeal to the Minister of Finance, whose decision will be final.

PART 9 PUBLIC ENTITIES

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 24. General definitions

24. General definitions

24.1 General definitions

In this regulation, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act, has the same meaning, and-

"designated accounting officer" means the accounting officer of a designated department;

"designated department", in relation to a public entity, means a department designated by its executive authority as the department responsible for the public entity;

"employee" means a person in the employ of a public entity;

"remuneration" means any consideration or benefit derived directly or indirectly by the following persons for services provided in their capacity as:

- (a) members of the accounting authority;
- (b) the chief executive officer or the person in charge of the public entity;
- (c) the chief financial officer; or
- (d) persons serving on the senior management of the public entity or in the entity under the public entity's ownership control.

"senior management" refers to the level of management that is directly accountable to the chief executive officer or to the person in charge of the public entity.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 25. Application and listing

25. Application and listing

25.1 Application [Sections 47 and 76 (4) of the PFMA]

25.1.1 These regulations apply to all public entities listed in Schedule 2 or 3 of the Act, unless the context indicates otherwise.

25.1.2 Public entities that should have been listed in terms of the Act but which are not listed, must deposit all money received into the relevant revenue fund.

25.1.3 Public entities must submit all information required by the National Treasury in terms of the Act and these regulations to the Registrar of Public Entities in the National Treasury.

25.2 Listing [Section 47 (2) of the PFMA]

25.2.1 An accounting authority of a public entity not listed in terms of the Act must submit the following information to the executive authority and the Registrar of Public Entities in support of its application for listing-

- (a) name of the public entity;
- (b) its main function;
- (c) executive authority responsible for the public entity;
- (d) legislation in terms of which the entity was established;

- (e) dates of its incorporation and financial year end;
- (f) names of members of the board or body controlling the public entity;
- (g) its registered address and telephone numbers;
- (h) name of the chief executive officer;
- (i) name of the chief financial officer;
- (j) name of the company secretary;
- (k) authority responsible for appointing the chief executive officer;
- (l) authority responsible for appointing the board of directors or controlling body;
- (m) subsidiaries under the ownership control of the entity;
- (n) latest audit financial statements;
- (o) amount of budgetary transfers received over the past three financial years; and
- (p) most recent corporate/strategic plan of the public entity.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 26. Responsibilities of designated accounting officers

26. Responsibilities of designated accounting officers

26.1 Responsibilities over Schedule 3A and 3C public entities

26.1.1 The designated accounting officer must ensure that within thirty days of the end of each quarter, the public entity submits information on its actual revenue and expenditure up to the end of that quarter as well as a projection of expected expenditure and revenue for the remainder of the current financial year. The information on actual revenue and expenditure shall be determined after taking accruals in account.

26.1.2 The accounting authority must quarterly report to the executive authority through the designated accounting officer on the extent of compliance on the Public Finance Management Act, 1999 and regulations. Any non-compliance must be reported together with reasons for the non-compliance.

26.1.3 The designated accounting officer may, after consultation with the relevant public entity, approve the sharing of services where it is economical, including the services of the audit committee and internal audit function.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 27. Internal control and corporate management

27. Internal control and corporate management

27.1 Audit committees [Sections 51 (1) (a) (ii) and 76 (4) (d) of the PFMA]

27.1.1 The accounting authority of a public entity must establish an audit committee as a sub-committee of the accounting authority.

27.1.2 A shared audit committee may be established for a public entity and any subsidiaries under the ownership and control of that entity.

27.1.3 The chairperson of the audit committee must be independent, be knowledgeable of the status of the position, have the requisite business, financial and leadership skills and may not be the chairperson of the accounting authority or a person who fulfils an executive function in the public entity.

27.1.4 The majority of the members of an audit committee shall consist of non-executive members appointed by the accounting authority, although committee members need not all be members of the accounting authority. The majority of persons serving on an audit committee must be financially literate.

27.1.5 The relevant executive authority must concur with any premature termination of services of a member of the audit committee.

27.1.6 The audit committee must operate in terms of a written terms of reference, which must deal adequately with its membership, authority and responsibilities. The terms of reference must be reviewed at least annually to ensure its relevance.

27.1.7 It must be disclosed in the entity's annual report whether or not the audit committee has adopted a

formal terms of reference and if so, whether the committee satisfied its responsibilities for the year, in compliance with its terms of reference.

27.1.8 The audit committee must, amongst others, review the following:

- (a) the effectiveness of the internal control systems;
- (b) the effectiveness of internal audit;
- (c) the risk areas of the entity's operations to be covered in the scope of internal and external audits;
- (d) the adequacy, reliability and accuracy of financial information provided to management and other users of such information;
- (e) any accounting and auditing concerns identified as a result of internal and external audits;
- (f) the entity's compliance with legal and regulatory provisions;
- (g) the activities of the internal audit function, including its annual work programme, co-ordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations; and
- (h) where relevant, the independence and objectivity of the external auditors.

27.1.9 The audit committee must have explicit authority to investigate matters within its powers, as identified in the written terms of reference. The audit committee must be provided with the resources it needs to investigate such matters and shall have full access to information. The audit committee must safeguard all information supplied to it within the ambit of the law.

27.1.10 The audit committee must-

- (a) report and make recommendations to the accounting authority;
- (b) report on the effectiveness of internal controls in the annual report of the institution; and
- (c) comment on its evaluation of the financial statements in the annual report.

27.1.11 Should a report from internal audit (or any other source) to the audit committee implicate any member(s) of the accounting authority in fraud, corruption or gross negligence, the chairperson of the audit committee must promptly report this to the relevant executive authority and the Auditor-General.

27.1.12 The audit committee must communicate any concerns it deems necessary to the executive authority, the Auditor-General and if appropriate, to the external auditor.

27.1.13 The audit committee must meet at least annually with the Auditor-General or the external auditor, whichever applicable, to ensure that there are no unresolved issues of concern.

27.2 Internal controls and internal audit [Sections 51 (1) (a) (ii) and 76 (4) (b) and (e) of the PFMA]

27.2.1 The accounting authority must ensure that a risk assessment is conducted regularly so as to identify emerging risks of the public entity. A risk management strategy, which must include a fraud prevention plan, must be used to direct internal audit effort and priority and to determine the skills required of managers and staff to improve controls and to manage these risks. The strategy must be clearly communicated to all employees to ensure that the risk management strategy is incorporated into the language and culture of the public entity.

27.2.2 All public entities to which these regulations apply must have an internal audit function.

27.2.3 A public entity and subsidiaries under the ownership control of the entity may have a shared internal audit function.

27.2.4 The internal audit function may, in accordance with preferred tendering procedures, be contracted out to an external institution with specialist audit expertise, provided that the external auditors may not perform the internal audit function.

27.2.5 The purpose, authority and responsibility of the internal audit function must, in consultation with the Board, be formally defined in an audit charter and be consistent with the Institute of Internal Auditors ("IIA") definition of internal auditing.

27.2.6 Internal audit must be conducted in accordance with the standards set by the Institute of Internal Auditors.

27.2.7 The internal audit function must, in consultation with the audit committee, prepare-

- (a) a rolling three-year strategic internal audit plan based on its assessment of key areas of risk for the public entity, having regard to its current operations, the operations proposed in its corporate or strategic plan and its risk management strategy;
- (b) an internal audit plan for the first year of the rolling plan;
- (c) plans indicating the scope of each audit in the annual internal audit plan; and

- (d) reports to the audit committee detailing its performance against the plan, to allow effective monitoring and intervention when necessary.

27.2.8 The internal audit function must report directly to the accounting authority and shall report at all audit committee meetings. The function must be independent of activities that are audited, with no limitation on its access to information.

27.2.9 The internal audit function must co-ordinate with other internal and external providers of assurance to ensure proper coverage and to minimise duplication of effort.

27.2.10 The internal audit function must assist the accounting authority in maintaining effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. The controls subject to evaluation should encompass the following:

- (a) the information systems environment;
- (b) the reliability and integrity of financial and operational information;
- (c) the effectiveness of operations;
- (d) safeguarding of assets; and
- (e) compliance with laws, regulations and controls.

27.2.11 The internal audit function must assist the accounting authority in achieving the objectives of the institution by evaluating and developing recommendations for the enhancement or improvement of the processes through which:

- (a) objectives and values are established and communicated;
- (b) the accomplishment of objectives is monitored;
- (c) accountability is ensured; and
- (d) corporate values are preserved.

27.3 Chief financial officers

27.3.1 Unless directed otherwise by the relevant treasury, each public entity listed in Schedule 3A or 3C of the Act shall have a chief financial officer as the head of the finance division.

27.3.2 Without limiting the right of the accounting authority to assign specific responsibilities, the general responsibility of the chief financial officer is to assist the accounting authority in discharging the duties prescribed in [Part 2](#) of Chapter 6 of the Act.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 28. Annual financial statements and annual reports

28. Annual financial statements and annual reports

28.1 Financial statements [Section 55 of the PFMA]

28.1.1 The annual financial statements must include a report by the accounting authority which must include the disclosure of remuneration in respect of all:

- (a) members of the accounting authority;
- (b) the chief executive officer or the person in charge of the public entity;
- (c) the chief financial officer;
- (d) persons serving on the public entity's senior management; and
- (e) members or persons in (a) to (d) above serving in other entities under the ownership control of the public entity.

28.1.2 Remuneration paid or receivable by the members or persons in paragraph 28.1.1 (a) to (e) shall be disclosed in aggregate and per member or person for the last financial period.

28.1.3 Disclosures in terms of paragraphs 28.1.1 and 28.1.2 is required whether such payment is receivable in the capacity as indicated in paragraph 28.1.1 (a) to (d) or in any other capacity.

28.1.4 The disclosure requirements in paragraphs 28.1.1 to 28.1.3 shall include:

- (a) fees for services as a member or person in paragraph 28.1.1 (a) to (d);
- (b) basic salary;

- (c) bonuses and performance related payments;
- (d) sums paid by way of expense, salary or other allowances;
- (e) contributions made to any pension fund, medical aid, insurance scheme, etc;
- (f) any commission, gain or profit sharing arrangements;
- (g) any share options, including their strike price and period; and
- (h) any other material benefits received.

28.1.5 Public entities listed in Schedule 3A or 3C of the Act may, after consultation with the designated accounting officer, submit their annual financial statements and any other information required in terms of the Act to the designated accounting officer for inclusion in the relevant department's annual report.

28.1.6 In terms of section 55 (1) (b) of the Act, public entities shall prepare financial statements in accordance with *generally accepted accounting practice*. Should the statements materially depart from Statements of GAAP, the financial statements must provide disclosure of the departure, the particulars thereof, the reasons therefor and the effect of such departure on the financial statements.

28.2 Annual reports [Section 55 (1) (d) (i) of the PFMA]

28.2.1 Any material losses through criminal conduct and any irregular and fruitless and wasteful expenditure must be disclosed as a note to the annual financial statements of the public entity.

28.2.2 Particulars of the public entity's strategic objectives and outcomes as identified and agreed on by the executive authority, the key performance measures and indicators for assessing the entity's performance in delivering the desired outcomes and objectives and the entity's actual performance against the strategic objectives and outcomes, must be disclosed in the annual report of the public entity.

28.3 Materiality and Significance [Sections 55 (2) and 54 (2) of the PFMA]

28.3.1 For purposes of mater [section 55 (2) of the Act] and significant [section 54 (2) of the Act], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 29. Corporate planning, shareholder's compacts and annual budgets

29. Corporate planning, shareholder's compacts and annual budgets

29.1 Corporate plans [Section 52 of the PFMA]

29.1.1 The corporate plan must cover a period of three years and must include-

- (a) strategic objectives and outcomes identified and agreed on by the executive authority in the shareholder's compact;
- (b) strategic and business initiatives as embodied in business function strategies;
- (c) key performance measures and indicators for assessing the entity's performance in delivering the desired outcomes and objectives;
- (d) a risk management plan;
- (e) a fraud prevention plan;
- (f) a materiality/significant framework, referred to in Treasury [Regulation 28.3.1](#);
- (g) a financial plan addressing-
 - (i) projections of revenue, expenditure and borrowings;
 - (ii) asset and liability management;
 - (iii) cash flow projections;
 - (iv) capital expenditure programmes; and
 - (v) dividend policies.

29.1.2 The executive authority of a public entity may request additional information to be included in the corporate plan.

29.1.3 Public entities listed in Schedule 2 or 3B must-

- (a) submit a three-year borrowing programme (beginning with the first financial year of the corporate

plan) with their corporate plan to the National Treasury; and

- (b) submit quarterly reports on the borrowing programme to the National Treasury, reflecting actual borrowing for that quarter and any update of the borrowing programme.

29.1.4 Provincial government business enterprises listed in Schedule 3D and authorised to borrow by the Minister of Finance must-

- (a) submit to the relevant treasury, with their corporate plans, a three-year borrowing programme beginning with the first financial year of the corporate plan. The programme must be in terms of approvals and limits determined by the Minister, and in terms of the Borrowing Powers of Provincial Governments Act; and
- (b) submit to the relevant treasury, quarterly reports on the approved borrowing programme, reflecting actual borrowing for that quarter and any update of the borrowing programme.

29.1.5 The relevant treasury must forward to the National Treasury-

- (a) a copy of the corporate plan and approved borrowing plan;
- (b) quarterly updates reflecting actual borrowing for that quarter; and
- (c) any update in the borrowing programme of Schedule 3D provincial government business enterprises that are authorised to borrow.

29.1.6 The borrowing programme referred to in paragraphs 29.1.3 and 29.1.4 must include-

- (a) the terms and conditions on which the money is borrowed;
- (b) information on proposed domestic borrowing;
- (c) for national public entities, information on proposed foreign borrowing within the prescribed limit, where applicable;
- (d) short and long-term borrowing;
- (e) borrowing in relation to a pre-approved corporate plan;
- (f) the maturity profile of the debt;
- (g) the confirmation of compliance with existing and proposed loan covenants;
- (h) debts guaranteed by the government;
- (i) motivations for government guarantees, if required; and
- (j) the executive authority's approval of the borrowing programme, if required by the legislation in terms of which the public entity was established.

29.2 Shareholder's compact

29.2.1 The accounting authority for a public entity listed in Schedule 2, 3B or 3D must, in consultation with its executive authority, annually conclude a shareholder's compact.

29.2.2 The shareholder's compact must document the mandated key performance measures and indicators to be attained by the public entity as agreed between the accounting authority and the executive authority.

29.3 Evaluation of performance

29.3.1 The accounting authority of a public entity must establish procedures for quarterly reporting to the executive authority in order to facilitate effective performance monitoring, evaluation and corrective action.

29.4 Annual budgets [Section 52 (a) of the PFMA]

29.4.1 For purposes of section 52 (a) of the Act, the projection of revenue, expenditure and borrowings must be in the same format as submitted for the accounting authority's approval.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 30. Strategic planning

30. Strategic planning

30.1 Strategic plan

30.1.1 The accounting authority for a public entity listed in Schedule 3A or 3C must annually submit a proposed strategic plan for approval by the relevant executive authority. Such a plan must be submitted at least six months before the start of the financial year of the designated department or another time period as agreed to

between the executive authority and the public entity.

30.1.2 The strategic plan must be finalised and submitted to the relevant executive authority no later than 1 April of each year.

30.1.3 The strategic plan must-

- (a) cover a period of three years;
- (b) include objectives and outcomes as identified by the executive authority;
- (c) include multi-year projections of revenue and expenditure;
- (d) include key performance measures and indicators for assessing the public entity's performance in delivering the desired outcomes and objectives;
- (e) include the materiality/significant framework, referred to Treasury [Regulation 28.3.1](#);
- (f) be updated annually on a rolling basis; and
- (g) form the basis for the annual reports of accounting authorities in terms of section 55 of the Act.

30.1.4 The executive authority may request additional information to be included in the strategic plan.

30.2 Evaluation of performance

30.2.1 The accounting authority of a public entity must establish procedures for quarterly reporting to the executive authority in order to facilitate effective performance monitoring, evaluation and corrective action.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 31. Cash, banking and investment management

31. Cash, banking and investment management

31.1 Cash management [Section 7 (1) of the PFMA]

31.1.1 The accounting authority of a public entity listed in Schedule 3 is responsible for establishing systems, procedures, processes and training and awareness programmes to ensure efficient and effective banking and cash management.

31.1.2 For the purposes of this regulation, sound cash management includes:

- (a) collecting revenue when it is due and banking it promptly;
- (b) making payments no earlier than necessary, with due regard for efficient, effective and economical programme delivery and the public entity's normal terms of account payments;
- (c) avoiding pre-payments for goods or services (i.e. payment in advance of the receipt of goods or services, unless required by the contractual arrangements with the supplier);
- (d) accepting discounts to effect early settlement when the payment has been included in the monthly cash flow estimates provided to the chief financial officer;
- (e) pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable by the public entity are collected and banked promptly;
- (f) accurately forecasting the public entity's cash flow in order to optimise its central cash management responsibilities;
- (g) timing the in and outflow of cash;
- (h) recognising the time value of money, i.e. economically, efficiently and effectively managing cash;
- (i) taking any other action that avoids locking up money unnecessarily and inefficiently, such as managing inventories to the optimum level necessary for efficient and effective programme delivery, and selling surplus or under utilised assets;
- (j) conducting bank reconciliations at least weekly;
- (k) making regular cash forecasts;
- (l) alignment of the approved budget with monthly cash flows;
- (m) variance analyses of actual cash flow with the approved budget; and
- (n) sweeping bank accounts to effectively utilise surplus cash.

31.1.3 The accounting authority must ensure that the public entity's cash management performance is

reported regularly, but at least on a monthly basis.

31.2 Banking framework [Sections 7 (2) and (3) of the PFMA]

31.2.1 When a public entity listed in Schedule 3 of the Act intends to open a new bank account, the National Treasury must approve of the bank. For purposes of section 7 (2) (a) of the Act, existing banking arrangements can be regarded as approved by the National Treasury, but the accounting authority must, by 31 May of each year, submit to the National Treasury, a list of all such banking accounts of the public entity.

31.2.2 When going to tender, and if the National Treasury has not proposed a bank, the public entity must take into account-

- (a) that the bank is registered with the South African Registrar of Banks;
- (b) that the bank is a member or sponsored by a member of the Payments Association of South Africa;
- (c) the bank's contracting with persons, or categories of persons historically disadvantaged by unfair discrimination on the basis of race, gender or disability;
- (d) the cost effectiveness; and
- (e) the ability of the bank to provide the required services which through adequate systems, infrastructure and branch networks.

31.2.3 The adjudication and awarding of tenders must be done in accordance with the public entity's own internal tendering procedures.

31.2.4 Only the accounting authority or the person to whom such authorisation has been delegated may open a bank account.

31.2.5 With effect from 15 November 2013, no public entity listed in [Schedule 2](#) or [3](#) to the Act, may, subject to [regulation 31.2.7](#), obtain a credit or debit card, whether in the name of the public entity or any office-bearer or official of the institution.

[[R. 31.2.5](#) added by GNR.874 of 15 November 2013.]

31.2.6 The accounting authority of a public entity listed in [Schedule 2](#) or [3](#) to the Act must, subject to [regulation 31.2.7](#), cancel each credit or debit card issued before 1 December 2013 and valid on that date, with effect from-

- (a) 1 December 2013; or
- (b) if the terms for the credit or debit card require a longer period of notice, with effect from the earliest date in terms of those terms.

[[R. 31.2.6](#) added by GNR.874 of 15 November 2013.]

31.2.7 A public entity listed in [Schedule 2](#) or [3](#) to the Act may retain or obtain-

- (a) a credit or debit card lodged with a travel agency for purposes of payment for travel and accommodation related expenses;
- (b) one credit or debit card in the name of the institution with approval authority by only one office-bearer or official of the public entity for purposes of travel and accommodation related expenses, on-line transactions and petty cash; and
- (c) fleet management, petrol and garage cards.

[[R. 31.2.7](#) added by GNR.874 of 15 November 2013.]

31.2.8 The National Treasury may, subject to conditions, exempt a public entity listed in [Schedule 2](#) or [3](#) to the Act, or a category of public entities listed in [Schedule 2](#) or [3](#) to the Act, from [regulation 31.2.5](#) or 31.2.6, if special circumstances justify it.

[[R. 31.2.8](#) added by GNR.874 of 15 November 2013.]

31.3 Investment policy [Sections 7 (4) and 53 (3) of the PFMA]

31.3.1 A public entity or a government business enterprise with funds under management must have an investment policy approved by the accounting authority.

31.3.2 The investment policy referred to in paragraph 31.3.1 must include-

- (a) selection of counter-parties through credit risk analyses;
- (b) establishment of investment limits per institution;
- (c) establishment of investment limits per investment instrument;
- (d) monitoring of investments against limits;
- (e) reassessment of investment policies on a regular basis;

- (f) reassessment of counter-party credit risk based on credit ratings; and
- (g) assessment of investment instruments based on liquidity requirements.

31.3.3 Unless exempted by the National Treasury, public entities that are listed in Schedule 3A or 3C of the Act must invest surplus funds with the Corporation for Public Deposits.

31.3.4 For purposes of paragraph 31.3.3, surplus funds refer to all money in excess of a given day's projected cash flow requirements plus a liquidity buffer needed to cover unforeseen expenditure on that day.

31.3.5 Public entities exempted by the National Treasury in terms of paragraph 31.3.3 must invest surplus funds in an institution with an investment grade rating and in line with an investment policy.

31.4 Disclosure of information

31.4.1 A public entity listed in Schedule 3 of the Act must promptly disclose information regarding cash, banking and investment management when so requested by the National Treasury.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 32. Borrowings and leases

32. Borrowings and leases

32.1 Borrowing [Section 66 of the PFMA]

32.1.1 For purposes of section 66 (5) of the Act, public entities listed in Schedule 3A or 3D of the Act may borrow money for bridging purposes with the approval of the Minister of Finance, subject to the following conditions:

- (a) the debt must be repaid within 30 days of the end of the financial year;
- (b) borrowing may not exceed a limit determined in advance by the Minister of Finance, in consultation with the national executive authority or provincial MEC for finance, whichever appropriate;
- (c) foreign borrowing may not be undertaken;
- (d) a request for borrowing for bridging purposes must be submitted to the Minister of Finance at least 30 days before the borrowing. The following must be submitted together with the request-
 - (i) detailed cash flow and income and expenditure statements indicating how the debt will be repaid during the prescribed period; and
 - (ii) the terms and conditions on which the money is borrowed.

32.1.2

[[R. 32.1.2](#) deleted by GNR.874 of 15 November 2013.]

32.2 Leases

32.2.1 For the purpose of this regulation, a lease is an agreement whereby the lessor conveys to the lessee in return for a payment or a series of payments the right to use an asset for an agreed period of time.

32.2.2 A lease is classified as a financial lease if it transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

32.2.3 An operating lease is a lease other than a financial lease.

32.2.4 The accounting authority of a public entity may, for the purposes of conducting the public entity's business, enter into lease transactions without any limitations provided that such transactions are limited to operating lease transactions.

32.2.5 With the exception of agreements concluded in terms of Treasury [Regulation 16](#), public entities may only through the following functionaries, enter into finance lease transactions:

- (a) A public entity listed in Schedule 2: The accounting authority for that Schedule 2 public entity;
- (b) A national public entity listed in Schedule 3A: The Minister of Finance;
- (c) A national government business enterprise listed in Schedule 3B and authorised by the Minister by notice in the national *Government Gazette*: The accounting authority of that Schedule 3B government business enterprise, subject to conditions that the Minister may impose; and
- (d) A provincial government business enterprise listed in Schedule 3D and authorised by the Minister of Finance by notice in the national *Government Gazette*: The MEC responsible for Finance in the Province, acting with the concurrence of the Minister, subject to any conditions that the Minister may impose.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 33. Financial misconduct

33. Financial misconduct

33.1 Investigation of alleged financial misconduct [Sections 85 (1) (b), (c) and (d) of the PFMA]

33.1.1 If an employee is alleged to have committed financial misconduct, the accounting authority of the public entity must ensure that an investigation is conducted into the matter and if confirmed, must ensure that a disciplinary hearing is held in accordance with the relevant prescripts.

33.1.2 The accounting authority must ensure that the investigation is instituted within 30 days from the date of discovery of the alleged financial misconduct.

33.1.3 If an accounting authority or any of its members is alleged to have committed financial misconduct, the relevant executive authority must initiate an investigation into the matter and if the allegations are confirmed, must ensure that appropriate disciplinary proceedings are initiated immediately.

33.1.4 The relevant treasury may, after consultation with the executive authority-

- (a) direct that a person other than an employee of the public entity conducts the investigation;
- (b) issue any reasonable requirement regarding the way in which the investigation should be performed.

33.2 Criminal proceedings [Section 86 of the PFMA]

33.2.1 The accounting authority must advise the Auditor-General and the relevant executive authority and treasury of any criminal charges it has laid against any person in terms of section 86 of the Act.

33.2.2 The executive authority or relevant treasury may direct a public entity to lay charges of criminal financial misconduct against any person should an accounting authority fail to take appropriate action.

33.3 Reporting [Section 85 (1) (a) and (e) of the PFMA]

33.3.1 The accounting authority must, on an annual basis, submit to the executive authority, the relevant treasury and Auditor-General a schedule of-

- (a) the outcome of any disciplinary hearings and/or criminal charges;
- (b) the names and ranks of employees involved; and
- (c) the sanctions and any further actions taken against these employees.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.225 of 15 March 2005: Amendment of Treasury Regulations in terms of Section 76/ 34. Repeal of regulations

34. Repeal of regulations

34.1 Repeal of regulations

34.1.1 The Supply Chain Management regulations issued in terms of section 76 (4) (c) of the Public Finance Management Act, 1999 on 5 December 2003 (*Regulation Gazette* No. 25767) are hereby repealed.

34.1.2 The Public Private Partnership regulations issued on 16 January 2004 (*Regulation Gazette* No. 25915) are hereby repealed.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)

GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)

The Minister of Finance has, in terms of [Section 91](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), prescribed the following Standards as set by the Accounting Standards Board in terms of Section 89:

- . Presentation of Financial Statements (GRAP 1)
- . Cash Flow Statements (GRAP 2)
- . Accounting Policies, Changes in Accounting Estimates and Errors (GRAP 3)

These Standards are effective for all public entities required to comply with GRAP and that are using the accrual basis of accounting for annual financial statements for periods ending on or after 31 March 2006.

For entities not applying the accrual basis of accounting, namely National and Provincial Departments, the implantation of these first three Standards will be phased in through the annual financial reporting requirements.

The implementation of these Standards for municipalities is aligned with the implementation of the Municipal Finance Management Act (MFMA), Act [No. 45 of 2003](#). The details thereof are contained in the MFMA Circular No. 18. The annual financial statements as provided for in the MFMA Circular No. 18 and any updates thereof form part of this regulation.

GRAP 1

(Logo)

ACCOUNTING STANDARDS BOARD

STANDARD OF GENERALLY RECOGNISED ACCOUNTING PRACTICE

PRESENTATION OF FINANCIAL STATEMENTS

(GRAP 1)

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Acknowledgement

This Standard of Generally Recognised Accounting Practice (GRAP) is drawn primarily from the International Public Sector Accounting Standard (IPSAS) on *Presentation of Financial Statements* issued by the International Federation of Accountants' International Public Sector Accounting Standards Board (IPSASB). The International Federation of Accountants (IFAC) was founded in 1977 with its mission to develop and enhance the profession with harmonised standards. IPSASB has issued a comprehensive body of IPSASs, which will be used to produce future Standards of GRAP. Extracts of the IPSAS on *Presentation of Financial Statements* are reproduced in this Standard of GRAP with the permission of the IPSASB.

The approved text of the IPSASs is that published by the IFAC in the English language. The IPSASs are contained in the IFAC Handbook of International Public Sector Accounting Pronouncements and are available from:

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INTRODUCTION

Standards of Generally Recognised Accounting Practice

The Accounting Standards Board (Board) is required in terms of the Public Finance Management Act, Act [No. 1 of 1999](#), as amended (PFMA), to determine generally recognised accounting practice referred to as Standards of Generally Recognised Accounting Practice (GRAP).

The Board must determine GRAP for:

- (a) departments (national and provincial);
- (b) public entities;
- (c) constitutional institutions;
- (d) municipalities and boards, commissions, companies, corporations, funds or other entities under the ownership control of a municipality; and
- (e) Parliament and the provincial legislatures.

The above are collectively referred to as "entities" in Standards of GRAP.

The Board has approved the application of Statements of Generally Accepted Accounting Practice (GAAP), as codified by the Accounting Practices Board and issued by the South African Institute of Chartered Accountants, to be GRAP for:

- (a) government business enterprises (as defined in the PFMA);
- (b) trading entities (as defined in the PFMA);
- (c) any other entity, other than a municipality, whose ordinary shares, potential ordinary shares or debt are publicly tradable on the capital markets; and
- (d) entities under the ownership control of any of these entities.

The Board believes that Statements of GAAP are relevant and applicable to financial statements prepared by all such entities, including those under their ownership control.

Financial statements should be described as complying with Standards of GRAP only if they comply with all the

requirements of each applicable Standard of GRAP and any related interpretation that may be issued in the future.

Any limitation of the applicability of specific Standards is made clear in those Standards.

The Standard of GRAP on Presentation of Financial Statements is set out in paragraphs 01. - 147. All paragraphs in this Standard have equal authority. The authority of appendices is dealt with in the preamble to each appendix. This Standard should be read in the context of its objective, the Preface to Standards of GRAP and the Framework for the Preparation and Presentation of Financial Statements.

Reference may be made here to a Standard of GRAP that has not been issued at the time of issue of this Standard. This is done to avoid having to change the Standards already issued when a later Standard is subsequently issued. Paragraph .12 of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors provides a basis for selecting and applying accounting policies in the absence of explicit guidance.

OBJECTIVE

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 01. The objective of this Standard is to prescribe the basis for presentation of general purpose financial statements, to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other ent

01. The objective of this Standard is to prescribe the basis for presentation of general purpose financial statements, to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. To achieve this objective, this Standard sets out overall considerations for the presentation of financial statements, guidelines for their structure and minimum requirements for their content. The recognition, measurement and disclosure of specific transactions, other events and conditions are dealt with in other Standards of GRAP.

SCOPE

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 02. This Standard shall be applied to all general purpose financial statements prepared and presented under the accrual basis of accounting in accordance with Standards of GRAP.

02. This Standard shall be applied to all general purpose financial statements prepared and presented under the accrual basis of accounting in accordance with Standards of GRAP.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 03. General purpose financial statements are those intended to meet the needs of users who are not in a position to demand reports tailored to meet their particular information needs. Users of general purpose financial statements include taxpayers and r

03. General purpose financial statements are those intended to meet the needs of users who are not in a position to demand reports tailored to meet their particular information needs. Users of general purpose financial statements include taxpayers and ratepayers, members of the legislature, creditors, suppliers, the media, and employees. General purpose financial statements include those that are presented separately or within another public document such as an annual report. This Standard does not apply to the structure and content of condensed interim financial information.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 04. This Standard applies equally to all entities and whether or not they need to prepare consolidated financial statements or separate financial statements, as defined in the Standard of GRAP on Consolidated and Separate Financial Statements.

04. This Standard applies equally to all entities and whether or not they need to prepare consolidated financial statements or separate financial statements, as defined in the Standard of GRAP on Consolidated and Separate Financial Statements.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 05. Entities that do not have equity and whose share capital is not equity may need to adapt the presentation in the financial statements.

05. Entities that do not have equity and whose share capital is not equity may need to adapt the presentation in the financial statements.

DEFINITIONS

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 06. The following terms are used in this Standard of GRAP with the meanings specified:

06. The following terms are used in this Standard of GRAP with the meanings specified:

"Accounting policies" are the specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements.

"Accrual basis" means a basis of accounting under which transactions and other events are recognised when they occur (and not only when cash or its equivalent is received or paid). Therefore, the transactions and events are recorded in the accounting records and recognised in the financial statements of the periods to which they relate. The elements recognised under accrual accounting are assets, liabilities, net assets, revenue and expenses.

"Assets" are resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.

"Associate" is an entity, including an unincorporated entity such as a partnership, over which the investor has significant influence and that is neither a controlled entity nor a joint venture.

"Borrowing costs" are interest and other expenses incurred by an entity in connection with the borrowing of funds.

"Cash" comprises cash on hand and demand deposits.

"Cash equivalents" are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

"Cash flows" are inflows and outflows of cash and cash equivalents.

"Consolidated financial statements" are the financial statements of an economic entity presented as those of a single entity.

"Contributions from owners" means future economic benefits or service potential that have been contributed to the entity by parties external to the entity, which establish their financial interest in the net assets of the entity, provided that the contributions:

- (a) do not result in liabilities of the entity, and
- (b) meet both of the following tests;
 - (i) They convey entitlement both to distributions of future economic benefits or service potential by the entity during its life, such distributions being at the discretion of the owners or their representatives, and to distributions of any excess of assets over liabilities in the event of the entity being wound up.
 - (ii) They can be sold, exchanged, transferred or redeemed.

"Control" is the power to govern the financial and operating policies of another entity so as to benefit from its activities.

"Controlled entity" is an entity, including an unincorporated entity such as a partnership that is under the control of another entity (known as the controlling entity).

"Controlling entity" is an entity that has one or more controlled entities.

"Distributions to owners" means future economic benefits or service potential distributed by the entity to all or some of its owners, either as a return on investment or as a return of investment.

"Economic entity" means a group of entities comprising a controlling entity and one or more controlled entities.

"Equity method" is a method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of net assets of the investee. The surplus or deficit of the investor includes the investor's share of the surplus or deficit of the investee.

"Exchange difference" is the difference resulting from translating a given number of units of one currency into another currency at different exchange rates.

"Expenses" are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets, other than those relating to distributions to owners.

"Fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

"A financial asset" is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual right:
 - (i) to receive cash or another financial asset from another entity; or
 - (ii) to exchange financial assets or liabilities with another entity under conditions that are potentially favourable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
 - (i) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

"Foreign operation" is an entity that is a controlled entity, associate, joint venture or branch of a reporting entity, the activities of which are based or conducted in a country or currency other than those of the reporting entity.

"Government business enterprise" means an entity that, in accordance with the Public Finance Management Act, Act [No. 1 of 1999](#), as amended:

- (a) is a juristic person under the ownership control of the national/provincial executive;
- (b) has been assigned the financial and operational authority to carry on a business activity;
- (c) as its principal business, provides goods or services in accordance with ordinary business principles; and
- (d) is financed fully or substantially from sources other than:
 - (i) the National or Provincial Revenue Fund; or
 - (ii) by way of a tax, levy or other statutory money.

"Impracticable" Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. For a particular prior period, it is impracticable to apply a change in an accounting policy retrospectively or to make a retrospective restatement to correct an error if:

- (a) the effects of the retrospective application or retrospective restatement are not determinable;
- (b) the retrospective application or retrospective restatement requires assumptions about what management's intent would have been in that period; or
- (c) the retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that:
 - (i) provides evidence of circumstances that existed on the date(s) as at which those amounts are to be recognised, measured or disclosed; and
 - (ii) would have been available when the financial statements for that prior period were authorised for issue from other information.

"Joint venture" is a binding arrangement whereby two or more parties are committed to undertake an activity

which is subject to joint control.

"Liabilities" are present obligations of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits or service potential.

"Management" comprises those persons responsible for the governance of the entity in accordance with legislation, including the accounting officers, however described in legislation.

"Material" omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The size or nature of the information item, or a combination of both, could be the determining factor.

"Minority interest" is that portion of the surplus or deficit and of net assets of a controlled entity attributable to interests that are not owned, directly or indirectly through controlled entities, by the controlling entity.

"Net assets" are the residual interest in the assets of the entity after deducting all its liabilities.

"Notes" contain information in addition to that presented in the statement of financial position, statement of financial performance, statement of changes in net assets and cash flow statement. Notes provide narrative descriptions or disaggregations of items disclosed in those statements and information about items that do not qualify for recognition in those statements.

"Presentation currency" is the currency in which the financial statements are presented.

"Prior period errors" are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- (a) was available when financial statements for those periods were authorised for issue; and
- (b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

"Qualifying asset" is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

"Reporting date" means the date of the last day of the reporting period to which the financial statements relate.

"Revenue" is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

"Separate financial statements" are those presented by a controlling entity, an investor in an associate or a venturer in a jointly controlled entity, in which the investments are accounted for on the basis of the direct equity interest rather than on the basis of the reported results and net assets of the investees.

PURPOSE OF FINANCIAL STATEMENTS

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 07. Financial statements are a structured representation of the financial position and financial performance of an entity. The objective of general purpose financial statements is to provide information about the financial position, financial performanc

07. Financial statements are a structured representation of the financial position and financial performance of an entity. The objective of general purpose financial statements is to provide information about the financial position, financial performance and cash flows of an entity that is useful to a wide range of users in making economic decisions. Financial statements also show the results of management's stewardship of the resources entrusted to it. To meet this objective, financial statements provide information about an entity's:

- (a) assets;
- (b) liabilities;
- (c) net assets;
- (d) revenue and expenses, including gains and losses;
- (e) other changes in net assets; and
- (f) cash flows.

This information, along with other information in the notes, assists users of financial statements in predicting the entity's future cash flows and, in particular, their timing and certainty.

COMPONENTS OF FINANCIAL STATEMENTS

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 08. A complete set of financial statements comprises:

- 08.** A complete set of financial statements comprises:
- (a) a statement of financial position;
 - (b) a statement of financial performance;
 - (c) a statement of changes in net assets;
 - (d) a cash flow statement; and
 - (e) notes, comprising a summary of significant accounting policies and other explanatory notes.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 09. The components listed in paragraph 08. are referred to by a variety of names. The statement of financial position may also be referred to as a balance sheet or statement of assets and liabilities. The statement of financial performance may also be r

09. The components listed in paragraph 08. are referred to by a variety of names. The statement of financial position may also be referred to as a balance sheet or statement of assets and liabilities. The statement of financial performance may also be referred to as a statement of revenues and expenses, an income statement, an operating statement, or a profit and loss statement. The statement of changes in net assets may also be referred to as a statement of changes in equity or a statement of net worth. The notes to the financial statements may include items referred to as "schedules", "annexures" or "appendices".

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 10. The financial statements provide users with information about an entity's resources and obligations at the reporting date and the flow of resources between reporting dates. This information is useful for users making assessments of an entity's abili

10. The financial statements provide users with information about an entity's resources and obligations at the reporting date and the flow of resources between reporting dates. This information is useful for users making assessments of an entity's ability to continue to provide goods and services at a given level, and the level of resources that may need to be provided to the entity in the future so that it can continue to meet its service delivery obligations.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 11. Entities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar. General purpose financial reporting by entiti

11. Entities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar. General purpose financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally

Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 12. Where the financial statements and the budget are on the same basis of accounting, a comparison with the budgeted amounts for the reporting period shall be included in the financial statements.

12. Where the financial statements and the budget are on the same basis of accounting, a comparison with the budgeted amounts for the reporting period shall be included in the financial statements.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 13. Reporting against budgets may be presented in various different ways, including the use of a columnar format for the financial statements, with separate columns for budgeted amounts and actual amounts. A column showing any variances from the budget

13. Reporting against budgets may be presented in various different ways, including the use of a columnar format for the financial statements, with separate columns for budgeted amounts and actual amounts. A column showing any variances from the budget or appropriation may also be presented.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 14. Where the financial statements and the budget are not on the same basis of accounting, a reconciliation between the statement of financial performance and the budget shall be included in the financial statements.

14. Where the financial statements and the budget are not on the same basis of accounting, a reconciliation between the statement of financial performance and the budget shall be included in the financial statements.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 15. Reporting against budgets may also include a statement by the individual(s) responsible for the preparation of the financial statements that the budgeted amounts have not been exceeded. If any budgeted amounts or appropriations have been exceeded, o

15. Reporting against budgets may also include a statement by the individual(s) responsible for the preparation of the financial statements that the budgeted amounts have not been exceeded. If any budgeted amounts or appropriations have been exceeded, or expenses incurred without appropriation or other form of authority, then details may be disclosed by way of note to the relevant item in the financial statements.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 16. Entities are encouraged to present additional information to assist users in assessing the performance of the entity, and its stewardship of assets, as well as making and evaluating decisions about the allocation of resources. This additional inform

16. Entities are encouraged to present additional information to assist users in assessing the performance of the entity, and its stewardship of assets, as well as making and evaluating decisions about the allocation of resources. This additional information may include details about the entity's outputs and outcomes in the form of performance indicators, statements of service performance, programme reviews and other reports by management about the entity's achievements over the reporting period.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 17. Entities are also encouraged to disclose information about compliance with legislative, regulatory or other externally imposed regulations. When information about compliance is not included in the financial statements, it may be useful for a note to

17. Entities are also encouraged to disclose information about compliance with legislative, regulatory or other externally imposed regulations. When information about compliance is not included in the financial statements, it

may be useful for a note to refer to any documents that include that information. Knowledge of non-compliance is likely to be relevant for accountability purposes and may affect a user's assessment of the entity's performance and direction of future operations. It may also influence decisions about resources to be allocated to the entity in the future.

OVERALL CONSIDERATIONS

Fair presentation and compliance with Standards of Generally Recognised Accounting Practice

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 18. Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with

18. Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in the Framework for the Preparation and Presentation of Financial Statements. The application of Standards of GRAP with additional disclosures when necessary, is presumed to result in financial statements that achieve a fair presentation.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 19. An entity whose financial statements comply with Standards of GRAP shall make an explicit and unreserved statement of such compliance in the notes. Financial statements shall not be described as complying with Standards of GRAP unless they comply with

19. An entity whose financial statements comply with Standards of GRAP shall make an explicit and unreserved statement of such compliance in the notes. Financial statements shall not be described as complying with Standards of GRAP unless they comply with all the requirements of each applicable Standard of GRAP.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 20. In virtually all circumstances, a fair presentation is achieved by compliance in all material respects with applicable Standards of GRAP. A fair presentation also requires an entity:

20. In virtually all circumstances, a fair presentation is achieved by compliance in all material respects with applicable Standards of GRAP. A fair presentation also requires an entity:

- (a) to select and apply accounting policies in accordance with the requirements of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors, which sets out the hierarchy of authoritative guidance that management considers in the absence of a Standard that specifically applies to an item;
- (b) to present information, including accounting policies, in a manner which provides relevant, reliable, comparable and understandable information; and
- (c) to provide additional disclosures when compliance with the specific requirements in Standards of GRAP are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 21. Inappropriate accounting treatments are not rectified either by disclosure of the accounting policies used, or by notes or explanatory material.

21. Inappropriate accounting treatments are not rectified either by disclosure of the accounting policies used, or by notes or explanatory material.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 22. In the extremely rare circumstances when management concludes that compliance with a requirement in a Standard of GRAP would be so misleading that it would conflict with the objective of financial statements in the Framework for the Preparation and

22. In the extremely rare circumstances when management concludes that compliance with a requirement in a Standard of GRAP would be so misleading that it would conflict with the objective of financial statements in the Framework for the Preparation and Presentation of Financial Statements, the entity shall depart from that requirement in the manner set out in paragraph 23. if the regulatory framework requires such a departure.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 23. When an entity departs from a requirement of a Standard of GRAP under paragraph 22., it shall disclose:

- 23.** When an entity departs from a requirement of a Standard of GRAP under paragraph 22., it shall disclose:
- (a) that management has concluded that the financial statements present fairly the entity's financial position, financial performance and cash flows;
 - (b) that it has complied with applicable Standards of GRAP, except that it has departed from a particular requirement to achieve a fair presentation;
 - (c) the title of the Standard of GRAP from which the entity has departed, the nature of the departure, including the treatment that the Standard of GRAP would require, the reason why that treatment would be so misleading in the circumstances that it would conflict with the objective of financial statements in the Framework for the Preparation and Presentation of Financial Statements, and the treatment adopted; and
 - (d) for each period presented, the financial impact of the departure on each item in the financial statements that would have been reported in complying with the requirement.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 24. When an entity has departed from a requirement of a Standard of GRAP in a prior period, and that departure affects the amounts recognised in the financial statements for the current period, it shall make the disclosures set out in paragraph 23. (c)

24. When an entity has departed from a requirement of a Standard of GRAP in a prior period, and that departure affects the amounts recognised in the financial statements for the current period, it shall make the disclosures set out in paragraph 23. (c) and (d).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 25. Paragraph 24. applies, for example, when an entity departed in a prior period from a requirement in a Standard of GRAP for the measurement of assets or liabilities and that departure affects the measurement of changes in assets and liabilities recog

25. Paragraph 24. applies, for example, when an entity departed in a prior period from a requirement in a Standard of GRAP for the measurement of assets or liabilities and that departure affects the measurement of changes in assets and liabilities recognised in the current period's financial statements.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 26. For the purpose of paragraphs 22. - 25., an item of information would conflict with the objective of financial statements when it does not represent faithfully the transactions, other events and conditions that it either purports to represent or cou

26. For the purpose of paragraphs 22. - 25., an item of information would conflict with the objective of financial statements when it does not represent faithfully the transactions, other events and conditions that it either purports to represent or could reasonably be expected to represent and, consequently, it would be likely to influence decisions made by users of financial statements. When assessing whether complying with a specific requirement in a Standard of GRAP would be so misleading that it would conflict with the objective of financial statements in the Framework for the Preparation and Presentation of Financial Statements, management considers:

- (a) why the objective of financial statements is not achieved in the particular circumstances; and
- (b) how the entity's circumstances differ from those of other entities that comply with the requirement. If other entities in similar circumstances comply with the requirement, there is a rebuttable presumption that the entity's compliance with the requirement would not be so misleading that it would conflict with the objective of financial statements in the Framework for the Preparation and Presentation of Financial Statements.

Going Concern

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 27. When preparing financial statements an assessment of an entity's ability to continue as a going concern shall be made. This assessment shall be made by management. Financial statements shall be prepared on a going concern basis unless there is an in

27. When preparing financial statements an assessment of an entity's ability to continue as a going concern shall be made. This assessment shall be made by management. Financial statements shall be prepared on a going concern basis unless there is an intention to liquidate the entity or to cease operating, or if there is no realistic alternative but to do so. When management is aware, in making its assessment, of material uncertainties related to events or conditions which may cast significant doubt upon the entity's ability to continue as a going concern, those uncertainties shall be disclosed. When the financial statements are not prepared on a going concern basis, that fact shall be disclosed, together with the basis on which the financial statements are prepared and the reason why the entity is not regarded as a going concern.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 28. Financial statements are normally prepared on the assumption that the entity is a going concern and will continue in operation and meet its statutory obligations for the foreseeable future. In assessing whether the going concern assumption is approp

28. Financial statements are normally prepared on the assumption that the entity is a going concern and will continue in operation and meet its statutory obligations for the foreseeable future. In assessing whether the going concern assumption is appropriate, those responsible for the preparation of the financial statements take into account all available information about the future, which is at least, but is not limited to, twelve months from the reporting date.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 29. The degree of consideration depends on the facts in each case, and assessments of the going concern assumption are not predicated on the solvency test usually applied to business enterprises. There may be circumstances where the usual going concern

29. The degree of consideration depends on the facts in each case, and assessments of the going concern assumption are not predicated on the solvency test usually applied to business enterprises. There may be circumstances where the usual going concern tests of liquidity and solvency appear unfavourable, but other factors suggest that the entity is nonetheless a going concern. For example:

- (a) in assessing whether an entity is a going concern, the power to levy rates or taxes may enable some entities to be considered as a going concern even though they may operate for extended periods with negative net assets; and
- (b) for an individual entity, an assessment of its statement of financial position at the reporting date may suggest that the going concern assumption is not appropriate. However, there may be multi-year funding agreements, or other arrangements, in place that will ensure the continued operation of the entity.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 30. The determination of whether the going concern assumption is appropriate is primarily relevant for individual entities rather than for a government as a whole. For individual entities, in assessing whether the going concern basis is appropriate, man

30. The determination of whether the going concern assumption is appropriate is primarily relevant for individual entities rather than for a government as a whole. For individual entities, in assessing whether the going concern basis is appropriate, management may need to consider a wide range of factors surrounding current and expected performance, expected short and medium term economic environment in which the entity operates, potential and announced restructurings of organisational units, estimates of revenue or the likelihood of continued government funding, and potential sources of replacement financing before it is appropriate to conclude that the going concern assumption is appropriate.

Accrual basis of accounting

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 31. An entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting

31. An entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 32. When the accrual basis of accounting is used, items are recognised as assets, liabilities, net assets, revenue and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the F

32. When the accrual basis of accounting is used, items are recognised as assets, liabilities, net assets, revenue and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the Framework.

Consistency of presentation

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 33. The presentation and classification of items in the financial statements shall be retained from one period to the next unless:

33. The presentation and classification of items in the financial statements shall be retained from one period to the next unless:

- (a) it is apparent, following a significant change in the nature of the entity's operations or a review of its financial statements, that another presentation or classification would be more appropriate having regard to the criteria for the selection and application of accounting policies in the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors; or
- (b) a Standard of GRAP requires a change in presentation.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 34. A significant acquisition or disposal, or a review of the presentation of the financial statements, might suggest that the financial statements need to be presented differently. For example, an entity may dispose of a savings bank that represents on

34. A significant acquisition or disposal, or a review of the presentation of the financial statements, might suggest that the financial statements need to be presented differently. For example, an entity may dispose of a savings bank that represents one of its most significant controlled entities and the remaining economic entity conducts mainly administrative and policy advice services. In this case, the presentation of the financial statements based on the principal activities of the economic entity as a financial institution is unlikely to be relevant for the new economic entity.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 35. An entity changes the presentation of its financial statements only if the changed presentation provides information that is reliable and is more relevant to users of the financial statements and the revised structure is likely to continue, so that

35. An entity changes the presentation of its financial statements only if the changed presentation provides information that is reliable and is more relevant to users of the financial statements and the revised structure is likely to continue, so that comparability is not impaired. When making such changes in presentation, an entity reclassifies its comparative information in accordance with paragraphs 49. and 50.

Materiality and aggregation

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 36. Each material class of similar items shall be presented separately in the financial statements. Items of dissimilar nature or function shall be presented separately unless they are immaterial.

36. Each material class of similar items shall be presented separately in the financial statements. Items of dissimilar nature or function shall be presented separately unless they are immaterial.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 37. Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or function. The final stage in the process of aggregation and classification is the presentation of

37. Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or function. The final stage in the process of aggregation and classification is the presentation of condensed and classified data which form line items on the face of the statement of financial position, statement of financial performance, statement of changes in net assets and cash flow statement, or in the notes. If a line item is not individually material, it is aggregated with other items either on the face of those statements or in the notes. An item that is not sufficiently material to warrant separate presentation on the face of those statements may nevertheless be sufficiently material for it to be presented separately in the notes.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 38. Applying the concept of materiality means that a specific disclosure requirement in a Standard of GRAP need not be satisfied if the information is not material.

38. Applying the concept of materiality means that a specific disclosure requirement in a Standard of GRAP need not be satisfied if the information is not material.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 39. Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states tha

39. Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment needs to take into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 40. In this context, information is material if its non-disclosure could influence the decision-making and evaluations of users about the allocation and stewardship of resources, and the performance of the entity, made on the basis of the financial stat

40. In this context, information is material if its non-disclosure could influence the decision-making and evaluations of users about the allocation and stewardship of resources, and the performance of the entity, made on the basis of the financial statements. Materiality depends on the size and nature of the item judged in the particular circumstances of its omission. In deciding whether an item or an aggregate of items is material, the size and nature of the item are evaluated together. Depending on the circumstances, either the size or nature of the item could be the determining factor. For example, individual revenues or receipts with the same nature and function are aggregated even if the individual amounts are large. However, large items which differ in nature or function are presented separately.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 41. The principle of materiality provides that the specific disclosure requirements of Standards of GRAP need not be met if the resulting information is not material.

41. The principle of materiality provides that the specific disclosure requirements of Standards of GRAP need not be met if the resulting information is not material.

Offsetting

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 42. Assets and liabilities, revenue and expenses, shall not be offset unless required or permitted by a Standard of GRAP.

42. Assets and liabilities, revenue and expenses, shall not be offset unless required or permitted by a Standard of GRAP.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 43. It is important that assets and liabilities, and revenue and expenses, are reported separately. Offsetting in the statement of financial performance or the statement of financial position, except when offsetting reflects the substance of the transac

43. It is important that assets and liabilities, and revenue and expenses, are reported separately. Offsetting in the statement of financial performance or the statement of financial position, except when offsetting reflects the substance of the transaction or other event, detracts from the ability of users both to understand the transactions, other events and conditions that have occurred and to assess the entity's future cash flows. Measuring assets net of valuation allowances, for example, obsolescence allowances on inventories and doubtful debts allowances on receivables, is not offsetting.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 44. Revenue relating to exchange transactions is measured at the fair value of consideration received or receivable, taking into account the amount of any trade discounts and volume rebates allowed by the entity.

An entity undertakes, in the course of i

44. Revenue relating to exchange transactions is measured at the fair value of consideration received or receivable, taking into account the amount of any trade discounts and volume rebates allowed by the entity. An entity undertakes, in the course of its ordinary activities, other transactions that do not generate revenue but are incidental to the main revenue-generating activities. The results of such transactions are presented, when this presentation reflects the substance of the transaction or other event, by netting any revenue with related expenses arising on the same transaction. For example:

- (a) gains and losses on the disposal of non-current assets, including investments and operating assets, are reported by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses; and
- (b) expenses relating to a provision that is recognised in accordance with the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets and reimbursed under a contractual arrangement with a third party (for example, a supplier's warranty agreement) may be netted against the related reimbursement.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 45. In addition, gains and losses arising from a group of similar transactions are reported on a net basis, for example, foreign exchange gains and losses and gains and losses arising on financial instruments held for trading. Such gains and losses are,

45. In addition, gains and losses arising from a group of similar transactions are reported on a net basis, for example, foreign exchange gains and losses and gains and losses arising on financial instruments held for trading. Such gains and losses are, however, reported separately if they are material.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 46. The offsetting of cash flows is dealt with in the Standard of GRAP on Cash Flow Statements.

46. The offsetting of cash flows is dealt with in the Standard of GRAP on Cash Flow Statements.

Comparative information

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 47. Except when a Standard of GRAP permits or requires otherwise, comparative information shall be disclosed in respect of the previous period for all amounts reported in the financial statements. Comparative information shall be included for narrative

47. Except when a Standard of GRAP permits or requires otherwise, comparative information shall be disclosed in respect of the previous period for all amounts reported in the financial statements. Comparative information shall be included for narrative and descriptive information when it is relevant to an understanding of the current period's financial statements.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 48. In some cases, narrative information provided in the financial statements for the previous period(s) continues to be relevant in the current period. For example, details of a legal dispute, the outcome of which was uncertain at the last reporting da

48. In some cases, narrative information provided in the financial statements for the previous period(s) continues to be relevant in the current period. For example, details of a legal dispute, the outcome of which was uncertain at the last reporting date and is yet to be resolved, are disclosed in the current period. Users benefit from information that the uncertainty existed at the last reporting date, and about the steps that have been taken during the period to resolve the uncertainty.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 49. When the presentation or classification of items in the financial statements is amended, comparative amounts shall be reclassified, unless the reclassification is impracticable. When comparative amounts are reclassified, an entity shall disclose:

49. When the presentation or classification of items in the financial statements is amended, comparative amounts shall be reclassified, unless the reclassification is impracticable. When comparative amounts are reclassified, an entity shall disclose:

- (a) the nature of the reclassification;
- (b) the amount of each item or class of items that is reclassified; and
- (c) the reason for the reclassification.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 50. When it is impracticable to reclassify comparative amounts, an entity shall disclose:

50. When it is impracticable to reclassify comparative amounts, an entity shall disclose:

- (a) the reason for not reclassifying the amounts; and
- (b) the nature of the adjustments that would have been made if the amounts had been reclassified.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 51. Enhancing the inter-period comparability of information assists users in making and evaluating decisions, especially by allowing the assessment of trends in financial information for predictive purposes. In some circumstances it is impracticable to

51. Enhancing the inter-period comparability of information assists users in making and evaluating decisions, especially by allowing the assessment of trends in financial information for predictive purposes. In some circumstances it is impracticable to reclassify comparative information for a particular prior period to achieve comparability with the current period. For example, data may not have been collected in the previous period(s) in a way that allows reclassification, and it may not be practicable to recreate the information. In such circumstances, the nature of the adjustments to comparative amounts that would have been made is disclosed.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 52. The Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors deals with the adjustments to comparative information required when an entity changes an accounting policy or corrects an error.

52. The Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors deals with the adjustments to comparative information required when an entity changes an accounting policy or corrects an error.

STRUCTURE AND CONTENT

Introduction

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 53. This Standard requires particular disclosures on the face of the statement of financial position, statement of financial performance and statement of changes in net assets and requires disclosure of other line items either on the face of those state

53. This Standard requires particular disclosures on the face of the statement of financial position, statement of financial performance and statement of changes in net assets and requires disclosure of other line items either on the face of those statements or in the notes. The Standard of GRAP on Cash Flow Statements sets out requirements for the presentation of a cash flow statement.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 54. This Standard sometimes uses the term 'disclosure' in a broad sense, encompassing items presented on the face of the statement of financial position, statement of financial performance and cash flow statement as well as in the notes. Disclosures are

54. This Standard sometimes uses the term 'disclosure' in a broad sense, encompassing items presented on the face of the statement of financial position, statement of financial performance and cash flow statement as well as in the notes. Disclosures are also required by other Standards of GRAP. Unless specified to the contrary elsewhere in this Standard of GRAP or in another Standard of GRAP, such disclosures are made either on the face of the statement of financial position, statement of financial performance and cash flow statement (whichever is relevant), or in the notes.

Identification of financial statements

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 55. The financial statements shall be identified clearly and distinguished from other information in the same published document.

55. The financial statements shall be identified clearly and distinguished from other information in the same published document.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 56. Standards of GRAP apply only to financial statements, and not to other information presented in an annual report or other document. Therefore, it is important that users are able to distinguish information that is prepared using Standards of GRAP fr

56. Standards of GRAP apply only to financial statements, and not to other information presented in an annual report or other document. Therefore, it is important that users are able to distinguish information that is prepared using Standards of GRAP from other information that may be useful to users but is not the subject of those requirements.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 57. Each component of the financial statements shall be identified clearly. In addition, the following information shall be displayed prominently, and repeated when it is necessary for a proper understanding of the information presented:

57. Each component of the financial statements shall be identified clearly. In addition, the following information shall be displayed prominently, and repeated when it is necessary for a proper understanding of the information presented:

- (a) the name of the reporting entity or other means of identification and any change in that information from the preceding reporting date;
- (b) whether the financial statements cover the individual entity or the economic entity;
- (c) the reporting date or the period covered by the financial statements, whichever is appropriate to the component of the financial statements;
- (d) the presentation currency, as defined in the Standard of GRAP on The Effects of Changes in Foreign Exchange Rates; and
- (e) the level of rounding used in presenting amounts in the financial statements.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 58. The requirements in paragraph 57. are normally met by presenting page headings and abbreviated column headings on each page of the financial statements. Judgement is required in determining the best way of presenting such information. For example, w

58. The requirements in paragraph 57. are normally met by presenting page headings and abbreviated column headings on each page of the financial statements. Judgement is required in determining the best way of presenting such information. For example, when the financial statements are presented electronically, separate pages are not always used; the above items are then presented frequently enough to ensure a proper understanding of the information included in the financial statements.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 59. Financial statements are often made more understandable by presenting information in thousands or millions of rands. This is acceptable as long as the level of rounding in presentation is disclosed and material information is not omitted.

59. Financial statements are often made more understandable by presenting information in thousands or millions of rands. This is acceptable as long as the level of rounding in presentation is disclosed and material information is not omitted.

Reporting period

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 60. Financial statements shall be presented at least annually. When an entity's reporting date changes and the annual financial statements are presented for a period longer or shorter than one year, an entity shall disclose, in addition to the period co

60. Financial statements shall be presented at least annually. When an entity's reporting date changes and the annual financial statements are presented for a period longer or shorter than one year, an entity shall disclose, in addition to the period covered by the financial statements:

- (a) the reason for using a longer or shorter period; and
- (b) the fact that comparative amounts for certain statements such as the statement of financial performance, changes in net assets, cash flows and related notes are not entirely comparable.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 61. Normally, financial statements are consistently prepared covering a one-year period. However, for practical reasons some entities prefer to report, for example, for a 52-week period. This Standard does not preclude this practice, because the resulti

61. Normally, financial statements are consistently prepared covering a one-year period. However, for practical reasons some entities prefer to report, for example, for a 52-week period. This Standard does not preclude this practice, because the resulting financial statements are unlikely to be materially different to those that would be presented for one year.

STATEMENT OF FINANCIAL POSITION

The current/non-current distinction

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 62. An

entity shall present current and non-current assets, and current and non-current liabilities, as separate classifications on the face of its statement of its financial position in accordance with paragraphs 68. - 79. except when a presentation ba

62. An entity shall present current and non-current assets, and current and non-current liabilities, as separate classifications on the face of its statement of its financial position in accordance with paragraphs 68. - 79. except when a presentation based on liquidity provides information that is reliable and more relevant. When that exception applies, all assets and liabilities shall be presented broadly in order of their liquidity.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 63. Whichever method of presentation is adopted, for each asset and liability line item that combines amounts expected to be recovered or settled within (a) no more than twelve months after the reporting date; and (b) more than twelve months after the r

63. Whichever method of presentation is adopted, for each asset and liability line item that combines amounts expected to be recovered or settled within (a) no more than twelve months after the reporting date; and (b) more than twelve months after the reporting date, an entity shall disclose the amount expected to be recovered or settled after more than twelve months.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 64. When an entity supplies goods or services within a clearly identifiable operating cycle, separate classification of current and non-current assets and liabilities on the face of the statement of financial position provides useful information by dist

64. When an entity supplies goods or services within a clearly identifiable operating cycle, separate classification of current and non-current assets and liabilities on the face of the statement of financial position provides useful information by distinguishing the net assets that are continuously circulating as working capital from those used in the entity's long-term operations. It also highlights assets that are expected to be realised within the current operating cycle, and liabilities that are due for settlement within the same period.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 65. For some entities, such as financial institutions, a presentation of assets and liabilities in increasing or decreasing order of liquidity provides information that is reliable and is more relevant than a current/non-current presentation because the

65. For some entities, such as financial institutions, a presentation of assets and liabilities in increasing or decreasing order of liquidity provides information that is reliable and is more relevant than a current/non-current presentation because the entity does not supply goods or services within a clearly identifiable operating cycle.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 66. In applying paragraph 62., an entity is permitted to present some of its assets and liabilities using a current/non-current classification and others in order of liquidity when this provides information that is reliable and more relevant. The need f

66. In applying paragraph 62., an entity is permitted to present some of its assets and liabilities using a current/non-current classification and others in order of liquidity when this provides information that is reliable and more relevant. The need for a mixed basis of presentation might arise when an entity has diverse operations.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 67. Information about the expected dates of realisation of assets and liabilities is useful in assessing the liquidity and solvency of an entity. The Standard of GRAP on Financial Instruments: Disclosure and Presentation requires disclosure of the matur

67. Information about the expected dates of realisation of assets and liabilities is useful in assessing the liquidity and solvency of an entity. The Standard of GRAP on Financial Instruments: Disclosure and Presentation requires disclosure of the maturity dates of financial assets and financial liabilities. Financial assets include trade and other receivables and financial liabilities include trade and other payables. Information on the expected date of recovery and settlement of non-monetary assets and liabilities such as inventories and provisions is also useful, whether or not assets and liabilities are classified as current and non-current. For example, an entity discloses the amount of inventories that is expected to be recovered more than twelve months after the reporting date.

Current assets

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 68. An asset shall be classified as current when it satisfies any of the following criteria:

68. An asset shall be classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is held for sale or consumption in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within twelve months after the reporting date; or
- (d) it is cash or a cash equivalent asset (as defined in the Standard of GRAP on Cash Flow Statements) unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets shall be classified as non-current.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 69. This Standard uses the term "non-current assets" to include tangible, intangible, and financial assets of a long-term nature. It does not prohibit the use of alternative descriptions as long as the meaning is clear.

69. This Standard uses the term "non-current assets" to include tangible, intangible, and financial assets of a long-term nature. It does not prohibit the use of alternative descriptions as long as the meaning is clear.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 70. The operating cycle of an entity is the time taken to convert inputs or resources into outputs. For instance, governments transfer resources to entities so that they can convert those resources into goods and services, or outputs, to meet the govern

70. The operating cycle of an entity is the time taken to convert inputs or resources into outputs. For instance, governments transfer resources to entities so that they can convert those resources into goods and services, or outputs, to meet the government's desired social, political and economic outcomes. When the entity's normal operating cycle is not clearly identifiable, its duration is assumed to be twelve months. Current assets include assets (such as taxes receivable, user charges receivable, fines and regulatory fees receivable, inventories and accrued investment revenue) that are either realised, consumed or sold, as part of the normal operating cycle even when they are not expected to be realised within twelve months of the reporting date. Current assets also include assets primarily held for the purpose of being traded (guidance on the classification of financial assets within this category could be found in the Standard of GRAP on Financial Instruments: Recognition and Measurement) and the current portion of non-current financial assets.

Current liabilities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 71. A liability shall be classified as current when it satisfies any of the following criteria:

71. A liability shall be classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the reporting date; or
- (d) the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities shall be classified as non-current.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 72. Some current liabilities, such as government transfers payable and accruals for employee and other operating costs, are part of the working capital used in the normal operating cycle of the entity. Such operating items are classified as current liabilities

72. Some current liabilities, such as government transfers payable and accruals for employee and other operating costs, are part of the working capital used in the normal operating cycle of the entity. Such operating items are classified as current liabilities even if they are due to be settled more than twelve months after the reporting date. The same normal operating cycle applies to the classification of an entity's assets and liabilities. When the entity's normal operating cycle is not clearly identifiable, its duration is assumed to be twelve months.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 73. Other current liabilities are not settled as part of the normal operating cycle, but are due for settlement within twelve months after the reporting date or held primarily for the purpose of being traded. Examples are financial liabilities classified

73. Other current liabilities are not settled as part of the normal operating cycle, but are due for settlement within twelve months after the reporting date or held primarily for the purpose of being traded. Examples are financial liabilities classified as held for trading (guidance on the classification of financial liabilities could be found in the Standard of GRAP on Financial Instruments: Presentation and Disclosure), bank overdrafts, and the current portion of non-current financial liabilities, dividends payable, income taxes and other non-trade payables. Financial liabilities that provide financing on a long-term basis (i.e. are not part of the working capital used in the entity's normal operating cycle), and are not due for settlement within twelve months after the reporting date, are non-current liabilities subject to paragraphs 76. and 77.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 74. An entity classifies its financial liabilities as current when they are due to be settled within twelve months after the reporting date, even if:

74. An entity classifies its financial liabilities as current when they are due to be settled within twelve months after the reporting date, even if:

- (a) the original term was for a period of longer than twelve months; and
- (b) an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 75. If an entity expects, and has the discretion, to refinance or roll over an obligation for at least twelve months after the reporting date under an existing loan facility, it classifies the obligation as non-current even if it would otherwise be due

75. If an entity expects, and has the discretion, to refinance or roll over an obligation for at least twelve months after the reporting date under an existing loan facility, it classifies the obligation as non-current even if it would otherwise be due within a shorter period. However, when refinancing or rolling over the obligation is not at

the discretion of the entity (for example there is no agreement to refinance), the potential to refinance is not considered and the obligation is classified as current.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 76. When an entity breaches an undertaking or covenant under a long-term loan agreement on or before the reporting date with the effect that the liability becomes payable on demand, the liability is classified as current, even if the lender has agreed,

76. When an entity breaches an undertaking or covenant under a long-term loan agreement on or before the reporting date with the effect that the liability becomes payable on demand, the liability is classified as current, even if the lender has agreed, after the reporting date and before the authorisation of the financial statements, not to demand payment as a consequence of the breach. The liability is classified as current because, at the reporting date, the entity does not have an unconditional right to defer its settlement for at least twelve months after that date.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 77. However, the liability is classified as non-current if the lender agreed by the reporting date to provide a period of grace ending at least twelve months after the reporting date, within which the entity can rectify a breach and during which the len

77. However, the liability is classified as non-current if the lender agreed by the reporting date to provide a period of grace ending at least twelve months after the reporting date, within which the entity can rectify a breach and during which the lender cannot demand immediate repayment.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 78. In respect of loans classified as current liabilities, if the following events occur between the reporting date and the date the financial statements are authorised for issue, those events qualify for disclosure as non-adjusting events in accordance

78. In respect of loans classified as current liabilities, if the following events occur between the reporting date and the date the financial statements are authorised for issue, those events qualify for disclosure as non-adjusting events in accordance with the Standard of GRAP on Events after the Reporting Date:

- (a) refinancing on a long-term basis;
- (b) rectification of a breach of a long-term loan agreement; and
- (c) the receipt from the lender of a period of grace to rectify a breach of a long-term loan agreement ending at least twelve months after the reporting date.

Information to be presented on the face of the statement of financial position

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 79. As a minimum, the face of the statement of financial position shall include line items that present the following amounts:

79. As a minimum, the face of the statement of financial position shall include line items that present the following amounts:

- (a) Property, plant and equipment;
- (b) Investment property;
- (c) Intangible assets;
- (d) Financial assets (excluding amounts shown under (e), (g), (h) and (i));
- (e) Investments accounted for using the equity method;

- (f) Inventories;
- (g) Other receivables from non-exchange transactions, including taxes and transfers;
- (h) Trade and other receivables from exchange transactions;
 - (i) Cash and cash equivalents;
- (j) Taxes and transfers payable;
- (k) Trade and other payables from exchange transactions;
- (l) Provisions;
- (m) Financial liabilities (excluding amounts shown under (i), (k) and (l));
- (n) Minority interest, presented within net assets; and
- (o) Net assets.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 80. Additional line items, headings and sub-totals shall be presented on the face of the statement of financial position when such presentation is relevant to an understanding of the entity's financial position.

80. Additional line items, headings and sub-totals shall be presented on the face of the statement of financial position when such presentation is relevant to an understanding of the entity's financial position.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 81. This Standard does not prescribe the order or format in which items are to be presented. Paragraph 79. simply provides a list of items that are sufficiently different in nature or function to warrant separate presentation on the face of the statement

81. This Standard does not prescribe the order or format in which items are to be presented. Paragraph 79. simply provides a list of items that are sufficiently different in nature or function to warrant separate presentation on the face of the statement of financial position. In addition:

- (a) line items are included when the size, nature or function of an item or aggregation of similar items is such that separate presentation is relevant to an understanding of the entity's financial position; and
- (b) the descriptions used and the ordering of items or aggregation of similar items may be amended according to the nature of the entity and its transactions, to provide information that is relevant to an understanding of the entity's financial position.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 82. The judgement on whether additional items are separately presented is based on an assessment of:

82. The judgement on whether additional items are separately presented is based on an assessment of:

- (a) the nature and liquidity of assets;
- (b) the function of assets within the entity; and
- (c) the amounts, nature and timing of liabilities.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 83. The use of different measurement bases for different classes of assets suggests that their nature or function differs and therefore that they should be presented as separate line items. For example, different classes of property, plant and equipment

83. The use of different measurement bases for different classes of assets suggests that their nature or

function differs and therefore that they should be presented as separate line items. For example, different classes of property, plant and equipment can be carried at cost or revalued amounts in accordance with the Standard of GRAP on Property, Plant and Equipment.

Information to be presented either on the face of the statement of financial position or in the notes

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 84. An entity shall disclose, either on the face of the statement of financial position or in the notes to the statement of financial position, further sub-classifications of the line items presented, classified in a manner appropriate to the entity's o

84. An entity shall disclose, either on the face of the statement of financial position or in the notes to the statement of financial position, further sub-classifications of the line items presented, classified in a manner appropriate to the entity's operations.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 85. The detail provided in sub-classifications depends on the requirements of Standards of GRAP and on the size, nature and function of the amounts involved. The factors set out in paragraph 82. also are used to decide the basis of sub-classification. T

85. The detail provided in sub-classifications depends on the requirements of Standards of GRAP and on the size, nature and function of the amounts involved. The factors set out in paragraph 82. also are used to decide the basis of sub-classification. The disclosures vary for each item, for example:

- (a) items of property, plant and equipment are disaggregated into classes in accordance with the Standard of GRAP on Property, Plant and Equipment;
- (b) receivables are disaggregated into amounts receivable from user charges, taxes and other non-exchange revenues, other members of the economic entity, receivables from related parties, prepayments and other amounts;
- (c) inventories are sub-classified in accordance with the Standard of GRAP on Inventories, into classifications such as merchandise, production supplies, materials, work in progress and finished goods;
- (d) taxes and transfers payable are disaggregated into tax refunds payable, transfers payable, and amounts payable to other members of the economic entity;
- (e) provisions are disaggregated into provisions for employee benefit costs and any other items; and
- (f) components of net assets are analysed and disaggregated into contributed capital, accumulated surpluses and deficits and any reserves.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 86. When an entity has no share capital, it shall separately disclose the following, either on the face of the statement of financial position or in the notes:

86. When an entity has no share capital, it shall separately disclose the following, either on the face of the statement of financial position or in the notes:

- (a) net assets, showing separately:
 - (i) contributed capital, being the cumulative total at the reporting date of contributions from owners, less distributions to owners;
 - (ii) accumulated surpluses or deficits;
 - (iii) reserves, including a description of the nature and purpose of each reserve within net assets; and
 - (iv) minority interests; and
- (b) the amount of a distribution (other than the return of capital) declared after the reporting date but before the financial statements were authorised for issue.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 87. Many entities will not have share capital but the entity will be controlled exclusively by another entity. The nature of the government's interest in the net assets of the entity is likely to be a combination of contributed capital and the aggregate

87. Many entities will not have share capital but the entity will be controlled exclusively by another entity. The nature of the government's interest in the net assets of the entity is likely to be a combination of contributed capital and the aggregate of the entity's accumulated surpluses or deficits and reserves - that reflect the net assets attributable to the entity's operations.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 88. In some cases, there may be a minority interest in the net assets of the entity. For example, at whole-of-government level, the economic entity may include a government business enterprise that has been partly privatised. Accordingly, there may be p

88. In some cases, there may be a minority interest in the net assets of the entity. For example, at whole-of-government level, the economic entity may include a government business enterprise that has been partly privatised. Accordingly, there may be private shareholders who have a financial interest in the net assets of the entity.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 89. When an entity has share capital, in addition to the disclosures in paragraph 86., it shall disclose the following, either on the face of the statement of financial position or in the notes:

89. When an entity has share capital, in addition to the disclosures in paragraph 86., it shall disclose the following, either on the face of the statement of financial position or in the notes:

- (a) for each class of share capital:
 - (i) the number of shares authorised;
 - (ii) the number of shares issued and fully paid, and issued but not fully paid;
 - (iii) par value per share, or that the shares have no par value;
 - (iv) a reconciliation of the number of shares outstanding at the beginning and at the end of the year;
 - (v) the rights, preferences and restrictions attaching to that class, including restrictions on the distribution of dividends and the repayment of capital;
 - (vi) shares in the entity held by the entity or by its controlled entities or associates; and
 - (vii) shares reserved for issue under options and contracts for the sale of shares, including the terms and amounts; and
- (b) a description of the nature and purpose of each reserve within net assets.

STATEMENT OF FINANCIAL PERFORMANCE

Surplus or deficit for the period

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 90. All items of revenue and expense recognised in a period shall be included in the surplus or deficit unless a Standard of GRAP requires or permits otherwise.

90. All items of revenue and expense recognised in a period shall be included in the surplus or deficit unless a Standard of GRAP requires or permits otherwise.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 91. Normally, all items of revenue and expense recognised in a period are included in surplus or deficit. This includes the effects of changes in accounting estimates. However, circumstances may exist when particular items may be excluded from surplus or

91. Normally, all items of revenue and expense recognised in a period are included in surplus or deficit. This includes the effects of changes in accounting estimates. However, circumstances may exist when particular items may be excluded from surplus or deficit for the current period. The Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors deals with two such circumstances: the correction of prior period errors and the effect of changes in accounting policies.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 92. Other Standards of GRAP deal with items which may meet the Framework definitions of revenue or expense but which are usually excluded from surplus or deficit. Examples include a revaluation surpluses (see the Standard of GRAP on Property, Plant and

92. Other Standards of GRAP deal with items which may meet the Framework definitions of revenue or expense but which are usually excluded from surplus or deficit. Examples include a revaluation surpluses (see the Standard of GRAP on Property, Plant and Equipment), particular gains and losses arising on translating financial statements of a foreign operation (see the Standard of GRAP on The Effects of Changes in Foreign Exchange Rates), and gains or losses on remeasuring available-for-sale financial assets (see the Standard of GRAP on Financial Instruments: Recognition and Measurement).

Information to be presented on the face of the statement of financial performance

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 93. As a minimum, the face of the statement of financial performance shall include line items that present the following amounts for the period:

93. As a minimum, the face of the statement of financial performance shall include line items that present the following amounts for the period:

- (a) revenue;
- (b) finance costs;
- (c) share of the surplus or deficit of associates and joint ventures accounted for using the equity method; and
- (d) surplus or deficit for the period.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 94. The following items shall be disclosed on the face of the statement of financial performance as allocations of surplus or deficit for the period:

94. The following items shall be disclosed on the face of the statement of financial performance as allocations of surplus or deficit for the period:

- (a) surplus or deficit attributable to minority interest; and
- (b) surplus or deficit attributable to net asset holders of the controlling entity.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/

95. Additional line items, headings and sub-totals shall be presented on the face of the statement of financial performance when such presentation is relevant to an understanding of the entity's financial performance.

95. Additional line items, headings and sub-totals shall be presented on the face of the statement of financial performance when such presentation is relevant to an understanding of the entity's financial performance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 96. Because the effects of an entity's various activities, transactions, and other events differ in terms of their impact on its ability to meet its service delivery obligations, disclosing the components of financial performance assists in an understand

96. Because the effects of an entity's various activities, transactions, and other events differ in terms of their impact on its ability to meet its service delivery obligations, disclosing the components of financial performance assists in an understanding of the financial performance achieved and in making projections of future results. Additional line items are included on the face of the statement of financial performance, and the descriptions used and the ordering of items are amended when this is necessary to explain the elements of performance. Factors to be considered include materiality and the nature and function of the components of revenue and expenses. Revenue and expense items are offset unless the criteria in paragraph .42 are met.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 97. An entity shall not present any items of revenue and expense as extraordinary items, either on the face of the statement of financial performance or in the notes.

97. An entity shall not present any items of revenue and expense as extraordinary items, either on the face of the statement of financial performance or in the notes.

Information to be presented either on the face of the statement of financial performance or in the notes

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 98. When items of revenue and expense are material, their nature and amount shall be disclosed separately.

98. When items of revenue and expense are material, their nature and amount shall be disclosed separately.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 99. Circumstances that would give rise to the separate disclosure of items of revenue and expense include:

99. Circumstances that would give rise to the separate disclosure of items of revenue and expense include:

- (a) the write-downs of inventories to net realisable value or property, plant and equipment to recoverable amount, as well as the reversals of such write-downs;
- (b) restructurings of the activities of an entity and the reversals of any provisions for the costs of restructuring;
- (c) disposals of items of property, plant and equipment;
- (d) disposals of investments;
- (e) discontinuing operations;
- (f) litigation settlements; and
- (g) other reversals of provisions.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 100. An entity shall present a sub-classification of total revenue, classified in a manner appropriate to the entity's operations.

100. An entity shall present a sub-classification of total revenue, classified in a manner appropriate to the entity's operations.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 101. An entity shall present an analysis of expenses using a classification based on either the nature of expenses or their function within the entity, whichever provides information that is reliable and more relevant.

101. An entity shall present an analysis of expenses using a classification based on either the nature of expenses or their function within the entity, whichever provides information that is reliable and more relevant.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 102. Entities are encouraged to present the analysis in paragraph 101. on the face of the statement of financial performance.

102. Entities are encouraged to present the analysis in paragraph 101. on the face of the statement of financial performance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 103. Expense items are sub-classified to highlight the costs and cost recoveries of particular programmes, activities or other relevant segments of the reporting entity. This information may be provided in one of two ways.

103. Expense items are sub-classified to highlight the costs and cost recoveries of particular programmes, activities or other relevant segments of the reporting entity. This information may be provided in one of two ways.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 104. The first form of analysis is the nature of expense method. Expenses are aggregated in the statement of financial performance according to their nature, (for example depreciation, purchases of materials, transport costs, employee benefits and adver

104. The first form of analysis is the nature of expense method. Expenses are aggregated in the statement of financial performance according to their nature, (for example depreciation, purchases of materials, transport costs, employee benefits and advertising costs), and are not reallocated among various functions within the entity. This method may be simple to apply because no allocations of expenses between functional classifications are necessary. An example of a classification using the nature of expense method is as follows:

Revenue	X
Employee benefit costs	X
Depreciation and amortisation expense	X
Other expenses	<u>X</u>
Total expenses	<u>(x)</u>
Surplus	<u>X</u>

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 105. The second form of analysis is the function of expense method, and classifies expenses according to the

programme or purpose for which they were made. This presentation often provides more relevant information to users than the classification of ex

105. The second form of analysis is the function of expense method, and classifies expenses according to the programme or purpose for which they were made. This presentation often provides more relevant information to users than the classification of expenses by nature, but allocating costs to functions may require arbitrary allocations and involves considerable judgement. An example of a classification using the function of expense method is as follows:

Total revenue	X
Expenses:	
Health expenses	(x)
Education expenses	(x)
Other expenses	(x)
Surplus/(deficit)	<u>X</u>

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 106. The expenses associated with the main functions undertaken by the entity are shown separately. In this example, the entity has functions relating to the provision of health and education services. The entity would present expense line items for eac

106. The expenses associated with the main functions undertaken by the entity are shown separately. In this example, the entity has functions relating to the provision of health and education services. The entity would present expense line items for each of these functions.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 107. Entities classifying expenses by function shall disclose additional information on the nature of expenses, including depreciation and amortisation expense, and employee benefits expense.

107. Entities classifying expenses by function shall disclose additional information on the nature of expenses, including depreciation and amortisation expense, and employee benefits expense.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 108. The choice between the function of expense method and the nature of expense method depends on historical and regulatory factors and the nature of the organisation. Both methods provide an indication of those costs that might vary, directly and indi

108. The choice between the function of expense method and the nature of expense method depends on historical and regulatory factors and the nature of the organisation. Both methods provide an indication of those costs that might vary, directly and indirectly, with the outputs of the entity. Because each method of presentation has its merits for different types of entities, this Standard requires management to select the most relevant and reliable presentation. However, because information on the nature of expenses is useful in predicting future cash flows, additional disclosure is required when the function of expense classification is used.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 109. When an entity provides a dividend to its owners and has share capital, it shall disclose, either on the face of the statement of financial performance or in the statement of changes in net assets or in the notes, the amount of dividends, recognise

109. When an entity provides a dividend to its owners and has share capital, it shall disclose, either on the face of the statement of financial performance or in the statement of changes in net assets or in the notes, the amount of dividends, recognised as distribution to owners during the period, and the related amount per share.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 110. An entity shall present a statement of changes in net assets, showing on the face of the statement:

- 110.** An entity shall present a statement of changes in net assets, showing on the face of the statement:
- (a) the surplus or deficit for the period;
 - (b) each item of revenue and expense that, as required by other Standards of GRAP, is recognised directly in net assets, and the total of these items;
 - (c) total revenue and expense for the period (calculated as the sum of (a) and (b)), showing separately the total amounts attributable to net assets holders of the controlling entity and to minority interest; and
 - (d) for each component of net assets, the effects of changes in accounting policies and the correction of prior period errors recognised in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 111. An entity shall also present, either on the face of the statement of changes in net assets or in the notes:

- 111.** An entity shall also present, either on the face of the statement of changes in net assets or in the notes:
- (a) the amounts of transactions with owners acting in their capacity as owners, showing separately distributions to owners;
 - (b) the balance of accumulated surpluses or deficits at the beginning of the period and at the reporting date, and the changes during the period; and
 - (c) to the extent that components of net assets are separately disclosed, a reconciliation between the carrying amount of each component of net assets and each reserve at the beginning and the end of the period, separately disclosing each change.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 112. Changes in an entity's net assets between two reporting dates reflect the increase or decrease in its net assets during the period.

112. Changes in an entity's net assets between two reporting dates reflect the increase or decrease in its net assets during the period.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 113. The overall change in net assets represents the total net surplus / deficit for the period, other revenues and expenses recognised directly as changes in net assets, together with any contributions by, and distributions to, owners in their capacity

113. The overall change in net assets represents the total net surplus / deficit for the period, other revenues and expenses recognised directly as changes in net assets, together with any contributions by, and distributions to, owners in their capacity as owners.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/

114. Contributions by, and distributions to, owners include transfers between two entities within an economic entity (for example, a transfer from a government, acting in its capacity as owner, to a government department). Contributions by owners, in th

114. Contributions by, and distributions to, owners include transfers between two entities within an economic entity (for example, a transfer from a government, acting in its capacity as owner, to a government department). Contributions by owners, in their capacity as owners, to controlled entities are recognised as a direct adjustment to net assets only where they explicitly give rise to residual interests in the entity in the form of rights to net assets.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 115. This Standard requires all items of revenue and expense recognised in a period to be included in surplus or deficit for the period unless another Standard of GRAP requires otherwise. Other Standards of GRAP require some items (such as revaluation s

115. This Standard requires all items of revenue and expense recognised in a period to be included in surplus or deficit for the period unless another Standard of GRAP requires otherwise. Other Standards of GRAP require some items (such as revaluation surpluses and deficits, particular foreign exchange differences) to be recognised directly as changes in net assets. Because it is important to consider all items of revenue and expenses in assessing changes in an entity's financial position between two reporting dates, this Standard requires a statement of changes in net assets that highlights an entity's total revenue and expenses, including those that are recognised directly in net assets.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 116. The Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors requires retrospective adjustments to effect changes in accounting policies, to the extent practicable, except when the transitional provisions in another Stand

116. The Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors requires retrospective adjustments to effect changes in accounting policies, to the extent practicable, except when the transitional provisions in another Standard of GRAP require otherwise. The Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors also requires that restatements to correct prior period errors are made retrospectively, to the extent practicable. Retrospective adjustments and retrospective restatements are made to the balance of accumulated surpluses or deficits, except when a Standard of GRAP requires retrospective adjustment of another component of net assets. Paragraph 110. (d) requires disclosure in the statement of changes in net assets of the total adjustment to each component of net assets resulting, separately, from changes in accounting policies and from corrections of prior period errors. These adjustments are disclosed for each prior period and the beginning of the period.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 117. The requirements in paragraphs 110. and 111. may be met in a number of ways, for example, a columnar format that reconciles the opening and closing balances of each element within net assets. An alternative is to present only the items set out in p

117. The requirements in paragraphs 110. and 111. may be met in a number of ways, for example, a columnar format that reconciles the opening and closing balances of each element within net assets. An alternative is to present only the items set out in paragraph .110 in the statement of changes in net assets. Under this approach, the items described in paragraph .111 are shown in the notes.

CASH FLOW STATEMENT

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 118. Cash flow information provides users of financial statements with a basis to assess the ability of the entity to generate cash and cash equivalents and the needs of the entity to utilise those cash flows. The Standard of GRAP on Cash Flow Statement

118. Cash flow information provides users of financial statements with a basis to assess the ability of the entity to generate cash and cash equivalents and the needs of the entity to utilise those cash flows. The Standard of GRAP on Cash Flow Statements sets out requirements for the presentation of the cash flow statement and related disclosures.

NOTES
Structure

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 119. The notes shall:

119. The notes shall:

- (a) present information about the basis of preparation of the financial statements and the specific accounting policies used in accordance with paragraphs 124.- 131.;
- (b) disclose the information required by Standards of GRAP that is not presented on the face of the statement of financial position, statement of financial performance, statement of changes in net assets or cash flow statement; and
- (c) provide additional information that is not presented on the face of the statement of financial position, statement of financial performance, statement of changes in net assets or cash flow statement, but is relevant to an understanding of any of them.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 120. Notes shall be presented in a systematic manner. Each item on the face of the statement of financial position, statement of financial performance, statement of changes in net assets and cash flow statement shall be cross-referenced to any related i

120. Notes shall be presented in a systematic manner. Each item on the face of the statement of financial position, statement of financial performance, statement of changes in net assets and cash flow statement shall be cross-referenced to any related information in the notes.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 121. Notes are normally presented in the following order, which assists users in understanding the financial statements and comparing them with financial statements of other entities:

121. Notes are normally presented in the following order, which assists users in understanding the financial statements and comparing them with financial statements of other entities:

- (a) a statement of compliance with Standards of GRAP (see paragraph 19.);
- (b) a summary of significant accounting policies applied (see paragraph 124.);
- (c) supporting information for items presented on the face of the statement of financial position, statement of financial performance, statement of changes in net assets or cash flow statement in the order in which each line item and each financial statement is presented; and
- (d) other disclosures, including:
 - (i) contingent liabilities (see the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets) and unrecognised contractual commitments; and
 - (ii) non-financial disclosures, e.g. the entity's financial risk management objectives and policies (see the Standard of GRAP on Financial Instruments: Disclosure and Presentation).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 122. In

some circumstances, it may be necessary or desirable to vary the ordering of specific items within the notes. For example, information on changes in fair value recognised in surplus or deficit may be combined with information on maturities of fi

122. In some circumstances, it may be necessary or desirable to vary the ordering of specific items within the notes. For example, information on changes in fair value recognised in surplus or deficit may be combined with information on maturities of financial instruments although the former disclosures relate to the statement of financial performance and the latter relate to the statement of financial position. Nevertheless, a systematic structure for the notes is retained as far as practicable.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 123. Notes provide information about the basis of preparation of the financial statements and specific accounting policies may be presented as a separate component of the financial statements.

123. Notes provide information about the basis of preparation of the financial statements and specific accounting policies may be presented as a separate component of the financial statements.

Disclosure of accounting policies

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 124. An entity shall disclose in the summary of significant accounting policies:

124. An entity shall disclose in the summary of significant accounting policies:

- (a) the measurement basis (or bases) used in preparing the financial statements; and
- (b) the other accounting policies that are relevant to an understanding of the financial statements.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 125. It is important for users to be informed of the measurement basis (or bases) used in the financial statements (for example, historical cost, current cost, realisable value, fair value or recoverable amount) because the basis on which the financial

125. It is important for users to be informed of the measurement basis (or bases) used in the financial statements (for example, historical cost, current cost, realisable value, fair value or recoverable amount) because the basis on which the financial statements are prepared significantly affects their analysis. When more than one measurement basis is used in the financial statements, for example when particular classes of assets are revalued, it is sufficient to provide an indication of the categories of assets and liabilities to which each measurement basis is applied.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 126. In deciding whether a particular accounting policy should be disclosed, management considers whether disclosure would assist users in understanding how transactions, other events and conditions are reflected in the reported financial performance an

126. In deciding whether a particular accounting policy should be disclosed, management considers whether disclosure would assist users in understanding how transactions, other events and conditions are reflected in the reported financial performance and financial position. Disclosure of particular accounting policies is essentially useful to users when those policies are selected from alternatives allowed in the Standards of GRAP. An example is disclosure of whether a venturer recognises its interest in a jointly controlled entity using proportionate consolidation or the equity method (see the Standard of GRAP on Interests in Joint Ventures). Some Standards of GRAP specifically require disclosure of particular accounting policies, including choices made by management between different policies they allow. For example, the Standard of GRAP on Property, Plant and Equipment requires disclosure of the measurement bases used for classes of property, plant and equipment. The Standard of GRAP on Borrowing Costs requires disclosure of whether borrowing costs are recognised immediately as an expense or capitalised as part of the cost of qualifying assets.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 127. Each entity considers the nature of its operations and the policies that the users of its financial statements would expect to be disclosed for that type of entity. For example, entities would be expected to disclose an accounting policy for recogn

127. Each entity considers the nature of its operations and the policies that the users of its financial statements would expect to be disclosed for that type of entity. For example, entities would be expected to disclose an accounting policy for recognition of taxes, donations and other forms of non-exchange revenue. When an entity has significant foreign operations or transactions in foreign currencies, disclosure of accounting policies for the recognition of foreign exchange gains and losses would be expected. When business combinations have occurred, the policies used for measuring goodwill and minority interest are disclosed.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 128. An accounting policy may be significant because of the nature of the entity's operations even if amounts for current and prior periods are not material. It is also appropriate to disclose each significant accounting policy that is not specifically

128. An accounting policy may be significant because of the nature of the entity's operations even if amounts for current and prior periods are not material. It is also appropriate to disclose each significant accounting policy that is not specifically required by the Standards of GRAP, but is selected and applied in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 129. An entity shall disclose, in the summary of significant accounting policies or other notes, the judgements, apart from those involving estimations (see paragraph 132.), management has made in the process of applying the entity's accounting policies

129. An entity shall disclose, in the summary of significant accounting policies or other notes, the judgements, apart from those involving estimations (see paragraph 132.), management has made in the process of applying the entity's accounting policies that have the most significant effect on the amounts of items recognised in the financial statements.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 130. In the process of applying the entity's accounting policies, management makes various judgements, apart from those involving estimations, that can significantly affect the amounts of items recognised in the financial statements. For example, manage

130. In the process of applying the entity's accounting policies, management makes various judgements, apart from those involving estimations, that can significantly affect the amounts of items recognised in the financial statements. For example, management makes judgements in determining:

- (a) whether financial assets are held-to-maturity investments;
- (b) when substantially all the significant risks and rewards of ownership of financial assets and lease assets are transferred to other entities;
- (c) whether, in substance, particular sales of goods are financing arrangements and therefore do not give rise to revenue; and
- (d) whether the substance of the relationship between the entity and a special purpose entity indicates that the special purpose entity is controlled by the entity.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/

131. Some of the disclosures made in accordance with paragraph .129 are required by other Standards of GRAP. For example, the Standard of GRAP on Consolidated and Separate Financial Statements requires an entity to disclose the reasons why the entity's

131. Some of the disclosures made in accordance with paragraph .129 are required by other Standards of GRAP. For example, the Standard of GRAP on Consolidated and Separate Financial Statements requires an entity to disclose the reasons why the entity's ownership interest does not constitute control, in respect of an investee that is not a controlled entity, even though more than half of its voting or potential voting power is owned directly or indirectly through controlled entities. The Standard of GRAP on Investment Property requires disclosure of the criteria developed by the entity to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of business, when classification of the property is difficult.

Key sources of estimation uncertainty

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 132. An entity shall disclose in the notes information about the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying

132. An entity shall disclose in the notes information about the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. In respect of those assets and liabilities, the notes shall include details of:

- (a) their nature; and
- (b) their carrying amount as at the reporting date.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 133. Determining the carrying amounts of some assets and liabilities requires estimation of the effects of uncertain future events on those assets and liabilities at the reporting date. For example, in the absence of recently observed market prices used

133. Determining the carrying amounts of some assets and liabilities requires estimation of the effects of uncertain future events on those assets and liabilities at the reporting date. For example, in the absence of recently observed market prices used to measure the following assets and liabilities, future-oriented estimates are necessary to measure the recoverable amount of classes of property, plant and equipment, the effect of technological obsolescence on inventories, provisions subject to the future outcome of litigation in progress, and long-term employee benefit liabilities such as superannuation obligations. These estimates involve assumptions about such items as the risk adjustment to cash flows or discount rates used, future changes in salaries and future changes in prices affecting other costs.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 134. The key assumptions and other sources of estimation uncertainty disclosed in accordance with paragraph 132. relate to the estimates that require management's most difficult, subjective or complex judgements. As the number of variables and assumption

134. The key assumptions and other sources of estimation uncertainty disclosed in accordance with paragraph 132. relate to the estimates that require management's most difficult, subjective or complex judgements. As the number of variables and assumptions affecting the possible future resolution of the uncertainties increases, those judgements become more subjective and complex, and the potential for a consequential material adjustment to the carrying amounts of assets and liabilities normally increases accordingly.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 135. The disclosures in paragraph 132. are not required for assets and liabilities with a significant risk that their carrying amounts might change materially within the next financial year if, at the reporting date, they are measured at fair value base

135. The disclosures in paragraph 132. are not required for assets and liabilities with a significant risk that their carrying amounts might change materially within the next financial year if, at the reporting date, they are measured at fair value based on recently observed market prices (their fair values might change materially within the next financial year but these changes would not arise from assumptions or other sources of estimation uncertainty at the reporting date).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 136. The disclosures in paragraph 132. are presented in a manner that helps users of financial statements to understand the judgements management makes about the future and about other key sources of estimation uncertainty. The nature and extent of the

136. The disclosures in paragraph 132. are presented in a manner that helps users of financial statements to understand the judgements management makes about the future and about other key sources of estimation uncertainty. The nature and extent of the information provided vary according to the nature of the assumption and other circumstances. Examples of the types of disclosures made are:

- (a) the nature of the assumption or other estimation uncertainty;
- (b) the sensitivity of carrying amounts to the methods, assumptions and estimates underlying their calculation, including the reasons for the sensitivity;
- (c) the expected resolution of an uncertainty and the range of reasonably possible outcomes within the next financial year in respect of the carrying amounts of the assets and liabilities affected; and
- (d) an explanation of changes made to past assumptions concerning those assets and liabilities, if the uncertainty remains unresolved.

It is not necessary to disclose budget information or forecasts in making the disclosures in paragraph 132.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 137. When it is impracticable to disclose the extent of the possible effects of a key assumption or another key source of estimation uncertainty at the reporting date, the entity discloses that it is reasonably possible, based on existing knowledge, tha

137. When it is impracticable to disclose the extent of the possible effects of a key assumption or another key source of estimation uncertainty at the reporting date, the entity discloses that it is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the asset or liability affected. In all cases, the entity discloses the nature and carrying amount of the specific asset or liability (or class of assets or liabilities) affected by the assumption.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 138. The disclosures in paragraph 129. of particular judgements management made in the process of applying the entity's accounting policies do not relate to the disclosures of key sources of estimation uncertainty in paragraph 132.

138. The disclosures in paragraph 129. of particular judgements management made in the process of applying the entity's accounting policies do not relate to the disclosures of key sources of estimation uncertainty in paragraph 132.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 139. The disclosure of some of the key assumptions that would otherwise be required in accordance with paragraph 132. is required by other Standards of GRAP. For example, the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets r

139. The disclosure of some of the key assumptions that would otherwise be required in accordance with

paragraph 132. is required by other Standards of GRAP. For example, the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets requires disclosure, in specified circumstances, of major assumptions concerning future events affecting classes of provisions. The Standard of GRAP on Financial Instruments: Disclosure and Presentation requires disclosure of significant assumptions applied in estimating fair values of financial assets and financial liabilities that are carried at fair value. The Standard of GRAP on Property, Plant and Equipment requires disclosure of significant assumptions applied in estimating fair values of revalued items of property, plant and equipment.

Other disclosures

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 140. An entity shall disclose in the notes:

140. An entity shall disclose in the notes:

- (a) the amount of dividends that were proposed or declared after the reporting date but before the financial statements were authorised for issue; and
- (b) the amount of any cumulative preference dividends not recognised.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 141. An entity shall disclose the following, if not disclosed elsewhere in information published with the financial statements:

141. An entity shall disclose the following, if not disclosed elsewhere in information published with the financial statements:

- (a) the domicile and legal form of the entity, and the jurisdiction within which it operates;
- (b) a description of the nature of the entity's operations and principal activities;
- (c) a reference to the relevant legislation governing the entity's operations; and
- (d) the name of the controlling entity and the ultimate controlling entity of the economic entity (where applicable).

TRANSITIONAL PROVISIONS

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 142. All provisions of this Standard should be applied from the date of first adoption of this Standard, except in relation to items that have not been recognised as a result of transitional provisions under another Standard of GRAP. The disclosure prov

142. All provisions of this Standard should be applied from the date of first adoption of this Standard, except in relation to items that have not been recognised as a result of transitional provisions under another Standard of GRAP. The disclosure provisions of this Standard would not be required to apply to such items until the transitional provision in the other Standard of GRAP expires. Comparative information is not required in respect of financial statements to which this Standard is first applied.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 143. Notwithstanding the existence of transitional provisions under another Standard of GRAP, entities that are in the process of adopting the accrual basis of accounting for financial reporting purposes are encouraged to comply in full with the provisi

143. Notwithstanding the existence of transitional provisions under another Standard of GRAP, entities that are in the process of adopting the accrual basis of accounting for financial reporting purposes are encouraged to comply in full with the provisions of that other Standard as soon as possible.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 144. All balances in reserves and trust fund accounts that are not represented by cash, for example the loss of rental reserves, capital reserves, Mayor's Flood Relief Fund, Sport Development Fund, etc., on the date of transition should be transferred t

144. All balances in reserves and trust fund accounts that are not represented by cash, for example the loss of rental reserves, capital reserves, Mayor's Flood Relief Fund, Sport Development Fund, etc., on the date of transition should be transferred to the opening balance of the accumulated surplus / (deficit) account in the statement of changes in net assets. There is no legislative requirement to maintain such separate fund accounts.

Deferred charge assets

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 145. This transitional provision requires the derecognition of capitalised expenditure incurred in raising loans on the capital market that do not meet the definition and recognition criteria of assets, for example, the capitalisation of loan-raising ch

145. This transitional provision requires the derecognition of capitalised expenditure incurred in raising loans on the capital market that do not meet the definition and recognition criteria of assets, for example, the capitalisation of loan-raising charges and loan discounts that are deferred over the loan period in the financial statements of some municipalities. Any such derecognition shall be recognised by adjusting the opening balance of accumulated surplus / (deficit).

Exemptions

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 146. Exemption from compliance with disclosure requirements when the relevant Standard of GRAP is applied for the first time will be considered by the Minister of Finance on a case-by-case basis.

146. Exemption from compliance with disclosure requirements when the relevant Standard of GRAP is applied for the first time will be considered by the Minister of Finance on a case-by-case basis.

EFFECTIVE DATE

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 147. This Standard of Generally Recognised Accounting Practice becomes effective for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with

147. This Standard of Generally Recognised Accounting Practice becomes effective for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with [section 91 \(1\) \(b\)](#) of the Public Finance Management Act, Act [No. 1 of 1999](#), as amended.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ Appendix Illustrative Financial Statements Structure

**Appendix
Illustrative Financial Statements Structure**

This appendix is illustrative only and does not form part of the Standards. The purpose of the appendix is to illustrate the application of the Standards and to assist in clarifying its meaning.

The Standard of Generally Recognised Accounting Practice (GRAP) on Presentation of Financial Statements sets out the components of financial statements and minimum requirements for disclosure on the face of the statement of financial position and the statement of financial performance as well as for the presentation of changes in net assets. It also describes further items that may be presented either on the face of the relevant financial statement or in the notes.

This appendix provides simple examples of the ways in which the requirements for the presentation of the statement of financial performance, statement of financial position and changes in net assets might be met. The order of presentation and the descriptions used for line items shall be changed when necessary in order to achieve a fair presentation in each entity's particular circumstances. For example, the line items of an entity such as a defence department are likely to be significantly different from those of a central bank.

The illustrative statement of financial position shows one way in which a statement of financial position distinguishing between current and non-current items may be presented. Other formats may be equally appropriate, provided the distinction is clear.

The financial statements have been prepared for a national government and the statement of financial performance (by function) illustrates the functions of government classifications used in the Government Finance Statistics. These functional classifications are unlikely to apply to all entities. Refer to this Standard for an example of more generic functional classifications for other entities.

The examples are not intended to illustrate all aspects of the Standards of GRAP. Nor do they comprise a complete set of financial statements, which would also include a cash flow statement, a summary of significant accounting policies and other explanatory notes.

ENTITY - STATEMENT OF ACCOUNTING POLICIES (EXTRACT)

Reporting entity

These financial statements are for (name of entity). The financial statements encompass the reporting entity as specified in the relevant legislation (Public Finance Management Act, Act [No. 1 of 1999](#)). This comprises:

- . the national department; and
- . controlled entities.

Basis of preparation

The financial statements comply with Standards of GRAP for the Accrual Basis of Accounting. The measurement base applied is historical cost adjusted for revaluations of assets.

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

ENTITY- STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 20X2

(in thousands of rands)

ASSETS	20X2	20X2	20X1	20x1
Current assets				
Cash and cash equivalents	X		X	
Receivables	X		X	
Inventories	X		X	
Prepayments	X		X	
Investments	X		X	
		X		X
Non-current assets				
Receivables	X		X	
Investments	X		X	
Other financial assets	X		X	
Infrastructure, plant and equipment	X		X	
Land and buildings	X		X	
Intangible assets	X		X	
Other non-financial assets	X		X	

Total assets		<u>X</u>		<u>X</u>
LIABILITIES				
Current liabilities				
Payables	X		X	
Short-term borrowings	X		X	
Current portion of borrowings	X		X	
Provisions	X		X	
Employee benefits	<u>X</u>		<u>X</u>	
		X		X
Non-current liabilities				
Payables	X		X	
Borrowings	X		X	
Provisions	X		X	
Employee benefits	X		X	
Total liabilities		<u>X</u>		<u>X</u>
Net assets		<u>X</u>		<u>X</u>
NET ASSETS				
Capital contributed by other government entities	X		X	
Reserves	X		X	
Accumulated surpluses/ (deficits)	<u>X</u>		<u>X</u>	
		X		X
Minority interest		<u>X</u>		<u>X</u>
Total net assets		<u>X</u>		<u>X</u>

ENTITY - STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 20X2

(ILLUSTRATING THE CLASSIFICATION OF EXPENSES BY FUNCTION)

(in thousands of rands)

	20x2	20x1
Revenue		
Taxes	X	X
Fees, fines, penalties and licences	X	X
Revenue from exchange transactions	X	X
Transfers from other government entities	X	X
Other operating revenue	<u>X</u>	<u>X</u>
Total revenue	<u>X</u>	<u>X</u>
Expenses		
Public Service Commission	X	X
Defence	X	X
Safety and Security	X	X
Education	X	X
Health	X	X
Social Development	X	X
Housing	X	X

Sport and Recreation	X	X
Trade and Industry	X	X
Environmental Affairs and Tourism	X	X
Finance costs	<u>X</u>	<u>X</u>
Total expenses	<u>X</u>	<u>X</u>
Gains on sale of property, plant and equipment	<u>X</u>	<u>X</u>
Total non-operating revenue (expenses)	<u>(x)</u>	<u>(x)</u>
Surplus/ (deficit) for the period	<u>X</u>	<u>X</u>
Attributable to:		
Net assets holders of the controlling entity	X	X
Minority interests	X	X
	X	X

ENTITY - STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 20X2

(ILLUSTRATING THE CLASSIFICATION OF EXPENSES BY NATURE)

(in thousands of rands)

	20x2	20x1
Revenue		
Taxes	X	X
Fees, fines, penalties and licences	X	X
Revenue from exchange transactions	X	X
Transfers from other government entities	X	X
Other operating revenue	<u>X</u>	<u>X</u>
Total revenue	<u>X</u>	<u>X</u>
Expenses		
Personnel	X	X
Administrative	X	X
Transfer payments	X	X
Depreciation and amortisation expense	X	X
Miscellaneous	X	X
Finance costs	<u>X</u>	<u>X</u>
Total expenses	<u>X</u>	<u>X</u>
Gains on sale of property, plant and equipment	<u>X</u>	<u>X</u>
Surplus/ (deficit) for the period	<u>X</u>	<u>X</u>
Attributable to:		
Net assets holder of the controlling entity	X	X
Minority interest	<u>X</u>	<u>X</u>
	<u>X</u>	<u>X</u>

ENTITY - STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 DECEMBER 20X2

(in thousands of rands)

	<i>Attributable to net assets holders of the controlling entity</i>					<i>Minority interest</i>	<i>Total equity</i>
	<i>Contributed capital</i>	<i>Re-valuation reserve</i>	<i>Translation reserve</i>	<i>Accumulated surpluses/ (deficits)</i>	<i>Total</i>		
Balance at 31 December 20X0	X	X	(x)	X	X	X	X
Changes in accounting policy	(x)			(x)	(x)	(x)	(x)
Restated balance	X	X	X	X	X	X	X
Surplus on revaluation of property		X			X	X	X
Deficit on revaluation of investments		(x)			(x)	X	X
Currency translation differences			(x)		(x)	(x)	(x)
Net gains and losses not recognised in the statement of financial performance		X	(x)		X	X	X
Surplus for the period				X	X	X	X
Balance at 31 December 20X1	X	X	(x)	X	X	X	X
Deficit on revaluation of property		(x)			(x)	(x)	(x)
Surplus on revaluation of investments		X			X	X	X
Currency translation differences			(x)		X	X	X
Net gains and losses not recognised in the statement of financial performance		(x)	(x)		(x)	(x)	(x)
Deficit for the period				(x)	(x)	(x)	(x)
Balance at 31 December 20X2	X	X	(x)	X	X	X	X

COMPARISON WITH THE INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARD ON PRESENTATION OF FINANCIAL STATEMENTS (MAY 2000)

The Standard of GRAP on Presentation of Financial Statements (GRAP 1) is drawn primarily from the International Public Sector Accounting Standard on Presentation of Financial Statements (IPSAS 1). The main differences between GRAP 1 and IPSAS 1 are as follows:

- . GRAP 1 has incorporated changes to the International Accounting Standards under the improvements project of the International Accounting Standards Board (IASB). This includes the transfer of requirements for the selection and application of accounting policies to the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors, and inclusion of the disclosure of key sources of estimation uncertainty and judgements made in applying accounting policies, amongst others.
- . The scope of GRAP 1 is different to IPSAS 1 in that government business enterprises are defined differently.
- . IPSAS 1 describes the residue of total assets after deducting total liabilities as "net assets/equity" whereas GRAP 1 refers to "net assets".

- . GRAP 1 requires, where the financial statements and budgets are prepared on the same basis of accounting, the inclusion in the financial statements of a comparison with the budgeted amounts, and where a different basis of accounting is used, the inclusion of a reconciliation between the statement of financial performance and the budget. This disclosure is encouraged in IPSAS 1.
- . Whereas GRAP 1 describes the period of foreseeable future in terms of going concern as 12 months from reporting date, IPSAS 1 refers to the same as 12 months from the approval of the financial statements. This change has been made in accordance with local requirements.
- . Reference to extraordinary items has been removed from GRAP 1 in line with amendments made to the International Accounting Standards by the International Accounting Standards Board.
- . Certain paragraphs that were mere recommendations in IPSAS 1 have been changed to black lettered paragraphs, for instance, the recommendation to include reconciliation between the statement of financial performance and the budget where financial statements and the budget are prepared on a different basis.
- . Paragraphs included in IPSAS 1 have been transferred to the Framework for the Preparation and Presentation of Financial Statements and have been deleted from GRAP 1, for instance, paragraphs that covered the purpose of financial statements and the responsibility for the preparation and presentation of such statements in IPSAS 1.
- . The term "management" has been introduced in GRAP 1 to describe those persons that are charged with the responsibility for the governance of an entity.

GRAP 2

(Logo)

ACCOUNTING STANDARDS BOARD

STANDARD OF GENERALLY RECOGNISED ACCOUNTING PRACTICE

CASH FLOW STATEMENTS

(GRAP 2)

(Logo)

Acknowledgement

This Standard of Generally Recognised Accounting Practice (GRAP) is drawn primarily from the International Public Sector Accounting Standard (IPSAS) on *Cash Flow Statement* issued by the International Federation of Accountants' International Public Sector Accounting Standards Board (IPSASB). The International Federation of Accountants (IFAC) was founded in 1977 with its mission to develop and enhance the profession with harmonised standards. IPSASB has issued a comprehensive body of IPSASs, which will be used to produce future Standards of GRAP. Extracts of the IPSAS on *Cash Flow Statement* are reproduced in this Standard of GRAP with the permission of the IPSASB.

The approved text of the IPSASs is that published by the IFAC in the English language. The IPSASs are contained in the IFAC Handbook of International Public Sector Accounting Pronouncements and are available from:

International Federation of Accountants

545 Fifth Avenue, 14th Floor

New York, New York 10017 USA

Internet: <http://www.ifac.org>

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Standards of Generally Recognised Accounting Practice

INTRODUCTION

Standards of Generally Recognised Accounting Practice

The Accounting Standards Board (Board) is required in terms of the Public Finance Management Act, Act [No. 1 of 1999](#), as amended (PFMA), to determine generally recognised accounting practice referred to as Standards of Generally Recognised Accounting Practice (GRAP).

The Board must determine GRAP for:

- (a) departments (national and provincial);
- (b) public entities;
- (c) constitutional institutions;
- (d) municipalities and boards, commissions, companies, corporations, funds or other entities under the ownership control of a municipality; and
- (e) Parliament and the provincial legislatures.

The above are collectively referred to as "entities" in Standards of GRAP.

The Board has approved the application of Statements of Generally Accepted Accounting Practice (GAAP), as codified by the Accounting Practices Board and issued by the South African Institute of Chartered Accountants, to be GRAP for:

- (a) government business enterprises (as defined in the PFMA);
- (b) trading entities (as defined in the PFMA);
- (c) any other entity, other than a municipality, whose ordinary shares, potential ordinary shares or debt are publicly tradable on the capital markets; and
- (d) entities under the ownership control of any of these entities.

The Board believes that Statements of GAAP are relevant and applicable to financial statements prepared by all such entities, including those under their ownership control.

Financial statements should be described as complying with Standards of GRAP only if they comply with all the requirements of each applicable Standard of GRAP and any related interpretation that may be issued in the future.

Any limitation of the applicability of specific Standards is made clear in those Standards.

The Standard of GRAP on Cash Flow Statements is set out in paragraphs 01. - 51. All paragraphs in this Standard have equal authority. The authority of appendices is dealt with in the preamble to each appendix. This Standard should be read in the context of its objective, the Preface to Standards of GRAP and the Framework for the Preparation and Presentation of Financial Statements.

Reference may be made here to a Standard of GRAP that has not been issued at the time of issue of this Standard. This is done to avoid having to change the Standards already issued when a later Standard is subsequently issued. Paragraph 12. of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors provides a basis for selecting and applying accounting policies in the absence of explicit guidance.

OBJECTIVE

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 01. The cash flow statement identifies the sources of cash inflows, the items on which cash was expended during the reporting period, and the cash balance as at the reporting date. Information about the cash flows of an entity is useful in providing use

01. The cash flow statement identifies the sources of cash inflows, the items on which cash was expended during the reporting period, and the cash balance as at the reporting date. Information about the cash flows of an entity is useful in providing users of financial statements with information for both accountability and decision making purposes. Cash flow information allows users to ascertain how an entity raised the cash it required to fund

its activities and the manner in which that cash was used. In making and evaluating decisions about the allocation of resources, such as the sustainability of the entity's activities, users require an understanding of the timing and certainty of cash flows.

The objective of this Standard is to require the provision of information about the historical changes in cash and cash equivalents of an entity by means of a cash flow statement which classifies cash flows during the period from operating, investing and financing activities.

SCOPE

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 02. An entity that prepares and presents financial statements under the accrual basis of accounting shall prepare a cash flow statement in accordance with the requirements of this Standard and shall present it as an integral part of its financial statement

02. An entity that prepares and presents financial statements under the accrual basis of accounting shall prepare a cash flow statement in accordance with the requirements of this Standard and shall present it as an integral part of its financial statements for each period for which financial statements are presented.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 03. Information about cash flows may be useful to users of an entity's financial statements in assessing the entity's cash flows, assessing the entity's compliance with legislation and regulations (including authorised budgets where appropriate) and for

03. Information about cash flows may be useful to users of an entity's financial statements in assessing the entity's cash flows, assessing the entity's compliance with legislation and regulations (including authorised budgets where appropriate) and for making decisions about whether to provide resources to, or enter into transactions with an entity. They are generally interested in how the entity generates and uses cash and cash equivalents. This is the case regardless of the nature of the entity's activities and irrespective of whether cash can be viewed as the product of the entity, as may be the case with a public financial institution. Entities need cash for essentially the same reasons, however different their principal revenue-producing activities might be. They need cash to pay for the goods and services they consume, to meet ongoing debt servicing costs, and, in some cases, to reduce levels of debt. Accordingly, this Standard of GRAP requires all entities to present a cash flow statement.

BENEFITS OF CASH FLOW INFORMATION

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 04. Information about the cash flows of an entity is useful in assisting users to predict the future cash requirements of the entity, its ability to generate cash flows in the future and fund changes in the scope and nature of its activities. A cash flow

04. Information about the cash flows of an entity is useful in assisting users to predict the future cash requirements of the entity, its ability to generate cash flows in the future and fund changes in the scope and nature of its activities. A cash flow statement also provides a means by which an entity can discharge its accountability for cash inflows and cash outflows during the reporting period.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 05. A cash flow statement, when used in conjunction with other financial statements, provides information that enables users to evaluate the changes in net assets of an entity, its financial structure (including its liquidity and solvency) and its ability

05. A cash flow statement, when used in conjunction with other financial statements, provides information that enables users to evaluate the changes in net assets of an entity, its financial structure (including its liquidity and solvency) and its ability to affect the amounts and timing of cash flows in order to adapt to changing

circumstances and opportunities. It also enhances the comparability of the reporting of operating performance by different entities, because it eliminates the effects of using different accounting treatments for the same transactions, other events and conditions.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 06. Historical cash flow information is often used as an indicator of the amount, timing and certainty of future cash flows. It is also useful in checking the accuracy of past assessments of future cash flows.

06. Historical cash flow information is often used as an indicator of the amount, timing and certainty of future cash flows. It is also useful in checking the accuracy of past assessments of future cash flows.

DEFINITIONS

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 07. The following terms are used in this Standard with the meanings specified:

07. The following terms are used in this Standard with the meanings specified:

"Accrual basis" means a basis of accounting under which transactions and other events are recognised when they occur (and not only when cash or its equivalent is received or paid). Therefore, the transactions and events are recorded in the accounting records and recognised in the financial statements of the periods to which they relate. The elements recognised under the accrual basis are assets, liabilities, net assets, revenue and expenses.

"Assets" are resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.

"Associate" is an entity, including an unincorporated entity such as a partnership, over which the investor has significant influence and that is neither a controlled entity nor a joint venture.

"Cash" comprises cash on hand and demand deposits.

"Cash equivalent" are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

"Cash flows" are inflows and outflows of cash and cash equivalents.

"Consolidated financial statements" are the financial statements of an economic entity presented as those of a single entity.

"Contributions from owners" means future economic benefits or service potential that have been contributed to the entity by parties external to the entity, which establish their financial interest in the net assets of the entity, provided that the contributions:

- (a) do not result in liabilities of the entity, and
- (b) meet both of the following tests;
 - (i) They convey entitlement both to distributions of future economic benefits or service potential by the entity during its life, such distributions being at the discretion of the owners or their representatives, and to distributions of any excess of assets over liabilities in the event of the entity being wound up.
 - (ii) They can be sold, exchanged, transferred or redeemed.

"Control" is the power to govern the financial and operating policies of another entity so as to benefit from its activities.

"Controlled entity" is an entity, including an unincorporated entity such as a partnership that is under the control of another entity (known as the controlling entity).

"Controlling entity" is an entity that has one or more controlled entities.

"Cost method" is a method of accounting whereby the investment is recorded at cost. The statement of financial performance reflects revenue from the investment only to the extent that the investor receives distributions from accumulated net surpluses of the investee arising subsequent to the date of acquisition.

"Distributions to owners" means future economic benefits or service potential distributed by the entity to all or some of its owners, either as a return on investment or as a return of investment.

"Economic entity" means a group of entities comprising a controlling entity and one or more controlled entities.

"Equity method" is a method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of net assets of the investee. The surplus or deficit of the investor includes the investor's share of the surplus or deficit of the investee.

"Exchange difference" is the difference resulting from translating a given number of units of one currency into another currency at different exchange rates.

"Exchange rate" is the ratio of exchange for two currencies.

"Expenses" are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets, other than those relating to distributions to owners.

"Financing activities" are activities that result in changes in the size and composition of the contributed capital and borrowings of the entity.

"Foreign currency" is a currency other than the functional currency of the entity.

"Functional currency" is the currency of the primary economic environment in which the entity operates.

"Government business enterprise" means an entity that, in accordance with the Public Finance Management Act, Act [No. 1 of 1999](#), as amended:

- (a) is a juristic person under the ownership control of the national/provincial executive;
- (b) has been assigned the financial and operational authority to carry on a business activity;
- (c) as its principal business, provides goods or services in accordance with ordinary business principles; and
- (d) is financed fully or substantially from sources other than
 - (i) the National or Provincial Revenue Fund; or
 - (ii) by way of a tax, levy or other statutory money.

"Impracticable" Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. For a particular prior period, it is impracticable to apply a change in an accounting policy retrospectively or to make a retrospective restatement to correct an error if:

- (a) the effects of the retrospective application or retrospective restatement are not determinable;
- (b) the retrospective application or retrospective restatement requires assumptions about what management's intent would have been in that period; or
- (c) the retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that:
 - (i) provides evidence of circumstances that existed on the date(s) as at which those amounts are to be recognised, measured or disclosed; and
 - (ii) would have been available when the financial statements for that prior period were authorised for issue from other information.

"Investing activities" are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

"Investor" in a joint venture is a party to a joint venture and does not have joint control over that joint venture.

"Joint venture" is a binding arrangement whereby two or more parties are committed to undertake an activity which is subject to joint control.

"Liabilities" are present obligations of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits or service potential.

"Management" comprises those persons responsible for the governance of the entity in accordance with legislation, including the accounting officers, however described in legislation.

"Material" omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The size or nature of the information item, or a combination of both, could be the determining factor.

"Minority interest" is that portion of the surplus or deficit and of net assets of a controlled entity attributable to interests that are not owned, directly or indirectly through controlled entities, by the controlling entity.

"Net assets" are the residual interest in the assets of the entity after deducting all its liabilities.

"Notes" contain information In addition to that presented in the statement of financial position, statement of financial performance, statement of changes in net assets and cash flow statement. Notes provide narrative descriptions or disaggregations of items disclosed in those statements and information about items that do not qualify for recognition in those statements.

"Operating activities" are the activities of the entity that are not investing or financing activities.

"Presentation currency" is the currency in which the financial statements are presented.

"Proportionate consolidation" is a method of accounting and reporting whereby a venturer's share of each of the assets, liabilities, revenue and expenses of a jointly controlled entity is combined on a line-by-line basis with similar items in the venturer's financial statements or reported as separate line items in the venturer's financial statements.

"Provisions" are liabilities of uncertain timing and amount.

"Reporting" date means the date of the last day of the reporting period to which the financial statements relate.

"Revaluations" are restatements of assets and liabilities.

"Revenue" is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

PRESENTATION OF CASH FLOW STATEMENT

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 08. The cash flow statement shall report cash flows during the period classified by operating, investing and financing activities.

08. The cash flow statement shall report cash flows during the period classified by operating, investing and financing activities.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 09. An entity presents its cash flows from operating, investing and financing activities in a manner which is most appropriate to its activities. Classification by activity provides information that allows users to assess the impact of those activities

09. An entity presents its cash flows from operating, investing and financing activities in a manner which is most appropriate to its activities. Classification by activity provides information that allows users to assess the impact of those activities on the financial position of the entity and the amount of its cash and cash equivalents. This information may also be used to evaluate the relationships among those activities.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 10. A single transaction may include cash flows that are classified differently. For example, when the cash repayment of a loan includes both interest and capital, the interest element may be classified as an operating activity and the capital element i

10. A single transaction may include cash flows that are classified differently. For example, when the cash repayment of a loan includes both interest and capital, the interest element may be classified as an operating activity and the capital element is classified as a financing activity.

Operating activities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 11. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the entity are funded:

11. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the entity are funded:

- (a) by way of taxes (directly and indirectly); or
- (b) from the recipients of goods and services provided by the entity.

The amount of the net cash flows also assists in showing the ability of the entity to maintain its operating capability, repay obligations, pay a dividend to its owner and make new investments without recourse to external sources of financing. The consolidated whole-of-government operating cash flows provide an indication of the extent to which a government has financed its current activities through taxation and charges. Information about the specific components of historical operating cash flows is useful, in conjunction with other information, in forecasting future operating cash flows.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 12. Cash flows from operating activities are primarily derived from the principal cash-generating activities of the entity. Examples of cash flows from operating activities are:

12. Cash flows from operating activities are primarily derived from the principal cash-generating activities of the entity. Examples of cash flows from operating activities are:

- (a) cash receipts from taxes, levies and fines;
- (b) cash receipts from charges for goods and services provided by the entity;
- (c) cash receipts from grants or transfers and other appropriations or other budget authority made by national government or other entities;
- (d) cash receipts from royalties, fees, commissions and other revenue;
- (e) cash payments to other entities to finance their operations (not including loans);
- (f) cash payments to suppliers for goods and services;
- (g) cash payments to and on behalf of employees;
- (h) cash receipts and cash payments of an insurance entity for premiums and claims, annuities and other policy benefits;
 - (i) cash payments of local property taxes or income taxes (where appropriate) in relation to operating activities;
- (j) cash receipts and payments from contracts held for dealing or trading purposes;
- (k) cash receipts or payments from discontinuing operations; and
- (l) cash receipts or payments in relation to litigation settlements.

Some transactions, such as the sale of an item of plant, may give rise to a gain or loss which is included in the determination of net surplus or deficit. However, the cash flows relating to such transactions are cash flows from investing activities.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 13. An entity may hold securities and loans for dealing or trading purposes, in which case they are similar to inventory acquired specifically for resale. Therefore, cash flows arising from the purchase and sale of dealing or trading securities are clas

13. An entity may hold securities and loans for dealing or trading purposes, in which case they are similar to inventory acquired specifically for resale. Therefore, cash flows arising from the purchase and sale of dealing or trading securities are classified as operating activities. Similarly, cash advances and loans made by public financial institutions are usually classified as operating activities since they relate to the main cash-generating activity of that entity.

Investing activities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally

Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 14. The separate disclosure of cash flows arising from investing activities is important because the cash flows represent the extent to which cash outflows have been made for resources which are intended to contribute to the entity's future service delivery

14. The separate disclosure of cash flows arising from investing activities is important because the cash flows represent the extent to which cash outflows have been made for resources which are intended to contribute to the entity's future service delivery. Examples of cash flows arising from investing activities are:

- (a) cash payments to acquire property, plant and equipment, intangibles and other long-term assets. These payments include those relating to capitalised development costs and self-constructed property, plant and equipment;
- (b) cash receipts from sales of property, plant and equipment, intangibles and other long-term assets;
- (c) cash payments to acquire equity or debt instruments of other entities and interests in joint ventures (other than payments for those instruments considered to be cash equivalents or those held for dealing or trading purposes);
- (d) cash receipts from sales of equity or debt instruments of other entities and interests in joint ventures (other than receipts for those instruments considered to be cash equivalents and those held for dealing or trading purposes);
- (e) cash advances and loans made to other parties (other than advances and loans made by a public financial institution);
- (f) cash receipts from the repayment of advances and loans made to other parties (other than advances and loans of a public financial institution);
- (g) cash payments for futures contracts, forward contracts, option contracts and swap contracts, except when the contracts are held for dealing or trading purposes, or the payments are classified as financing activities; and
- (h) cash receipts from futures contracts, forward contracts, option contracts and swap contracts, except when the contracts are held for dealing or trading purposes, or the receipts are classified as financing activities.

When a contract is accounted for as a hedge of an identifiable position, the cash flows of the contract are classified in the same manner as the cash flows of the position being hedged.

Financing activities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 15. The separate disclosure of cash flows arising from financing activities is important because it is useful in predicting claims on future cash flows by providers of capital to the entity. Examples of cash flows arising from financing activities are:

15. The separate disclosure of cash flows arising from financing activities is important because it is useful in predicting claims on future cash flows by providers of capital to the entity. Examples of cash flows arising from financing activities are:

- (a) cash proceeds from issuing debentures, loans, notes, bonds, mortgages and other short-or long-term borrowings;
- (b) cash repayments of amounts borrowed; and
- (c) cash payments by a lessee for the reduction of the outstanding liability relating to a finance lease.

Reporting cash flows from operating activities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 16. An entity shall report cash flows from operating activities using the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed.

16. An entity shall report cash flows from operating activities using the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 17. The direct method provides information which may be useful in estimating future cash flows. Under the direct method, information about major classes of gross cash receipts and gross cash payments may be obtained either:

17. The direct method provides information which may be useful in estimating future cash flows. Under the direct method, information about major classes of gross cash receipts and gross cash payments may be obtained either:

- (a) from the accounting records of the entity; or
- (b) by adjusting operating revenues, operating expenses (interest and similar revenue, and interest expense and similar charges for a public financial institution) and other items in the statement of financial performance for:
 - (i) changes during the period in inventories and operating receivables and payables;
 - (ii) other non-cash items; and
 - (iii) other items for which the cash effects are investing or financing cash flows.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 18. Entities should provide a reconciliation of the surplus / deficit with the net cash flow from operating activities. This reconciliation may be provided as part of the cash flow statement or in the notes to the financial statements.

18. Entities should provide a reconciliation of the surplus / deficit with the net cash flow from operating activities. This reconciliation may be provided as part of the cash flow statement or in the notes to the financial statements.

REPORTING CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 19. An entity shall report separately major classes of gross cash receipts and gross cash payments arising from investing and financing activities, except to the extent that cash flows described in paragraphs 20. and 23. are reported on a net basis.

19. An entity shall report separately major classes of gross cash receipts and gross cash payments arising from investing and financing activities, except to the extent that cash flows described in paragraphs 20. and 23. are reported on a net basis.

REPORTING CASH FLOWS ON A NET BASIS

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 20. Cash flows arising from the following operating, investing or financing activities may be reported on a net basis:

20. Cash flows arising from the following operating, investing or financing activities may be reported on a net basis:

- (a) cash receipts collected and payments made on behalf of customers, taxpayers or beneficiaries when the cash flows reflect the activities of the other party rather than those of the entity; and
- (b) cash receipts and payments for items in which the turnover is quick, the amounts are large, and the maturities are short.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 21. Paragraph 20. (a) refers only to transactions where the resulting cash balances are controlled by the reporting entity. Examples of such cash receipts and payments include:

21. Paragraph 20. (a) refers only to transactions where the resulting cash balances are controlled by the reporting entity. Examples of such cash receipts and payments include:

- (a) the collection of taxes by one level of government for another level of government, not including taxes collected by a government for its own use as part of a tax sharing arrangement;
- (b) the acceptance and repayment of demand deposits of a public financial institution;
- (c) funds held for customers by an investment or trust entity; and
- (d) rents collected on behalf of, and paid over to, the owners of properties.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 22. Examples of cash receipts and payments referred to in paragraph 20. (b) are advances made for, and the repayment of:

22. Examples of cash receipts and payments referred to in paragraph 20. (b) are advances made for, and the repayment of:

- (a) the purchase and sale of investments; and
- (b) other short-term borrowings, for example, those which have a maturity period of three months or less.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 23. Cash flows arising from each of the following activities of a public financial institution may be reported on a net basis:

23. Cash flows arising from each of the following activities of a public financial institution may be reported on a net basis:

- (a) cash receipts and payments for the acceptance and repayment of deposits with a fixed maturity date;
- (b) the placement of deposits with and withdrawal of deposits from other financial institutions; and
- (c) cash advances and loans made to customers and the repayment of those advances and loans.

FOREIGN CURRENCY CASH FLOWS

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 24. Cash flows arising from transactions in a foreign currency shall be recorded in an entity's functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the

24. Cash flows arising from transactions in a foreign currency shall be recorded in an entity's functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the cash flow.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 25. The cash flows of a foreign controlled entity shall be translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

25. The cash flows of a foreign controlled entity shall be translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 26. Cash flows denominated in a foreign currency are reported in a manner consistent with the Standard of GRAP on The Effects of Changes in Foreign Exchange Rates. This permits the use of an exchange rate that approximates the actual rate. For example,

26. Cash flows denominated in a foreign currency are reported in a manner consistent with the Standard of GRAP on The Effects of Changes in Foreign Exchange Rates. This permits the use of an exchange rate that approximates the actual rate. For example, a weighted average exchange rate for a period may be used for recording foreign currency transactions or the translation of the cash flows of a foreign controlled entity. The Standard of GRAP on The Effects of Changes in Foreign Exchange Rates does not permit the use of the exchange rate at reporting date when translating the cash flows of a foreign controlled entity.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 27. Unrealised gains and losses arising from changes in foreign currency exchange rates are not cash flows. However, the effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency is reported in the cash flow statement

27. Unrealised gains and losses arising from changes in foreign currency exchange rates are not cash flows. However, the effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency is reported in the cash flow statement in order to reconcile cash and cash equivalents at the beginning and the end of the period. This amount is presented separately from cash flows from operating, investing and financing activities and includes the differences, if any, had those cash flows been reported at end of period exchange rates.

INTEREST AND DIVIDENDS

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 28. Cash flows from interest and dividends received and paid shall each be disclosed separately. Each shall be classified in a consistent manner from period to period as either operating, investing or financing activities.

28. Cash flows from interest and dividends received and paid shall each be disclosed separately. Each shall be classified in a consistent manner from period to period as either operating, investing or financing activities.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 29. The total amount of interest paid during a period is disclosed in the cash flow statement whether it has been recognised as an expense in the statement of financial performance or capitalised in accordance with the allowed alternative treatment in t

29. The total amount of interest paid during a period is disclosed in the cash flow statement whether it has been recognised as an expense in the statement of financial performance or capitalised in accordance with the allowed alternative treatment in the Standard of GRAP on Borrowing Costs.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 30. Interest paid and interest and dividends received are usually classified as operating cash flows for a public financial institution. However, there is no consensus on the classification of these cash flows for other entities. Interest paid and inter

30. Interest paid and interest and dividends received are usually classified as operating cash flows for a public financial institution. However, there is no consensus on the classification of these cash flows for other entities. Interest paid and interest and dividends received may be classified as operating cash flows because they enter into the determination of net surplus or deficit. Alternatively, interest paid and interest and dividends received may be classified as financing cash flows and investing cash flows respectively, because they are costs of obtaining financial resources or returns on investments.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 31. Dividends paid may be classified as a financing cash flow because they are a cost of obtaining financial resources. Alternatively, dividends paid may be classified as a component of cash flows from operating activities in order to assist users to de

31. Dividends paid may be classified as a financing cash flow because they are a cost of obtaining financial resources. Alternatively, dividends paid may be classified as a component of cash flows from operating activities in order to assist users to determine the ability of an entity to make these payments out of operating cash flows.

TAXES ON SURPLUS

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 32. Cash flows arising from taxes on surplus shall be separately disclosed and shall be classified as cash flows from operating activities unless they can be specifically identified with financing and investing activities.

32. Cash flows arising from taxes on surplus shall be separately disclosed and shall be classified as cash flows from operating activities unless they can be specifically identified with financing and investing activities.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 33. Entities are generally exempt from taxes on surpluses.

33. Entities are generally exempt from taxes on surpluses.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 34. Taxes on surplus arise from transactions that give rise to cash flows that are classified as operating, investing or financing activities in a cash flow statement. While tax expense may be readily identifiable with investing or financing activities,

34. Taxes on surplus arise from transactions that give rise to cash flows that are classified as operating, investing or financing activities in a cash flow statement. While tax expense may be readily identifiable with investing or financing activities, the related tax cash flows are often impracticable to identify and may arise in a different period from the cash flows of the underlying transaction. Therefore, taxes paid are usually classified as cash flows from operating activities. However, when it is practicable to identify the tax cash flow with an individual transaction that gives rise to cash flows that are classified as investing or financing activities, the tax cash flow is classified as an investing or financing activity as appropriate. When tax cash flows are allocated over more than one class of activity, the total amount of taxes paid is disclosed.

INVESTMENT IN CONTROLLED ENTITIES, ASSOCIATES AND JOINT VENTURES

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 35. When accounting for an investment in an associate or a controlled entity accounted for by use of the equity or cost method, an investor restricts its reporting in the cash flow statement to the cash flows between itself and the investee, for example

35. When accounting for an investment in an associate or a controlled entity accounted for by use of the equity or cost method, an investor restricts its reporting in the cash flow statement to the cash flows between itself and the investee, for example, to dividends and advances.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 36. An entity that reports its interest in a jointly controlled entity using proportionate consolidation includes in its consolidated cash flow statement its proportionate share of the jointly controlled entity's cash flows. An entity which reports such

36. An entity that reports its interest in a jointly controlled entity using proportionate consolidation includes in its consolidated cash flow statement its proportionate share of the jointly controlled entity's cash flows. An entity which reports such an interest using the equity method includes in its cash flow statement the cash flows in respect of its investments in the jointly controlled entity, and distributions and other payments or receipts between it and the jointly controlled entity.

ACQUISITIONS AND DISPOSALS OF CONTROLLED ENTITIES AND OTHER OPERATING UNITS

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 37. The aggregate cash flows arising from acquisitions and from disposals of controlled entities or other operating units shall be presented separately and classified as investing activities.

37. The aggregate cash flows arising from acquisitions and from disposals of controlled entities or other operating units shall be presented separately and classified as investing activities.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 38. An entity shall disclose, in aggregate, in respect of both acquisitions and disposals of controlled entities or other operating units during the period, each of the following:

38. An entity shall disclose, in aggregate, in respect of both acquisitions and disposals of controlled entities or other operating units during the period, each of the following:

- (a) the total purchase or disposal consideration;
- (b) the portion of the purchase or disposal consideration discharged by means of cash and cash equivalents;
- (c) the amount of cash and cash equivalents in the controlled entity or operating unit acquired or disposed of; and
- (d) the amount of the assets and liabilities other than cash or cash equivalents recognised by the controlled entity or operating unit acquired or disposed of, summarised by each major category.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 39. The separate presentation of the cash flow effects of acquisitions and disposals of controlled entities and other operating units as single line items, together with the separate disclosure of the amounts of assets and liabilities acquired or disposed

39. The separate presentation of the cash flow effects of acquisitions and disposals of controlled entities and other operating units as single line items, together with the separate disclosure of the amounts of assets and liabilities acquired or disposed of, helps to distinguish those cash flows from the cash flows arising from the other operating, investing and financing activities. The cash flow effects of disposals are not deducted from those acquisitions.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 40. The aggregate amount of the cash paid or received as purchase or sale consideration is reported in the cash flow statement net of cash and cash equivalents acquired or disposed of.

40. The aggregate amount of the cash paid or received as purchase or sale consideration is reported in the cash flow statement net of cash and cash equivalents acquired or disposed of.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 41. Assets and liabilities other than cash or cash equivalents of a controlled entity or operating unit acquired or disposed of are only required to be disclosed where the controlled entity or unit had previously recognised those assets or liabilities.

41. Assets and liabilities other than cash or cash equivalents of a controlled entity or operating unit acquired or disposed of are only required to be disclosed where the controlled entity or unit had previously recognised those assets or liabilities. For example, where an entity which prepares reports under the cash basis is acquired by another entity, the acquiring entity would not be required to disclose the assets and liabilities (other than cash and cash equivalents) of the entity acquired, as that entity would not have recognised non-cash assets or liabilities.

NON-CASH TRANSACTIONS

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 42. Investing and financing transactions that do not require the use of cash or cash equivalents shall be excluded from a cash flow statement. Such transactions shall be disclosed elsewhere in the financial statements in a way that provides all the rele

42. Investing and financing transactions that do not require the use of cash or cash equivalents shall be excluded from a cash flow statement. Such transactions shall be disclosed elsewhere in the financial statements in a way that provides all the relevant information about these investing and financing activities.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 43. Many investing and financing activities do not have a direct impact on current cash flows although they do affect the capital and asset structure of an entity. The exclusion of non-cash transactions from the cash flow statement is consistent with th

43. Many investing and financing activities do not have a direct impact on current cash flows although they do affect the capital and asset structure of an entity. The exclusion of non-cash transactions from the cash flow statement is consistent with the objective of a cash flow statement, as these items do not involve cash flows in the current period. Examples of non-cash transactions are:

- (a) the acquisition of assets through the exchange of assets, the assumption of directly related liabilities, or by means of a finance lease; and
- (b) the conversion of debt to equity.

COMPONENTS OF CASH AND CASH EQUIVALENTS

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 44. An entity shall disclose the components of cash and cash equivalents and shall present a reconciliation of the amounts in its cash flow statement with the equivalent items reported in the statement of financial position.

44. An entity shall disclose the components of cash and cash equivalents and shall present a reconciliation of the amounts in its cash flow statement with the equivalent items reported in the statement of financial position.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 45. In view of the variety of cash management practices and banking arrangements and in order to comply with the GRAP on Presentation of Financial Statements, an entity discloses the policy which it adopts in determining the composition of cash and cash equivalents.

45. In view of the variety of cash management practices and banking arrangements and in order to comply with the GRAP on Presentation of Financial Statements, an entity discloses the policy which it adopts in determining the composition of cash and cash equivalents.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 46. The effect of any change in the policy for determining components of cash and cash equivalents, for example, a change in the classification of financial instruments previously considered to be part of an entity's investment portfolio, is reported in

46. The effect of any change in the policy for determining components of cash and cash equivalents, for example, a change in the classification of financial instruments previously considered to be part of an entity's investment portfolio, is reported in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

OTHER DISCLOSURES

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 47. An entity shall disclose, together with a commentary by management in the notes to the financial statements, the amount of cash and cash equivalent balances held by the entity that are not available for use by the economic entity.

47. An entity shall disclose, together with a commentary by management in the notes to the financial statements, the amount of cash and cash equivalent balances held by the entity that are not available for use by the economic entity.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 48. There are various circumstances in which cash and cash equivalent balances held by an entity are not available for use by the economic entity. Examples include cash and cash equivalent balances held by a controlled entity that operates in a country

48. There are various circumstances in which cash and cash equivalent balances held by an entity are not available for use by the economic entity. Examples include cash and cash equivalent balances held by a controlled entity that operates in a country where exchange controls or other legal restrictions apply when the balances are not available for general use by the controlling entity or other controlled entities.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 49. Additional information may be relevant to users in understanding the financial position and liquidity of an entity. Disclosure of this information, together with a description in the notes to the financial statements, is required and shall include:

49. Additional information may be relevant to users in understanding the financial position and liquidity of an entity. Disclosure of this information, together with a description in the notes to the financial statements, is required and shall include:

- (a) the amount of undrawn borrowing facilities that may be available for future operating activities and to

settle capital commitments, indicating any restrictions on the use of these facilities;

- (b) the aggregate amounts of the cash flows from each of operating, investing and financing activities related to interests in joint ventures reported using proportionate consolidation; and
- (c) the amount and nature of restricted cash balances.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 50. Where appropriations or budget authorisations are prepared on a cash basis, the cash flow statement may assist users in understanding the relationship between the entity's activities or programmes and the government's budgetary information. Refer to

50. Where appropriations or budget authorisations are prepared on a cash basis, the cash flow statement may assist users in understanding the relationship between the entity's activities or programmes and the government's budgetary information. Refer to the Standard of GRAP on Presentation of Financial Statements for a brief discussion of the comparison of actual and budgeted figures.

EFFECTIVE DATE

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 51. This Standard of Generally Recognised Accounting Practice becomes effective for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with

51. This Standard of Generally Recognised Accounting Practice becomes effective for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with [section 91 \(1\) \(b\)](#) of the Public Finance Management Act, Act [No. 1 of 1999](#), as amended.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ Appendix Cash flow statement (for an entity other than a financial institution)

Appendix

Cash flow statement (for an entity other than a financial institution)

This appendix is illustrative only and does not form part of the Standards. The purpose of this appendix is to illustrate the application of the Standards to assist in clarifying their meaning.

Direct method cash flow statement (paragraph 16.)

ENTITY - CONSOLIDATED CASH FLOW STATEMENT FOR YEAR ENDED 31 DECEMBER 20 X2

(in thousands of currency units)

	20x2	20x1
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Taxation	X	X
Sales of goods and services	X	X
Grants	X	X
Interest received	X	X
Other receipts	X	X
Payments		
Employee costs	(x)	(x)
Suppliers	(x)	(x)

Interest paid	(x)	(x)
Other payments	(x)	(x)
Net cash flows from operating activities	X	X
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(x)	(x)
Proceeds from sale of plant and equipment	X	X
Proceeds from sale of investments	X	X
Purchase of foreign currency securities	(x)	(x)
Net cash flows from investing activities	(x)	(x)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	X	X
Repayment of borrowings	(x)	(x)
Distribution/dividend to government	(x)	(x)
Net cash flows from financing activities	X	X
Net increase/ (decrease) in cash and cash equivalents	X	X
Cash and cash equivalents at beginning of period	X	X
Cash and cash equivalents at end of period	X	X

Notes to the cash flow statement

(a) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks and investments in money market instruments. Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position:

	20X2	20x1
Cash on hand and balances with banks	X	X
Short-term investments	X	X
	X	X

The entity has undrawn borrowing facilities of X, of which X must be used on infrastructural projects.

(b) Property, plant and equipment

During the period, the economic entity acquired property, plant and equipment with an aggregate cost of X, of which X was acquired by means of capital grants by the national government. Cash payments of X were made to purchase property, plant and equipment.

(c) Reconciliation of net cash flows from operating activities to surplus/ (deficit)

(in thousands of rands)		
Surplus/(Deficit)	X	X
Non-cash movements		
Depreciation	X	X
Amortisation	X	X
Increase in provision for doubtful debts	X	X
Increase in payables	X	X
Increase in borrowings	X	X
Increase in provisions relating to employee costs	X	X
(Gains) / losses on sale of property, plant and equipment	(x)	(x)
(Gains) / losses on sale of investments	(x)	(x)
Increase in other current assets	(x)	(x)
Increase in investments due to revaluation	(x)	(x)
Increase in receivables	(x)	(x)

COMPARISON WITH THE INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARD ON CASH FLOW STATEMENTS
(MAY 2000)

This Standard of Generally Recognised Accounting Practice (GRAP) on Cash Flow Statements (GRAP 2) is drawn primarily from the International Public Sector Accounting Standard on Cash Flow Statements (IPSAS 2). The main differences between GRAP 2 and IPSAS 2 are as follows:

- . GRAP 2 is different from IPSAS 2 in that government business enterprises are defined differently.
- . GRAP 2 has incorporated changes proposed to the International Accounting Standards under the improvements project of the International Accounting Standards Board (IASB).
- . IPSAS 2 describes the residue of total assets after deducting total liabilities as "net assets/equity" whereas GRAP 2 refers to "net assets".
- . The definition of the term "management" has been introduced in GRAP 2 to describe those persons that are charged with the responsibility for the governance of an entity.
- . The classification and disclosure requirements of cash flows associated with extraordinary items have been eliminated in GRAP 2. Consequently the definitions of "surplus/deficit from ordinary activities", and "net surplus/deficit" have been deleted.
- . The use of the indirect method, whereby net surplus or deficit is adjusted for the effects of transactions, has been eliminated from GRAP 2 to ensure consistency of preparation.
- . Paragraphs included in IPSAS 2 have been transferred to the Framework for the Preparation and Presentation of Financial Statements and have been deleted from GRAP 2, for instance paragraphs that covered cash and cash equivalents, future economic benefits or service potential, economic entity and net assets.

GRAP 3

(Logo)

ACCOUNTING STANDARDS BOARD

STANDARD OF GENERALLY RECOGNISED ACCOUNTING PRACTICE

ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS

(GRAP 3)

(Logo)

GRAP3

Acknowledgement

This Standard of Generally Recognised Accounting Practice (GRAP) is drawn primarily from the International Public Sector Accounting Standard (IPSAS) on *Net Surplus or Deficit for the Period, Fundamental Errors and Changes in Accounting Policies* issued by the International Federation of Accountants' International Public Sector Accounting Standards Board (IPSASB). The International Federation of Accountants (IFAC) was founded in 1977 with its mission to develop and enhance the profession with harmonised standards. IPSASB has issued a comprehensive body of IPSASs, which will be used to produce future Standards of GRAP. Extracts of the IPSAS on *Net Surplus or Deficit for the Period, Fundamental Errors and Changes in Accounting Policies* are reproduced in this Standard of GRAP with the permission of the IPSASB.

The approved text of the IPSASs is that published by the IFAC in the English language. The IPSASs are contained in the IFAC Handbook of International Public Sector Accounting Pronouncements and are available from:

International Federation of Accountants

545 Fifth Avenue, 14th Floor

New York, New York 10017 USA

Internet: <http://www.ifac.org>

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Accounting Standards Board

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INTRODUCTION

Standards of Generally Recognised Accounting Practice

The Accounting Standards Board (Board) is required in terms of the Public Finance Management Act, Act [No. 1 of 1999](#), as amended (PFMA), to determine generally recognised accounting practice referred to as Standards of Generally Recognised Accounting Practice (GRAP).

The Board must determine GRAP for:

- (a) departments (national and provincial);
- (b) public entities;
- (c) constitutional institutions;
- (d) municipalities and boards, commissions, companies, corporations, funds or other entities under the ownership control of a municipality; and
- (e) Parliament and the provincial legislatures.

The above are collectively referred to as "entities" in Standards of GRAP.

The Board has approved the application of Statements of Generally Accepted Accounting Practice (GAAP), as codified by the Accounting Practices Board and issued by the South African Institute of Chartered Accountants, to be GRAP for:

- (a) government business enterprises (as defined in the PFMA);
- (b) trading entities (as defined in the PFMA);
- (c) any other entity, other than a municipality, whose ordinary shares, potential ordinary shares or debt are publicly tradable on the capital markets; and
- (d) entities under the ownership control of any of these entities.

The Board believes that Statements of GAAP are relevant and applicable to financial statements prepared by all such entities, including those under their ownership control.

Financial statements should be described as complying with Standards of GRAP only if they comply with all the requirements of each applicable Standard of GRAP and any related interpretation that may be issued in the future.

Any limitation of the applicability of specific Standards is made clear in those Standards.

The Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors is set out in paragraphs 01. - 54. All paragraphs in this Standard have equal authority. The authority of appendices is dealt with in the preamble to each appendix. This Standard should be read in the context of its objective, the Preface to Standards of GRAP and the Framework for the Preparation and Presentation of Financial Statements.

Reference may be made here to a Standard of GRAP that has not been issued at the time of issue of this Standard. This is done to avoid having to change the Standards already issued when a later Standard is subsequently issued. Paragraph .12 of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors provides a basis for selecting and applying accounting policies in the absence of explicit guidance.

OBJECTIVE

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 01. The objective of this Standard is to prescribe the criteria for selecting and changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of e

01. The objective of this Standard is to prescribe the criteria for selecting and changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors. The Standard is intended to enhance the relevance and reliability of the entity's financial statements, and the comparability of those financial statements over time and with the financial statements of other entities.

Disclosure requirements for accounting policies, except those for changes in accounting policies, are set out in the Standard of GRAP on Presentation of Financial Statements.

SCOPE

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 02. An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in selecting and applying accounting policies, and accounting for changes in accounting policies, changes in accounting estimates and corrections of prior period errors.

02. An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in selecting and applying accounting policies, and accounting for changes in accounting policies, changes in accounting estimates and corrections of prior period errors.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 03. The tax effects of corrections of prior period errors and of retrospective adjustments made to apply changes in accounting policies are accounted for and disclosed in accordance with the International Accounting Standard on Income Taxes.

03. The tax effects of corrections of prior period errors and of retrospective adjustments made to apply changes in accounting policies are accounted for and disclosed in accordance with the International Accounting Standard on Income Taxes.

DEFINITIONS

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 04. The following terms are used in this Standard with the meanings specified:

04. The following terms are used in this Standard with the meanings specified:

"Accounting policies" are the specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements.

A change in accounting estimate **"change in accounting estimate"** is an adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities. Changes in accounting estimates result from new information or new developments and, accordingly, are not corrections of errors.

"Accrual basis" means a basis of accounting under which transactions and other events are recognised when they occur (and not only when cash or its equivalent is received or paid). Therefore, the transactions and events are recorded in the accounting records and recognised in the financial statements of the periods to which they relate. The elements recognised under accrual basis are assets, liabilities, net assets, revenue and expenses.

"Assets" are resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.

"Borrowing costs" are interest and other expenses incurred by an entity in connection with the borrowing of funds.

"Cash equivalents" are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

"Cash flows" are inflows and outflows of cash and cash equivalents.

"Contributions from owners" means future economic benefits or service potential that have been contributed to the entity by parties external to the entity, which establish their financial interest in the net assets of the entity, provided that the contributions:

- (a) do not result in liabilities of the entity, and
- (b) meet both the following tests;
 - (i) They convey entitlement both to distributions of future economic benefits or service potential by the entity during its life, such distributions being at the discretion of the owners or their representatives, and to distributions of any excess of assets over liabilities in the event of the entity being wound up; and/or
 - (ii) They can be sold, exchanged, transferred or redeemed.

"Distributions to owners" means future economic benefits or service potential distributed by the entity to all or some of its owners, either as a return on Investment or as a return of investment.

"Expenses" are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets, other than those relating to distributions to owners.

"Financing activities" are activities that result in changes in the size and composition of the contributed capital and borrowings of the entity.

"Government business enterprise" means an entity that, in accordance with the Public Finance Management Act, Act [No. 1 of 1999](#), as amended:

- (a) is a juristic person under the ownership control of the national/provincial executive;
- (b) has been assigned the financial and operational authority to carry on a business activity;
- (c) as its principal business, provides goods or services in accordance with ordinary business principles; and
- (d) is financed fully or substantially from sources other than
 - (i) the National or Provincial Revenue Fund; or
 - (ii) by way of a tax, levy or other statutory money.

"Impracticable" Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. For a particular prior period, it is impracticable to apply a change in an accounting policy retrospectively or to make a retrospective restatement to correct an error if:

- (a) the effects of the retrospective application or retrospective restatement are not determinable;
- (b) the retrospective application or retrospective restatement requires assumptions about what management's intent would have been in that period; or
- (c) the retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that:
 - (i) provides evidence of circumstances that existed on the date(s) as at which those amounts are to be recognised, measured or disclosed; and
 - (ii) would have been available when the financial statements for that prior period were authorised for issue from other information.

"Liabilities" are present obligations of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits or service potential.

"Management comprises" those persons responsible for the governance of the entity in accordance with legislation, including the accounting officers, however described in legislation.

"Material" Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions of users made on the basis of the financial statements. Materiality depends on the size or nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the information item, or a combination of both, could be the determining factor.

"Net assets" are the residual interest in the assets of the entity after deducting all its liabilities.

"Notes" contain information in addition to that presented in the statement of financial position, statement of financial performance, statement of changes in net assets and cash flow statement. Notes provide narrative descriptions or disaggregations of items disclosed in those statements and information about items that do not qualify for recognition in those statements.

"Operating activities" are the activities of the entity that are not investing or financing activities.

"Prior period errors" are omissions from, and misstatements in, the entity's financial statements for one or

more prior periods arising from a failure to use, or misuse of, reliable information that:

- (a) was available when financial statements for those periods were authorised for issue; and
- (b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

"Prospective application" of a change in an accounting policy and of recognising the effect of a change in an accounting estimate, respectively, are:

- (a) applying the new accounting policy to transactions, other events and conditions occurring after the date as at which the policy is changed; and
- (b) recognising the effect of the change in the accounting estimate in the current and future periods affected by the change.

"Retrospective application" is applying a new accounting policy to transactions, other events and conditions as if that policy had always been applied.

"Retrospective restatement" is correcting the recognition, measurement and disclosure of amounts of elements of financial statements as if a prior period error had never occurred.

"Revenue" is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

ACCOUNTING POLICIES

Selection and application of accounting policies

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 05. When a Standard of GRAP specifically applies to a transaction, other event or condition, the accounting policy or policies applied to that item shall be determined by applying the Standard and considering any relevant Interpretations issued by the A

05. When a Standard of GRAP specifically applies to a transaction, other event or condition, the accounting policy or policies applied to that item shall be determined by applying the Standard and considering any relevant Interpretations issued by the ASB for the Standard.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 06. Standards of GRAP set out accounting policies that the ASB has concluded result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be

06. Standards of GRAP set out accounting policies that the ASB has concluded result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. However, it is inappropriate to make, or leave uncorrected, immaterial departures from Standards of GRAP to achieve a particular presentation of an entity's financial position, financial performance or cash flows.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 07. In the absence of a particular Standard of GRAP that specifically applies to a transaction, other event or condition, management shall use its judgement in developing and applying an accounting policy that results in information that is:

07. In the absence of a particular Standard of GRAP that specifically applies to a transaction, other event or condition, management shall use its judgement in developing and applying an accounting policy that results in information that is:

- (a) relevant to the economic decision-making needs of users; and

- (b) reliable in that the financial statements:
- (i) represent faithfully the financial position, financial performance and cash flows of the entity;
 - (ii) reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
 - (iii) are neutral, i.e. free from bias;
 - (iv) are prudent; and
 - (v) are complete in all material respects.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 08. If one or more alternative accounting policies (benchmark or allowed alternative) are available under a Standard of GRAP, an entity should choose and apply consistently one of those policies unless the Standard specifically requires or permits categorisation of items (transactions, events, balances, amounts, etc.) for which policies are to be chosen. If a Standard requires or permits separate categorisation of items, a single accounting policy should be selected and applied consistently to each category.

08. If one or more alternative accounting policies (benchmark or allowed alternative) are available under a Standard of GRAP, an entity should choose and apply consistently one of those policies unless the Standard specifically requires or permits categorisation of items (transactions, events, balances, amounts, etc.) for which policies are to be chosen. If a Standard requires or permits separate categorisation of items, a single accounting policy should be selected and applied consistently to each category.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 09. Once an initial policy has been selected, a change in accounting policy should only be made in accordance with this Standard of GRAP and applied to all items or categories of items in the manner specified in paragraph 08.

09. Once an initial policy has been selected, a change in accounting policy should only be made in accordance with this Standard of GRAP and applied to all items or categories of items in the manner specified in paragraph 08.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 10. The quality of information provided in financial statements determines the usefulness of the financial statements to users. Paragraph 07. requires the development of accounting policies to ensure that the financial statements provide information that meets a number of qualitative characteristics. The Framework for the Preparation and Presentation of Financial Statements contains the qualitative characteristics of financial reporting.

10. The quality of information provided in financial statements determines the usefulness of the financial statements to users. Paragraph 07. requires the development of accounting policies to ensure that the financial statements provide information that meets a number of qualitative characteristics. The Framework for the Preparation and Presentation of Financial Statements contains the qualitative characteristics of financial reporting.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 11. In making the judgement described in paragraph 07., management shall refer to and consider the applicability of, the following sources in descending order:

11. In making the judgement described in paragraph 07., management shall refer to and consider the applicability of, the following sources in descending order:

- (a) the requirements and guidance in Standards of GRAP dealing with similar and related issues; and
- (b) the definitions, recognition criteria and measurement concepts for assets, liabilities, revenue and expenses set out in the Framework for the Preparation and Presentation of Financial Statements.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally

Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 12. In making the judgement described in paragraph 07., management may also consider the most recent pronouncements of other standard-setting bodies and accepted public or private sector practices to the extent, but only to the extent, that these are co

12. In making the judgement described in paragraph 07., management may also consider the most recent pronouncements of other standard-setting bodies and accepted public or private sector practices to the extent, but only to the extent, that these are consistent with the sources in paragraph 11. For example pronouncements of, in descending order, the International Public Sector Accounting Standards Board, the International Accounting Standards Board (including the Framework for the Preparation and Presentation of Financial Statements), the Accounting Practices Board, The South African Institute of Chartered Accountants' Accounting Practices Committee.

Consistency of accounting policies

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 13. An entity shall select and apply its accounting policies for a period consistently for similar transactions, other events and conditions, unless a Standard of GRAP specifically requires or permits categorisation of items for which different accounti

13. An entity shall select and apply its accounting policies for a period consistently for similar transactions, other events and conditions, unless a Standard of GRAP specifically requires or permits categorisation of items for which different accounting policies may be appropriate. If a Standard requires or permits such categorisation, an appropriate accounting policy shall be selected and applied consistently to each category.

Changes in accounting policies

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 14. An entity shall change an accounting policy only if the change:

14. An entity shall change an accounting policy only if the change:

- (a) is required by a Standard of GRAP; or
- (b) results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flow.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 15. Users of financial statements need to be able to compare the financial statements of an entity over time to identify trends in its financial position, financial performance and cash flows. Therefore, the same accounting policies are applied within e

15. Users of financial statements need to be able to compare the financial statements of an entity over time to identify trends in its financial position, financial performance and cash flows. Therefore, the same accounting policies are applied within each period and from one period to the next unless a change in an accounting policy meets one of the criteria in paragraph 14.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 16. The following are not changes in accounting policies:

16. The following are not changes in accounting policies:

- (a) the application of an accounting policy for events or transactions, other events or conditions that differ in substance from those that previously occurred; and
- (b) the application of a new accounting policy for transactions, other events or conditions that did not

occur previously or were immaterial.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 17. The initial application of a policy to revalue assets in accordance with the Standard of GRAP on Property, Plant and Equipment or the Standard of GRAP on Intangible Assets is a change in an accounting policy to be dealt with as a revaluation in acco

17. The initial application of a policy to revalue assets in accordance with the Standard of GRAP on Property, Plant and Equipment or the Standard of GRAP on Intangible Assets is a change in an accounting policy to be dealt with as a revaluation in accordance with the Standard of GRAP on Property, Plant and Equipment or the Standard of GRAP on Intangible Assets, rather than in accordance with this Standard.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 18. Paragraphs 19. - 31. do not apply to the change in accounting policy described in paragraph .17.

18. Paragraphs 19. - 31. do not apply to the change in accounting policy described in paragraph .17.

Applying changes in accounting policies

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 19. Subject to paragraph 23:

19. Subject to paragraph 23:

- (a) an entity shall account for a change in accounting policy resulting from the initial application of a Standard in accordance with the specific transitional provisions, if any, in that Standard; and
- (b) when an entity changes an accounting policy upon initial application of a Standard that does not include specific transitional provisions applying to that change, or changes an accounting policy voluntarily, it shall apply the change retrospectively.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 20. For the purpose of this Standard of GRAP, early application of a Standard is not a voluntary change in accounting policy.

20. For the purpose of this Standard of GRAP, early application of a Standard is not a voluntary change in accounting policy.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 21. In the absence of a Standard of GRAP that specifically applies to a transaction, other event or condition, management may, in accordance with paragraph .12, apply an accounting policy from the most recent pronouncements of other standard-setting bod

21. In the absence of a Standard of GRAP that specifically applies to a transaction, other event or condition, management may, in accordance with paragraph .12, apply an accounting policy from the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework to develop accounting standards. If, following an amendment of such a pronouncement, the entity chooses to change an accounting policy, that change is accounted for and disclosed as a voluntary change in accounting policy.

Retrospective application

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 22. Subject to paragraph 23., when a change in accounting policy is applied retrospectively in accordance with paragraph .19 (a) or (b), the entity shall adjust the opening balance of each affected component of net assets for the earliest prior period p

22. Subject to paragraph 23., when a change in accounting policy is applied retrospectively in accordance with paragraph .19 (a) or (b), the entity shall adjust the opening balance of each affected component of net assets for the earliest prior period presented and the other comparative amounts disclosed for each prior period presented as if the new accounting policy had always been applied.

Limitations on retrospective application

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 23. When retrospective application is required by paragraph 19. (a) or (b), a change in accounting policy shall be applied retrospectively, except to the extent that it is impracticable to determine either the period-specific effects or the cumulative e

23. When retrospective application is required by paragraph 19. (a) or (b), a change in accounting policy shall be applied retrospectively, except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the change.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 24. When it is impracticable to determine the period-specific effects of changing an accounting policy on comparative information for one or more prior periods presented, the entity shall apply the new accounting policy to the carrying amounts of assets

24. When it is impracticable to determine the period-specific effects of changing an accounting policy on comparative information for one or more prior periods presented, the entity shall apply the new accounting policy to the carrying amounts of assets and liabilities as at the beginning of the earliest period for which retrospective application is practicable, which may be the current period, and shall make a corresponding adjustment to the opening balance of each affected component of net assets for that period.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 25. When it is impracticable to determine the cumulative effect, at the beginning of the current period, of applying a new accounting policy to all prior periods, the entity shall adjust the comparative information to apply the new accounting policy pro

25. When it is impracticable to determine the cumulative effect, at the beginning of the current period, of applying a new accounting policy to all prior periods, the entity shall adjust the comparative information to apply the new accounting policy prospectively from the earliest date practicable.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 26. When an entity applies a new accounting policy retrospectively, it applies the new accounting policy to comparative information for prior periods as far back as is practicable. Retrospective application to a prior period is not practicable unless it

26. When an entity applies a new accounting policy retrospectively, it applies the new accounting policy to comparative information for prior periods as far back as is practicable. Retrospective application to a prior period is not practicable unless it is practicable to determine the cumulative effect on the amounts in both the opening and closing balance sheets for that period. The amount of the resulting adjustment relating to periods before those presented in the financial statements is made to the opening balance of each affected component of net assets of the earliest prior period presented. Usually the adjustment is made to retained earnings. However, the adjustment may be made to another component of net assets (for example, to comply with a Standard of GRAP). Any other

information about prior periods, such as historical summaries of financial data, is also adjusted as far back as is practicable.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 27. When it is impracticable for an entity to apply a new accounting policy retrospectively, because it cannot determine the cumulative effect of applying the policy to all prior periods, the entity, in accordance with paragraph 25, applies the new policy

27. When it is impracticable for an entity to apply a new accounting policy retrospectively, because it cannot determine the cumulative effect of applying the policy to all prior periods, the entity, in accordance with paragraph 25, applies the new policy prospectively from the start of the earliest period practicable. It therefore disregards the portion of the cumulative adjustment to assets, liabilities and net assets arising before that date. Changing an accounting policy is permitted even if it is impracticable to apply the policy prospectively for any prior period. Paragraphs 50. -53. provide guidance on when it is impracticable to apply a new accounting policy to one or more prior periods.

Disclosure

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 28. When initial application of a Standard of GRAP has an effect on the current period or any prior period, would have such an effect except that it is impracticable to determine the amount of the adjustment, or might have an effect on future periods, a

28. When initial application of a Standard of GRAP has an effect on the current period or any prior period, would have such an effect except that it is impracticable to determine the amount of the adjustment, or might have an effect on future periods, an entity shall disclose:

- (a) the title of the Standard;
- (b) when applicable, that the change in accounting policy is made in accordance with its transitional provisions;
- (c) the nature of the change in accounting policy;
- (d) when applicable, a description of the transitional provisions;
- (e) when applicable, the transitional provisions that might have an effect on future periods;
- (f) for the current period and each prior period presented, to the extent practicable, the amount of the adjustment for each financial statement line item affected;
- (g) the amount of the adjustment relating to periods before those presented, to the extent practicable; and
- (h) if retrospective application required by paragraph 19. (a) or (b) is impracticable for a particular prior period, or for periods before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied.

Financial statements of subsequent periods need not repeat these disclosures

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 29. When a voluntary change in accounting policy has an effect on the current period or any prior period, would have an effect on that period except that it is impracticable to determine the amount of the adjustment, or might have an effect on future pe

29. When a voluntary change in accounting policy has an effect on the current period or any prior period, would have an effect on that period except that it is impracticable to determine the amount of the adjustment, or might have an effect on future periods, an entity shall disclose:

- (a) the nature of the change in accounting policy;
- (b) the reasons why applying the new accounting policy provides reliable and more relevant information;
- (c) for the current period and each prior period presented, to the extent practicable, the amount of the

adjustment for each financial statement line item affected;

- (d) the amount of the adjustment relating to periods before those presented, to the extent practicable; and
- (e) if retrospective application is impracticable for a particular prior period, or for periods before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied.

Financial statements of subsequent periods need not repeat these disclosures.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 30. When an entity has not applied a new Standard of GRAP that has been issued but is not yet effective, the entity shall disclose:

30. When an entity has not applied a new Standard of GRAP that has been issued but is not yet effective, the entity shall disclose:

- (a) this fact; and
- (b) known or reasonably estimable information relevant to assessing the possible impact that application of the new Standard will have on the entity's financial statements in the period of initial application.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 31. In complying with paragraph 30, an entity considers disclosing:

31. In complying with paragraph 30, an entity considers disclosing:

- (a) the title of the new Standard of GRAP;
- (b) the nature of the impending change or changes in accounting policy;
- (c) the date by which application of the Standard of GRAP is required;
- (d) the date as at which it plans to apply the Standard of GRAP initially; and
- (e) either:
 - (i) a discussion of the impact that initial application of the Standard is expected to have on the entity's financial statements; or
 - (ii) if that impact is not known or reasonably estimable, a statement to that effect.

CHANGES IN ACCOUNTING ESTIMATES

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 32. As a result of the uncertainties inherent in delivering services, conducting trading or other activities, many items in financial statements cannot be measured with precision but can only be estimated. Estimation involves judgements based on the latest available, reliable information.

32. As a result of the uncertainties inherent in delivering services, conducting trading or other activities, many items in financial statements cannot be measured with precision but can only be estimated. Estimation involves judgements based on the latest available, reliable information. For example, estimates may be required of:

- (a) tax revenue due to government; bad debts arising from uncollected taxes;
- (b) inventory obsolescence;
- (c) the fair value of financial assets and financial liabilities;
- (d) the useful lives of or expected pattern of consumption of economic benefits or service potential of depreciable assets;
- (e) the percentage completion of road construction; or

(f) warranty obligations.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 33. The use of reasonable estimates is an essential part of the preparation of financial statements and does not undermine their reliability.

33. The use of reasonable estimates is an essential part of the preparation of financial statements and does not undermine their reliability.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 34. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the corr

34. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 35. A change in the measurement basis applied is a change in an accounting policy, and is not a change in an accounting estimate. When it is difficult to distinguish a change in an accounting policy from a change in an accounting estimate, the change is

35. A change in the measurement basis applied is a change in an accounting policy, and is not a change in an accounting estimate. When it is difficult to distinguish a change in an accounting policy from a change in an accounting estimate, the change is treated as a change in an accounting estimate.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 36. The effect of a change in an accounting estimate, other than a change to which paragraph .37 applies, shall be recognised prospectively by including it in surplus or deficit in:

36. The effect of a change in an accounting estimate, other than a change to which paragraph .37 applies, shall be recognised prospectively by including it in surplus or deficit in:

- (a) the period of the change, if the change affects that period only; or
- (b) the period of the change and future periods, if the change affects both.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 37. To the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of net assets, it shall be recognised by adjusting the carrying amount of the related asset, liability or net assets item in

37. To the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of net assets, it shall be recognised by adjusting the carrying amount of the related asset, liability or net assets item in the period of the change.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/

38. Prospective recognition of the effect of a change in an accounting estimate means that the change is applied to transactions, other events, and conditions from the date of change in estimate. A change in an accounting estimate may affect the current

38. Prospective recognition of the effect of a change in an accounting estimate means that the change is applied to transactions, other events, and conditions from the date of change in estimate. A change in an accounting estimate may affect the current period's surplus or deficit or the surplus or deficit of both the current period and future periods. For example, a change in the estimate of the amount of bad debts affects only the current period's surplus or deficit and is therefore recognised in the current period. However, a change in the estimated useful life of or the expected pattern of consumption of economic benefits or service potential of a depreciable asset affects the depreciation expense for the current period and for each future period during the asset's remaining useful life. In both cases, the effect of the change relating to the current period is recognised as revenue or expense in the current period. The effect, if any, on future periods is recognised as revenue or expense in those future periods.

Disclosure

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 39. An entity shall disclose the nature and amount of a change in an accounting estimate that has an effect in the current period or is expected to have an effect in future periods, except for the disclosure of the effect on future periods when it is imp

39. An entity shall disclose the nature and amount of a change in an accounting estimate that has an effect in the current period or is expected to have an effect in future periods, except for the disclosure of the effect on future periods when it is impracticable to estimate that effect.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 40. If the amount of the effect in future periods is not disclosed because estimating it is impracticable, an entity shall disclose that fact.

40. If the amount of the effect in future periods is not disclosed because estimating it is impracticable, an entity shall disclose that fact.

ERRORS

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 41. Errors can arise in respect of the recognition, measurement, presentation or disclosure of elements of financial statements. Financial statements do not comply with Standards of GRAP if they contain either material errors or immaterial errors made i

41. Errors can arise in respect of the recognition, measurement, presentation or disclosure of elements of financial statements. Financial statements do not comply with Standards of GRAP if they contain either material errors or immaterial errors made intentionally to achieve a particular presentation of an entity's financial position, financial performance or cash flows. Potential current period errors discovered in that period are corrected before the financial statements are authorised for issue. However, material errors are sometimes not discovered until a subsequent period, and these prior period errors are corrected in the comparative information presented in the financial statements for that subsequent period (see paragraphs 42. - 47.).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 42. Subject to paragraph 43., an entity shall correct material prior period errors retrospectively in the first set of financial statements authorised for issue after their discovery by:

42. Subject to paragraph 43., an entity shall correct material prior period errors retrospectively in the first set of financial statements authorised for issue after their discovery by:

- (a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- (b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets for the earliest prior period presented.

Limitations on retrospective restatement

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 43. A prior period error shall be corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error.

43. A prior period error shall be corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 44. When it is impracticable to determine the period-specific effects of an error on comparative information for one or more prior periods presented, the entity shall restate the opening balances of assets, liabilities and net assets for the earliest pe

44. When it is impracticable to determine the period-specific effects of an error on comparative information for one or more prior periods presented, the entity shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable (which may be the current period).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 45. When it is impracticable to determine the cumulative effect, at the beginning of the current period, of an error on all prior periods, the entity shall restate the comparative information to correct the error prospectively from the earliest date pra

45. When it is impracticable to determine the cumulative effect, at the beginning of the current period, of an error on all prior periods, the entity shall restate the comparative information to correct the error prospectively from the earliest date practicable.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 46. The correction of a prior period error is excluded from surplus or deficit for the period in which the error is discovered. Any information presented about prior periods, including any historical summaries of financial data, is restated as far back

46. The correction of a prior period error is excluded from surplus or deficit for the period in which the error is discovered. Any information presented about prior periods, including any historical summaries of financial data, is restated as far back as is practicable.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 47. When it is impracticable to determine the amount of an error (e.g. a mistake in applying an accounting policy) for all prior periods, the entity, in accordance with paragraph 45., restates the comparative information prospectively from the earliest

47. When it is impracticable to determine the amount of an error (e.g. a mistake in applying an accounting policy) for all prior periods, the entity, in accordance with paragraph 45., restates the comparative information prospectively from the earliest date practicable. It therefore disregards the portion of the cumulative restatement of assets, liabilities and net assets arising before that date. Paragraphs 50. - 53. provide guidance on when it is impracticable to correct an error for one or more prior periods.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 48. Corrections of errors are distinguished from changes in accounting estimates. Accounting estimates by their nature are approximations that may need revision as additional information becomes known. For example, the gain or loss recognised on the out

48. Corrections of errors are distinguished from changes in accounting estimates. Accounting estimates by their nature are approximations that may need revision as additional information becomes known. For example, the gain or loss recognised on the outcome of a contingency is not the correction of an error.

Disclosure of prior period errors

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 49. In applying paragraph 42., an entity shall disclose the following:

49. In applying paragraph 42., an entity shall disclose the following:

- (a) the nature of the prior period error;
- (b) for each prior period presented, to the extent practicable, the amount of the correction for each financial statement line item affected;
- (c) the amount of the correction at the beginning of the earliest prior period presented; and
- (d) if retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.

Financial statements of subsequent periods need not repeat these disclosures.

IMPRACTICABILITY IN RESPECT OF RETROSPECTIVE APPLICATION AND RETROSPECTIVE RESTATEMENT

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 50. In some circumstances, it is impracticable to adjust comparative information for one or more prior periods to achieve comparability with the current period. For example, data may not have been collected in the prior period(s) in a way that allows ei

50. In some circumstances, it is impracticable to adjust comparative information for one or more prior periods to achieve comparability with the current period. For example, data may not have been collected in the prior period(s) in a way that allows either retrospective application of a new accounting policy (including, for the purpose of paragraphs 51. - 53., its prospective application to prior periods) or retrospective restatement to correct a prior period error, and it may be impracticable to recreate the information.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 51. It is frequently necessary to make estimates in applying an accounting policy to elements of financial statements recognised or disclosed in respect of transactions, other events or conditions. Estimation is inherently subjective, and estimates may

51. It is frequently necessary to make estimates in applying an accounting policy to elements of financial statements recognised or disclosed in respect of transactions, other events or conditions. Estimation is inherently subjective, and estimates may be developed after the balance sheet date. Developing estimates is potentially more difficult when retrospectively applying an accounting policy or making a retrospective restatement to correct a prior period error, because of the longer period of time that might have passed since the affected transaction, other event or condition occurred. However, the objective of estimates related to prior periods remains the same as for estimates made in the current period, namely, for the estimate to reflect the circumstances that existed when the transaction, other event or condition occurred.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 52. Therefore, retrospectively applying a new accounting policy or correcting a prior period error requires distinguishing information that

52. Therefore, retrospectively applying a new accounting policy or correcting a prior period error requires distinguishing information that

- (a) provides evidence of circumstances that existed on the date(s) as at which the transaction, other event or condition occurred; and
- (b) would have been available when the financial statements for that prior period were authorised for issue from other information. For some types of estimates (e.g. an estimate of fair value not based on an observable price or observable inputs), it is impracticable to distinguish these types of information. When retrospective application or retrospective restatement would require making a significant estimate for which it is impossible to distinguish these two types of information, it is impracticable to apply the new accounting policy or correct the prior period error retrospectively.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 53. Hindsight should not be used when applying a new accounting policy to, or correcting amounts for, a prior period, either in making assumptions about what management's intentions would have been in a prior period or estimating the amounts recognised,

53. Hindsight should not be used when applying a new accounting policy to, or correcting amounts for, a prior period, either in making assumptions about what management's intentions would have been in a prior period or estimating the amounts recognised, measured or disclosed in a prior period. For example, when an entity corrects a prior period error in measuring financial assets previously classified as held-to-maturity investments in accordance with the Standard of GRAP on Financial Instruments: Recognition and Measurement, it does not change their basis of measurement for that period if management decided later not to hold them to maturity. In addition, when an entity corrects a prior period error in calculating its liability for employees' accumulated sick leave in accordance with the Standard of GRAP on Employee Benefits, it disregards information about an unusually severe influenza season during the next period that became available after the financial statements for the prior period were authorised for issue. The fact that significant estimates are frequently required when amending comparative information presented for prior periods does not prevent reliable adjustment or correction of the comparative information.

EFFECTIVE DATE

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ 54. This Standard of Generally Recognised Accounting Practice becomes effective for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with

54. This Standard of Generally Recognised Accounting Practice becomes effective for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with [section 91 \(1\) \(a\)](#) of the Public Finance Management Act, Act [No. 1 of 1999](#) as amended.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.991 of 15 December 2005: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) in terms of Section 91 (Government Gazette No. 28095)/ Appendix

Appendix

This appendix is illustrative only and does not form part of the Standards of Generally Recognised Accounting Practice. The purpose of this appendix is to illustrate the application of the Standard and to assist in clarifying its meaning. Extracts from the financial statements are provided to show the effects on the financial statements of the transactions described in this appendix. These extracts do not necessarily conform with all the disclosure and presentation requirements of other Standards of GRAP.

Errors

Example 1. Retrospective restatement of errors

During 20X2, the entity discovered that revenue from income taxes was incorrect. Income taxes of R6,500 that should have been recognised in 20X1 were incorrectly omitted from 20X1 and recognised as revenue in 20X2.

The entity's accounting records for 20X2 show revenue from taxation of R60,000 (including the R6,500 taxation which should have been recognised in 20X1), and expenses of R86,500.

In 20X1, the entity reported:

Revenue from taxation	34,000
User charges	3,000
Other operating revenue	30,000
Total revenue	67,000
Expenses	(60,000)
Surplus	7,000

ENTITY - STATEMENT OF FINANCIAL PERFORMANCE (EXTRACT)

	20x2	20x1
		(restated)
Revenue from taxation	53,500	40,500
User charges	4,000	3,000
Other operating revenue	40,000	30,000
Total revenue	97,500	73,500
Expenses	(86,500)	(60,000)
Surplus	11,000	13,500

ENTITY - STATEMENT OF CHANGES IN NET ASSETS

	20X2	20x1
		(restated)
Opening accumulated surpluses as previously reported	17,000	10,000
Correction of error (Note 1)	6,500	-
Opening accumulated surpluses	23,500	10,000
Surplus	11,000	13,500
Closing accumulated surpluses	34,500	23,500

Changes in Accounting Policies

Example 2. Change in accounting policy with retrospective application

During 20X2, the entity changed its accounting policy with respect to the treatment of borrowing costs that are directly attributable to the acquisition of a hydro-electric power station which is under construction. In previous periods, the entity had capitalised such costs in accordance with the allowed treatment in Standard of GRAP on Borrowing Costs. The entity has now decided to expense, rather than capitalise, these costs in order to conform to the benchmark treatment in the Standard of GRAP on Borrowing Costs.

The entity capitalised borrowing costs of R2,600 during 20X1 and R5,200 in periods prior to 20X1. All borrowing costs incurred in previous years with respect to the acquisition of the power station were capitalised.

The accounting records for 20X2 show a surplus from operating activities before interest of R30,000; and interest expense of R3,000 (which relates only to 20X2).

In 20X1, the entity reported:

Surplus from operating activities before interest	18,000
Interest expense	-
Surplus	18,000

Opening accumulated surpluses for 20X1 were R20,000 and closing accumulated surpluses were R38,000.

ENTITY - STATEMENT OF FINANCIAL PERFORMANCE (EXTRACT)

	20x2	20x1
		(restated)

Surplus from operating activities before interest	30,000	18,000
Interest expense	(3,000)	(2,600)
Surplus	27,000	15,400

ENTITY - STATEMENT OF CHANGES IN NET ASSETS

	20x2	20x1
		(restated)
Opening accumulated surpluses as previously reported	38,000	20,000
Change in accounting policy with respect to the capitalisation of interest (Note 1)	(7,800)	(5,200)
Opening accumulated surpluses as restated	30,200	14,800
Surplus	27,000	15,400
Closing accumulated surpluses	57,200	30,200

Extracts from notes to the financial statements

- During 20X2, the entity changed its accounting policy with respect to the treatment of borrowing costs relating to a hydro-electric power station which is in the course of construction for use. In order to conform to the benchmark treatment in the Standard of GRAP on Borrowing Costs, the entity now expenses rather than capitalises such costs. This change in accounting policy has been accounted for retrospectively. The comparative statements for 20X1 have been restated to conform to the changed policy. The effect of the change is an increase in interest expense of R3,000 (20X2) and R2,600 (20X1). Opening accumulated surpluses for 20X1 have been reduced by R5,200 which is the amount of the adjustment relating to periods prior to 20X1.

Prospective application of a change in accounting policy when retrospective application is not practicable

Example 3. Prospective application of a change in accounting policy when retrospective application is not practicable

During 20X2, the entity changed its accounting policy for depreciating property, plant and equipment, so as to apply much more fully a components approach, whilst at the same time adopting the revaluation model.

In the years before 20X2, the entity's asset records were not sufficiently detailed to apply a components approach fully. At the end of 20X1, management commissioned an engineering survey, which provided information on the components held and their fair values, useful lives, estimated residual values and depreciable amounts at the beginning of 20X2. However, the survey did not provide a sufficient basis for reliably estimating the cost of those components that had not previously been accounted for separately, and the existing records before the survey did not permit this information to be reconstructed.

The entity's management considered how to account for each of the two aspects of the accounting change. It determined that it was not practicable to account for the change to a fuller components approach retrospectively, or to account for that change prospectively from any earlier date than the start of 20X2. Also, the change from a cost model to a revaluation model is required to be accounted for prospectively. Therefore, management concluded that it should apply the entity's new policy prospectively from the start of 20X2.

Additional information:

The entity's tax rate is 30 per cent.	
	R
Property, plant and equipment at the end of 20X1:	
Cost	25,000
Depreciation	(14,000)
Net book value	11,000
Prospective depreciation expense for 20X2 (old basis)	1,500
Some results of the engineering survey:	
Valuation	17,000
Estimated residual value	3,000
Average remaining asset life (years)	7
Depreciation expense on existing property, plant and equipment for 20X2 (new basis)	2,000

Extract from the notes

- From the start of 20X2, the entity changed its accounting policy for depreciating property, plant and equipment, so as to apply much more fully a components approach, whilst at the same time adopting the revaluation model. Management takes the view that this policy provides reliable and more relevant information

because it deals more accurately with the components of property, plant and equipment and is based on up-to-date values. The policy has been applied prospectively from the start of 20X2 because it was not practicable to estimate the effects of applying the policy either retrospectively, or prospectively from any earlier date. Accordingly, the adoption of the new policy has no effect on prior years. The effect on the current year is to increase the carrying amount of property, plant and equipment at the start of the year by R6,000; increase the opening deferred tax provision by R1,800; create a revaluation reserve at the start of the year of R4,200; increase depreciation expense by R500; and reduce tax expense by R150.

COMPARISON WITH THE INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARD ON NET SURPLUS OR DEFICIT FOR THE PERIOD, FUNDAMENTAL ERRORS AND CHANGES IN ACCOUNTING POLICIES (MAY 2000)

The Standard of Generally Recognised Accounting Practice on Accounting Policies, Changes in Accounting Estimates and Errors (GRAP 3) is drawn primarily from the International Public Sector Accounting Standard on Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies (IPSAS 3). The main differences between GRAP 3 and IPSAS 3 are as follows:

- . GRAP 3 has incorporated changes proposed to the International Accounting Standards under the improvements project of the International Accounting Standards Board (IASB). This includes the transfer of requirements for the selection and application of accounting policies to the Standard of GRAP on Presentation of Financial Statements, amongst others.
- . The scope of GRAP 3 is different to IPSAS 3 in that government business enterprises are defined differently.
- . IPSAS 3 describes the residue of total assets after deducting total liabilities as "net assets / equity" whereas GRAP 3 refers to "net assets".
- . The term "management" has been introduced in GRAP 3 to describe those persons that are charged with the responsibility for the governance of an entity.
- . Extraordinary items as a separate line item in the statement of financial performance have been eliminated. Consequently, the definitions of "surplus/deficit from ordinary activities", "ordinary activities" and "net surplus or deficit" have been deleted.
- . Paragraphs included in IPSAS 3 have been transferred to the Framework for the Preparation and Presentation of Financial Statements and have been deleted from GRAP 3, for instance, paragraphs that covered future economic benefits or service potential and net assets.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.992 of 15 December 2005: National Treasury Public Finance Management Act, 1999: Prescribing Standards of Generally Accepted Municipal Accounting Practice (GAMAP) in terms of Section 91

GNR.992 of 15 December 2005: National Treasury Public Finance Management Act, 1999: Prescribing Standards of Generally Accepted Municipal Accounting Practice (GAMAP) in terms of Section 91

NATIONAL TREASURY

The Minister of Finance has, in terms of [Section 91](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), prescribed the following GAMAP Standards as set by the Accounting Standards Board in terms of Section 89:

- . The Effects of Changes in Foreign Exchange Rates (GAMAP 4)
- . Consolidated Financial Statements and Accounting for Controlled Entities (GAMAP 6)
- . Accounting for Investments in Associates (GAMAP 7)
- . Financial Reporting of Interests in Joint Ventures (GAMAP 8)
- . Revenue (GAMAP 9)
- . Inventories (GAMAP 12)
- . Property, Plant and Equipment (GAMAP 17)
- . Provisions, Contingent Liabilities and Contingent Asset (GAMAP 19)

The implementation of the Standards of GAMAP is aligned with the implementation of the Municipal Finance Management Act (MFMA), Act [No. 45 of 2003](#). The details thereof are contained in the MFMA Circular No. 18. The annual financial statements as provided for in the MFMA Circular No. 18 and any updates thereof form part of this regulation.

(Logo)

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STANDARDS OF GENERALLY ACCEPTED MUNICIPAL ACCOUNTING PRACTICE

ARRANGEMENT OF REGULATIONS

OLD GAMAP	Preface to the standards of GAMAP
Appendix I	New GAMAP
Appendix II²	Guidance on issues not covered by GAMAP
GAMAP 4	The effects of changes in foreign exchange rates
GAMAP 6	Consolidated financial statements and accounting for controlled entities
GAMAP 7	Accounting for investments in associates
GAMAP 8	Financial reporting of interest in joint ventures
GAMAP 9	Revenue
GAMAP 12	Inventories
GAMAP 17	Property, plant and equipment
GAMAP 19	Provisions, contingent liabilities and contingent assets

Footnotes

- 2 There is no requirement to comply with the guidance set out in this appendix to claim compliance with GAMAP.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.992 of 15 December 2005: National Treasury Public Finance Management Act, 1999: Prescribing Standards of Generally Accepted Municipal Accounting Practice (GAMAP) in terms of Section 91/ OLD GAMAP Preface to the Standards of Generally Accepted Municipal Accounting Practice

OLD GAMAP

Preface to the Standards of Generally Accepted Municipal Accounting Practice

This preface is issued to explain the transformation from the existing Statements of Generally Accepted Municipal Accounting Practice to the revised Standards of Generally Accepted Municipal Accounting Practice being issued at present. It also explains the application, scope and authority of the Standards of Generally Accepted Municipal Accounting Practice in relation to Standards of Generally Recognised Accounting Practice. For more guidance, this preface should be read in conjunction with the preface to the Standards of Generally Recognised Accounting Practice.

Background to the existing Statements of Generally Accepted Municipal Accounting Practice (old GAMAP)

1. The National Treasury commissioned a study to develop statements of generally recognised accounting practices for local government in July **1997**. The statements that were developed (old GAMAP) were based on the Statements of Generally Accepted Accounting Practice (SA GAAP) as at 30 November **1997** with the exception of GAMAP **114**. SA GAAP was in the process of being harmonised with International Accounting Standards at the time that old GAMAP was being developed. A number of the SA GAAP Statements on which old GAMAP is based have subsequently been revised or withdrawn.

2. GAMAP **114**, titled Accounting for Statutory Funds, Reserves and Capital Receipts, is the only Statement of old GAMAP that is not based on SA GAAP. It was developed to give recognition to the funding of property, plant and equipment (the old GAMAP accounting model) and the National Treasury's policy on reserving and statutory funds. There is however, no legal framework in place to support the accounting treatment adopted in GAMAP **114**.

Process for issuing the revised Standards of Generally Accepted Municipal Accounting Practice (new GAMAP)

3. The Accounting Standards Board has reviewed old GAMAP with a view to amend as appropriate or withdrawing individual Statements if considered to be in conflict with the International Public Sector Accounting Standards (IPSASs) on which the Standards that the Board is developing are based.

4. The broad findings of the review were as follows:

- (a) Most of the SA GAAP Statements that were used as a basis to develop equivalent Statements of old GAMAP have changed.
- (b) As indicated above, there is no comparative SA GAAP for GAMAP 114.

- (c) A number of IPSASs have now been issued that cover topics addressed by old GAMAP Statements.
- (d) There are a number of new accounting statements in SA GAAP for which there are no equivalent old GAMAP Statements.

5. The revised standards issued as a result of this review are known as Standards of Generally Accepted Municipal Accounting Practice (new GAMAP). A table setting out the old Statements and new Standards of GAMAP is attached as Appendix I.

Need for new GAMAP

6. The need to issue and implement new GAMAP is driven, inter alia, by the following main factors:

- . Old GAMAP is no longer up to date.
- . Significant capacity building has taken place since the Minister of Finance approved old GAMAP in October 1998, and an anti-GAMAP sentiment has moved to an eagerness to implement it. Momentum to improve financial reporting should not be lost.
- . The enactment of the Municipal Finance Management Act, which requires the different categories of municipalities to base their financial statements on Standards of Generally Recognised Accounting Practice.

7. The Board has therefore decided to reduce the exposure period for new GAMAP to two months in recognition of the process adopted in the development of old GAMAP and the extent of consultation and training that has taken place to date.

Replacement of new GAMAP by GRAP

8. When issued, Standards of Generally Recognised Accounting Practice will supersede the equivalent new GAMAP Standard.

9. More information on the Board's strategy and process for the development of Standards of Generally Recognised Accounting Practice is set out in the Preface to Standards of Generally Recognised Accounting Practice.

Numbering of new GAMAP

10. The numbering of new GAMAP is based on the numbering of the IPSAS Standards. Thus, a new GAMAP Standard has the same number as the equivalent IPSAS.

Application of new GAMAP

11. New GAMAP is applicable to municipalities. Boards, commissions, companies, corporations, funds or other entities under the ownership control of a municipality are encouraged to comply with new GAMAP in order to facilitate the preparation of consolidated financial statements by municipalities.

12. The implementation of new GAMAP will recognise that capacities will differ at the different categories of municipalities. New GAMAP will apply from a date determined in a regulation by the Minister of Finance after consultation with the Board.

Exemptions

13. The Minister may exempt a municipality from compliance with one or Standards of GAMAP or a specific requirement thereof. The National Treasury will administer the process of applying for exemptions.

Guidance on issues not covered by new GAMAP

14. The Board recognises that the scope of new GAMAP is incomplete and that users will seek guidance in respect of those issues not considered. The attention of preparers is drawn to the following paragraph in the exposure draft of the Standard of Generally Recognised Accounting Practice on Accounting Policies, Changes in Accounting Estimates and Errors:

"In the absence of a particular Standard of Generally Recognised Accounting Practice that specifically applies to a transaction, other event or condition, management shall use its judgement in developing and applying an accounting policy that results in information that is:

- (a) relevant to the economic decision-making needs of users; and
- (b) reliable in that the financial statements:
 - (i) represent faithfully the financial position, financial performance and cash flows of the entity;
 - (ii) reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
 - (iii) are neutral, i.e. free from bias;
 - (iv) are prudent; and
 - (v) are complete in all material respects.

In making the judgement described in the paragraph above, management shall refer to and consider the

applicability of the following sources in descending order:

- (a) the requirements and guidance in the Standards of Generally Recognised Accounting Practice, dealing with similar and related issues; and
- (b) the definitions, recognition criteria and measurement concepts for assets, liabilities, revenue and expenses set out in the Framework for the Preparation and Presentation of Financial Statements.

In making the judgement prescribed in the paragraph above, management may also consider the most recent pronouncements of other standard-setting bodies and accepted public or private sector practices to the extent, but only to the extent, that these are consistent with the requirements in the paragraph above. For example, pronouncements of, in descending order, the International Federation of Accountants - Public Sector Committee, the International Accounting Standards Board (including the Framework for the Preparation and Presentation of Financial Statements), the South African Accounting Practices Board and the South African Institute of Chartered Accountants' Accounting Practices Committee."

15. A table of such available sources is set out in Appendix II. The Board has not yet considered the guidance contained in these Standards, nor has it determined the appropriateness of applying these Standards in a municipality. Accordingly, there is no requirement to comply with the guidance in this list to claim compliance with new GAMAP.

16. Fair presentation of financial statements depends, *inter alia*, on the appropriateness and application of the accounting policies adopted in their preparation. Whilst applying GAMAP will assist in achieving fair presentation, the adoption of these Standards will not by itself achieve that objective, as the scope of new GAMAP is not comprehensive.

17. Additional disclosures in the financial statements that are required by legislation are not repeated in new GAMAP.

Effective date

18. New GAMAP is effective for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with [section 91 \(1\) \(b\)](#) of the Public Finance Management Act, Act [No. 1 of 1999](#) (PFMA), as amended.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.992 of 15 December 2005: National Treasury Public Finance Management Act, 1999: Prescribing Standards of Generally Accepted Municipal Accounting Practice (GAMAP) in terms of Section 91/ Appendix I New GAMAP

**Appendix I
New GAMAP**

The table below lists the new **GAMAP** Standards that replaced the old **GAMAP** Statements. The table sets out the statements that comprised old **GAMAP** and the status of the topics included under new **GAMAP** and, where relevant, **GRAP** where a Standard in the latter series is already being developed.

<i>Old GAMAP Reference</i>	<i>Title</i>	<i>New reference</i>
GAMAP 000	Framework for the Preparation and Presentation of Financial Statements	GRAP 0 ¹
GAMAP 100	Presentation of Financial Statements	GRAP 1
GAMAP 101	Net Surplus or Deficit for the Period, Fundamental Errors and Changes in Accounting Policies (now Accounting Policies, Changes in Accounting Estimates and Errors)	GRAP 3
GAMAP 102	Accounting for Leases in the Financial Statements of Lessees	Withdrawn
GAMAP 103	Provisions, Contingent Liabilities and Contingent Assets and Events Occurring After the Balance Sheet Date(now Provisions, Contingent Liabilities and Contingent Assets)	GAMAP 19
Not a separate statement	Events After the Balance Sheet Date	Withdrawn
GAMAP 104	Inventories	GAMAP 12
GAMAP 105	Accounting for Investments in Associates and Subsidiaries (now Accounting for Investments in Associates)	GAMAP 7
Not a separate statement	Consolidated Financial Statements and Accounting for Controlled Entities	GAMAP 6

GAMAP 106	Revenue	GAMAP 9
GAMAP 107	The Effects of Changes in Foreign Exchange Rates	GAMAP 4
GAMAP 108	Lessor Accounting	Withdrawn
GAMAP 109	Research and Development Costs	Withdrawn
GAMAP 110	Retirement Benefit Costs	Withdrawn
GAMAP 111	Cash Flow Statements	GRAP 2
GAMAP 112	Financial Reporting of Interests in Joint Ventures	GAMAP 8
GAMAP 113	Property, Plant and Equipment	GAMAP 17
GAMAP 114	Accounting for Statutory Funds, Reserves and Capital Receipts	Withdrawn

Footnotes

- 1 In the process of finalisation.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.992 of 15 December 2005: National Treasury Public Finance Management Act, 1999: Prescribing Standards of Generally Accepted Municipal Accounting Practice (GAMAP) in terms of Section 91/ Appendix II2 Guidance on issues not covered by GAMAP

Appendix II² **Guidance on issues not covered by GAMAP**

The table below provides a list of available sources where the items are not covered by the scope of new GAMAP:

<i>Reference</i>	<i>Title</i>
IPSAS 5	Borrowing Costs
IPSAS 11	Construction Contracts
IPSAS 13	Leases
IPSAS 14	Events After the Reporting Date
IPSAS 15	Financial Instruments: Disclosure and Presentation
IPSAS 16	Investment Property
IPSAS 18	Segment Reporting
IPSAS 20	Related Parties
IAS 12	Income Taxes
IAS 19	Employee Benefits
IAS 22	Business Combinations
IAS 35	Discontinuing Operations
IAS 36	Impairment of Assets
IAS 38	Intangible Assets
IAS 39	Financial Instruments: Recognition and Measurement
IAS 41	Agriculture

Footnotes

- 2 There is no requirement to comply with the guidance set out in this appendix to claim compliance with GAMAP.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.992 of 15 December 2005: National Treasury Public Finance Management Act, 1999: Prescribing Standards of Generally Accepted Municipal Accounting Practice (GAMAP) in terms of Section 91/ GAMAP 4 The Effects of Changes in Foreign Exchange Rates

GAMAP 4 **The Effects of Changes in Foreign Exchange Rates**

Standards of Generally Accepted Municipal Accounting Practice (GAMAP)

Introduction

The Accounting Standards Board (Board) is required in terms of the Public Finance Management Act, Act [No. 1 of 1999](#), as amended (PFMA), to determine generally recognised accounting practice referred to as Standards of Generally Recognised Accounting Practice (GRAP).

The Board must determine GRAP for:

- (a) departments (national and provincial);
- (b) public entities;
- (c) constitutional institutions;
- (d) municipalities and boards, commissions, companies, corporations, funds or other entities under the ownership control of a municipality; and
- (e) Parliament and the provincial legislatures.

The above are collectively referred to as "entities" Standards of GRAP.

The Board considers that the Standards of GAMAP constitute GRAP for municipalities.

GAMAP is an interim solution until such time as it is replaced by a Standard of GRAP.

Any limitation of the applicability of specific Standards is made clear in those Standards.

The Standard of GAMAP on The Effects of Changes in Foreign Exchange Rates is set out in paragraphs .01 - .16. All paragraphs in this Standard have equal authority. The authority of appendices is dealt with in the preamble to each appendix. This Standard should be read in the context of its objective, the Preface to Standards of GRAP, the Preface to Standards of GAMAP and the Framework for the Preparation and Presentation of Financial Statements.

Reference may be made here to a Standards of GRAP that has not been issued at the time of issue of this Standard. This is done to avoid having to change the Standards already issued when a later Standard is subsequently issued. Paragraph .12 of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors provides a basis for selecting and applying accounting policies in the absence of explicit guidance.

Objective

An entity may have transactions in foreign currencies. In order to include foreign currency transactions in the financial statements of an entity, transactions must be expressed in the entity's reporting currency.

The principal issues in accounting for foreign currency transactions are to decide which exchange rate to use and how to recognise the financial effect of changes in exchange rates in the financial statements.

Scope

.01 An entity which prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for transactions (including the subsequent reporting of monetary and non-monetary items) in foreign currencies.

.02 This Standard deals with the presentation of revenue, expenses, liabilities and assets arising from transactions in a foreign currency. It does not deal with the presentation in a cash flow statement of cash flows arising from transactions in a foreign currency (see the Standard of Generally Recognised Accounting Practice on Cash Flow Statements).

Definitions

.03 The following terms are used in this Standard with the meanings specified:

"Accrual basis" means a basis of accounting under which transactions and other events are recognised when they occur (and not only when cash or its equivalent is received or paid). Therefore, the transactions and events are recorded in the accounting records and recognised in the financial statements of the periods to which they relate. The elements recognised under accrual accounting are assets, liabilities, net assets, revenue and expenses.

"Cash flows" are inflows and outflows of cash and cash equivalents. Closing rate is the spot exchange rate at the reporting date.

"Exchange difference" is the difference resulting from translating a given number of units of one currency into another currency at different exchange rates.

"Exchange rate" is the ratio for exchange of two currencies.

"Expenses" are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets, other than those relating to distributions to owners.

"Fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

"Foreign" currency is a currency other than the functional currency of an entity.

"Monetary Items" are money held and assets and liabilities to be received or paid in fixed or determinable amounts of money.

"Transaction date" is the date upon which the entity is irrevocably committed to the transaction.

"Reporting currency" is the currency used in presenting the financial statements.

"Reporting date" means the date of the last day of the reporting period to which the financial statements relate.

"Revenue" is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

"Spot rate" is the exchange rate at the date of the transaction.

Initial recognition

.04 Subject to restrictions imposed by legislation, a foreign currency transaction is a transaction which is denominated in or requires settlement in a foreign currency, including transactions arising when an entity either:

- (a) buys or sells goods or services of which the price is denominated in a foreign currency,
- (b) borrows or lends funds when the amounts payable or receivable are denominated in a foreign currency,
- (c) becomes a party to an unperformed foreign exchange contract, or
- (d) otherwise acquires or disposes of assets, or incurs or settles liabilities, denominated in a foreign currency.

.05 A foreign currency transaction shall be recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

.06 The exchange rate at the date of the transaction is often referred to as the spot rate. For practical reasons, a rate that approximates the actual rate at the date of the transaction is often used, for example, an average rate for a week or a month might be used for all transactions in each foreign currency occurring during that period. However, if exchange rates fluctuate significantly, the use of the average rate for a period is unreliable.

Reporting at subsequent reporting dates

.07. At each reporting date:

- (a) foreign currency monetary items shall be reported using the closing rate,
- (b) non-monetary items which are carried in terms of historical cost denominated in a foreign currency shall be reported using the exchange rate at the date of the transaction, and
- (c) non-monetary items which are carried at fair value denominated in a foreign currency shall be reported using the exchange rates that existed when the values were determined.

.08 The carrying amount of an item is determined in accordance with the relevant Standard of Generally Accepted Municipal Accounting Practice, the International Public Sector Accounting Practice Standard or the Statement of Generally Accepted Accounting Practice. For example, certain financial instruments and property, plant and equipment may be measured at fair value or at historical cost. Whether the carrying amount is determined based on historical cost or fair value, the amounts so determined for foreign currency items are then reported in the reporting currency in accordance with this Standard.

Recognition of exchange differences

.09 Paragraphs .10 and .11 set out the accounting treatment required by this Standard in respect of exchange differences on foreign currency transactions. These paragraphs include the benchmark treatment for exchange differences that result from a severe devaluation or depreciation of a currency against which there is no practical means of hedging and that affects liabilities which cannot be settled and which arise directly from the recent acquisition of assets invoiced in a foreign currency. The allowed alternative treatment for such exchange differences is set out in paragraph .13.

.10 Exchange differences arising on the settlement of monetary items or on reporting an entity's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, shall be recognised as revenue or as expenses in the period in which they arise.

.11 An exchange difference results when there is a change in the exchange rate between the transaction date and the date of settlement of any monetary items arising from a foreign currency transaction. When the transaction is settled within the same accounting period as that in which it occurred, all the exchange difference is recognised in that period. However, when the transaction is settled in a subsequent accounting period, the exchange difference recognised in each intervening period up to the period of settlement is determined by the change in exchange rates during that period.

Allowed alternative treatment

.10. **.12.** The benchmark treatment for exchange differences dealt with in paragraph .13 is set out in paragraph .10.

.13 Exchange differences may result from a severe devaluation or depreciation of a currency against which there is no practical means of hedging and that affects liabilities which cannot be settled and which arise directly from the recent acquisition of an asset invoiced in a foreign currency. Such exchange differences shall be included in the carrying amount of the related asset.

.14 Exchange differences are not included in the carrying amount of an asset when the entity is able to settle or hedge the foreign currency liability arising from the acquisition of the asset. However, exchange losses are part of the directly attributable costs of the asset when the liability cannot be settled and there is no practical means of hedging, for example when, as a result of exchange controls, there is a delay in obtaining foreign currency. Therefore, under the allowed alternative treatment, the cost of an asset invoiced in a foreign currency is regarded as the amount of reporting currency that the entity ultimately has to pay to settle its liabilities arising directly from the recent acquisition of the asset.

Disclosure

.15 An entity shall disclose the following:

- (a) The amount of exchange differences included in the surplus or deficit for the period, distinguishing between those arising from borrowing and operating activities, and
- (b) The amount of exchange differences arising during the period which is included in the carrying amount of an asset in accordance with the allowed alternative treatment in paragraph. 13.

Effective date

.16 This Standard of Generally Accepted Municipal Accounting Practice becomes effective for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with [section 91 \(1\) \(b\)](#) of the Public Finance Management Act, Act [No. 1 of 1999](#) as amended.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.992 of 15 December 2005: National Treasury Public Finance Management Act, 1999: Prescribing Standards of Generally Accepted Municipal Accounting Practice (GAMAP) in terms of Section 91/ GAMAP 6 Consolidated Financial Statements and Accounting for Controlled Entities

GAMAP 6 Consolidated Financial Statements and Accounting for Controlled Entities

Standards of Generally Accepted Municipal Accounting Practice (GAMAP)

Introduction

The Accounting Standards Board (Board) is required in terms of the Public Finance Management Act, Act [No. 1 of 1999](#), as amended (PFMA), to determine generally recognised accounting practice referred to as Standards of Generally Recognised Accounting Practice (GRAP).

The Board must determine GRAP for:

- (a) departments (national and provincial);
- (b) public entities;
- (c) constitutional institutions;
- (d) municipalities and boards, commissions, companies, corporations, funds or other entities under the ownership control of a municipality; and
- (e) Parliament and the provincial legislatures.

The above are collectively referred to as 'entities' Standards of GRAP.

The Board considers that the Standards of GAMAP constitute GRAP for municipalities.

GAMAP is an interim solution until such time as it is replaced by a Standard of GRAP.

Any limitation of the applicability of specific Standards is made clear in those Standards.

The Standard of GAMAP on Consolidated Financial Statements and Accounting for Controlled Entities is set out in paragraphs .01 - .44. All paragraphs in this Standard have equal authority. The authority of appendices is dealt with in the preamble to each appendix. This Standard should be read in the context of its objective, the Preface to Standards of GRAP, the Preface to Standards of GAMAP and the Framework for the Preparation and Presentation of Financial Statements.

Reference may be made here to a Standards of GRAP that has not been issued at the time of issue of this Standard. This is done to avoid having to change the Standards already issued when a later Standard is

subsequently issued. Paragraph .12 of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors provides a basis for selecting and applying accounting policies in the absence of explicit guidance.

Scope

.01 An entity which prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in the preparation and presentation of consolidated financial statements for an economic entity.

.02 This Standard shall also be applied in accounting for controlled entities in a controlling entity's separate financial statements.

.03. Consolidated financial statements are encompassed by the term "financial statements" included in the Preface to Standards of Generally Accepted Municipal Accounting Practice. Therefore, consolidated financial statements are prepared in accordance with Standards of Generally Accepted Municipal Accounting Practice.

.04. This Standard does not deal with:

- (a) methods of accounting for entity combinations and their effects on consolidation, including goodwill arising on an entity combination (guidance on accounting for entity combinations can be found in the International Accounting Standard on Business Combinations),
- (b) accounting for investments in associates (see the of Generally Accepted Municipal Accounting Practice on Accounting for Investments in Associates), and
- (c) accounting for investments in joint ventures (see the Standard of Generally Accepted Municipal Accounting Practice on Financial Reporting of Interests in Joint Ventures).

Definitions

.05 The following terms are used in this Standard with the meanings specified:

"Accounting policies" are the specific principles, bases, conventions, rules and practices adopted by an entity in preparing and presenting financial statements.

"Accrual basis" means a basis of accounting under which transactions and other events are recognised when they occur (and not only when cash or its equivalent is received or paid). Therefore, the transactions and events are recorded in the accounting records and recognised in the financial statements of the periods to which they relate. The elements recognised under accrual accounting are assets, liabilities, net assets, revenue and expenses.

"Assets" are resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.

"Associate" is an entity in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor.

"Cash" comprises cash on hand and demand deposits.

"Consolidated financial statements" are the financial statements of an economic entity presented as those of a single entity.

"Contributions from owners" is future economic benefits or service potential that have **been** contributed to the entity by parties external to the entity that establish a financial interest in the net assets of the entity, provided that the contributions:

- (a) do not result in liabilities of the entity, and
- (b) meet the following test, that they:
 - (i) convey entitlement both to distributions of future economic benefits or service potential by the entity during its life, such distributions being at the discretion of the owners or their representatives, and to distributions to any excess of assets over liabilities in the event of the entity being wound up, and/or
 - (ii) can be sold, exchanged, transferred or redeemed.

"Control" is the **power** to govern the financial and operating policies of another entity so as to benefit from its activities.

"Controlled entity" is an entity that is under the control of another entity (known as the controlling entity).

"Controlling entity" is an entity that has one or more controlled entities.

"Distributions to owners" is future economic benefits or service potential distributed by the entity to all or some of its owners, either as a return on investment or as a return of investment.

"Economic entity" means a group of entities comprising a controlling entity and one or more controlled entities.

"Equity method" is a method of accounting whereby the investment is initially recorded at cost and adjusted thereafter for the post-acquisition change in the investor's share of net assets of the investee. The statement of

financial performance reflects the investor's share of the results of operations of the investee.

"Expenses" are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets, other than those relating to distributions to owners.

"Investor" in a **joint** venture is a party to a joint venture and does not have joint control over that joint venture.

"Joint control" is the agreed sharing of control over an activity by a binding arrangement.

"Joint venture" is a binding arrangement whereby two or more parties are committed to undertake an activity which is subject to joint control.

"Liabilities" are present obligations of the entity arising from past events, the **settlement** of which is expected to result in an outflow from the entity of resources embodying economic benefits or service potential.

"Minority interest" is that portion of the surplus or deficit and of net assets of a controlled entity attributable to interests that are not owned, directly or indirectly through controlled entities, by the controlling entity.

"Net assets" is the residual interest in the assets of the entity after deducting all its liabilities.

"Surplus or deficit" comprises the following components:

- (a) surplus or deficit from ordinary activities, and
- (b) extraordinary items.

"Reporting date" means the date of the last day of the reporting period to which the financial statements relate.

"Revenue" is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

"Significant influence" is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

Economic entity

.06 The term "economic entity" is used in this Standard to define, for financial reporting purposes, a group of entities comprising the controlling entity and any controlled entities.

.07 Other terms sometimes used to refer to an economic entity include **"administrative** entity", "financial entity", "consolidated entity" and "group".

.08 An economic entity may include entities with both social policy and commercial objectives.

Presentation of consolidated financial statements

.09 A controlling entity shall present consolidated financial statements.

Scope of consolidated financial statements

.10 A controlling entity which issues consolidated financial statements shall consolidate all controlled entities, other than those referred to in paragraph .11.

.11 A controlled entity shall be excluded from consolidation when:

- (a) control is intended to be temporary because the controlled entity is acquired and held exclusively with a view to its subsequent disposal in the near future, or
- (b) it operates under severe external long-term restrictions which prevent the controlling entity from benefiting from its activities.

.12 Such controlled entities should be accounted for as if they are investments. The International Accounting Standard on Financial Instruments: Recognition and Measurement provides guidance on accounting for investments.

.13 An example of temporary control is where a controlled entity is acquired with a firm plan to dispose of it in the short term. This may occur where an economic entity is acquired and an entity within it is to be disposed of because its activities are dissimilar to those of the acquirer. Temporary control also occurs where the controlling entity intends to cede control over a controlled entity to another entity. For this exemption to apply, the controlling entity must be demonstrably committed to a formal plan to dispose of, or no longer control, the entity that is subject to temporary control. For the exemption to apply at more than one successive reporting date, the controlling entity must demonstrate an ongoing intent to dispose of, or no longer control, the entity that is subject to temporary control. An entity is demonstrably committed to dispose of, or no longer control, another entity when it has a formal plan to do so and there is no realistic possibility of withdrawal from that plan.

.14 An entity may be subject to severe restrictions outside its control that prevent the other entity from benefiting from its activities. Under the circumstances, control is unlikely to exist and the consolidation procedures in this Standard would no longer apply.

Establishing control of another entity for financial reporting purposes

.15 Whether an entity controls another entity for financial reporting purposes is a matter of judgement based on the definition of control in this Standard and the particular circumstances of each case. That is, consideration needs to be given to the nature of the relationship between the two entities. In particular, the two elements of the definition of control in this Standard need to be considered. These are the power element (the power to govern the financial and operating policies of another entity) and the benefit element (which represents the ability of the controlling entity to benefit from the activities of the other entity).

.16 For the purposes of establishing control, the controlling entity needs to benefit from the activities of the other entity. For example, an entity may benefit from the activities of another entity in terms of a distribution of its surpluses (such as a dividend) and is exposed to the risk of a potential loss. In other cases, an entity may not obtain any financial benefits from the other entity but may benefit from its ability to direct the other entity to work with it to achieve its objectives. It may also be possible for an entity to derive both financial and non-financial benefits from the activities of another entity. For example, an entity may provide the controlling entity with a dividend and also enable it to achieve some of its social policy objectives.

Control for financial reporting purposes

.17 For the purposes of financial reporting, control stems from an entity's power to govern the financial and operating policies of another entity and does not necessarily require an entity to hold a majority shareholding or other equity interest in the other entity. The power to control must be presently exercisable. That is, the entity must already have had this power conferred upon it by legislation or some formal agreement. The power to control is not presently exercisable if it requires changing legislation or renegotiating agreements in order to be effective. This should be distinguished from the fact that the existence of the power to control another entity is not dependent upon the probability or likelihood of that power being exercised.

.18 Similarly, the existence of control does not require an entity to have responsibility for the management of (or involvement in) the day-to-day operations of the other entity. In many cases, an entity may only exercise its power to control another entity where there is a breach or revocation of an agreement between the controlled entity and its controlling entity.

.19 The power of one entity to govern decision-making in relation to the financial and operating policies of another entity is insufficient, in itself, to ensure the existence of control as defined in this Standard. The controlling entity needs to be able to govern decision-making so as to be able to benefit from its activities, for example by enabling the other entity to operate with it as part of an economic entity in pursuing its objectives. This will have the effect of excluding from the definitions of a "controlling entity" and "controlled entity" relationships which do not extend beyond, for instance, that of a Municipal Financial Recovery Service and the entity being unable to meet its obligations or financial commitments, and would normally exclude a lender and borrower relationship. Similarly, a trustee whose relationship with a trust does not extend beyond the normal responsibilities of a trustee would not be considered to control the trust for the purposes of this Standard.

Regulatory and purchase power

.20 Governments and their agencies have the power to regulate the behaviour of many entities by use of their sovereign or legislative powers. Regulatory and purchase powers do not constitute control for the purposes of financial reporting. To ensure that the financial statements of entities include only those resources that they control and can benefit from, the meaning of control for the purposes of this Standard does not extend to:

- (a) the power of the legislature to establish the regulatory framework within which entities operate and to impose conditions or sanctions on their operations. Such power does not constitute control by an entity of the assets deployed by these entities. For example, a pollution control authority may have the power to close down the operations of entities that are not complying with environmental regulations. However, this power does not constitute control because the pollution control authority only has the power to regulate, or
- (b) entities that are economically dependent on a public sector entity. That is, where an entity retains discretion as to whether it will take funding from, or do business with, a public sector entity, that entity has the ultimate power to govern its own financial or operating policies, and accordingly is not controlled by the public sector entity. For example, a municipality may be able to influence the financial and operating policies of a municipal entity which is dependent on it for funding or a profit-orientated entity that is economically dependent on business from it. Accordingly, the entity has some power as a purchaser but not to govern the entity's financial and operating policies.

Determining whether control exists for financial reporting purposes

.21 Entities may create other entities to achieve some of their objectives. In some cases it may be clear that an entity is controlled, and hence should be consolidated. In other cases it may not be clear. Paragraphs .22 and .23 provide guidance to help determine whether or not control exists for financial reporting purposes.

.22 In examining the relationship between two entities, control is presumed to exist when at least one of the following power conditions and one of the following benefit conditions exists, unless there is clear evidence of control being held by another entity.

Power indicators

- (a) The entity has, directly or indirectly through controlled entities, ownership of a majority voting interest in the other entity.
- (b) The entity has the power, either granted by or exercised within existing legislation, to appoint or

remove a majority of the members of the governing body of the other entity.

- (c) The entity has the power to cast, or regulate the casting of, a majority of the votes that are likely to be cast at a general meeting of the other entity.
- (d) The entity has the power to cast the majority of votes at meetings of the council or equivalent governing body.

Benefit indicators

- (a) The entity has the power to dissolve the other entity and obtain a significant level of the residual economic benefits or bear significant obligations. For example, the benefit condition may be met if an entity had responsibility for the residual liabilities of another entity.
- (b) The entity has the power to extract distributions of assets from the other entity, and/or may be liable for certain obligations of the other entity.

.23 When one or more of the circumstances listed in paragraph .22 does not exist, the following factors are likely, either individually or collectively, to be indicative of the existence of control.

Power indicators

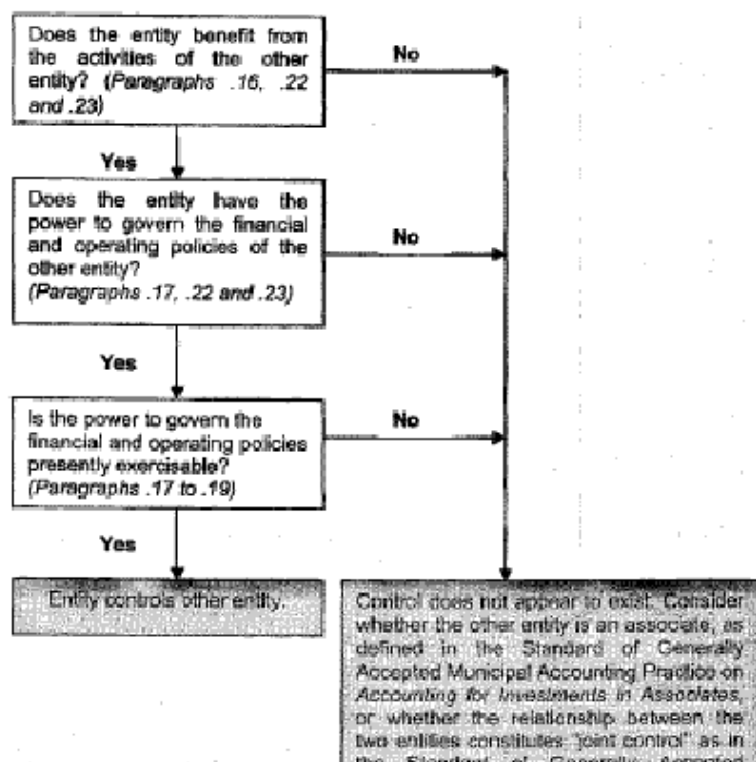
- (a) The entity has the ability to veto operating and capital budgets of the other entity.
- (b) The entity has the ability to veto, overrule, or modify council or equivalent governing body decisions of the other entity.
- (c) The entity has the ability to approve the hiring, reassignment and removal of key personnel of the other entity.
- (d) The mandate of the other entity is established and limited by legislation.
- (e) The entity holds a "golden share"³ (or equivalent) in the other entity that confers rights to govern the financial and operating policies of that other entity.

Benefit indicators

- (a) The entity holds direct or indirect title to the net assets of the other entity with an ongoing right to access these.
- (b) The entity has a right to a significant level of the net assets of the other entity in the event of liquidation or in a distribution other than liquidation.
- (c) The entity is able to direct the other entity to co-operate with it in achieving its objectives.
- (d) The entity is exposed to the residual liabilities of the other entity.

.24 The following diagram indicates the basic steps involved in establishing control of another entity. It should be read in conjunction with paragraphs .15 to .23.

Establishing Control of another Entity for Financial Reporting Purposes



.25 Sometimes a controlled entity is excluded from consolidation when its activities are dissimilar to those of other entities within the economic entity. Exclusion on these grounds is not justified because better information would be provided by consolidating such controlled entities and disclosing additional information in the consolidated financial statements about the different activities of controlled entities. For example, disaggregated disclosures can help to explain the significance of different activities within the economic entity.

Consolidation procedures

.26 In preparing consolidated financial statements, the financial statements of the controlling entity and its controlled entities are combined on a line-by-line basis by adding together like items of assets, liabilities, net assets, revenue and expenses. In order that the consolidated financial statements present financial information about the economic entity as that of a single entity, the following steps are then taken:

- (a) The carrying amount of the controlling entity's investment in each controlled entity and the controlling entity's portion of net assets of each controlled entity are eliminated (the International Accounting Standard on Business Combinations provides guidance on the treatment of any resultant goodwill),
- (b) Minority interests in the surplus or deficit of consolidated controlled entities for the reporting period are identified and adjusted against the surplus or deficit of the economic entity in order to arrive at the surplus or deficit attributable to the owners of the controlling entity, and
- (c) Minority interests in the net assets of consolidated controlled entities are identified and presented in the consolidated statement of financial position separately from liabilities and the controlling entity's net assets. Minority interests in the net assets consist of:
 - (i) the amount at the date of the original combination (the International Accounting Standard on Business Combinations provides guidance on calculating this amount), and
 - (ii) the minority's share of movements in net assets since the date of combination.

.27 Balances and transactions between entities within the economic entity and resulting unrealised gains shall be eliminated in full. Unrealised losses resulting from transactions within the economic entity shall also be eliminated unless cost cannot be recovered.

.28 Balances and transactions between entities within the economic entity, including sales, transfers and revenues recognised consequent to an appropriation or other budgetary authority, expenses and dividends, are eliminated in full. Unrealised surpluses resulting from transactions within the economic entity that are included in the carrying amount of assets, such as inventory and fixed assets, are eliminated in full. Unrealised deficits resulting from transactions within the economic entity that are deducted in arriving at the carrying amount of assets are also eliminated unless cost cannot be recovered.

.29 When the financial statements used in the consolidation are drawn up to different reporting dates, adjustments shall be made for the effects of significant transactions or other events that occur between those dates and the date of the controlling entity's financial statements. In any case the difference between reporting dates shall be no more than three months.

.30 The financial statements of the controlling entity and its controlled entities used in the preparation of the consolidated financial statements are usually drawn up to the same date. When the reporting dates are different, the controlled entity often prepares, for consolidation purposes, statements as at the same date as the economic entity. When it is impracticable to do this, financial statements drawn up to different reporting dates may be used provided the difference is no greater than three months. The consistency principle dictates that the length of the reporting periods and any difference in the reporting dates should be the same from period to period.

.31 Consolidated financial statements shall be prepared using uniform accounting policies for like transactions and other events in similar circumstances. If it is not practicable to use uniform accounting policies (other than the bases of accounting) in preparing the consolidated financial statements, that fact shall be disclosed together with the proportions of the items in the consolidated financial statements to which the different accounting policies have been applied.

.32 If a member of the economic entity uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements when they are used in preparing the consolidated financial statements.

.33 The surplus or deficit of a controlled entity is included in the consolidated financial statements as from the date on which control becomes effective. The surplus or deficit from operating activities of a controlled entity disposed of is included in the consolidated statement of financial performance until the date of disposal, which is the date on which the controlling entity ceases to have control of the controlled entity. The difference between the proceeds from the disposal of the controlled entity and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated statement of financial performance as the surplus or deficit on the disposal of the controlled entity. In order to ensure the comparability of the financial statements from one accounting period to the next, supplementary information is often provided about the effect of the acquisition and disposal of controlled entities on the financial position at the reporting date and the results for the reporting period and on the corresponding amounts for the preceding period.

.34 From the date an entity ceases to fall within the definition of a controlled entity and does not become an associate as defined in the Standard of Generally Accepted Municipal Accounting Practice on Accounting for

Investments in Associates, or a jointly controlled entity as defined in the Standard of Generally Accepted Municipal Accounting Practice on Financial Reporting of Interests in Joint Ventures, it should be accounted for as an investment. The International Accounting Standard on Financial Instruments: Recognition and Measurement provides guidance on accounting for investments.

.35 The carrying amount of the investment at the date that it ceases to be a controlled entity is regarded as cost thereafter.

.36 Minority interests shall be presented in the statement of changes in net assets, separately from the controlling entity's equity. Minority interests in the surplus or deficit of the economic entity shall also be separately disclosed.

.37 The losses applicable to the minority in a consolidated controlled entity may exceed the minority interest in the net assets of the controlled entity. The excess, and any further losses applicable to the minority, is charged against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses. If the controlled entity subsequently reports surpluses, the majority interest is allocated all such surpluses until the minority's share of losses previously absorbed by the majority has been recovered.

.38 If a controlled entity has outstanding cumulative preferred shares which are held outside the economic entity, the controlling entity computes its share of surpluses and losses after adjusting for the controlled entity's preferred dividends, whether or not dividends have been declared.

Accounting for controlled entities in a controlling entity's separate financial statements

.39 In a controlling entity's separate financial statements, controlled entities that are included in the consolidated financial statements shall be either:

- (a) accounted for using the equity method as described in the Standard of Generally Accepted Municipal Accounting Practice on Accounting for Investments in Associates, or
- (b) accounted for as an investment.

.40 Controlled entities that are excluded from consolidation shall be accounted for as investments in the controlling entity's separate financial statements.

.41 Guidance on accounting for investments can be found in the International Accounting Standard on Financial Instruments: Recognition and Measurement.

.42 Separate financial statements are presented by a controlling entity in order to meet legal requirements.

Disclosure

.43 The following disclosures shall be made:

- (a) In consolidated financial statements, a list of significant controlled entities including the name, the jurisdiction in which it operates (when it is different from that of the controlling entity), proportion of ownership interest and, where that interest is in the form of shares, the proportion of voting power held (only where this is different from the proportionate ownership interest),
- (b) In consolidated financial statements, where applicable, the reasons for not consolidating a controlled entity,
- (c) In the controlling entity's separate financial statements, a description of the method used to account for controlled entities,
- (d) Distributions received from or accrued in respect of controlled entities,
- (e) Gains or losses on the sale of shares or other dilutions in controlled entities by the investor, and
- (f) Fees charged for administration of the controlled entity.

Effective date

.44 This Standard of Generally Accepted Municipal Accounting Practice becomes effective for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with [section 91 \(1\) \(b\)](#) of the Public Finance Management Act, Act [No. 1 of 1999](#) as amended.

Footnotes

- 2 There is no requirement to comply with the guidance set out in this appendix to claim compliance with GAMAP.
- 3 **"golden share"** refers to a class of share that entitles the holder to specified powers or rights generally exceeding those normally associated with the holder's ownership interest or representation on the council or equivalent governing body.

GAMAP 7 **Accounting for Investments in Associates**

Standards of Generally Accepted Municipal Accounting Practice (GAMAP)

Introduction

The Accounting Standards Board (Board) is required in terms of the Public Finance Management Act, Act [No. 1 of 1999](#), as amended (PFMA), to determine generally recognised accounting practice referred to as Standards of Generally Recognised Accounting Practice (GRAP).

The Board must determine GRAP for:

- (a) departments (national and provincial);
- (b) public entities;
- (c) constitutional institutions;
- (d) municipalities and boards, commissions, companies, corporations, funds or other entities under the ownership control of a municipality; and
- (e) Parliament and the provincial legislatures.

The above are collectively referred to as "entities" Standards of GRAP.

The Board considers that the Standards of GAMAP constitute GRAP for municipalities.

GAMAP is an interim solution until such time as it is replaced by a Standard of GRAP.

Any limitation of the applicability of specific Standards is made clear in those Standards.

The Standard of GAMAP on Accounting for Investments in Associates is set out in paragraphs .01 - .34. All paragraphs in this Standard have equal authority. The authority of appendices is dealt with in the preamble to each appendix. This Standard should be read in the context of its objective, the Preface to Standards of GRAP, the Preface to Standards of GAMAP and the Framework for the Preparation and Presentation of Financial Statements.

Reference may be made here to a Standards of GRAP that has not been issued at the time of issue of this Standard. This is done to avoid having to change the Standards already issued when a later Standard is subsequently issued. Paragraph .12 of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors provides a basis for selecting and applying accounting policies in the absence of explicit guidance.

Scope

.01 An entity which prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting by an investor for investments in associates where the investment in the associate leads to the holding of an ownership interest in the form of a shareholding or other formal equity structure.

.02 This Standard provides the basis for accounting for ownership interests in associates. That is, the investment in the other entity confers on the investor the risks and rewards incidental to an ownership interest. The Standard applies only to investments in the formal equity structure (or its equivalent) of an investee. A formal equity structure means share capital or an equivalent form of unitised capital, such as units in a property trust, but may also include other equity structures in which the investor's interest can be measured reliably. Where the equity structure is poorly defined it may not be possible to obtain a reliable measure of the ownership interest.

.03 Some contributions made by entities may be referred to as an "investment" but may not give rise to an ownership interest. For example, an entity may make a substantial investment in the development of a hospital that is owned and operated by a charity. Whilst such contributions are non-reciprocal in nature, they allow the entity to participate in the operation of the hospital, and the charity is accountable to the entity for its use of public monies. However, the contributions made by the entity do not constitute an ownership interest, as the charity could seek alternative funding and thereby prevent the entity from participating in the operation of the hospital. Accordingly, the entity is not exposed to the risks nor does it enjoy the rewards which are incidental to an ownership interest.

Definitions

.04 The following terms are used in this Standard with the meanings specified:

"Accounting policies" are the specific principles, bases, conventions, rules and practices adopted by an entity in preparing and presenting financial statements.

"Accrual basis" means a basis of accounting under which transactions and other events are recognised when they occur (and not only when cash or its equivalent is received or paid). Therefore the transactions and events are recorded in the accounting records and recognised in the financial statements of the periods to which they relate. The elements recognised under accrual accounting are assets, liabilities, net assets, revenue and expenses.

"Assets" are resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.

"Associate" is an entity in which the investor has significant influence and which is neither a controlled entity nor a joint venture of the investor.

"Consolidated financial statements" are the financial statements of an economic entity presented as those of a single entity.

"Contributions from owners" is future economic benefits or service potential that have been contributed to the entity by parties external to the entity that establish a financial interest in the net assets of the entity, provided that the contributions:

- (a) do not result in liabilities of the entity, and
- (b) meet the following test, that they:
 - (i) convey entitlement both to distributions of future economic benefits or service potential by the entity during its life, such distributions being at the discretion of the owners or their representatives, and to distributions to any excess of assets over liabilities in the event of the entity being wound up, and/or
 - (ii) can be sold, exchanged, transferred or redeemed.

"Control" is the power to govern the financial and operating policies of another entity so as to benefit from its activities.

"Controlled entity" is an entity that is subject to the control of another entity (known as the controlling entity).

"Controlling entity" is an entity that has one or more controlled entities.

"Cost method" is a method of accounting whereby the investment is recorded at cost. The statement of financial performance reflects revenue from the investment only to the extent that the investor receives distributions from accumulated surpluses of the investee arising subsequent to the date of acquisition.

"Distributions to owners" is future economic benefits or service potential distributed by the entity to all or some of its owners, either as a return on investment or as a return of investment.

"Economic entity" means a group of entities comprising a controlling entity and one or more controlled entities.

"Equity method" is a method of accounting whereby the investment is initially recorded at cost and adjusted thereafter for the post acquisition change in the investor's share of net assets of the investee. The statement of financial performance reflects the investor's share of the results of operations of the investee.

"Expenses" are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets, other than those relating to distributions to owners.

"Fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

"Investor" in a joint venture is a party to a joint venture and does not have joint control over that joint venture.

"Joint venture" is a binding arrangement whereby two or more parties are committed to undertake an activity which is subject to joint control.

"Liabilities" are present obligations of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits or service potential.

"Net assets" are the residual interest in the assets of the entity after deducting all its liabilities.

"Surplus or deficit" comprises the following components:

- (a) surplus or deficit from ordinary activities, and
- (b) extraordinary items.

"Reporting date" means the date of the last day of the reporting period to which the financial statements relate.

"Revenue" is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets other than increases relating to contributions from owners.

"Significant influence" is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies.

Cost method

.05 Under the cost method, an investor records its investment in the investee at cost. The investor recognises revenue only to the extent that it is entitled to receive distributions from the accumulated surpluses of the investee arising subsequent to the date of acquisition by the investor. Entitlements due or received in excess of such surpluses are considered a recovery of investment and are recognised as a reduction of the cost of the

investment.

Equity method

.06 Under the equity method, the investment is initially recorded at cost and the carrying amount is increased or decreased to recognise the investor's share of surpluses or deficits of the investee after the date of acquisition. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for alterations in the investor's proportionate interest in the investee arising from changes in the investee's equity that have not been included in the statement of financial performance. Such changes include those arising from the revaluation of land.

Significant influence

.07 Whether an investor has significant influence over the investee is a matter of judgement based on the nature of the relationship between the investor and the investee, and on the definition of significant influence in this Standard. This Standard applies only to those associates in which an entity holds an ownership interest.

.08 The existence of significant influence by an investor is usually evidenced in one or more of the following ways:

- (a) representation on the board of directors or equivalent governing body of the investee,
- (b) participation in policy-making processes,
- (c) material transactions between the investor and the investee,
- (d) interchange of managerial personnel, or
- (e) provision of essential technical information.

.09 If the investor's ownership interest is in the form of shares and it holds, directly or indirectly through controlled entities, 20% or more of the voting power of the investee, it is presumed that the investor does have significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the investor holds, directly or indirectly through controlled entities, less than 20% of the voting power of the investee, it is presumed that the investor does not have significant influence, unless such influence, can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an investor from having significant influence.

Consolidated financial statements

.10 An investment in an associate shall be accounted for in consolidated financial statements under the equity method except when the investment is acquired and held exclusively with a view to its disposal in the near future, in which case it shall be accounted for under the cost method.

.11 The recognition of revenue on the basis of distributions received may not be an adequate measure of the revenue earned by an investor on an investment in an associate because the distributions received may bear little relationship to the performance of the associate. In particular, where the associate has not-for-profit objectives, investment performance will be determined by factors such as the cost of outputs and overall service delivery. As the investor has significant influence over the associate, the investor has a measure of responsibility for the associate's performance and, as a result, the return on its investment. The investor accounts for this stewardship by extending the scope of its consolidated financial statements to include its share of surpluses or deficits of such an associate and so provides an analysis of earnings and investment from which more useful ratios can be calculated. As a result, the application of the equity method provides more informative reporting of the net assets and surplus or deficit of the investor.

.12 An investment in an associate is accounted for using the cost method when it operates under severe long-term restrictions that significantly impair its ability to transfer funds or provide other non-financial benefits to, or on behalf of, the investor. Investment in associates is also accounted for using the cost method when the investment is acquired and held exclusively with a view to its disposal in the near future.

.13 An investor shall discontinue the use of the equity method from the date that:

- (a) it ceases to have significant influence in an associate but retains, either in whole or in part, its investment, or
- (b) the use of the equity method is no longer appropriate because the associate operates under severe long-term restrictions that significantly impair its ability to transfer funds or provide other non-financial benefits to, or on behalf of, the investor.

The carrying amount of the investment at that date should be regarded as cost thereafter.

.14 An entity is required to discontinue the equity method where severe long-term restrictions have the effect of preventing, or substantially preventing, the investee from transferring funds or providing other non-financial benefits to the investor. Where the associate does not have a profit objective (such as a social welfare agency) the associate may not be able to transfer funds to the investor but may nonetheless be able to deliver services to beneficiaries, consistent with the objectives of the investor.

Separate financial statements of the investor

.15 An investment in an associate that is included in the separate financial statements of an investor that issues consolidated financial statements shall be either:

(a) accounted for using the equity method or the cost method, whichever is used for the associate in the investor's consolidated financial statements, or

(b) accounted for as an investment.

.16 Guidance on accounting for investments can be found in the International Accounting Standard on Financial Instruments: Recognition and Measurement.

.17 The preparation of consolidated financial statements does not, in itself, obviate the need for separate financial statements for an investor.

.18 An investment in an associate that is included in the financial statements of an investor that does not issue consolidated financial statements shall be either:

(a) accounted for using the equity method or the cost method, whichever would be appropriate for the associate if the investor issued consolidated financial statements, or

(b) accounted for as an investment.

.19 Guidance on accounting for investments can be found in the International Accounting Standard on Financial Instruments: Recognition and Measurement.

.20 An investor that has investments in associates may not issue consolidated financial statements because it does not have controlled entities. It is appropriate that such an investor provides the same information about its investments in associates as those entities that issue consolidated financial statements.

Application of the equity method

.21 Many of the procedures appropriate for the application of the equity method are similar to the consolidation procedures set out in the Standard of Generally Accepted Municipal Accounting Practice on Consolidated Financial Statements and Accounting for Controlled Entities. Furthermore, the broad concepts underlying the consolidation procedures used in the acquisition of a controlled entity are adopted on the acquisition of an investment in an associate.

.22 Where an associate is accounted for using the equity method, unrealised surpluses and deficits resulting from all transactions between an investor (or its consolidated controlled entities) and associates shall be eliminated to the extent of the investor's interest in the associate. Unrealised deficits shall not be eliminated to the extent that the transaction provides evidence of an impairment of the asset transferred.

.23 An investment in an associate is accounted for under the equity method from the date on which it falls within the definition of an associate. Guidance on accounting for any difference (whether positive or negative) between the cost of acquisition and the investor's share of the fair values of the net identifiable assets of the associate can be found in the International Accounting Standard on Business Combinations. Appropriate adjustments to the investor's share of the surpluses or deficits after acquisition are made to account for:

(a) depreciation of the depreciable assets, based on their fair values, and

(b) amortisation of the difference between the cost of the investment and the investor's share of the fair values of the net identifiable assets.

.24 The most recent available financial statements of the associate are used by the investor in applying the equity method; they are usually drawn up to the same date as the financial statements of the investor. When the reporting date of the investor and the associate are different, the associate often prepares, for the use of the investor, statements as at the same date as the financial statements of the investor. When it is impracticable to do this, financial statements drawn up to a different reporting date may be used. The consistency principle dictates that the length of the reporting periods, and any difference in the reporting dates, are consistent from period to period.

.25 When financial statements with a different reporting date are used, adjustments are made for the effects of any significant events or transactions between the investor and the associate that occur between the date of the associate's financial statements and the date of the investor's financial statements.

.26 The investor's financial statements are usually prepared using uniform accounting policies for like transactions and events in similar circumstances. In many cases, if an associate uses accounting policies other than those adopted by the investor for like transactions and events in similar circumstances, appropriate adjustments are made to the associate's financial statements when they are used by the investor in applying the equity method. If it is not practicable for such adjustments to be calculated, that fact is generally disclosed.

.27 If an associate has outstanding cumulative preferred shares, held by outside interests, the investor computes its share of surpluses or deficits after adjusting for the preferred dividends, whether or not the dividends have been declared.

.28 If, under the equity method, an investor's share of deficits of an associate equals or exceeds the carrying amount of an investment, the investor discontinues including its share of further losses. The investment is reported at nil value. Additional deficits are provided for to the extent that the investor has incurred obligations or made payments on behalf of the associate to satisfy obligations of the associate that the investor has guaranteed or otherwise committed. If the associate subsequently reports surpluses, the investor resumes including its share of those surpluses only after such share of the surpluses equals the share of net deficits not recognised.

Impairment losses

.29 If there is an indication that an investment in an associate may be impaired, an entity should consider

the International Accounting Standard on Impairment of Assets.

Contingencies

.30 In accordance with the Standard of Generally Accepted Municipal Accounting Practice on Provisions, Contingent Liabilities and Contingent Assets and the International Public Sector Accounting Standard on Events After the Reporting Date, the investor discloses:

- (a) its share of the contingencies and capital commitments of an associate for which it is also contingently liable,
- (b) those contingent liabilities that arise because the investor is severally liable for all the liabilities of the associate, and
- (c) its share of the contingent assets of an associate.

Disclosure

.31 The following disclosures shall be made:

- (c) An appropriate listing and description of significant associates including the proportion of ownership interest and, if different, the proportion of voting power held,
- (d) The methods used to account for such investments,
- (e) The carrying amount of the investment for each significant associate'
- (f) Summarised financial information in regard to asset, liabilities and the results of the operations of significant associates presented individually or in aggregate,
- (g) The investor's share of cumulative post acquisition reserves or deficits of associates,
- (h) The gross amount of loans made to the associate or received from associate by the investor,
- (i) Accounting periods for which the financial statement of the associate have been prepared where they are different from that of the investor,
- (j) The total market value of the listed investment in associates and the total council's valuation of investments in unlisted associates,
- (k) Distribution received from or accrued in respect of associates, and
- (l) Gains and losses on the sale of shares or other dilutions in associates by the investor.

(Editorial Note: Numbering as per *Government Gazette*)

.32 Investments in associates accounted for using the equity method shall be classified as non-current assets and disclosed as a separate item in the statement of financial position. The investor's share of the surpluses or deficits of such investments should be disclosed as a separate item in the statement of financial performance.

.33 The Standard of Generally Recognised Accounting Practice on Presentation of Financial Statements also requires the share of surpluses or deficits of associates accounted for using the equity method of accounting to be presented on the face of the statement of financial performance.

Effective date

.34 This Standard of Generally Accepted Municipal Accounting Practice becomes effective for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with [section 91 \(1\) \(b\)](#) of the Public Finance Management Act, Act [No. 1 of 1999](#) as amended.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.992 of 15 December 2005: National Treasury Public Finance Management Act, 1999: Prescribing Standards of Generally Accepted Municipal Accounting Practice (GAMAP) in terms of Section 91/ GAMAP 8 Financial Reporting of Interests in Joint Ventures

GAMAP 8

Financial Reporting of Interests in Joint Ventures

Standards of Generally Accepted Municipal Accounting Practice (GAMAP)

Introduction

The Accounting Standards Board (Board) is required in terms of the Public Finance Management Act, Act [No. 1 of 1999](#), as amended (PFMA), to determine generally recognised accounting practice referred to as Standards of Generally Recognised Accounting Practice (GRAP).

The Board must determine GRAP for:

- (a) departments (national and provincial);
- (b) public entities;
- (c) constitutional institutions;
- (d) municipalities and boards, commissions, companies, corporations, funds or other entities under the ownership control of a municipality; and
- (e) Parliament and the provincial legislatures.

The above are collectively referred to as 'entities' Standards of GRAP.

The Board considers that the Standards of GAMAP constitute GRAP for municipalities.

GAMAP is an interim solution until such time as it is replaced by a Standard of GRAP.

Any limitation of the applicability of specific Standards is made clear in those Standards.

The Standard of GAMAP on Financial Reporting of Interest in Joint Ventures is set out in paragraphs .01 - .53. All paragraphs in this Standard have equal authority. The authority of appendices is dealt with in the preamble to each appendix. This Standard should be read in the context of its objective, the Preface to Standards of GRAP, the Preface to Standards of GAMAP and the Framework for the Preparation and Presentation of Financial Statements.

Reference may be made here to a Standards of GRAP that has not been issued at the time of issue of this Standard. This is done to avoid having to change the Standards already issued when a later Standard is subsequently issued. Paragraph .12 of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors provides a basis for selecting and applying accounting policies in the absence of explicit guidance.

Scope

.01 An entity which prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for interests in joint ventures and the reporting of joint venture assets, liabilities, revenue and expenses in the financial statements of venturers and investors, regardless of the structures or forms under which the joint venture activities take place.

.02 This Standard provides the basis for accounting for interests in joint ventures.

Definitions

.03 The following terms are used in this Standard with the meanings specified:

"Accrual basis" means a basis of accounting under which transactions and other events are recognised when they occur (and not only when cash or equivalent is received or paid). Therefore, the transactions and events are recorded in the accounting records and recognised in the financial statements of the periods to which they relate. The elements recognised under accrual accounting are assets, liabilities, net assets, revenue and expenses.

"Assets" are resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.

"Associate" is an entity in which the investor has significant influence and which is neither a controlled entity nor a joint venture of the investor.

"Cash" comprises cash on hand and demand deposits.

"Cash flows" are inflows and outflows of cash and cash equivalents.

"Consolidated financial statements" are the financial statements of an economic entity presented as those of a single entity.

"Contributions from owners" is future economic benefits or service potential that have been contributed to the entity by parties external to the entity that establish a financial interest in the net assets of the entity, provided that the contributions:

- (a) do not result in liabilities of the entity, and
- (b) meet the following test, that they:
 - (i) convey entitlement both to distributions of future economic benefits or service potential by the entity during its life, such distributions being at the discretion of the owners or their representatives, and to distributions to any excess of assets over liabilities in the event of the entity being wound up, and / or
 - (ii) can be sold, exchanged, transferred or redeemed.

"Control" Is the power to govern the financial and operating policies of another entity so as to benefit from its activities.

"Controlled entity" is an entity that is under the control of another entity (known as the controlling entity).

"Controlling entity" is an entity that has one or more controlled entities.

"Distributions to owners" is future economic benefits or service potential distributed by the entity to all or some of its owners, either as a return on investment or as a return of investment.

"Economic entity" means a group of entities comprising a controlling entity and one or more controlled entities.

"Expenses" are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets, other than those relating to distributions to owners.

"Investor" in a joint venture is a party to a joint venture and does not have joint control over that joint venture.

"Joint venture" is a binding agreement whereby two or more parties are committed to undertake an activity which is subject to joint control.

"Joint control" is the agreed sharing of control over an activity by a binding agreement.

"Liabilities" are present obligations of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits or service potential.

"Net assets" are the residual interest in the assets of the entity after deducting all its liabilities.

"Proportionate consolidation" is a method of accounting and reporting whereby a venturer's share of each of the assets, liabilities, revenue and expenses of a jointly controlled entity is combined on a line-by-line basis with similar items in the venturer's financial statements or reported as separate line items in the venturer's financial statements.

"Revenue" is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

"Significant influence" is the power to participate in the financial and operating policy decisions of an economic activity but is not control or joint control over those policies.

"Venturer" is a party to a joint venture, and has joint control over that joint venture.

Binding arrangement

.04 The existence of a binding arrangement distinguishes interests which involve joint control from investments in associates where the investor has significant influence (see Standard of Generally Accepted Municipal Accounting Practice on Accounting for Investments in Associates). For the purposes of this Standard, an arrangement includes all binding arrangements between venturers. That is, in substance, the arrangement confers similar rights and obligations on the parties to it as if it were in the form of a contract. For instance, two entities may enter into a formal arrangement to undertake a joint venture but the arrangement may not constitute a legal contract because, in that jurisdiction, individual entities may not be separate legal entities with the power to contract. Activities which have no binding arrangement to establish joint control are not joint ventures for the purposes of this Standard.

.05 The arrangement may be evidenced in a number of ways, for example by a contract between the venturers or minutes of discussions between the venturers. In some cases, the arrangement is incorporated in the enabling legislation, articles or other by-laws of the joint venture. Whatever its form, the arrangement is usually in writing and deals with such matters as :

- (a) the activity, duration and reporting obligations of the joint venture,
- (b) the appointment of the council or equivalent governing body of the joint venture and the voting rights of the venturers,
- (c) capital contributions by the venturers, and
- (d) the sharing by the venturers of the output, revenue, expenses, surpluses or deficits, or cash flows of the joint venture.

.06 The arrangement establishes joint control over the joint venture. Such a requirement ensures that no single venturer is in a position to unilaterally control the activity. The arrangement identifies those decisions in areas essential to the goals of the joint venture which require the consent of all the venturers and those decisions which may require the consent of a specified majority of the venturers.

.07 The arrangement may identify one venturer as the operator or manager of the joint venture. The operator does not control the joint venture but acts within the financial and operating policies which have been agreed by the venturers in accordance with the arrangement and delegated to the operator. If the operator has the power to govern the financial and operating policies of the activity, it controls the venture and the venture is a controlled entity of the operator and not a joint venture.

Forms of joint venture

.08 Many entities establish joint ventures to undertake a variety of activities. The nature of these activities ranges from commercial undertakings to provision of community services at no charge. The terms of a joint venture are set out in a contract or other binding arrangement and usually specify the initial contribution from each joint venturer and the share of revenues or other benefits (if any), and expenses of each of the joint venturers.

.09 Joint ventures take many different forms and structures. This Standard identifies three broad types;

jointly controlled operations, jointly controlled assets and jointly controlled entities, which are commonly described as, and meet the definition of, joint ventures. Characteristics common to all joint ventures are that:

- (a) two or more venturers are bound by a arrangement, and
- (b) the arrangement establishes joint control.

Jointly controlled operations

.10 The operation of some joint ventures involves the use of the assets and other resources of the venturers rather than the establishment of a corporation, partnership or other entity, or a financial structure that is separate from the venturers themselves. Each venturer uses its own property, plant and equipment and carries its own inventories. It also incurs its own expenses and liabilities and raises its own finance, which represent its own obligations. The joint venture activities may be carried out by the venturer's employees alongside the venturer's similar activities. The joint venture agreement usually provides a means by which the revenue from the sale of the joint product or service and any expenses incurred in common are shared among the venturers.

.11 An example of a jointly controlled operation is when two entities combine their operations, resources and expertise in order to jointly deliver a service, such as aged care where, in accordance with an agreement, a local government offers domestic services and a local hospital offers medical care. Each venturer bears its own costs and takes a share of revenue, such as user charges and government grants; such share being determined in accordance with the agreement.

.12 In respect of its interests in jointly controlled operations, a venturer shall recognise in its separate financial statements and consequently in its consolidated financial statements:

- (a) the assets that it controls and the liabilities that it Incurs, and
- (b) the expenses that it incurs and its share of the revenue that it earns from the sale or provision of goods or services by the joint venture.

.13 Because the assets, liabilities, revenue (if any) and expenses are already recognised in the separate financial statements of the venturer, and consequently in its consolidated financial statements, no adjustments or other consolidation procedures are required in respect of these items when the venturer presents consolidated financial statements.

.14 Separate accounting records may not be required for the joint venture itself and financial statements may not be prepared for the joint venture. However, the venturers may prepare management accounts so that they may assess the performance of the joint venture.

Jointly controlled assets

.15 Some joint ventures involve the joint control, and often the joint ownership, by the venturers of one or more assets contributed to, or acquired for the purpose of, the venture and dedicated to the purposes of the joint venture. The assets are used to obtain benefits for the venturers. Each venturer may take a share of the output from the assets and each bears an agreed share of the expenses incurred.

.16 These joint ventures do not involve the establishment of a corporation, partnership or other entity, or a financial structure that is separate from the venturers themselves. Each venturer has control over its share of the future economic benefits or service potential through its share in the jointly controlled asset.

.17 Some activities in the public sector involve jointly controlled assets. For example, an entity may enter into an arrangement with a private sector corporation to construct and operate a toll road. The road provides the citizens with improved access between the local government's industrial estate and its port facilities. The road also provides the private sector corporation with direct access between its manufacturing plant and the port. The agreement between the local authority and the private sector corporation specifies each party's share of revenues and expenses associated with the toll road. Accordingly, each venturer derives economic benefits or service potential from the jointly controlled asset and bears an agreed proportion of the costs of operating the road. Another example of a jointly controlled asset is when two entities jointly control a property, each taking a share of rents received and bearing a share of the expenses.

.18 In respect of its interest in jointly controlled assets, a venturer shall recognise in its separate financial statements and consequently in its consolidated financial statements:

- (a) its share of the jointly controlled assets, classified according to the nature of the assets,
- (b) any liabilities that it has incurred,
- (c) its share of any liabilities incurred jointly with the other venturers in relation to the joint venture,
- (d) any revenue from the sale or use of its share of the output of the joint venture, together with its share of any expenses incurred by the joint venture, and
- (e) any expenses that it has incurred In respect of its interest in the joint venture.

.19 In respect of its interest in jointly controlled assets, each venturer includes in its accounting records and recognises in its separate financial statements and consequently in its consolidated financial statements:

- (a) its share of the jointly controlled assets, classified according to the nature of the assets rather than as an investment. For example, a share of a jointly controlled property is classified as property, plant and equipment,

- (b) any liabilities that it has incurred, for example those incurred in financing its share of the assets,
- (c) its share of any liabilities incurred jointly with other venturers in relation to the joint venture,
- (d) any revenue from the sale or use of its share of the output of the joint venture, together with its share of any expenses incurred by the joint venture, and
- (e) any expenses that it has incurred in respect of its interest in the joint venture; for example, those related to financing the venturer's interest in the assets and selling its share of the output.

.20 Because the assets, liabilities, revenue and expenses are already recognised in the separate financial statements of the venturer, and consequently in its consolidated financial statements, no adjustments or other consolidation procedures are required in respect of these items when the venturer presents consolidated financial statements.

.21 The treatment of jointly controlled assets reflects the substance and economic reality and, usually, the legal form of the joint venture. Separate accounting records for the joint venture itself may be limited to those expenses incurred in common by the venturers, and ultimately borne by the venturers according to their agreed shares. Financial statements may not be prepared for the joint venture, although the venturers may prepare management accounts so that they may assess the performance of the joint venture.

Jointly controlled entities

.22 A jointly controlled entity is a joint venture that involves the establishment of a corporation, partnership or other entity in which each venturer has an interest. The entity operates in the same way as other entities, except that a contractual arrangement between the venturers establishes joint control over the economic activity or service potential of the entity.

.23 A jointly controlled entity controls the assets of the joint venture, incurs liabilities and expenses and earns revenue. It may enter into contracts in its own name and raise finance for the purposes of the joint venture activity. Each venturer is entitled to a share of the results of the jointly controlled entity, although some jointly controlled entities also involve a sharing of the output of the joint venture.

.24 A common example of a jointly controlled entity is when two entities combine their activities in a particular line of service delivery by transferring the relevant assets and liabilities into a jointly controlled entity.

.25 Many jointly controlled entities are similar in substance to those joint ventures referred to as jointly controlled operations or jointly controlled assets. For example, the venturers may transfer a jointly controlled asset, such as roads, into a jointly controlled entity, for tax or other reasons. Similarly, the venturers may contribute into a jointly controlled entity, assets which will be operated jointly. Some jointly controlled operations also involve the establishment of a jointly controlled entity to deal with particular aspects of the activity, for example, the design, marketing and distribution or after-sale service of the product.

.26 A jointly controlled entity maintains its own accounting records and prepares and presents financial statements in the same way as other entities in conformity with the appropriate legal requirements and accounting statements.

.27 Each venturer usually contributes cash or other resources to the jointly controlled entity. These contributions are included in the accounting records of the venturer and recognised in its separate financial statements as an investment in the jointly controlled entity.

Consolidated financial statements of a venturer

.28 For the purposes of this Standard an economic entity may consist of only a venturer and a jointly controlled entity and consequently consolidated financial statements for such a group are prepared in accordance with the requirements of this Standard.

.29 In its consolidated financial statements, a venturer shall report its interest in a jointly controlled entity using one of the two reporting formats for proportionate consolidation.

.30 When reporting an interest in a jointly controlled entity in consolidated financial statements, it is essential that a venturer reflects the substance and economic reality of the arrangement rather than the joint venture's particular structure or form. In a jointly controlled entity, a venturer has control over its share of future economic benefits or potential service provision through its share of the assets and liabilities of the venture. This substance and economic reality is reflected in the consolidated financial statements of the venturer when the venture reports its interests in the assets, liabilities, revenue and expenses of the jointly controlled entity by using one of the two reporting formats for proportionate consolidation described in paragraph .32.

.31 The application of proportionate consolidation means that the consolidated statement of financial position of the venturer includes its share of the assets that it controls jointly and its share of the liabilities for which it is jointly responsible. The consolidated statement of financial performance of the venturer includes its share of the revenue and expenses of the jointly controlled entity. Many of the procedures appropriate for the application of proportionate consolidation are similar to the procedures for the consolidation of investments in controlled entities, which are set out in the Standard of Generally Accepted Municipal Accounting Practice on Consolidated Financial Statements and Accounting for Controlled Entities.

.32 Different reporting formats may be used to give effect to proportionate consolidation. The venturer may combine its share of each of the assets, liabilities, revenue and expenses of the jointly controlled entity with the similar items in its consolidated financial statements on a line-by-line basis. For example, it may combine its share of the jointly controlled entity's inventory with the inventory of the economic entity and its share of the jointly controlled entity's property, plant and equipment with the same items of the economic entity. Alternatively, the

venturer may include separate line items for its share of the assets, liabilities, revenue and expenses of the jointly controlled entity in its consolidated financial statements. For example, it may show its share of the current assets of the jointly controlled entity separately as part of the current assets of the economic entity; it may show its share of the property, plant and equipment of the jointly controlled entity separately as part of the property, plant and equipment of the economic entity. Both these reporting formats result in the reporting of identical amounts of net revenue and expenses; both formats are acceptable for the purposes of this Standard.

.33 Whatever format is used to give effect to proportionate consolidation, it is inappropriate to offset any assets or liabilities by the deduction of other liabilities or assets or any revenue or expense by the deduction of other expenses or revenue, unless a legal right of set-off exists and the offsetting represents the expectation as to the realisation of the asset or the settlement of the liability.

.34 A venturer shall discontinue the use of proportionate consolidation from the date on which it ceases to have joint control over a jointly controlled entity.

.35 A venturer discontinues the use of proportionate consolidation from the date on which it ceases to share in the control of a jointly controlled entity. This may happen, for example, when the venturer disposes of its interest, or when external restrictions are placed on the jointly controlled entity so that it can no longer achieve its goals.

Exceptions to proportionate consolidation

.36 The following interests shall be accounted for as investments:

- (a) an interest in a jointly controlled entity that is acquired and held exclusively with a view to its subsequent disposal in the near future, and
- (b) an interest in a jointly controlled entity which operates under severe long term restrictions that significantly impair its ability to transfer funds or provide other non-financial benefits to the venturer.

.37 Guidance on accounting for investments can be found in the International Accounting Standard on Financial Instruments: Recognition and Measurement.

.38 The use of proportionate consolidation is inappropriate when the interest in a jointly controlled entity is acquired and held exclusively with a view to its subsequent disposal in the near future. It is also inappropriate when the jointly controlled entity operates under severe long-term restrictions that significantly impair its ability to transfer funds or provide other non-financial benefits to the venturer.

.39 From the date on which a jointly controlled entity becomes a controlled entity of a venturer, the venturer accounts for its interest in accordance with the Standard of Generally Accepted Municipal Accounting Practice on Consolidated Financial Statements and Accounting for Controlled Entities.

Separate financial statements of a venturer

.40 Separate financial statements may be presented by a venturer in order to meet legal or other requirements. Such separate financial statements are prepared in order to meet a variety of needs with the result that different reporting practices are in use. Accordingly, this Standard does not indicate a preference for any particular treatment.

Transactions between a venturer and a joint venture

.41 When a venturer contributes or sells assets to a joint venture, recognition of any portion of a gain or loss from the transaction shall reflect the substance of the transaction. While the assets are retained by the joint venture, and provided the venturer has transferred the significant risks and rewards of ownership, the venturer shall recognise only that portion of the gain that is attributable to the interest of the other venturers. The venturer shall recognise the full amount of any loss when the contribution or sale provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

.42 When a venturer purchases assets from a joint venture, the venturer should not recognise its share of the gains of the joint venture from the transaction until it resells the assets to an independent party. A venturer should recognise its share of the losses resulting from these transactions in the same way as gains except that losses should be recognised immediately when they represent a reduction in the net realisable value of current assets or an impairment loss.

.43 To assess whether a transaction between a venturer and a joint venture provides evidence of impairment of an asset, the venturer determines the recoverable amount of the assets. Guidance is provided in the International Accounting Standard on Impairment of Assets. In determining value in use, future cash flows from the asset are estimated based on continuing use of the asset and its ultimate disposal by the joint venture.

Reporting interests in joint ventures in the financial statements of an investor

.44 An investor in a joint venture, which does not have joint control, but does have significant influence shall report its interest in a joint venture in accordance with the Standard of Generally Accepted Municipal Accounting Practice on Accounting for Investments in Associates.

.45 The International Accounting Standard on Financial Instruments: Recognition and Measurement provides guidance on accounting for interests in joint ventures where an investor does not have joint control or significant influence.

Operators of joint ventures

.46 Operators or managers of a joint venture shall account for any fees in accordance with the Standard of

Generally Accepted Municipal Accounting Practice on Revenue.

.47 One or more venturers may act as the operator or manager of a joint venture. Operators are usually paid a management fee for such duties. The fees are accounted for by the joint venture as an expense.

Disclosure

.48 In accordance with the Standard of Generally Accepted Municipal Accounting Practice on Provisions, Contingent Liabilities and Contingent Assets, a venturer shall disclose the following:

- (a) The aggregate amount of the following contingent liabilities, unless the possibility of any outflow in settlement is remote, separately from the amount of other contingent liabilities:
 - (i) any contingent liabilities that the venturer has incurred in relation to its interests in joint ventures, and its share in each of the contingent liabilities that have been incurred jointly with other venturers,
 - (ii) its share of the contingent liabilities of the joint ventures themselves for which it is contingently liable, and
 - (iii) those contingent liabilities that arise because the venturer is contingently liable for the liabilities of the other venturers of a joint venture, and
- (b) A brief description of the following contingent assets and, where practicable, an estimate of their financial effect, where an inflow of economic benefits or service potential is probable:
 - (i) any contingent assets of the venturer arising in relation to its interests in joint ventures and its share in each of the contingent assets which have arisen jointly with other venturers, and
 - (ii) its share of the contingent assets of the joint ventures themselves.

.49 A venturer shall disclose the aggregate amount of the following commitments, in respect of its interests in joint ventures separately from other commitments:

- (a) any capital commitments of the venturer in relation to its interests in joint ventures, and its share in the capital commitments that have been incurred jointly with other venturers, and
- (b) its share of the capital commitments of the joint ventures themselves.

.50 A venturer shall disclose a listing and description of interests in significant joint ventures and the proportion of ownership interest held in jointly controlled entities. A venturer which reports its interests in jointly controlled entities using the line-by-line reporting format for proportionate consolidation shall disclose the aggregate amounts of each of current assets, non-current assets, current liabilities, non-current liabilities, revenue and expenses related to its interests in joint ventures.

.51 A venturer which does not issue consolidated financial statements because it does not have controlled entities, shall disclose the information required in paragraphs .48, .49 and .50 (where applicable).

.52 It is appropriate that a venturer which does not prepare consolidated financial statements because it does not have controlled entities provides the same information about its interests in joint ventures as those venturers that issue consolidated financial statements.

Effective date

.53 This Standard of Generally Accepted Municipal Accounting Practice becomes effective for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with [section 91 \(1\) \(b\)](#) of the Public Finance Management Act, Act [No. 1 of 1999](#) as amended.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.992 of 15 December 2005: National Treasury Public Finance Management Act, 1999: Prescribing Standards of Generally Accepted Municipal Accounting Practice (GAMAP) in terms of Section 91/ GAMAP 9 Revenue

GAMAP 9 Revenue

Standards of Generally Accepted Municipal Accounting Practice (GAMAP)

Introduction

The Accounting Standards Board (Board) is required in terms of the Public Finance Management Act, Act [No. 1 of 1999](#), as amended (PFMA), to determine generally recognised accounting practice referred to as Standards of Generally Recognised Accounting Practice (GRAP).

The Board must determine GRAP for:

- (a) departments (national and provincial);

- (b) public entities;
- (c) constitutional institutions;
- (d) municipalities and boards, commissions, companies, corporations, funds or other entities under the ownership control of a municipality; and
- (e) Parliament and the provincial legislatures.

The above are collectively referred to as 'entities' Standards of GRAP.

The Board considers that the Standards of GAMAP constitute GRAP for municipalities.

GAMAP is an interim solution until such time as it is replaced by a Standard of GRAP.

Any limitation of the applicability of specific Standards is made clear in those Standards.

The Standard of GAMAP on Revenue is set out in paragraphs .01 - .65. All paragraphs in this Standard have equal authority. The authority of appendices is dealt with in the preamble to each appendix. This Standard should be read in the context of its objective, the Preface to Standards of GRAP, the Preface to Standards of GAMAP and the Framework for the Preparation and Presentation of Financial Statements.

Reference may be made here to a Standards of GRAP that has not been issued at the time of issue of this Standard. This is done to avoid having to change the Standards already issued when a later Standard is subsequently issued. Paragraph .12 of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors provides a basis for selecting and applying accounting policies in the absence of explicit guidance.

Objective

The Framework for the Preparation and Presentation of Financial Statements defines revenue as "increases in economic benefits or service potential during the accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in increases in equity, other than those relating to contributions from owners". Certain specific items to be recognised as revenues are addressed in other statements and are excluded from the scope of this Standard. For example, gains arising on the sale of property, plant and equipment are specifically addressed in the Standard of Generally Accepted Municipal Accounting Practice on Property, Plant and Equipment and are not accounted for in accordance with this Standard.

The objective of this Standard is to prescribe the accounting treatment of revenue.

The primary issue in accounting for revenue is determining when to recognise revenue. Revenue is recognised when it is probable that future economic benefits or service potential will flow to the entity and these benefits can be measured reliably. This Standard identifies the circumstances in which these criteria will be met and, therefore, revenue will be recognised. It also provides examples on the application of these criteria.

Scope

.01 An entity which prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for revenue including:

- (a) the rendering of services,
- (b) the sale of goods,
- (c) the exercising of legal powers and duties, and
- (d) the use by others of entity assets thereby yielding interest, royalties and dividends.

.02 The rendering of services typically involves the performance by an entity of an agreed task over an agreed period of time. The services may be rendered within a single period or over more than one period. Examples of services rendered by entities for which revenue is typically received in exchange may include the provision of housing, management of water facilities, and management of transfer payments.

.03 The exercising of legal powers and duties involves the raising of revenue, such as rates and fines, in terms of legal enactments. Revenue arising from the exercising of legal powers and duties may include the following:

- (a) rates, including collection charges and penalty interest,
- (b) service charges,
- (c) application of tariff of charges,
- (d) fines,
- (e) government grants, and
- (f) regional council levies.

.04 Goods include goods produced by the entity for the purpose of sale, such as electricity, and goods purchased for resale, such as merchandise or land and other property held for resale.

.05 The use by others of entity assets gives rise to revenue in the form of:

- (a) interest : charges for the use of cash or cash equivalents or amounts due to the entity,

- (b) royalties : charges for the use of long term assets of an entity, for example, patents, trademarks, copyrights and computer software,
- (c) dividends or equivalents : distributions of surpluses to holders of equity investments in proportion to their holdings of a particular class of capital, and
- (d) rental income : charges for the use of community halls, sport facilities etc..

.06 This Standard does not deal with revenues:

- (a) addressed in other Standards of Generally Accepted Municipal Accounting Practice or International Public Sector Accounting Standards or International Accounting Standards, including:
 - (i) lease agreements (see the International Public Sector Accounting Standard on **Leases** for guidance),
 - (ii) dividends arising from investments that are accounted for under the equity method (see the Standard of Generally Accepted Municipal Accounting Practice on **Accounting for Investments in Associates**), and
 - (iii) gains from the sale of property, plant and equipment (which are dealt with in the Standard of Generally Accepted Municipal Accounting Practice on **Property, Plant and Equipment**),
- (b) arising from changes in the fair value of financial assets and financial liabilities or their disposal (guidance on accounting for financial instruments can be found in the International Accounting Standard on **Financial Instruments: Recognition and Measurement**),
- (c) arising from changes in the value of other current assets (see the International Accounting Standard on **Financial Instruments: Recognition and Measurement** for guidance),
- (d) arising from natural increases in herds, and agricultural and forest products (see the International Accounting Standard on **Agriculture** for guidance), and
- (d) arising from the extraction of mineral ores (currently no guidance exists).

(Editorial Note: Numbering as per *Government Gazette*)

Definitions

.07 The following terms are used in this Standard with the meanings specified:

"Fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

"Revenue" is the gross inflows of economic benefits or service potential during the reporting period when those inflows result in increases in net assets, other than increases relating to contributions from owners.

"Contributions from owners" is future economic benefits or service potential that have been contributed to the entity by parties external to the entity that establish a financial interest in the net assets of the entity, provided that the contributions:

- (a) do not result in liabilities of the entity, and
- (b) meet the following test, that they:
 - (i) convey entitlement both to distributions of future economic benefits or service potential by the entity during its life, such distributions being at the discretion of the owners or their representatives, and to distributions of any excess of assets over liabilities in the event of the entity being wound up; and/or
 - (ii) can be sold, exchanged, transferred or redeemed.

Revenue

.08 Revenue includes only the gross inflows of economic benefits or service potential received and receivable by the entity on its own account. Amounts collected as agent of the government or another government organisation or on behalf of other third parties, for example the collection of licence fees by the entity on behalf of the Department of Transport or value-added taxes, are not economic benefits or service potential which flow to the entity and do not result in increases in assets or decreases in liabilities. Therefore, they are excluded from revenue. Similarly, in a custodial or agency relationship, the gross inflows of economic benefits or service potential include amounts collected on behalf of the principal that do not result in increases in net assets for the entity. The amounts collected on behalf of the principal are not revenue. Instead, revenue is the amount of commission received or receivable for the collection or handling of the gross flows.

.09 Financing inflows, notably borrowings, do not meet the definition of revenue, because they result in an equal change in both assets and liabilities and have no impact upon net assets. Financing inflows are taken directly to the statement of financial position and added to the balances of assets and liabilities.

Measurement of revenue

.10 Revenue shall be measured at the fair value of the consideration received or receivable.

.11 The amount of revenue arising on a transaction is usually determined by agreement between the entity and the purchaser or user of the asset or set out in legal enactment. It is measured at the fair value of the consideration received or receivable taking into account the amount of any discounts and rebates allowed by the entity.

.12 In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. For example, an entity may provide interest-free credit to the purchaser or accept a note receivable bearing below-market interest rate from the purchaser as consideration for the sale of goods. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

- (a) the prevailing rate for a similar instrument of an issuer with a similar credit rating, or
- (b) a rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue in accordance with paragraphs .55 and .56. Where an agreement is entered into between the entity and a defaulting ratepayer to settle arrears, no additional revenue is recognised unless interest is charged on arrears.

.13 When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction which generates revenue. This is often the case with commodities like oil or milk where suppliers exchange or swap inventories in various locations to fulfil demand on a timely basis in a particular location. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction which generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

Identification of the transaction

.14 The recognition criteria in this Standard are usually applied separately to each transaction. However, in certain circumstances, it is necessary to apply the recognition criteria to the separately identifiable components of a single transaction in order to reflect the substance of the transaction. For example, when the selling price of a product includes an identifiable amount for subsequent servicing, that amount is deferred and recognised as revenue over the period during which the service is performed. Conversely, the recognition criteria are applied to two or more transactions together when they are linked in such a way that the commercial effect cannot be understood without reference to the series of transactions as a whole. For example, an entity may sell goods and, at the same time, enter into a separate agreement to repurchase the goods at a later date, thus negating the substantive effect of the transaction; in such a case, the two transactions are dealt with together.

Rendering of services

.15 When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- (a) the amount of revenue can be measured reliably,
- (b) it is probable that the economic benefits or service potential associated with the transaction will flow to the entity,
- (c) the stage of completion of the transaction at the reporting date can be measured reliably, and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

This principle also applies to tariff of charges.

.16 The recognition of revenue by reference to the stage of completion of a transaction is often referred to as the percentage of completion method. Under this method, revenue is recognised in the reporting periods in which the services are rendered.

.17 Revenue is recognised only when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. However, when an uncertainty arises about the collectability of an amount already included in revenue, the uncollectable amount, or the amount in respect of which recovery has ceased to be probable, is recognised as an expense, rather than as an adjustment of the amount of revenue originally recognised.

.18 An entity is generally able to make reliable estimates after it has agreed to the following with the other parties to the transaction:

- (a) each party's enforceable rights regarding the service to be provided and received by the parties,
- (b) the consideration to be exchanged, and

- (c) the manner and terms of settlement.

It is also usually necessary for the entity to have an effective internal financial budgeting and reporting system. The entity reviews and, when necessary, revises the estimates of revenue as the service is performed. The need for such revisions does not necessarily indicate that the outcome of the transaction cannot be estimated reliably.

.19 The stage of completion of a transaction may be determined by a variety of methods. An entity uses the method that measures reliably the services performed. Depending on the nature of the transaction, the methods may include:

- (a) surveys of work performed,
- (b) services performed to date as a percentage of total services to be performed, or
- (c) the proportion that costs incurred to date bear to the estimated total costs of the transaction. Only costs that reflect services performed to date are included in costs incurred to date. Only costs that reflect services performed or to be performed are included in the estimated total costs of the transaction.

Progress payments and advances received from customers often do not reflect the services performed.

.20 For practical purposes, when services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

.21 When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

.22 During the early stages of a transaction, it is often the case that the outcome of the transaction cannot be estimated reliably. Nevertheless, it may be probable that the entity will recover the transaction costs incurred. Therefore, revenue is recognised only to the extent of costs incurred that are expected to be recoverable. As the outcome of the transaction cannot be estimated reliably, no surplus is recognised.

.23 When the outcome of a transaction cannot be estimated reliably and it is not probable that the costs incurred will be recovered, revenue is not recognised and the costs incurred are recognised as an expense. When the uncertainties that prevented the outcome of the contract being estimated reliably no longer exist, revenue is recognised in accordance with paragraph .15 rather than in accordance with paragraph .21.

Sale of goods

.24 Revenue from the sale of goods shall be recognised when all the following conditions have been satisfied:

- (a) the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods,
- (b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,
- (c) the amount of revenue can be measured reliably,
- (d) it is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

.25 The assessment of when an entity has transferred the significant risks and rewards of ownership to the purchaser requires an examination of the circumstances of the transaction. In most cases, the transfer of the risks and rewards of ownership coincides with the transfer of the legal title or the passing of possession to the purchaser, for example the sale of prepaid electricity cards. This is the case for most sales. However, in certain other cases, the transfer of risks and rewards of ownership occurs at a different time from the transfer of legal title or the passing of possession.

.26 If the entity retains significant risks of ownership, the transaction is not a sale and revenue is not recognised. An entity may retain a significant risk of ownership in a number of ways. Examples of situations in which the entity may retain the significant risks and rewards of ownership are:

- (a) when the entity retains an obligation for unsatisfactory performance not covered by normal warranty provisions,
- (b) when the receipt of the revenue from a particular sale is contingent on the derivation of revenue by the purchaser from its sale of the goods,
- (c) when the goods are shipped subject to installation and the installation is a significant part of the contract, which has not yet been completed by the entity, and
- (d) when the purchaser has the right to rescind the purchase for a reason specified in the sales contract and the entity is uncertain about the probability of return.

.27 If an entity retains only an insignificant risk of ownership, the transaction is a sale and revenue is recognised. For example, a seller may retain the legal title to the goods solely to protect the collectability of the

amount due. In such a case, if the entity has transferred the significant risks and rewards of ownership, the transaction is a sale and revenue is recognised. Another example of an entity retaining only an insignificant risk of ownership may be a retail sale when a refund is offered if the customer is not satisfied. Revenue in such cases is recognised at the time of sale provided that the seller can reliably estimate future returns and recognises a liability for returns based on previous experience and other relevant factors.

.28 Revenue is recognised, only when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. In some cases, this may not be probable until the consideration is received or until an uncertainty is removed. For example, the revenue may be dependent upon the ability of another entity to supply goods as part of the contract and if there is any doubt that this will occur, recognition may be delayed until it has occurred, or it may be uncertain that a foreign governmental authority will grant permission to remit the consideration from a sale in a foreign country. When the goods are supplied, or permission is granted the uncertainty is removed and revenue is recognised. However, when an uncertainty arises about the collectability of an amount already included in revenue, the uncollectable amount or the amount in respect of which recovery has ceased to be probable is recognised as an expense, rather than as an adjustment of the amount of revenue originally recognised.

Rates, including collection charges and penalty interest

.29 Revenue from rates, including collection charges and penalty interest, shall be recognised when:

- (a) it is probable that the economic benefits or service potential associated with the transaction will flow to the entity,
- (b) the amount of the revenue can be measured reliably, and
- (c) there has been compliance with the relevant legal requirements.

.30 Changes to property values during a reporting period, which are referred to as "interims", are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time, proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.

.31 In certain circumstances, interim rates revenue adjustments will relate to previous accounting periods. If such adjustments are significant, the Standard of Generally Recognised Accounting Practice on Accounting Policies, Changes in Accounting Estimates and Errors will apply.

.32 Collection charges should be recognised once the period legally prescribed for the levying of the charge has elapsed. Legal fees actually incurred in recovering non-payment of rates should be recognised as an expense and not offset against revenue from collection charges.

.33 A second collection is levied once a court order has been obtained to attach a defaulting ratepayer's property. This collection charge should be recognised when the due legal processes have been performed.

.34 Penalty interest is levied on unpaid amounts each month. This revenue should be recognised when leviable in terms of law.

.35 When uncertainty arises about the collectability of an amount already included in revenue, the uncollectable amount, or the amount in respect of which recovery has ceased to be probable, is recognised as an expense, rather than as an adjustment of the amount of revenue originally recognised.

Service charges

.36 There are two types of service charges: flat rate service charges and services based on consumption. Flat rate service charges relate to the levying of a fixed amount for the rendering of services, regardless of consumption. Consumption-based service charges are based on the consumption by consumers/users.

.37 Flat rate service charges and consumption-based service charges shall be recognised when:

- (a) it is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- (b) the amount of the revenue can be measured reliably.

.38 Usually consumption-based service charges are based on meter readings. Where meter readings are done frequently, the revenue can be measured reliably. However, it is common practice for entities to read meters on a quarterly or less frequent basis. Consumers are invoiced based on estimates of consumption where no meter reading has taken place during the billing period. These invoices are best estimates and enable revenue to be measured reliably. Ideally, internal records should be maintained whereby actual consumption is compared to estimated consumption to provide additional assurance that significant adjustments are not required to reverse excessive estimates.

Fines

.39 Revenue from the issuing of fines shall be recognised when:

- (a) it is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- (b) the amount of the revenue can be measured reliably.

.40 There are two types of fines: spot fines and summonses. Municipalities will usually issue both types of fines. There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of

spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable.

.41 In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. An estimate should be made for the revenue amount collected from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses should be recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued.

Government grants

.42 Government grants can be in the form of grants to acquire or construct fixed assets (capital grants), grants for the furtherance of national and provincial government policy objectives and general grants to subsidise the cost incurred by entities in rendering services. Capital grants and general grants for the furtherance of government policy objectives are usually restricted revenue in that stipulations are imposed on their use.

.43 Government grants are recognised as revenue when:

- (a) it is probable that the economic benefits or service potential associated with the transaction will flow to the entity,
- (b) the amount of the revenue can be measured reliably, and
- (c) to the extent that there has been compliance with any restrictions associated with the grant.

.44 An entity needs to assess the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants should only be recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue should only be recognised once evidence of the probability of the flow becomes available.

.45 Restrictions on government grants may result in such revenue being recognised on a time proportion basis. For example, equitable share grants per the Division of Revenue Act where the period of use of such funds is stated, should be recognised on a time proportion basis, i.e. over the stated period. Where there is no restriction on the period, such revenue should be recognised on receipt or when the Act becomes effective, whichever is earlier.

.46 In certain circumstances government will only remit grants on a re-imburement basis. Revenue should therefore be recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with and not when the grant is received.

Other grants and donations received

.47 Other grants and donations shall be recognised as revenue when:

- (a) it is probable that the economic benefits or service potential associated with the transaction will flow to the entity,
- (b) the amount of the revenue can be measured reliably, and
- (c) to the extent that there has been compliance with any restrictions associated with the grant.

.48 Grants funded by public contributions should only be recognised when it is probable that economic benefits or service potential associated with the transaction will flow to the entity. For example, a manufacturer may require a road to be built to his/her factory. The municipality may not have sufficient funds to build the road or because the road will be for the primary benefit of the manufacturer, may enter into an agreement whereby it will construct the road only if the manufacturer pays a portion of the construction. The grant received from the manufacturer to construct the road, should only be recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity, the amount of the grant can be measured reliably, and to the extent that the entity has complied with the agreement to construct the road.

.49 Donations should be measured at the fair value of the consideration received or receivable when the amount of the revenue can be measured reliably. For example, a developer donates land for a community hall in the development of a new suburb on condition that the land is rezoned from agricultural to residential. The donation is recognised when the restrictions have been met, i.e the land has been rezoned.

Levies

.50 Levies shall be recognised as revenue when:

- (a) it is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- (b) the amount of the revenue can be measured reliably.

.51 Levies are based on declarations completed by levy payers. Levies are payable one month in arrears, for example levies based on a levy payer's February payroll are payable by the end of March.

.52 A reliable measurement of levies can usually only be made on the due date of payment. The revenue will be determined from declarations actually received by due date of the payment, together with an estimate of levies

due when a levy payer has not submitted a declaration in the reporting period where payment was due.

.53 The estimate of levies revenue when a levy payer has not submitted a declaration will need to be made taking into account the following factors:

- (a) the extent and success of procedures to investigate the non-submission of a declaration by defaulting levy payers,
- (b) internal records maintained of historical comparisons of estimated levies with actual levies received from individual levy payers,
- (c) historical information on declarations previously submitted by defaulting levy payers, and
- (d) the accuracy of the database of levy payers as well as the frequency by which it is updated for changes.

.54 Changes to estimates made when more reliable information becomes available should be processed as an adjustment to levies revenue. Where such changes are significant and relate to different reporting periods, reference should be made to the Standard of Generally Recognised Accounting Practice on Accounting Policies, Changes in Accounting Estimates and Errors.

Interest, royalties and dividends

.55 Revenue arising from the use by others of entity assets yielding interest, royalties and dividends shall be recognised on the bases set out in paragraph .56 when:

- (a) it is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- (b) the amount of the revenue can be measured reliably.

.56 Revenue shall be recognised using the following accounting treatment:

- (a) interest shall be recognised on a time proportion basis that takes into account the effective yield on the asset,
- (b) royalties shall be recognised as they are earned in accordance with the substance of the relevant agreement, and
- (c) dividends or their equivalents shall be recognised when the shareholder's right or the entity's right to receive payment is established.

.57 The effective yield on an asset is the rate of interest required to discount the stream of future cash receipts expected over the life of the asset to equate to the initial carrying amount of the asset. Interest revenue includes the amount of amortisation of any discount, premium or other difference between the initial carrying amount of a debt security and its amount at maturity.

.58 When unpaid interest has accrued before the acquisition of an interest-bearing investment, the subsequent receipt of interest is allocated between pre-acquisition and post-acquisition periods, and only the post-acquisition portion is recognised as revenue. When dividends on equity securities are declared from pre-acquisition net retained surpluses, those dividends are deducted from the cost of the securities. If it is difficult to make such an allocation except on an arbitrary basis, dividends are recognised as revenue unless they clearly represent a recovery of part of the cost of the equity securities.

.59 Royalties accrue in accordance with the terms of the relevant agreement and are usually recognised on that basis unless, having regard to the substance of the agreement, it is more appropriate to recognise revenue on some other systematic and rational basis.

.60 Revenue is recognised only when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. However, when an uncertainty arises about the collectability of an amount already included in revenue, the uncollectable amount, or the amount in respect of which recovery has ceased to be probable, is recognised as an expense, rather than as an adjustment of the amount of revenue originally recognised.

Disclosure

.61 An entity shall disclose the following:

- (a) The accounting policies adopted for the recognition of revenue including the methods adopted to determine the stage of completion of transactions involving the rendering of services,
- (b) The amount of each significant category of revenue recognised during the period including revenue arising from:
 - (i) the rendering of services,
 - (ii) the sale of goods,
 - (iii) assessment rates,
 - (iv) service charges,
 - (v) application of tariff of charges,

- (vi) fines,
 - (vii) government grants,
 - (viii) other grants and donations received,
 - (ix) levies,
 - (x) interest,
 - (xi) royalties, and
 - (xii) dividends or their equivalents, and
- (c) The amount of revenue arising from the exchange of goods or services included in each significant category of revenue.

.62 The financial statements shall also disclose:

- (a) unfulfilled conditions and restrictions attaching to transfers and government grants, and
- (b) significant decreases expected in the level of government grants.

.63 Guidance on disclosure of any contingent assets and contingent liabilities can be found in the Standard of Generally Accepted Municipal Accounting Practice on Provisions, Contingent Liabilities and Contingent Assets. Contingent assets and contingent liabilities may arise from items such as warranty costs, claims, penalties or possible losses.

Transitional Provisions

.64 On the occasion of first-time application of this Standard all provisions of the Standard shall be applied prospectively. However, when the first-time application of this Standard results in a change in accounting policy or estimate, reference shall be made to the Standard of Generally Recognised Accounting Practice on Accounting Policies, Changes in Accounting Estimates and Errors.

Effective date

.65 This Standard of Generally Accepted Municipal Accounting Practice becomes effective for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with [section 91 \(1\) \(b\)](#) of the Public Finance Management Act, Act [No. 1 of 1999](#) as amended.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.992 of 15 December 2005: National Treasury Public Finance Management Act, 1999: Prescribing Standards of Generally Accepted Municipal Accounting Practice (GAMAP) in terms of Section 91/ GAMAP 12 Inventories

GAMAP 12 Inventories

Standards of Generally Accepted Municipal Accounting Practice (GAMAP)

Introduction

The Accounting Standards Board (Board) is required in terms of the Public Finance Management Act, Act [No. 1 of 1999](#), as amended (PFMA), to determine generally recognised accounting practice referred to as Standards of Generally Recognised Accounting Practice (GRAP).

The Board must determine GRAP for:

- (a) departments (national and provincial);
- (b) public entities;
- (c) constitutional institutions;
- (d) municipalities and boards, commissions, companies, corporations, funds or other entities under the ownership control of a municipality; and
- (e) Parliament and the provincial legislatures.

The above are collectively referred to as 'entities' Standards of GRAP.

The Board considers that the Standards of GAMAP constitute GRAP for municipalities.

GAMAP is an interim solution until such time as it is replaced by a Standard of GRAP.

Any limitation of the applicability of specific Standards is made clear in those Standards.

The Standard of GAMAP on Inventories is set out in paragraphs .01 - .48. All paragraphs in this Standard have

equal authority. The authority of appendices is dealt with in the preamble to each appendix. This Standard should be read in the context of its objective, the Preface to Standards of GRAP, the Preface to Standards of GAMAP and the Framework for the Preparation and Presentation of Financial Statements.

Reference may be made here to a Standards of GRAP that has not been issued at the time of issue of this Standard. This is done to avoid having to change the Standards already issued when a later Standard is subsequently issued. Paragraph .12 of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors provides a basis for selecting and applying accounting policies in the absence of explicit guidance.

Objective

The objective of this Standard is to prescribe the accounting treatment for inventories under the historical cost system. A primary issue in accounting for inventories is the amount of cost to be recognised as an asset and carried forward until the related revenues are recognised. This Standard provides practical guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realisable value. It also provides guidance on the cost formulas that are used to assign costs to inventories.

Scope

.01 An entity which prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in the context of the historical cost system in accounting for inventories other than:

- (a) Work in progress arising under the construction contracts, Including directly related service contracts (see the International Public Sector Accounting Standard on Construction Contracts for guidance),
- (b) Financial instruments (see the International Accounting Standard on Financial Instruments: Recognition and Measurement for guidance),
- (c) Producers' inventories of livestock, agricultural and forest products, and mineral ores to the extent that they are measured at net realisable value in accordance with well established practices in certain industries (see the International Accounting Standard on Agriculture for guidance), and
- (d) Work in progress of services to be provided for no or nominal consideration directly in return from the recipients.

.02 The inventories referred to in paragraph .01 (d) are not encompassed by the International Public Sector Accounting Standard on Inventories and are excluded from the scope of this Standard because they involve specific public sector issues that require further consideration.

Definitions

.03 The following terms are used in this Standard with the meanings specified:

"Current replacement cost" is the cost the entity would incur to acquire the asset on the reporting date.

"Inventories" are assets:

- (a) in the form of materials or supplies to be consumed in the production process,
- (b) in the form of materials or supplies to be consumed or distributed in the rendering of services,
- (c) held for sale or distribution in the ordinary course of operations, or
- (d) in the process of production for sale or distribution.

"Net realisable value" is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

.04 Inventories encompass goods purchased and held for resale including, for example, refuse bags purchased by the entity and held for resale, or land held for sale, water, and other property held for sale. Inventories encompass finished goods produced, or work in progress being produced by the entity. Inventories also include materials and supplies awaiting use in the production process and goods purchased or produced by the entity, which are for distribution to other parties for no charge or for a nominal charge. In many entities inventories will be held for the consumption in the provision of service. In the case of a service provider, inventories include the costs of the service, as described in paragraph .23, for which the entity has not yet recognised the related revenue.

05. Inventories in the public sector may include:

- (a) ammunition,
- (b) consumable stores,
- (c) maintenance materials,
- (d) spare parts for plant and equipment other than those dealt with under the Standard of Generally Accepted Municipal Accounting Practice on Property, Plant and Equipment,
- (e) strategic stockpiles,
- (f) work in progress, and

(g) land/property held for sale.

.06. When the entity maintains strategic stockpiles of various reserves, such as energy reserves or minimum water reserves for use in emergency or other situations (for example, natural disasters or other civil defence emergencies), these stockpiles are recognised as inventories for the purposes of this Standard and treated accordingly.

Measurement of inventories

.07 Inventories shall be measured at the lower of cost and net realisable value, except where paragraph .08 applies.

.08 Inventories shall be measured at the lower of cost and current replacement cost where they are held for:

- (a) distribution at no charge or for a nominal charge, or
- (b) consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Cost of inventories

.09 The cost of inventories shall comprise all costs of purchase, costs of development, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Costs of purchase

.10 The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and supplies. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

.11 The costs of purchase may include foreign exchange differences which arise directly on the recent acquisition of inventories invoiced in a foreign currency in the circumstance permitted in the allowed alternative treatment in the Standard of Generally Accepted Municipal Accounting Practice on The Effects of Changes in Foreign Exchange Rates. These exchange differences are limited to those resulting from a severe devaluation or depreciation of a currency against which there is no practical means of hedging and that affects liabilities which cannot be settled and which arise on the recent acquisition of the inventories.

Costs of development

.12 The cost of land development for housing or similar developments which are acquired or developed for resale will include costs directly related to the development. These direct costs will include the purchase price of land acquired for such developments, surveying and conveyancing costs and the provision of certain infrastructure. They also include an allocation of development overheads that are incurred in facilitating such developments. The allocation of costs, both fixed and variable, incurred in the development of undeveloped land held for sale into residential or commercial landholdings, could include costs relating to landscaping, drainage, pipe laying for utility connection, etc. Infrastructure costs that relate to extending the capacity of existing infrastructure would be excluded from development costs. For example, the extension of the road network to link up to the roads constructed on the land being developed cannot be included as a cost of development. A further example would be the extension of a water purification plant to handle the increased consumption expected from a housing development; it would be inappropriate to include such amounts as development costs. A factor to take into account when determining the cost of providing infrastructure will be ownership and right of use. If the entity retains the risk and rewards of ownership of infrastructure developed, then the costs of this infrastructure should not be treated as a cost of development.

.13 It is only appropriate to allocate development overhead costs where these costs are separately identifiable and development occurs on a frequent basis. It would be inappropriate to allocate overheads to developments where overheads would normally be treated as a normal operational expense.

.14 When entity owned land is used for housing or other developments, the book value of such land should be transferred from property, plant and equipment to inventory. No adjustments to the carrying value of the land should be made. If such land had previously been revalued, the revaluation reserve relating to such land should be retained until the land has been sold.

.15 The classification between land included under inventory, land included under property, plant and equipment and investment properties requires careful consideration. Where an entity owns undeveloped land, usually this will be classified as property, plant and equipment. Where there is an intention to develop such land and to sell or transfer or contract it to a third party it should be classified as inventory rather than property, plant and equipment.

.16 Where an entity develops land in anticipation of encouraging or facilitating economic or housing development, and it is probable that such developed land will not be sold or transferred to a third party within the short term, then the land and subsequent costs of development should be classified in terms of the Standard of Generally Accepted Municipal Accounting Practice on Property, Plant and Equipment until construction or development is complete where after it should be classified as an investment property (see the International Public Sector Accounting Standard on Investment Property for guidance).

.17 The purchase of land or buildings for resale should be classified as inventory if the land or buildings is held for short-term sale in the ordinary course of operations. If the land or buildings are held for long-term capital

appreciation, the land and buildings should be classified as investment properties (see the International Public Sector Accounting Standard on Investment Property for guidance).

Costs of conversion

.18 The costs of converting work-in-progress inventories into finished goods inventories are incurred primarily in a manufacturing environment, for example energy produced from coal. The costs of conversion of inventories include costs directly related to the units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. Fixed production overheads are those indirect costs of production that remain relatively constant regardless of the volume of production, such as depreciation and maintenance of factory buildings and equipment, and the cost of factory management and administration. Variable production overheads are those indirect costs of production that vary directly, or nearly directly, with the volume of production, such as indirect materials and indirect labour.

.19 The allocation of fixed production overheads to the costs of conversion is based on the normal capacity of the production facilities. Normal capacity is the production expected to be achieved on average over a number of periods or seasons under normal circumstances, taking into account the loss of capacity resulting from planned maintenance. The actual level of production may be used if it approximates normal capacity. The amount of fixed production overheads allocated to each unit of production is not increased as a consequence of low production or idle plant. Unallocated overheads are recognised as an expense in the period in which they are incurred. In periods of abnormally high production, the amount of fixed overhead allocated to each unit of production is decreased so that inventories are not measured above cost. Variable production overheads are allocated to each unit of production on the basis of the actual use of the production facilities.

.20 A production process may result in more than one product being produced simultaneously. This is the case, for example, when joint products are produced or when there is a main product and a by-product. When the costs of conversion of each product are not separately identifiable, they are allocated between the products on a rational and consistent basis. The allocation may be based, for example, on the relative sales value of each product either at the stage in the production process when the products become separately identifiable, or at the completion of production. Most by-products, by their nature, are immaterial. When this is the case, they are often measured at net realisable value and this value is deducted from the cost of the main product. As a result, the carrying amount of the main product is not materially different from its cost.

Other costs

.21 Other costs are included in the cost of inventories only to the extent that they are incurred in bringing the inventories to their present location and condition. For example, it may be appropriate to include non-production overheads or the costs of designing products for specific customers in the cost of inventories.

.22 Examples of costs excluded from the cost of inventories and recognised as expenses in the period in which they are incurred are:

- (a) abnormal amounts of wasted materials, labour or other production costs,
- (b) storage costs, unless those costs are necessary in the production process prior to a further production stage,
- (c) administrative overheads that do not contribute to bringing inventories to their present location and condition, and
- (d) selling costs.

Cost of inventories of a service provider

.23 The cost of inventories of a service provider consists primarily of the labour and other costs of personnel directly engaged in providing the service, including supervisory personnel, and attributable overheads. The costs of labour not engaged in providing the service are not included. Labour and other costs relating to sales and general administrative personnel are not included but are recognised as expenses in the period in which they are incurred.

Techniques for the measurement of cost

.24 Techniques for the measurement of the cost of inventories, such as the standard cost method or the retail method, may be used for convenience if the results approximate cost. Standard costs take into account normal levels of materials and supplies, labour, efficiency and capacity utilisation. They are regularly reviewed and, if necessary, revised in the light of current conditions.

.25 The retail method is often used in the retail industry for measuring inventories of large numbers of rapidly changing items that have similar margins, and for which it is impractical to use other costing methods. The cost of the inventory is determined by reducing the sales value of the inventory by the appropriate percentage gross margin. The percentage used takes into consideration inventory that has been marked down to below its original selling price. An average percentage for each retail department is often used.

Cost formulas

.26 The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects shall be assigned by using specific identification of their individual costs.

.27 Specific identification of cost means that specific costs are attributed to identified items of inventory. This is an appropriate treatment for items that are segregated for a specific project. The cost of inventories of items that

are not ordinarily interchangeable and goods or services produced and segregated for specific projects should be assigned by using specific identification of their individual costs. However, specific identification of costs is inappropriate when there are large numbers of items of inventory which are ordinarily interchangeable. In such circumstances, the method of selecting those items that remain in inventories could be used to obtain predetermined effects on the surplus or deficit for the period.

.28 When applying paragraph .29 an entity shall use the same cost formula for all inventories having similar nature and use to the entity. For inventories with different nature or use (for example, certain commodities used in one segment and the same type of commodities used in another segment), different cost formulas may be justified. A difference in geographical location of inventories (and in the respective tax rules), by itself, is not sufficient to justify the use of different cost formulas.

.29 The cost of inventories, other than those dealt with in paragraph .26 shall be assigned by using the first-in, first-out (FIFO) or weighted average cost formulas.

.30 The FIFO formula assumes that the items of inventory that were purchased first are sold first, and consequently the items remaining in inventory at the end of the period are those most recently purchased or produced. Under the weighted average cost formula, the cost of each item is determined from the weighted average of the cost of similar items at the beginning of a period and the cost of similar items purchased or produced during the period. The average may be calculated on a periodic basis, or as each additional shipment is received, depending upon the circumstances of the entity.

Net realisable value

.31 The cost of inventories may not be recoverable if those inventories are damaged, if they have become wholly or partially obsolete, or if their selling prices have declined. The cost of inventories may also not be recoverable if the estimated costs of completion or the estimated costs to be incurred to make the sale, exchange or distribution have increased. The practice of writing inventories down below cost to net realisable value is consistent with the view that assets should not be carried in excess of the future economic benefits or service potential expected to be realised from their sale, exchange, distribution or use.

.32 Inventories are usually written down to net realisable value on an item basis. In some circumstances, however, it may be appropriate to group similar or related items. This may be the case with items of inventory that have similar purposes or end uses and cannot practicably be evaluated separately from other items in that product line. It is not appropriate to write inventories down based on a classification of inventory, for example, finished goods or all the inventories in a particular operation or geographical segment. Service providers generally accumulate costs in respect of each service for which a separate selling price may be charged. Therefore, each such service is treated as a separate item.

.33 Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made as to the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

.34 Estimates of net realisable value also take into consideration the purpose for which the inventory is held. For example, the net realisable value of the quantity of inventory held to satisfy firm sales or service contracts is based on the contract price. If the sales contracts are for less than the inventory quantities held, the net realisable value of the excess is based on general selling prices. Guidance on the treatment of provisions or contingent liabilities, such as those arising from firm sales contracts in excess of inventory quantities held, and on firm purchase contracts can be found in the Standard of Generally Accepted Municipal Accounting Practice on Provisions, Contingent Liabilities and Contingent Assets.

.35 Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold, exchanged or distributed at or above cost. However, when a decline in the price of materials indicates that the cost of the finished products will exceed net realisable value, the materials are written down to net realizable value. In such circumstances, the replacement cost of the materials may be the best available measure of their net realisable value.

.36 A new assessment is made of net realisable value in each subsequent period. When the circumstances that previously caused inventories to be written down below cost no longer exist, the amount of the write-down is reversed so that the new carrying amount is the lower of the cost and the revised net realisable value. This occurs, for example, when an item of inventory, which is carried at net realisable value because its selling price has declined, is still on hand in a subsequent period and its selling price has increased.

Distributing goods at no charge or for a nominal charge

.37 An entity may hold inventories whose future economic benefits or service potential are not directly related to their ability to generate net cash inflows, for example medicine for children in a clinic. These types of inventories may arise when the entity has determined to distribute certain goods at no charge or for a nominal amount. In these cases, the future economic benefits or service potential of the inventory for financial reporting purposes is reflected by the amount the entity would need to pay to acquire the economic benefits or service potential if this was necessary to achieve the objectives of the entity. Where the economic benefits or service potential cannot be acquired in the market, an estimate of replacement cost will need to be made. If the purpose for which the inventory is held changes, then the inventory is valued using the provisions of paragraph .04.

Recognition as an expense

.38 When inventories are sold, exchanged or distributed the carrying amount of those inventories shall be recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expense is recognised when the goods are distributed or related service is rendered. The amount of any write-

down of inventories and all losses of inventories shall be recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

.39 The process of recognising as an expense the carrying amount of inventories sold, exchange or distributed results in the matching of costs and revenues. For a service provider, the point when inventories are recognised as expenses normally occurs when services are rendered, or upon billing for chargeable services.

.40 Some inventories may be allocated to other asset accounts, for example, inventory used as a component of self-constructed property, plant or equipment. Inventories allocated to another asset in this way are recognised as an expense during the useful life of that asset.

Disclosure

.41 The financial statements shall disclose the following:

- (a) The accounting policies adopted in measuring inventories, including the cost formula used,
- (b) The total carrying amount of inventories and the carrying amount in classifications appropriate to the entity,
- (c) The amount of any reversal of any write-down which is recognised as revenue in the period in accordance with paragraph .38,
- (d) The circumstances or events that led to the reversal of a write-down of inventories in accordance with paragraph .38, and
- (e) The carrying amount of inventories pledged as security for liabilities.

.42 Information about the carrying amounts held in different classifications of inventories and the extent of the changes in these assets is useful to financial statement users. Common classifications of inventories are merchandise, production supplies, materials, work in progress and finished goods. The inventories of a service provider may simply be described as work in progress.

.43 The financial statements shall disclose either:

- (a) the cost of inventories recognised as an expense during the period, or
- (b) the operating costs applicable to revenues, recognised as an expense during the period, classified by their nature.

.44 The cost of inventories recognised as an expense during the period consists of those costs previously included in the measurement of the items of inventory sold, exchanged or distributed, and unallocated production overheads and abnormal amounts of production costs of inventories. The circumstances of the entity may also warrant the inclusion of other costs, such as distribution costs.

.45 Some entities adopt a different format for the statement of financial performance, which results in different amounts being disclosed instead of the cost of inventories recognised as an expense during the period. Under this different format, an entity discloses the amounts of operating costs applicable to revenues for the period, classified by their nature. In this case, the entity discloses the costs recognised as an expense for raw materials and consumables, labour costs and other operating costs together with the amount of the net change in inventories for the period.

.46 A write-down to net realisable value may be of such size, incidence or nature to require disclosure under the Standard of Generally Recognised Accounting Practice on Accounting Policies, Changes in Accounting Estimates and Errors.

Transitional Provisions

.47 On the occasion of first-time application of this Standard all provisions of the Standard shall be applied prospectively. However, when the first time application of this Standard results in a change in accounting policy or estimate, reference shall be made to the Standard of Generally Recognised Accounting Practice on Accounting Policies, Changes in Accounting Estimates and Errors.

Effective date

.48 This Standard of Generally Accepted Municipal Accounting Practice becomes effective for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with [section 91 \(1\) \(b\)](#) of the Public Finance Management Act, Act [No. 1 of 1999](#) as amended.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.992 of 15 December 2005: National Treasury Public Finance Management Act, 1999: Prescribing Standards of Generally Accepted Municipal Accounting Practice (GAMAP) in terms of Section 91/ GAMAP 17 Property, Plant and Equipment

Property, Plant and Equipment

Standards of Generally Accepted Municipal Accounting Practice (GAMAP)

Introduction

The Accounting Standards Board (Board) is required in terms of the Public Finance Management Act, Act [No. 1 of 1999](#), as amended (PFMA), to determine generally recognised accounting practice referred to as Standards of Generally Recognised Accounting Practice (GRAP).

The Board must determine GRAP for:

- (a) departments (national and provincial);
- (b) public entities;
- (c) constitutional institutions;
- (d) municipalities and boards, commissions, companies, corporations, funds or other entities under the ownership control of a municipality; and
- (e) Parliament and the provincial legislatures.

The above are collectively referred to as 'entities' Standards of GRAP.

The Board considers that the Standards of GAMAP constitute GRAP for municipalities.

GAMAP is an interim solution until such time as it is replaced by a Standard of GRAP.

Any limitation of the applicability of specific Standards is made clear in those Standards.

The Standard of GAMAP on Property, Plant and Equipment is set out in paragraphs .01 - .88. All paragraphs in this Standard have equal authority. The authority of appendices is dealt with in the preamble to each appendix. This Standard should be read in the context of its objective, the Preface to Standards of GRAP, the Preface to Standards of GAMAP and the Framework for the Preparation and Presentation of Financial Statements.

Reference may be made here to a Standards of GRAP that has not been issued at the time of issue of this Standard. This is done to avoid having to change the Standards already issued when a later Standard is subsequently issued. Paragraph .12 of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors provides a basis for selecting and applying accounting policies in the absence of explicit guidance.

Objective

The objective of this Standard is to prescribe the accounting treatment for property, plant and equipment. The principal issues in accounting for property, plant and equipment are the timing of recognition of the assets, the determination of their carrying amounts and the depreciation charges to be recognised in relation to them, and the determination and accounting treatment of impairments to the carrying amounts.

Scope

.01 An entity which prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for property, plant and equipment, except:

- (a) When a different accounting treatment has been adopted in accordance with another Standard of Generally Accepted Municipal Accounting Practice or International Public Sector Accounting Standard or a Statement of Generally Accepted Accounting Practice.
- (b) Investment property as this is dealt with in the International Public Sector Accounting Standard on Investment Property, and
- (c) Heritage assets. However, the disclosure requirements of paragraph .75, .76 and .79 apply to those heritage assets that are recognised.

.02 This Standard applies to property, plant and equipment including infrastructure assets and community assets.

.03 This Standard does not apply to:

- (a) forests and similar regenerative natural resources, and
- (b) mineral rights, the exploration for and extraction of minerals, oil, natural gas and similar non-regenerative resources.

However, this Standard does apply to property, plant and equipment used to develop or maintain the activities or assets covered in par .03 (a) or (b) but which are separable from those activities or assets.

.04 This Standard also does not apply where other Standards of Generally Accepted Municipal Accounting Practice or an International Public Sector Accounting Standard or a Statement of Generally Accepted Accounting Practice applies. For example, the International Public Sector Accounting Standard on Investment Property provides guidance on valuing of investment property.

Heritage Assets

.05 This Standard does not require an entity to recognise heritage assets that would otherwise meet the definition of, and recognition criteria for, property, plant and equipment. If an entity does recognise heritage assets, it must apply the disclosure requirements of this Standard and may, but is not required to, apply the measurement requirements of this Standard.

.06 Some assets are described as "heritage assets" because of their cultural, environmental or historical significance. Examples of heritage assets include historical buildings and monuments, archaeological sites, conservation areas and nature reserves, and works of art. Certain characteristics, including the following, are often displayed by heritage assets (although these characteristics are not exclusive to such assets):

- (a) Their value in cultural, environmental, educational and historical terms is unlikely to be fully reflected in a financial value based purely on a market price,
- (b) Legal and/or statutory obligations may impose prohibitions or severe restrictions on disposal by sale,
- (c) They are often irreplaceable and their value may increase over time even if their physical condition deteriorates, and
- (d) It may be difficult to estimate their useful lives, which in some cases could be several hundred years.

Entities may have large holdings of heritage assets that have been acquired over many years and by various means, including purchase, donation, bequest and sequestration. These assets are rarely held for their ability to generate cash inflows, and there may be legal or social obstacles to using them for such purposes.

.07 Some heritage assets have service potential other than their heritage value, for example, an historic building being used for office accommodation. In these cases, they may be recognised and measured on the same basis as other items of property, plant and equipment. For other heritage assets, their service potential is limited to their heritage characteristics, for example, monuments and ruins. The existence of alternative service potential can affect the choice of measurement base.

.08 The disclosure requirements in paragraphs .75 to .81 require entities to make disclosures about recognised assets. Therefore, entities that recognise heritage assets are required to disclose in respect of those assets such matters as, for example:

- (a) the measurement basis used,
- (b) the depreciation method used, if any,
- (c) the gross carrying amount,
- (d) the accumulated depreciation at the end of the period, if any, and
- (e) a reconciliation of the carrying amount at the beginning and end of the period showing certain components thereof.

Definitions

.09 The following terms are used in this Standard with the meanings specified:

"Class of property, plant and equipment" means a grouping of assets of a similar nature or function in an entity's operation, that is shown as a single item for the purpose of disclosure in the financial statements.

"Property, plant and equipment" are tangible assets that:

- (a) are held by an entity for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and
- (b) are expected to be used during more than one reporting period.

"Investment properties" are defined in the International Public Sector Accounting Standard on Investment Property.

"Depreciation" is the systematic allocation of the depreciable amount of an asset over its useful life.

"Depreciable amount" is the cost of an asset, or other amount substituted for cost in the financial statements, less its residual value.

"Useful life" is either:

- (a) the period of time over which an asset is expected to be used by the entity, or
- (b) the number of production or similar units expected to be obtained from the asset by the entity.

"Cost" is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction.

"Residual value" is the net amount which the entity expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.

"Fair value" is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

"Carrying amount" is the amount at which an asset is included in the statement of financial position after deducting any accumulated depreciation and any impairment losses thereon.

"Recoverable amount" is the amount that the entity expects to recover from the future use of an asset, including residual value on disposal.

Recognition of property, plant and equipment

.10 An item of property, plant and equipment shall be recognised as an asset when:

- (a) it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and
- (b) the cost or fair value of the asset to the entity can be measured reliably.

.11 Property, plant and equipment is often a major portion of the total assets of an entity and, therefore, is significant in the presentation of its financial position. Furthermore, the determination of whether an expenditure represents an asset or an expense can have a significant effect on an entity's reported surplus or deficit from operating activities.

.12 In determining whether an item satisfies the first criterion for recognition, an entity needs to assess the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence at the time of initial recognition. Existence of sufficient certainty that the future economic benefits or service potential will flow to the entity necessitates an assurance that the entity will receive the rewards attached to the asset and will undertake the associated risks. This assurance is usually only available when the risks and rewards have passed to the entity. Before this occurs, the transaction to acquire the asset can usually be cancelled without significant penalty and, therefore, the asset is not recognised.

.13 The second criterion for recognition is usually readily satisfied because the exchange transaction evidencing the purchase of the asset identifies its cost. In the case of a self-constructed asset, a relevant and reliable measurement of the cost can be made from the transactions with parties external to the entity for the acquisition of the materials, labour and other inputs used during the construction process. In addition, as outlined in paragraphs .24 to .27 of this Standard, under certain circumstances cost is determined by reference to fair value.

.14 In identifying what constitutes a separate item of property, plant and equipment, judgement is required in applying the criteria in the definition to specific circumstances. It may be appropriate to aggregate individually insignificant items, such as mowers and brushcutters, and to apply the criteria to the aggregate value. Most spare parts and servicing equipment are usually carried as inventory and recognised as an expense as consumed. However, major spare parts and stand-by equipment qualify as property, plant and equipment when the entity expects to use them during more than one period. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment and their use is expected to be irregular, they are accounted for as property, plant and equipment and are depreciated over a time period not exceeding the useful life of the related asset.

.15 In certain circumstances, it is appropriate to allocate the total expenditure on an asset to its component parts and account for each component separately. This is the case when the component assets have different useful lives or provide benefits to the entity in a different pattern, thus necessitating the use of different depreciation rates and methods. For example, a sewerage purification works and the sewerage reticulation network may need to be treated as separate depreciable assets if they have different useful lives.

.16 Property, plant and equipment may be acquired for safety or environmental reasons. The acquisition of such property, plant and equipment, while not directly increasing the future economic benefits or service potential of any particular existing asset, may be necessary in order for the entity to obtain the future economic benefits or service potential from its other assets. When this is the case, such acquisitions of property, plant and equipment qualify for recognition as assets, in that they enable future economic benefits or service potential from related assets to be derived by the entity in excess of what it could derive if they had not been acquired. However, such assets are only recognised to the extent that the resulting carrying amount of such an asset and related assets does not exceed the total economic benefits or service potential that the entity expects to recover from their continued use and ultimate disposal. For example, an entity may have to install new plant in respect of its effluent treatment processes in order to comply with environmental requirements. The related plant enhancements are recognised as an asset to the extent they are recoverable because, without them, the entity is unable to treat and dispose of effluent.

Classification of property, plant and equipment

.17 Not only does there need to be classifications of assets between property, plant and equipment, there also needs to be further classifications in a public sector environment. Property, plant and equipment should also be classified into infrastructure assets, community assets, heritage assets and investment properties. The purpose of this classification is to develop a benchmark accounting treatment to assist in the measurement of property, plant and equipment and to assist users to understand better the nature of the assets included as property, plant and equipment.

.18 Infrastructure assets are any assets that are part of a network of similar assets. Examples of infrastructure assets are roads, water reticulation schemes, sewerage purification and trunk mains.

.19 Community assets are any assets that contribute to the community's well-being. Examples are parks, libraries and fire stations.

.20 Heritage assets are culturally significant resources. Examples are works of art, historical buildings and statues.

.21 Other assets are assets utilised in operations. Examples are plant and equipment, motor vehicles and furniture and fittings.

.22 Some assets are commonly described as "infrastructure assets". While there is no universally accepted definition of infrastructure assets, these assets usually display some or all of the following characteristics:

- (a) They are part of a system or network,
- (b) They are specialised in nature and do not have alternative uses,
- (c) They are immovable, and
- (d) They may be subject to constraints on disposal.

.23 Although ownership of infrastructure assets is not confined to entities, significant infrastructure assets are frequently found in the public sector. Infrastructure assets meet the definition of property, plant and equipment and should be accounted for in accordance with this Standard.

Initial measurement of property, plant and equipment

.24 An item of property, plant and equipment which qualifies for recognition as an asset shall initially be measured at its cost.

.25 Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition.

.26 An item of property, plant and equipment may be gifted or contributed to the entity. For example, land may be contributed to an entity by a developer at nil or nominal consideration, to enable the entity to develop parks, roads and paths in the development. An asset may also be acquired at nil or nominal consideration through the exercise of powers of sequestration. Under these circumstances the cost of the item is its fair value as at the date it is acquired, contributed or gifted.

.27 For the purposes of this Standard, the initial recognition of an item of property, plant and equipment, acquired at no or nominal cost, at its fair value consistent with the requirements of paragraph.25, does not constitute a revaluation. Accordingly, the revaluation requirements in paragraph .41, and the supporting commentary in paragraphs .42 to .44, only apply where an entity elects to revalue an item of property, plant and equipment in subsequent reporting periods.

Components of cost

.28 The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing the asset to working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Examples of directly attributable costs are:

- (a) the cost of site preparation,
- (b) initial delivery and handling costs,
- (c) installation costs,
- (d) professional fees such as for architects and engineers, and
- (e) the estimated cost of dismantling the asset and restoring the site, to the extent that it is recognised as a provision. Guidance on accounting for provisions is found in the Standard of Generally Accepted Municipal Accounting Practice on Provisions, Contingent Assets and Contingent Liabilities.

.29 When payment for an item of property, plant and equipment is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognised as an interest expense over the period of credit. Reference should be made to the International Public Sector Accounting Standard on Borrowing Costs for guidance.

.30 Administration and other general overhead costs are not a component of the cost of property, plant and equipment unless they can be directly attributed to the acquisition of the asset or bringing the asset to its working condition. Similarly, start-up and similar costs do not form part of the cost of an asset unless they are necessary to bring the asset to its working condition. Initial operating losses incurred prior to an asset achieving planned performance are recognised as an expense.

.31 The cost of a self-constructed asset is determined using the same principles as for an acquired asset. If an entity makes similar assets for sale in the normal course of business, the cost of the asset is usually the same as the cost of producing the assets for sale (see the Standard of Generally Accepted Municipal Accounting Practice on Inventories). Therefore, any internal surpluses are eliminated in arriving at such costs. Similarly, the cost of abnormal amounts of wasted material, labour or other resources incurred in the production of a self-constructed asset is not included in the cost of the asset.

.32 The cost of an asset held by a lessee under a finance lease is determined using the principles set out in the International Public Sector Accounting Standard on Leases.

Exchanges of assets

.33 An item of property, plant and equipment may be acquired in exchange or part exchange for a dissimilar item of property, plant and equipment or other asset. The cost of such an item is measured at the fair value of the

asset received, which is equivalent to the fair value of the asset given up adjusted by the amount of any cash or cash equivalents transferred.

.34 An item of property, plant and equipment may be acquired in exchange for a similar asset that has a similar use in the same line of operations and which has a similar fair value. An item of property, plant and equipment may also be sold in exchange for an equity interest in a similar asset. In both cases, no gain or loss is recognised on the transaction. Instead, the cost of the new asset is the carrying amount of the asset given up. However, the fair value of the asset received may provide evidence of an impairment in the asset given up. Under these circumstances the asset given up is written down and this written-down value is assigned to the new asset. Examples of exchanges of similar assets include the exchange of aircraft, hostels and other real estate properties. If other assets such as cash are included as part of the exchange transaction this may indicate that the items exchanged do not have a similar value.

Subsequent expenditure

.35 Subsequent expenditure relating to an item of property, plant and equipment that has already been recognised shall be added to the carrying amount of the asset when it is probable that future economic benefits or service potential over the total life of the asset in excess of the most recently assessed standard of performance of the existing asset, will flow to the entity. All other subsequent expenditure shall be recognised as an expense in the period in which it is incurred.

.36 Subsequent expenditure on property, plant and equipment is only recognised as an asset when the expenditure improves the condition of the asset, measured over its total life, beyond its most recently assessed standard of performance. Examples of improvements that result in increased future economic benefits or service potential include the following:

- (a) Modification of an item of plant to extend its useful life, including an increase in its capacity,
- (b) Upgrading machine parts to achieve a substantial improvement in the quality of output, and
- (c) Rehabilitation of a road enabling a substantial reduction in previously assessed maintenance costs.

.37 Expenditure related to repairs or maintenance of property, plant and equipment are made to restore or maintain the future economic benefits or service potential that an entity can expect from the most recently assessed standard of performance of the asset. As such, they are usually recognised as an expense when incurred. For example, the cost of servicing or overhauling plant and equipment is usually an expense since it restores, rather than increases, the most recently assessed standard of performance.

.38 The appropriate accounting treatment for expenditure incurred subsequent to the acquisition of an item of property, plant and equipment depends on the circumstances, which were taken into account on the initial measurement and recognition of the related item of property, plant and equipment and whether the subsequent expenditure is recoverable. For instance, when the carrying amount of the item of property, plant and equipment already takes into account a loss in economic benefits or service potential, the subsequent expenditure to restore the future economic benefits or service potential expected from the asset is capitalised, provided that the carrying amount does not exceed the total economic benefits or service potential that the entity expects to recover from the continued use and ultimate disposal of the item. This is also the case when the purchase price of an asset already reflects the entity's obligation to incur expenditure in the future, which is necessary to bring the asset to its working condition. An example of this might be the acquisition of a building requiring renovation. In such circumstances, the subsequent expenditure is added to the carrying amount of the asset to the extent that it can be recovered from future use of the asset.

.39 Major components of some items of property, plant and equipment may require replacement at regular intervals. For example, a reservoir may require relining after a specified number of hours of usage or components of a sewerage purification works may need replacing during the lifetime of the works, or a road may need resurfacing every few years, a furnace may require relining after a specified number of hours of usage. The components are accounted for as separate assets because they have useful lives different from those of the items of property, plant and equipment to which they relate. Therefore, provided the recognition criteria in paragraph .10 are satisfied, the expenditure incurred in replacing or renewing the component is accounted for as the acquisition of a separate asset and the replaced asset is written off.

Measurement subsequent to initial recognition

Benchmark treatment

.40 Subsequent to initial recognition as an asset, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Allowed alternative treatment for property

.41 Subsequent to initial recognition as an asset, an item of land and buildings shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations shall be made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. The accounting treatment for revaluations is set out in paragraphs .48 and .49.

Revaluations of land and buildings

.42 The fair value of land and buildings is usually their market value, determined by appraisal. An appraisal of the value of an asset is normally undertaken by a member of the valuation profession who holds a recognised and

relevant professional qualification. For many assets, the fair value will be readily ascertainable by reference to quoted prices in an active and liquid market. For example, current market prices can usually be obtained for land and non-specialised buildings.

.43 The frequency of revaluations depends upon the movements in the fair values of land and buildings being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is necessary. Some land and buildings may experience significant and volatile movements in fair value, thus necessitating annual revaluation. Such frequent revaluations are unnecessary for land and buildings with only insignificant movements in fair value. Instead, revaluation every three or five years may be sufficient.

.44 When land and buildings are revalued, any accumulated depreciation at the date of the revaluation is either:

- (a) restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount. This method is often used when an asset is revalued by means of an index to its depreciated replacement cost, or
- (b) eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset. For example, this method is used for buildings which are revalued to their market value.

The amount of the adjustment arising on the restatement or elimination of accumulated depreciation forms part of the increase or decrease in carrying amount which is dealt with in accordance with paragraphs .48 and .49.

.45 When land and buildings are revalued, the entire class of property to which that asset belongs shall be revalued. In other words, if land is revalued, then all land within that classification must be revalued. If land and buildings within that classification are revalued, then all land and buildings must be revalued.

.46 A class is a grouping of assets of a similar nature or function in an entity's operations. The following are examples of separate classes:

- (a) Land,
- (b) Operational buildings,
- (c) Office buildings,
- (d) Roads,
- (e) Machinery,
- (f) Electricity transmission networks,
- (g) Motor vehicles,
- (h) Furniture and fixtures, and
- (i) Office equipment.

.47 The items within the class are revalued simultaneously in order to avoid selective revaluation of assets and the reporting of amounts in the financial statements which are a mixture of costs and values as at different dates. However, a class of assets may be revalued on a rolling basis provided revaluation of the class of assets is completed within a short period of time and provided the revaluations are kept up to date.

.48 When an asset's carrying amount of a class of assets is increased as a result of a revaluation, the increase shall be credited directly to non-distributable reserves under the heading revaluation surplus. However, a revaluation increase shall be recognised as revenue to the extent that it reverses a revaluation decrease of the same class of assets previously recognised as an expense.

.49 When the carrying amount of a class of assets is decreased as a result of a revaluation the decrease shall be recognised as an expense. However, a revaluation decrease shall be charged directly against any related revaluation surplus to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same class of assets.

.50 Some or all of the revaluation surplus included in net assets may be transferred directly to the accumulated surpluses or deficits when the surplus is realised. The surplus may be realised, in part or in whole, on the retirement or disposal of some or all of the assets within the land and buildings to which the surplus relates. However, some of the surplus may be realised as the land and buildings are used by the entity, in such a case, the amount of the surplus realised is the difference between depreciation based on the revalued carrying amount of the land and buildings and depreciation based on the land and building's original cost. The transfer from revaluation surplus to the accumulated surpluses or deficits is not made through the statement of financial performance.

Depreciation

.51 The depreciable amount of an item of property, plant and equipment shall be allocated on a systematic basis over its useful life. The depreciation method used shall reflect the pattern in which the asset's economic benefits or service potential is consumed by the entity. The depreciation charge for each period shall be recognised as an expense unless it is included in the carrying amount of another asset.

.52 As the economic benefits or service potential embodied in an asset are consumed by the entity, the carrying amount of the asset is reduced to reflect this consumption, normally by charging an expense for depreciation. A depreciation charge is made even if the value of the asset exceeds its carrying amount.

.53 The economic benefits or service potential embodied in an item of property, plant and equipment is consumed by the entity principally through the use of the asset. However, other factors such as technical obsolescence and wear and tear while an asset remains idle often result in the diminution of the economic benefits or service potential that might have been expected to be available from the asset. Consequently, all the following factors need to be considered in determining the useful life of an asset:

- (a) The expected usage of the asset by the entity. Usage is assessed by reference to the asset's expected capacity or physical output,
- (b) The expected physical wear and tear, which depends on operational factors such as the number of shifts for which the asset is to be used and the repair and maintenance program of the entity, and the care and maintenance of the asset while idle,
- (c) Technical obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset, and
- (d) Legal or similar limits on the use of the asset, such as the expiry dates of related leases.

.54 The useful life of an asset is defined in terms of the asset's expected utility to the entity. The asset management policy of an entity may involve the disposal of assets after a specified time or after consumption of a certain proportion of the economic benefits or service potential embodied in the asset. Therefore, the useful life of an asset may be shorter than its economic life. The estimation of the useful life of an item of property, plant and equipment is a matter of judgement based on the experience of the entity with similar assets.

.55 Land and buildings are separable assets and are dealt with separately for accounting purposes, even when they are acquired together. Land normally has an unlimited life and, therefore, is not depreciated. Buildings have a limited life and, therefore, are depreciable assets. An increase in the value of the land on which a building stands does not affect the determination of the useful life of the building.

.56 The depreciable amount of an asset is determined after deducting the residual value of the asset. In practice, the residual value of an asset is often insignificant and, therefore, is immaterial in the calculation of the depreciable amount. When the benchmark treatment is adopted and the residual value is likely to be significant, the residual value is estimated at the date of acquisition and is not subsequently increased for changes in prices. However, when the allowed alternative treatment is adopted in respect of property, a new estimate is made at the date of any subsequent revaluation of the asset. The estimate is based on the residual value prevailing at the date of the estimate for similar property assets that have reached the end of their useful lives and have operated under conditions similar to those in which the property asset will be used.

.57 A variety of depreciation methods can be used to allocate the depreciable amount of an asset on a systematic basis over its useful life. The methods include the straight-line method, the diminishing balance method or sum of the units method. Straight-line depreciation results in a constant charge over the useful life of the asset. The diminishing balance method results in a decreasing charge over the useful life of the asset. The sum of the units method results in a charge based on the expected use or output of the assets. The method used for an asset is selected based on the expected pattern of economic benefits or service potential and is consistently applied from period to period unless there is a change in the expected pattern of economic benefits or service potential from that asset.

.58 The depreciation charge for a period is usually recognised as an expense. However, in some circumstances, the economic benefits or service potential embodied in an asset are absorbed by the entity in producing other assets rather than giving rise to an expense. In this case the depreciation charge comprises part of the cost of the other asset and is included in its carrying amount. For example, the depreciation of manufacturing plant and equipment is included in the costs of conversion of inventories (see the Standard of Generally Accepted Municipal Accounting Practice on Inventories).

Review of useful life

.59 The useful life of an Item of property, plant and equipment shall be reviewed periodically and, if expectations are significantly different from previous estimates, the depreciation charge for the current and future periods shall be adjusted.

.60 During the life of an asset it may become apparent that the estimate of the useful life is inappropriate. For example, the useful life may be extended by subsequent expenditure on the asset which improves the condition of the asset beyond its most recently assessed standard of performance. Alternatively, technological changes or changes in the market for the products may reduce the useful life of the asset. In such cases, the useful life and, therefore, the depreciation rate is adjusted for the current and future periods.

.61 The repair and maintenance policy of the entity may also affect the useful life of an asset. The policy may result in an extension of the useful life of the asset or an increase in its residual value. However, the adoption of such a policy does not negate the need to charge depreciation. Conversely, some assets may be poorly maintained or maintenance may be deferred indefinitely because of budgetary constraints. Where asset management policies exacerbate the wear and tear of an asset, its useful life should be reassessed and adjusted accordingly.

Review of depreciation method

.62 The depreciation method applied to property, plant and equipment shall be reviewed periodically and, if there has been a significant change in the expected pattern of economic benefits or service potential from those assets, the method shall be changed to reflect the changed pattern. When such a change in depreciation method is necessary the change shall be accounted for as a change in accounting estimate and the depreciation charge for the current and future periods shall be adjusted.

Recovery of the carrying amount

Impairment losses

.63 To determine whether a cash generating asset is impaired, an entity applies the International Accounting Standard on Impairment of Assets that contains guidance on reviewing the carrying amount of assets held for generating positive cash flows, determining the recoverable amount of such assets and the recognition of impairment losses.

.64 In instances where a non-cash generating asset is impaired, the guidance as set out in paragraphs .66 to .68 should be followed.

.65 The International Accounting Standard on Business Combinations provides guidance on impairment losses recognised on cash generated assets before the end of the first annual accounting period commencing after a business combination that is an acquisition.

.66 The carrying amount of an item or a group of identical items of property, plant and equipment shall be reviewed periodically in order to assess whether or not the recoverable amount has declined below the carrying amount. When such a decline has occurred, the carrying amount shall be reduced to the recoverable amount. The amount of the reduction shall be recognised as an expense immediately, unless it reverses a previous revaluation in which case it shall be charged to a non-distributable reserve in accordance with paragraph .49.

.67 The cost or revalued amount of an item of property, plant and equipment is normally recovered on a systematic basis over the useful life of the asset. If the usefulness of an item or a group of identical items is impaired, for example by damage or technological obsolescence or other economic factors, the recoverable amount may be less than the carrying amount of the asset. In such circumstances, a write-down of the asset is necessary. A write-down may also be necessary when an item of property, plant and equipment remains idle for a considerable period either prior to it being put into use or during its useful life.

.68 The recoverable amount of individual assets, or group of identical assets, is determined separately and the carrying amount is reduced to recoverable amount on an individual asset, or group of identical assets, basis. However, there may be circumstances when it may not be possible to assess the recoverable amount of an asset on this basis, for example when all of the plant and equipment in a sewerage purification work is used for the same purpose. In such circumstances, the carrying amount of each of the related assets is reduced in proportion to the overall decline in recoverable amount of the smallest grouping of assets for which it is possible to make an assessment of recoverable amount.

Subsequent increase in recoverable amount - benchmark treatment

.69 A subsequent increase in the recoverable amount of an asset, dealt with in accordance with the benchmark treatment described in paragraph .66 shall be written back when the circumstances and events that led to the write-down or write-off cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future. The amount written back shall be reduced by the amount that would have been recognised as depreciation had the write-down or write-off not occurred.

Retirements and disposals

.70 An item of property, plant and equipment shall be eliminated from the statement of financial position on disposal or when the asset is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

.71 Gains or losses arising from the retirement or disposal of an item of property, plant and equipment shall be determined as the difference between estimated net disposal proceeds and the carrying amount of the assets. For the purposes of display in the financial statements, the gain or loss shall be included in the statement of financial performance as an item of revenue or expense, as appropriate.

.72 When an item of property, plant and equipment is exchanged for a similar asset, under the circumstances described in paragraph .33, the cost of the acquired asset is equal to the carrying amount of the asset disposed of and no gain or loss results.

.73 Sale and leaseback transactions are accounted for in accordance with the International Public Sector Accounting Standard on Leases.

.74 Property, plant and equipment that is retired from active use and held for disposal is carried at its carrying amount at the date when the asset is retired from active use. At least at each reporting date, an entity tests the asset for impairment of assets and recognises any impairment loss either in terms of the International Accounting Standard on Impairment of Assets if the asset is of a cash generating nature, or in terms of paragraphs .66 to .69 if the asset is of a non-cash generating nature.

Disclosure

.75 The financial statements shall disclose, for each class of property, plant and equipment recognised in the financial statements the following:

- (a) The measurement bases used for determining the gross carrying amount. When more than one basis has been used, the gross carrying amount for that basis in each category shall be disclosed,
- (b) The depreciation methods used,
- (c) The useful lives or the depreciation rates used,

- (d) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period, and
- (e) A reconciliation of the carrying amount at the beginning and end of the period showing:
 - (i) additions,
 - (ii) disposals,
 - (iii) acquisitions through business combinations,
 - (iv) increases or decreases during the period resulting from revaluations under paragraphs .41, .48 and .49 and from impairment losses (if any) recognised or reversed directly in net assets,
 - (v) impairment losses (if any) recognised in the statement of financial performance during the period,
 - (vi) impairment losses (if any) reversed in the statement of financial performance during the period,
 - (vii) depreciation, and
 - (viii) other movements.

.76 The financial statements shall also disclose for each class of property, plant and equipment recognised in the financial statements:

- (a) the existence and amounts of restrictions on title for property, plant and equipment pledged as security for liabilities,
- (b) the accounting policy for the estimated costs of restoring the site of items of property, plant and equipment,
- (c) the amount of expenditures on account of property, plant and equipment in the course of construction, and
- (d) the amount of commitments for the acquisition of property, plant and equipment.

.77 The selection of the depreciation method and the estimation of the useful life of assets are matters of judgement. Therefore, disclosure of the methods adopted and the estimated useful lives or depreciation rates, provides users of financial statements with information, which allows them to review the policies selected by management and enables comparisons to be made with other entities. For similar reasons, it is necessary to disclose the depreciation allocated in a period and the accumulated depreciation at the end of that period.

.78 An entity discloses the nature and effect of a change in an accounting estimate that has a material effect in the current period or which is expected to have a material effect in subsequent periods in accordance with the Standard of Generally Recognised Accounting Practice on Accounting Policies, Changes in Accounting Estimates and Errors. Such disclosure may arise from changes in estimate with respect to:

- (a) residual values,
- (b) the estimated costs of dismantling and removing items of property, plant and equipment,
- (c) useful lives, and
- (d) depreciation method.

.79 When property is stated at revalued amounts, the following shall be disclosed:

- (a) the basis used to revalue property,
- (b) the effective date of the revaluation,
- (c) whether an independent valuer was involved,
- (d) the nature of any indices used to determine replacement cost, and
- (e) the revaluation surplus, indicating the movement for the period.

.80 An entity discloses information on impaired property, plant and equipment under the International Accounting Standard on Impairment of Assets in addition to the information required by paragraph .75 (e) (iv) to (vi).

.81 Financial statement users also find the following information relevant to their needs:

- (a) the carrying amount of temporarily idle property, plant and equipment,
- (b) the cost or fair value of any fully depreciated property, plant and equipment that is still in use,
- (c) the carrying amount of property, plant and equipment retired from active use and held for disposal, and
- (d) when the benchmark treatment is used, the fair value of property, plant and equipment when this is materially different to the carrying amount.

Therefore, entities are encouraged to disclose these amounts.

Transitional Provisions

.82 An entity that adopts accrual accounting for the first time in accordance with this Standard may initially recognise property, plant and equipment at cost or fair value. For items of property, plant and equipment that were acquired at no cost, or for a nominal cost, cost is the item's fair value as at the date of acquisition. Any adjustment to the amount of property, plant and equipment included in the statement of financial position shall be adjusted against the opening balance of the accumulated surplus or deficit in the Statement of Changes in Net Assets.

.83 Where an asset that was previously recognised by the entity which does not meet the recognition criteria as determined in paragraph .10 of the Standard when applying the Standard for the first time, the asset shall be de-recognised in the statement of financial position. The adjustment to the previous carrying amount shall be reported by adjusting the opening balance of the accumulated surplus or deficit.

.84 When applying this Standard for the first time, an entity may control assets that it has not previously recognised. When the recognition criteria as determined in paragraph .10 have been met, the asset needs to be recognised in the statement of financial position at fair value.

.85 When the first-time application of this Standard results in a change in accounting policy or estimate, reference shall be made to the Standard of Generally Recognised Accounting Practice on Accounting Policies, Changes in Accounting Estimates and Errors.

.86 Entities are not required to recognise property, plant and equipment for reporting periods beginning on a date within three years following the date of first adoption of the Standard.

.87 When an entity takes advantage of the transitional provision in paragraph .86, that fact should be disclosed. Information on the progress on the major classes of assets that have not been recognised by virtue of paragraph .86 should also be disclosed. When an entity takes advantage of the transitional provision in paragraph .86 for a second reporting period, details of the assets or classes of assets that were not recognised at the previous reporting date but which are now recognised should be disclosed.

Effective date

.88 This Standard of Generally Accepted Municipal Accounting Practice becomes effective for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with [section 91 \(1\) \(b\)](#) of the Public Finance Management Act, Act [No. 1 of 1999](#) as amended.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.992 of 15 December 2005: National Treasury Public Finance Management Act, 1999: Prescribing Standards of Generally Accepted Municipal Accounting Practice (GAMAP) in terms of Section 91/ GAMAP 19 Provisions, Contingent Liabilities and Contingent Assets

GAMAP 19

Provisions, Contingent Liabilities and Contingent Assets

Standards of Generally Accepted Municipal Accounting Practice (GAMAP)

Introduction

The Accounting Standards Board (Board) is required in terms of the Public Finance Management Act, Act [No. 1 of 1999](#), as amended (PFMA), to determine generally recognised accounting practice referred to as Standards of Generally Recognised Accounting Practice (GRAP).

The Board must determine GRAP for:

- (a) departments (national and provincial);
- (b) public entities;
- (c) constitutional institutions;
- (d) municipalities and boards, commissions, companies, corporations, funds or other entities under the ownership control of a municipality; and
- (e) Parliament and the provincial legislatures.

The above are collectively referred to as 'entities' Standards of GRAP.

The Board considers that the Standards of GAMAP constitute GRAP for municipalities.

GAMAP is an interim solution until such time as it is replaced by a Standard of GRAP.

Any limitation of the applicability of specific Standards is made clear in those Standards.

The Standard of GAMAP on Provisions, Contingent Liabilities and Contingent Assets is set out in paragraphs .01 - .107. All paragraphs in this Standard have equal authority. The authority of appendices is dealt with in the preamble to each appendix. This Standard should be read in the context of its objective, the Preface to Standards of GRAP, the Preface to Standards of GAMAP and the Framework for the Preparation and Presentation of Financial Statements.

Reference may be made here to a Standards of GRAP that has not been issued at the time of issue of this Standard. This is done to avoid having to change the Standards already issued when a later Standard is subsequently issued. Paragraph .12 of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors provides a basis for selecting and applying accounting policies in the absence of explicit guidance.

Objective

The objective of this Standard is to define provisions, contingent liabilities and contingent assets, identify the circumstances in which provisions should be recognised, how they should be measured and the disclosures that should be made about them. The Standard also requires that certain information be disclosed about contingent liabilities and contingent assets in the notes to the financial statements to enable users to understand their nature, timing and amount.

Scope

.01 An entity which prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for provisions, contingent liabilities and contingent assets, except:

- (a) Those provisions and contingent liabilities arising from social benefits provided by an entity for which it does not receive consideration that is approximately equal to the value of goods and services provided, directly in return from the recipients of those benefits,
- (b) Those resulting from financial instruments that are carried at fair value,
- (c) Those resulting from executory contracts, other than where the contract is onerous subject to other provisions of this paragraph,
- (d) Those covered by other Standards of Generally Accepted Municipal Accounting Practice, and
- (e) Those arising from employee benefits except employee termination benefits that arise as a result of a restructuring as dealt with in this Standard.

.02 This Standard applies to financial instruments (including guarantees) that are not carried at fair value.

.03 This Standard applies to provisions for restructuring (including discontinuing operations). In some cases, a restructuring may meet the definition of a discontinuing operation. Guidance on disclosing information about discontinuing operations is found in the International Accounting Standard on Discontinuing Operations.

Social benefits

.04 For the purposes of this Standard "social benefits" refer to goods, services and other benefits provided in the pursuit of the social policy objectives of an entity. These benefits may include:

- (a) The delivery of health, education, housing, transport and other social services to the community. In many cases, there is no requirement for the beneficiaries of these services to pay an amount equivalent to the value of these services,
- (b) Payment of benefits to families, the aged, the disabled, the unemployed, veterans and others. That is, government entities at all levels may provide financial assistance to individuals and groups in the community to access services to meet their particular needs, or to supplement their income,
- (c) Minimum water supplies and/or electricity supplies to members of the community with no requirement to pay an amount approximately equal to the value of the service, and
- (d) Waste removal (sanitation and hard refuse) to members of the community with no requirement to pay an amount approximately equal to the value of the service.

.05 In many cases, obligations to provide social benefits arise as a consequence of a government's commitment to undertake particular activities on an on-going basis over the long term in order to provide particular goods and services to the community. The need for, and nature and supply of, goods and services to meet social policy obligations will often depend on a range of demographic and social conditions and are difficult to predict. These benefits generally fall within the "social protection", "education" and "health" classifications under the International Monetary Fund's Government Finance Statistics Framework and often require an actuarial assessment to determine the amount of any liability arising in respect of them.

.06 For a provision or contingency arising from a social benefit to be excluded from the scope of this Standard, the entity providing the benefit will not receive consideration that is approximately equal to the value of goods and services provided, directly in return from the recipients of the benefit. This exclusion would encompass those circumstances where a charge is levied in respect of the benefit but there is no direct relationship between the charge and the benefit received. The exclusion of these provisions and contingent liabilities from the scope of this Standard reflects the view that both the determination of what constitutes the "obligating event" and the measurement of the liability require further consideration before proposed Standards are exposed. For example, there are differing views about whether the obligating event occurs when the individual meets the eligibility criteria for the benefit or at some earlier stage. Similarly, there are differing views about whether the amount of any obligation reflects an estimate of the current period's entitlement or the present value of all expected future benefits determined on an actuarial basis.

.07 Where an entity elects to recognise a provision for such obligations, the entity discloses the basis on which the provisions have been recognised and the measurement basis adopted. The entity also makes other disclosures required by this Standard in respect of those provisions. The Standard of Generally Recognised

Accounting Practice on Presentation of Financial Statements provides guidance on dealing with matters not specifically dealt with by another Standard. The Standard of Generally Recognised Accounting Practice on Presentation of Financial Statements also includes requirements relating to the selection and disclosure of accounting policies.

.08 In some cases, social benefits may give rise to a liability for which there is:

- (a) little or no uncertainty as to the amount, and
- (b) the timing of the obligation is not uncertain.

Accordingly, these are not likely to meet the definition of a provision in this Standard. Where such liabilities for social benefits exist, they are recognised where they satisfy the criteria for recognition as liabilities (refer also to paragraph .15). An example would be a period-end accrual for an amount owing to the existing beneficiaries in respect of aged or disability pensions that have been approved for payment consistent with the provisions of a contract or legislation.

Other exclusions from the scope of the Standard

.09 This Standard does not apply to executory contracts unless they are onerous. Contracts to provide social benefits entered into with the expectation that the entity will not receive consideration that is approximately equal to the value of goods and services provided directly in return from the recipients of those benefits are excluded from the scope of this Standard.

.10 Where another Standard deals with a specific type of provision, contingent liability or contingent asset, an entity applies that Standard instead of this Standard. For example, certain types of provisions are also addressed in Standards on:

- (a) leases (see the International Public Sector Accounting Standard on Leases for guidance. However, as the Standard on leases contains no specific requirements to deal with operating leases that have become onerous, this Standard applies to such cases).
- (b) retirement benefit costs (see the International Accounting Standard on Employee Benefits for guidance).

.11 Some amounts treated as provisions may relate to the recognition of revenue, for example where an entity gives guarantees in exchange for a fee. This Standard does not address the recognition of revenue. The Standard of Generally Accepted Municipal Accounting Practice on Revenue identifies the circumstances in which revenue from exchange transactions is recognised and provides practical guidance on the application of the recognition criteria. This Standard does not change the requirements of the Standard of Generally Accepted Municipal Accounting Practice on Revenue.

.12 This Standard defines provisions as liabilities of uncertain timing or amount. In some instances the term "provision" is also used in the context of items such as depreciation, impairment of assets and doubtful debts: these are adjustments to the carrying amounts of assets and are not addressed in this Standard.

.13 Other Standards specify whether expenditures are treated as assets or as expenses. These issues are not addressed in this Standard. Accordingly, this Standard neither prohibits nor requires capitalisation of the costs recognised when a provision is made.

Definitions

.14 The following terms are used in this Standard with the meanings specified:

A "**constructive obligation**" is an obligation that derives from an entity's actions where:

- (a) by an established pattern of past practice, published policies or a sufficiently specific current Standard, the entity has indicated to other parties that it will accept certain responsibilities, and
- (b) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

A "**contingent asset**" is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A "**contingent liability**" is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

"**Executory contracts**" are contracts under which neither party has performed any of its obligations or both parties have partially performed their obligations to an equal extent.

A **"legal obligation"** is an obligation that derives from:

- (a) a contract (through its explicit or implicit terms),
- (b) legislation, or
- (c) other operation of law.

"Liabilities" are present obligations of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits or service potential.

An **"obligating event"** is an event that creates a legal or constructive obligation that results in an entity having no realistic alternative to settling that obligation.

An **"onerous contract"** is a contract for the exchange of assets or services in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits or service potential expected to be received under it.

A **"provision"** Is a liability of uncertain timing or amount

A **"restructuring"** is a programme that is planned and controlled by management, and materially changes either the:

- (a) scope of the entity's activities, or
- (b) manner in which those activities are carried out.

Provisions and other liabilities

.15 Provisions can be distinguished from other liabilities such as payables and accruals because there is uncertainty about the timing or amount of the future expenditure required in settlement. By contrast:

- (a) payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier (and include payments in respect of social benefits where formal agreements for specified amounts exist), and
- (b) accruals are liabilities to pay for goods or services that have been received or supplied but have not been invoiced or formally agreed with the supplier, including amounts due to employees (for example, amounts relating to accrued vacation pay). Although it is sometimes necessary to estimate the amount or timing of accruals, the uncertainty is generally much less than for provisions.

Accruals are often reported as part of accounts payable, whereas provisions are reported separately.

Relationship between provisions and contingent liabilities

.16 In a general sense, all provisions are contingent because they are uncertain in timing or amount. However, within this Standard the term "contingent" is used for liabilities and assets that are not recognised because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. In addition, the term "contingent liability" is used for liabilities that do not meet the recognition criteria.

.17 This Standard distinguishes between:

- (a) provisions : which are recognised as liabilities (assuming that a reliable estimate can be made) because they are present obligations and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligations, and
- (b) contingent liabilities : which are not recognised as liabilities because they are either:
 - (i) possible obligations, as it has yet to be confirmed whether the entity has a present obligation that could lead to an outflow of resources embodying economic benefits or service potential, or
 - (ii) present obligations that do not meet the recognition criteria in this Standard (because either it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or a sufficiently reliable estimate of the amount of the obligation cannot be made).

Recognition

Provisions

.18 A provision shall be recognised when:

- (a) an entity has a present obligation (legal or constructive) as a result of a past event,
- (b) it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and
- (c) a reasonable reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision shall be recognised.

Present obligation

.19 In some cases it is not clear whether there is a present obligation. In these cases, a past event is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists at the reporting date.

.20 In most cases it will be clear whether a past event has given rise to a present obligation. In other cases, for example in a lawsuit, it may be disputed either whether certain events have occurred or whether those events result in a present obligation. In such cases, an entity determines whether a present obligation exists at the reporting date by taking account of all available evidence, including, for example, the opinion of experts. The evidence considered includes any additional evidence provided by events after the reporting date. On the basis of such evidence:

- (a) where it is more likely than not that a present obligation exists at the reporting date, the entity recognises a provision (if the recognition criteria are met), and
- (b) where it is more likely that no present obligation exists at the reporting date, the entity discloses a contingent liability, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote (see paragraph .98).

Past event

.21 A past event that leads to a present obligation is called an obligating event. For an event to be an obligating event, it is necessary that the entity has no realistic alternative to settling the obligation created by the event. This is the case only:

- (a) where the settlement of the obligation can be enforced by law, or
- (b) in the case of a constructive obligation, where the event (which may be an action of the entity) creates valid expectations in other parties that the entity will discharge the obligation.

.22 Sometimes the actions or representations of the entity's management, or changes in the economic environment, directly influence the reasonable expectations or actions of those outside the entity and, although they have no legal entitlement, they have other sanctions that leave the entity with no realistic alternative to settle certain expenses. Such obligations are sometimes called "constructive obligations". A constructive obligation is one arising from the facts in a particular situation; a legal liability arises from the operation of law (e.g. contract or statutes).

.23 Examples of constructive obligations include:

- (a) an entity that habitually makes grants-in aid to deserving communities but is under no legal obligation to do so, but could not change its policy without incurring unacceptable damage to its reputation, and
- (b) an entity that has identified contamination in certain land bordering its area of jurisdiction. The entity may not legally be obliged to clean up, but because of concern for its community and because of its published policies or past actions it has no realistic alternative but to do so.

.24 Financial statements deal with the financial position of an entity at the end of its reporting period and not its possible position in the future. Therefore, no provision is recognised for costs that need to be incurred to continue an entity's ongoing activities in the future. The only liabilities recognised in an entity's statement of financial position are those that exist at the reporting date.

.25 Provisions are not made for general operational risks since they do not give rise to present obligations that exist at the reporting date.

.26 It is only those obligations arising from past events existing independently of an entity's future actions (that is, the future conduct of its activities) that are recognised as provisions. An example of such obligations is penalties for clean-up costs for unlawful environmental damage imposed by legislation on an entity. These obligations would lead to an outflow of resources embodying economic benefits or service potential in settlement regardless of the future actions of that entity. In contrast, because of legal requirements, pressure from constituents, or a desire to demonstrate community leadership, an entity may intend or need to carry out expenditure to operate in a particular way in the future. An example would be where an entity decides to fit emission controls on certain of its vehicles. Because the entities can avoid the future expenditure by their future actions, for example, by changing their method of operation, they have no present obligation for that future expenditure and no provision is recognised.

.27 An obligation always involves another party to whom the obligation is owed. It is not necessary, however, to know the identity of the party to whom the obligation is owed indeed, the obligation may be to the community at large. Because an obligation always involves a commitment to another party, it follows that a decision by an entity's management, governing body or council does not give rise to a constructive obligation at the reporting date unless the decision has been communicated before the reporting date to those affected by it in a sufficiently specific manner to raise a valid expectation in them that the entity will discharge its responsibilities.

.28 An event that does not give rise to an obligation immediately may do so at a later date, because of changes in the law or because an act (for example, a sufficiently specific public statement) by the entity gives rise to a constructive obligation.

.29 Where details of a proposed new law have yet to be finalised, an obligation arises only when the legislation is virtually certain to be enacted as drafted. For the purpose of this Standard, such an obligation is treated as a legal obligation. However, differences in circumstances surrounding enactment often make it impossible

to specify a single event that would make the enactment of a law virtually certain. In many cases, it is not possible to judge whether a proposed new law is virtually certain to be enacted as drafted and any decision about the existence of an obligation should await the enactment of the proposed law.

Probable outflow of resources embodying economic benefits or service potential

.30 For a liability to qualify for recognition there must be not only a present obligation but also the probability of an outflow of resources embodying economic benefits or service potential to settle that obligation. For the purpose of this Standard, an outflow of resources or other event is regarded as probable if the event is more likely than not to occur, that is, the probability that the event will occur is greater than the probability that it will not. Where it is not probable that a present obligation exists, an entity discloses a contingent liability, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote (see paragraph .98).

.31 Where there are a number of similar obligations, the probability that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Although the likelihood of outflow for any one item may be small, it may well be probable that some outflow of resources will be needed to settle the class of obligations as a whole. If that is the case, a provision is recognised (if the other recognition criteria are met).

Reliable estimate of the obligation

.32 The use of estimates is an essential part of the preparation of financial statements and does not undermine their reliability. This is especially true in the case of provisions, which by their nature are more uncertain than most other assets or liabilities. Except in extremely rare cases, an entity will be able to determine a range of possible outcomes and can therefore make an estimate of the obligation that is sufficiently reliable to use in recognising a provision.

.33 In the extremely rare case where no reliable estimate can be made, a liability exists that cannot be recognised. That liability is disclosed as a contingent liability (see paragraph .98).

.34 For example, in order to remain cost effective the management of an entity may decide to undertake specified capital expenditure in the future. Such a decision does not, of itself, create an obligation. Another example is where an entity needs to spend substantially on the resurfacing of roads every few years in order to maintain the existing level of service. An obligation would arise only when the resurfacing had been performed and the entity was obliged to pay a third party for the work undertaken.

Contingent liabilities

.35 An entity shall not recognise a contingent liability.

.36 A contingent liability is disclosed, as required by paragraph .98, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

.37 Where an entity is jointly and severally liable for an obligation the part of the obligation that is expected to be met by other parties is treated as a contingent liability. For example, in the case of joint venture debt, that part of the obligation that is to be met by other joint venture participants is treated as a contingent liability. The entity recognises a provision for the part of the obligation for which an outflow of resources embodying economic benefits or service potential is probable, except in the rare circumstances where no reliable estimate can be made.

.38 Contingent liabilities may develop in a way not initially expected. Therefore, they are assessed continually to determine whether an outflow of resources embodying economic benefits or service potential has become probable. If it becomes probable that an outflow of future economic benefits or service potential will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs (except in the extremely rare circumstances where no reliable estimate can be made). For example, an entity may have breached an environmental law but it remains unclear whether any damage was caused to the environment. Where, subsequently it becomes clear that damage was caused and remediation will be required, the entity would recognise a provision, because an outflow of economic benefits is now probable.

Contingent assets

.39 An entity shall not recognise a contingent asset.

.40 Contingent assets usually arise from unplanned or other unexpected events that are not wholly within the control of the entity and give rise to the possibility of an inflow of economic benefits or service potential to the entity. An example is a claim that an entity is pursuing through legal processes, where the outcome is uncertain.

.41 Contingent assets are not recognised in financial statements, since this may result in the recognition of revenue that may never be realised. However, when the realisation of revenue is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

.42 A contingent asset is disclosed, as required by paragraph .103, where an inflow of economic benefits or service potential is probable.

.43 Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognised in the financial statements of the period in which the change occurs. If an inflow of economic benefits or service potential has become probable, an entity discloses the contingent asset (see paragraph .103).

Measurement

Best estimate

.44 The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date.

.45 The best estimate of the expenditure required to settle the present obligation is the amount that an entity would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time. It will often be impossible or prohibitively expensive to settle or transfer an obligation at the reporting date. However, the estimate of the amount that entity would rationally pay to settle or transfer the obligation gives the best estimate of the expenditure required to settle the present obligation at the reporting date.

.46 The estimates of outcome and financial effect are determined by the judgement of the management of the entity, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date.

.47 Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances. Where the provision being measured involves a large population of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities. The name for this statistical method of estimation is "expected value". The provision will therefore be different depending on whether the probability of a loss of a given amount is, for example, 60% or 90%. Where there is a continuous range of possible outcomes, and each point in that range is as likely as any other, the mid-point of the range is used.

.48 For example, suppose an entity sells goods or performs a service with a warranty under which customers are covered for the cost of repairs of any defects which become apparent within the first six months of purchase. If minor defects are detected in all products sold, repairs costs of R1m would result. If major defects are detected in all products sold repairs costs of R4m would result. The entity's past experience and future expectations indicate that, for the coming year, 75% of the goods sold will have no defects, 20% of the goods sold will have minor defects and 5% of the goods sold will have major defects. The expected value of the cost of repairs is, R400 000 (that is (75% of nil) + (20% of R1m) + (5% of R4m)).

.49 Where a single obligation is being measured, the individual most likely outcome may be the best estimate of the liability. However, even in such a case, the entity considers other possible outcomes. Where other possible outcomes are either mostly higher or mostly lower than the most likely outcome, the best estimate will be a higher or lower amount. For example, if an entity has to rectify a serious fault in a major plant that it has constructed for a customer, the most likely outcome may be for the repair to succeed at the first attempt at a cost of R1 000, but a provision for a larger amount is made if there is a significant chance that further attempts will be necessary.

Risks and uncertainties

.50 The risks and uncertainties that inevitably surround many events and circumstances shall be taken into account in reaching the best estimate of a provision.

.51 Risk describes variability of outcome. A risk adjustment may increase the amount at which a liability is measured. Caution is needed in making judgements under conditions of uncertainty, so that revenue or assets are not overstated and expenses or liabilities are not understated. However, uncertainty does not justify the creation of excessive provisions or a deliberate overstatement of liabilities. For example, if the projected costs of a particularly adverse outcome are estimated on a prudent basis, that outcome is not then deliberately treated as more probable than is realistically the case. Care is needed to avoid duplicating adjustments for risk and uncertainty with consequent overstatement of a provision.

.52 Disclosure of the uncertainties surrounding the amount of the expenditure is made under paragraph .96 (b).

Present value

.53 Where the effect of time value of money is material, the amount of a provision shall be the present value of the expenditure expected to be required to settle the obligation.

.54 Because of the time value of money, provisions relating to cash outflows that arise soon after the reporting date are more onerous than those where cash outflows of the same amount arise later. Provisions are therefore discounted, where the effect is material.

.55 When a provision is discounted over a number of years, the present value of the provision will increase each year as the provision comes closer to the expected time of settlement. Paragraph .95 (e) of this Standard requires disclosure of the increase during the period in the discounted amount arising from the passage of time.

Future events

.56 Future events that may affect the amount required to settle an entity's obligation shall be reflected in the amount of a provision where there is sufficient objective evidence that they will occur.

.57 Expected future events may be particularly important in measuring provisions. If there is sufficient evidence of likely expected rates of inflation this should be reflected in the amount of the provision. For example, an entity may believe that the cost of clearing up a site at the end of its life will be reduced by future changes in technology. The amount provided for reflects a reasonable expectation of technically qualified, objective observers, taking account of all available evidence as to the technology that will be available at the time of the clean-up. Thus it is appropriate to include, for example, expected cost reductions associated with increased experience in applying existing technology or the expected cost of applying existing technology to a larger or more complex cleanup

operation that has previously been carried out. However, the development of a completely new technology for cleaning up unless it is supported by sufficient objective evidence.

.58 The effect of possible new legislation which may effect the amount of an existing obligation of an entity is taken into consideration in measuring that obligation when sufficient objective evidence exists that the legislation is virtually certain to be enacted. The variety of circumstances that arise in practice makes it impossible to specify a single event that will provide sufficient, objective evidence in every case. Evidence is required both of what legislation will demand and of whether it is virtually certain to be enacted and implemented in due course. In many cases sufficient objective evidence will not exist until the new legislation is enacted.

Expected disposal of assets

.59 Gains from the expected disposal of assets shall not be taken into account in measuring a provision.

.60 Gains on the expected disposal of assets are not taken into account in measuring a provision, even if the expected disposal is closely linked to the event giving rise to the provision. Instead, an entity recognises gains on expected disposals of assets at the time specified by the Standard of Generally Accepted Municipal Accounting Practice on Property, Plant and Equipment.

Reimbursements

.61 Where some or all of the expense required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement should not exceed the amount of the provision.

.62 In the statement of financial performance, the expense relating to a provision may be presented net of the amount recognised for a reimbursement.

.63 Sometimes an entity is able to look to another party to pay part or all of the expenditure required to settle a provision (for example, through insurance contracts, indemnity clauses or suppliers' warranties). The other party may either reimburse amounts paid by the entity or pay the amounts directly.

.64 In most cases the entity will remain primarily liable for the whole of the amount in question so that the entity would have to settle the full amount if the third party failed to pay for any reason. In this situation a provision is recognised for the full amount of the liability, and a separate asset for the expected reimbursement is recognised when it is virtually certain that reimbursement will be received if the entity settles the liability. However, occasionally the entity will not remain primarily liable for the costs in question so that, if the third party failed to pay, the entity would not be liable. In such a circumstance the entity no longer has a liability for those costs to be met by the third party and the financial statements reflect this fact.

.65 In some cases, the entity will not be liable for the costs in question if the third party fails to pay. In such a case, the entity has no liability for those costs and they are not included in the provision.

.66 As noted in paragraph .37, an obligation for which an entity is jointly and severally liable is a contingent liability to the extent that it is expected that the obligation will be settled by the other parties.

Changes in provisions

.67 Provisions shall be reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision shall be reversed.

.68 Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

Use of provisions

.69 A provision shall be used only for expenditure for which the provision was originally recognised.

.70 Only expenditures that relate to the original provision are set against it. Setting expenditures against a provision that was originally recognised for another purpose would conceal the impact of two different events.

Application of the recognition and measurement rules

Future operating net deficits

.71 Provisions shall not be recognised for net deficits from future operating deficits.

.72 Net deficits from future operating activities do not meet the definition of liabilities in paragraph .14 and the general recognition criteria set out for provisions in paragraph .18.

.73 An expectation of net deficits from future operating activities is an indication that certain assets used in these activities may be impaired. An entity tests these assets for impairment. Guidance on accounting for impairment is found in the International Accounting Standard on Impairment of Assets.

Onerous contracts

.74 If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract shall be recognised and measured as a provision.

.75 Paragraph .74 of this Standard applies only to contracts that are onerous. Contracts to provide social benefits entered into with the expectation that the entity does not receive consideration that is approximately

equal to the value of goods and services provided, directly in return from the recipients of those benefits are excluded from the scope of this Standard.

.76 Many contracts evidencing exchange transactions (for example, some routine purchase orders) can be cancelled without paying compensation to the other party, and therefore there is no obligation. Other contracts establish both rights and obligations for each of the contracting parties. Where events make such a contract onerous, the contract falls within the scope of this Standard and a liability exists which is recognised. Executory contracts that are not onerous fall outside the scope of this Standard.

.77 This Standard defines an onerous contract as a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits or service potential expected to be received under it which includes amounts recoverable. Therefore, it is the present obligation net of recoveries that is recognised as a provision under paragraph .74. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

.78 Before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets dedicated to that contract.

Restructuring

.79 The following are examples of events that may fall under the definition of restructuring:

- (a) Sale, termination or the transfer to another government body or council of a service,
- (b) The closure of locations where operations are carried on and the relocation of operational activities,
- (c) Changes in management structure, for example, eliminating a layer of management, and
- (d) Fundamental reorganisations (i.e. those that have a material effect on the nature and focus of the entity's operations).

.80 A provision for restructuring costs is recognised only when the general recognition criteria for provisions set out in paragraph .18 are met. Paragraphs .81 to .94 set out how the general recognition criteria apply to restructurings.

.81 A constructive obligation to restructure arises only when an entity:

- (a) has a detailed formal plan for the restructuring identifying at least:
 - (i) the activity/operating unit or part of an activity/operating unit concerned,
 - (ii) the principal locations affected,
 - (iii) the location, function, and approximate number of employees who will be compensated for determining their services,
 - (iv) the expenditures that will be undertaken, and
 - (v) when the plan will be implemented.
- (b) has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

.82 A public announcement by itself would not constitute a commitment unless it obliges the entity to pay out resources or dispose of assets. A commitment only arises if the announcement is made in such a way and in sufficient detail for other parties, such as customers or suppliers, to be expected to act on the basis that the reorganisation will proceed and, in so doing, remove the realistic possibility of the entity withdrawing. The announcement would normally specify the service operations or part of a service operation that is affected, the locations in question, the total number of employees affected and the total costs, and indicate the timing of the reorganisation. Communication of the plan to employees would have to be made at a reasonable level of detail to staff involved or their representatives. The effect of the communication must be such that withdrawal by the entity is not realistic in view of the damage it would cause to relationships with employees and the community in which the entity operates and the fact that some employees will have found other jobs.

.83 Examples of implementation include dismantling plant, selling assets, notifying external parties (such as notifying ratepayers that services will be discontinued) and communication to employees.

.84 For a plan to be sufficient to give rise to a constructive obligation when communicated to those affected by it, its implementation needs to be planned to begin as soon as possible and to be completed in a timeframe that makes significant changes to the plan unlikely. If it is expected that there will be a long delay before the restructuring begins or that the restructuring will take an unreasonably long time, it is unlikely that the plan will raise a valid expectation on the part of others that the entity is at present committed to restructuring, because the timeframe allows opportunities for the entity to change its plans.

.85 A decision by the council or the governing body to restructure taken before the reporting date does not give rise to a constructive obligation at the reporting date unless the entity has, before the reporting date:

- (a) started to implement the restructuring plan, or
- (b) announced the main features of the restructuring plan to those affected by it in a sufficiently specific manner to raise a valid expectation in them that the entity will carry out the restructuring.

In some cases, an entity starts to implement a restructuring plan, or announces its main features to those

affected, only after the reporting date. Disclosure may be required under the International Public Sector Accounting Standard on Events After the Reporting Date, if the restructuring is of such importance that its non-disclosure would affect the ability of the users of the financial statements to make proper evaluations and decisions.

.86 Although a constructive obligation is not created solely by council or governing body decision, an obligation may result from other earlier events together with such a decision. For example, negotiations with employee representatives for termination payments, or with purchasers for the sale or transfer of an operation, may have been concluded subject only to governing body or council approval. Once that approval has been obtained and communicated to the other parties, the entity has a constructive obligation to restructure, if the conditions of paragraph .81 are met.

.87 The ultimate authority for decision making about an entity is vested in a governing body or council whose membership includes representatives of interests other than those of management (e.g. employees) or notification to these representatives may be necessary before the governing body or council decision is taken. Because a decision by such a governing body or council involves communication to these representatives, it may result in a constructive obligation.

Sale and transfer of operations

.88 No obligation arises as a consequence of the sale and transfer of an operation until the entity is committed to the sale or transfer, that is, there is a binding agreement.

.89 Even when an entity has taken a decision to sell an operation and announced that decision publicly, it cannot be committed to the sale until a purchaser has been identified and there is a binding sale agreement. Until there is a binding agreement, the entity will be able to change its mind and indeed will have to take another course of action if a purchaser cannot be found on acceptable terms. When a sale is only part of a restructuring, a constructive obligation can arise for the other parts of the restructuring before a binding sale agreement exists.

.90 Restructuring within the public sector often involves the transfer of operations from one controlled entity to another and may involve the transfer of operations at no or nominal consideration. Such transfers will often take place under a government directive and will not involve binding agreements as described in paragraph .89. An obligation exists only when there is a binding agreement. Even where proposed transfers do not lead to the recognition of a provision, the planned transaction may require disclosure under other Standards of Generally Accepted Municipal Accounting Practice or International Public Sector Accounting Standards or Statements of Generally Accepted Accounting Practice, such as the International Public Sector Accounting Standard on Events After the Reporting Date.

Restructuring Provisions

.91 A restructuring provision shall include only the direct expenditure arising from restructuring, which are those that are both:

- (a) necessarily entailed by a restructuring, and
- (b) not associated with the ongoing activities of the entity.

.92 A restructuring provision does not include such costs as:

- (a) retraining or relocating continuing staff,
- (b) marketing, and
- (c) investment in new systems and distribution networks.

These expenditure relate to the future conduct of an activity and are not liabilities for restructuring at the reporting date. Such expenditures are recognised on the same basis as if they arose independently of a restructuring.

.93 Identifiable future operating net deficits up to the date of a restructuring are not included in a provision, unless they relate to an onerous contract as defined in paragraph .14.

.94 As required by paragraph .59, gains on the expected disposal of assets are not taken into account in measuring a restructuring provision, even if the sale of assets is envisaged as part of the restructuring.

Disclosure

.95 For each class of provision, an entity shall disclose:

- (a) The carrying amount at the beginning and end of the period,
- (b) Additional provisions made in the period, including increases to existing provisions,
- (c) Amounts used (that is, incurred and charged against the provision) during the period,
- (d) Unused amounts reversed during the period, and
- (e) The increase during the period in the discounted amount arising from the passage of time and the effect of any change in the discount rate.

Comparative information is not required.

.96 An entity shall disclose the following for each class of provision:

- (a) A brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits or service potential,
- (b) An indication of the uncertainties about the amount or timing of those outflows. Where necessary to provide adequate information, an entity shall disclose the major assumptions made concerning future events, as addressed in paragraph .56, and
- (c) The amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement.

.97 Where an entity elects to recognise in its financial statements provisions for social benefits for which it does not receive consideration that is approximately equal to the value of goods and services provided, directly in return from the recipients of those benefits, it shall make the disclosures required in paragraphs .95 and .96 in respect of those provisions.

.98 Unless the possibility of any outflow in settlement is remote, an entity shall disclose for each class of contingent liability at the reporting date a brief description of the nature of the contingent liability and, where practicable:

- (a) an estimate of its financial effect, measured under paragraphs .44 to .60,
- (b) an indication of the uncertainties relating to the amount or timing of any outflow, and
- (c) the possibility of any reimbursement.

.99 In determining which provisions or contingent liabilities may be aggregated to form a class, it is necessary to consider whether the nature of the items is sufficiently similar for a single Standard about them to fulfil the requirements of paragraphs .96 (a) and (b) and .98 (a) and (b). Thus, it may be appropriate to treat as a single class of provision amounts relating to one type of obligation, but it would not be appropriate to treat as a single class amounts relating to environmental restoration costs and amounts that are subject to legal proceedings.

.100 Where a provision and a contingent liability arise from the same set of circumstances, an entity makes the disclosures required by paragraphs .95, .96 and .98 in a way that shows the link between the provision and the contingent liability.

.101 An entity may in certain circumstances use external valuation to measure a provision. In such cases, information relating to the valuation can usefully be disclosed.

.102 The disclosure requirements in paragraph .98 do not apply to contingent liabilities that arise from social benefits provided by an entity for which it does not receive consideration that is approximately equal to the value of goods or services provided, directly in return from the recipients of those benefits (see paragraphs .01 (a) and .04 to .08 for a discussion of the exclusion of social benefits from this Standard).

.103 Where an inflow of economic benefits or service potential is probable, an entity shall disclose a brief description of the nature of the contingent assets at the reporting date, and, where practicable, an estimate of their financial effect, measured using the principles set out for provisions in paragraphs .44 to .60.

.104 The disclosure requirements in paragraph .103 are only intended to apply to those contingent assets where there is a reasonable expectation that benefits will flow to the entity. That is, there is no requirement to disclose this information about all contingent assets (see paragraphs .39 to .43 for a discussion of contingent assets). It is important that disclosures for contingent assets avoid giving misleading indications of the likelihood of revenue arising. For example, a contingent asset would arise from a contract where an entity allows a private sector company to mine one of its properties in exchange for a royalty based on a set price per ton extracted and the company has commenced mining. In addition to disclosing the nature of the arrangement, the contingent asset should be quantified where a reasonable estimate can be made of the quantity of mineral to be extracted and the timing of the expected cash inflows. If there were no proven reserves or some other circumstances prevailed that indicated that it would be unlikely that any minerals would be extracted, the entity would not disclose information required by paragraph .103 as there is no probable flow of benefits.

.105 Where any of the information required by paragraphs .98 and .103 is not disclosed because it is not practicable to do so, that fact shall be stated.

.106 In extremely rare cases, disclosure of some or all of the information required by paragraph .95 to .104 can be expected to prejudice seriously the position of the entity in a dispute with other parties on the subject matter of the provision, contingent liability or contingent assets. In such cases, an entity need not disclose the information, but should disclose the general nature of the dispute together with the fact that, and reason why, the information has not been disclosed.

Effective date

.107 This Standard of Generally Accepted Municipal Accounting Practice becomes effective for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with [section 91 \(1\) \(b\)](#) of the Public Finance Management Act, Act [No. 1 of 1999](#) as amended.

Proc 34 of 19 August 2013: Regulations relating to the Commission of Inquiry into remuneration and conditions of service in public service and public entities listed in Schedule 3A and 3C of the Act (Government Gazette No. 36757)

Notice	as amended by Government Gazette	Date
Proc 41	37805	11 July 2014 w.e.f. 7 April 2014

THE PRESIDENT OF THE REPUBLIC OF SOUTH AFRICA

Under the powers vested in me by [section 1](#) of the Commissions Act, 1947 (Act [No. 8 of 1947](#)), I hereby-

- (a) declare that the provisions of the said Act shall be applicable to the Commission of Inquiry into Remuneration and Conditions of Service in the Public Service; and
- (b) make the regulations in [the Schedule](#) with reference to the said Commission.

Given under my Hand and the Seal of the Republic of South Africa at Pretoria this 7th day of August Two thousand and Thirteen.

(Signed)
PRESIDENT

By Order of the President-in-Cabinet:

(Signed)
MINISTER OF CABINET

SCHEDULE
REGULATIONS

1. In these regulations, unless the context otherwise indicates-

"Director-General" means the Director-General of the Department of Public Service and Administration;

"document" includes, whether in electronic form or otherwise, any book, pamphlet, record, list, circular, plan, poster, publication, drawing, photograph, picture or data, and also any disc, hard-drive recording or other device by means of which information or data is recorded or stored;

"Minister" means the Minister responsible for public service and administration;

"officer" means a person in the full-time service of the State who has been appointed or designated to assist the Commission in the execution of its functions;

"premises" includes any land, building, structure, part of a building or structure, vehicle, conveyance, vessel or aircraft; and

"Secretary" means a person designated by the Minister to provide administrative support to the Commission.

2. The proceedings of the Commission shall be recorded in the manner determined by the Chairperson.

3. (1) Any person appointed or designated to take down or record the proceedings of the Commission in shorthand or by mechanical or electronic means or to transcribe such proceedings which have been so taken or recorded shall at the outset take an oath or make an affirmation in the following form:

I, AB, declare under oath or affirm and declare-

- (a) that I shall faithfully and to the best of my ability take down or record the proceedings of the Commission of Inquiry into Remuneration and Conditions of Service in the Public Service in shorthand or by mechanical or electronic means as ordered by the Chairperson of the Commission;
- (b) that I shall transcribe fully and to the best of my ability any shorthand notes, mechanical record or electronic record of the proceedings of the said Commission made by me or by any other person.

(2) No shorthand notes or mechanical or electronic record of the proceedings of the Commission shall be transcribed except by order of the Chairperson.

4. (1) The Chairperson, in consultation with the Minister, may designate a suitably qualified person as Secretary to the Commission.

(2) The Secretary shall be assigned such functions by the Chairperson of the Commission as may be

necessary to enable him or her to provide an efficient administrative support to the Commission.

(3) The Secretary shall wherever necessary, be assisted by such persons as the Commission may from time to time determine, and such persons may include officers of any Department of State who may be seconded to the service of the Commission, or persons in the service of any public or other body who are, by arrangement with the body concerned, seconded to the service of the Commission.

[R. 4 substituted by Proc 41 of 11 July 2014.]

5. The Chairperson may designate one or more knowledgeable or experienced persons to assist the Commission in the performance of its functions, in a capacity other than that of a member.

6. Any member and any person designated under [regulation 4 \(1\)](#) or [5](#) who is not an employee in the public service, may be paid such fees or travelling and subsistence allowance, while engaged upon the business of the Commission, as the Minister may, with the concurrence of the Minister of Finance, determine.

7. Any officer or person designated thereto by the Chairperson may be present at any stage of the inquiry or the gathering of information or the hearing of evidence at the inquiry.

8. Any person appearing before the Commission may be assisted by an advocate or an attorney.

9. (1) No person appearing before the Commission may refuse to answer any question on any ground other than the privilege contemplated in [section 3 \(4\)](#) of the Commissions Act, 1947 (Act [No. 8 of 1947](#)).

(2) No evidence regarding questions and answers contemplated in [sub-regulation \(1\)](#), and no evidence regarding any fact or information that comes to light in consequence of any such questions or answers, shall be admissible in any criminal proceedings, except in criminal proceedings where the person concerned is charged with an offence in terms of [section 6](#) of the Commissions Act, 1947 (Act [No. 8 of 1947](#)), or [regulation 17](#).

(3) Any witness appearing before the Commission may be cross-examined by a person only if the Chairperson permits such cross-examination by such person because the Chairperson deems it necessary in the interest of the functions of the Commission.

(4) Any witness may be re-examined by his or her legal representative for the purpose of explaining the evidence given by the witness during his or her examination.

10. Where, at the time of any person presenting information to or giving evidence before the Commission, members of the general public are or have been excluded from attendance at the proceedings of the Commission, the Chairperson may, on the request of such a person, direct that no person shall disclose in any manner whatsoever the name or address of such person or any information likely to reveal his or her identity.

11. Whenever the Commission is satisfied upon evidence or information presented to it that the Commission's inquiry may adversely affect any existing, instituted or pending legal proceedings or any inquiry instituted in terms of any law, evidence which is relevant to such legal proceedings or inquiry shall be dealt with by the Commission in such a manner as not to affect adversely such legal proceedings or inquiry.

12. (1) The Chairperson, any member or any officer may, with a warrant, for the purposes of the inquiry, at all reasonable times and without prior notice or with such notice as he or she may deem appropriate enter and inspect any premises and demand and seize any document or article which is on such premises.

(2) Any entry upon or search of any premises or person thereon in terms of this regulation, shall be conducted with strict regard to decency and order, including-

(i) a person's right to, respect for and the protection of his or her dignity;

(ii) the right of a person to freedom and security; and

(iii) the right of a person to his or her personal privacy.

(3) The premises referred to in [sub-regulation \(1\)](#) may be entered only by virtue of a warrant issued in chambers by a magistrate, regional magistrate or judge of the area of jurisdiction within which the premises are situated.

(4) A warrant referred to in [sub-regulation \(1\)](#) may be issued by a judge in respect of premises situated in another area of jurisdiction, if he or she deems it justified.

(5) A warrant referred to in [sub-regulation \(1\)](#) may be issued only if it appears to the magistrate, regional magistrate or judge from information revealed under oath or affirmation that there is a need for a warrant authorising a search and seizure and that there are reasonable grounds to believe that any document or article referred to in [sub-regulation \(1\)](#) is on or at such premises or suspected to be on or at such premises.

13. (1) No person shall communicate to any other person any matter or information which may have come to his or her knowledge in connection with the inquiry, or allow or permit any other person to have access to any records of the Commission, except in so far as it is necessary in the performance of his or her duties in connection with the functions of the Commission or by order of a competent court.

(2) Every person in the service of the Commission, except the Chairperson, any member or any officer, shall, before performing any duty in connection with the Commission, take and subscribe before the Chairperson an oath in the following form:

I, A... B..., declare under oath or affirm and declare that, except in so far as it is necessary in the performance of my duties in connection with the functions of the Commission of Inquiry into Remuneration and Conditions of Service in the Public Service or by order of a competent court, I shall not communicate to any person any matter or information which comes to my knowledge in connection with the inquiry, or allow or permit any person to have access to any records of the Commission, including any notes, record or transcription of the proceedings of the Commission in my possession or custody or in the possession or custody of the Commission or any officer.

14. No person shall without the written permission of the Chairperson-

- (a) disseminate any document submitted to the Commission by any person in connection with the inquiry or publish the contents or any portion of the contents of such document; or
- (b) peruse any document, including any statement, which is destined to be submitted to the Chairperson or intercept such document while it is being taken or forwarded to the Chairperson.

15. No person shall, except in so far as shall be necessary in the execution of the terms of reference of the Commission, publish or furnish any other person with the report or any interim report of the Commission or a copy or a part thereof or information regarding the consideration of evidence by the Commission for publication before the expiration of a period of 14 days after it has been submitted to the President: Provided that the President may authorise publication of any such report before the expiration of that period.

16. No person shall insult, disparage or belittle the Chairperson or any member of the Commission or prejudice the inquiry or proceedings or findings of the Commission.

17. (1) A person is guilty of an offence if he or she-

- (a) wilfully hinders, resists or obstructs the Chairperson, any member or any officer in the exercise of any power contemplated in [regulation 10](#); or
- (b) contravenes [regulation 9, 13, 14](#) or [16](#); or
- (c) contravenes [regulation 15](#).

(2) A person convicted of an offence in terms of [sub-regulation \(1\)](#) is liable-

- (i) in the case of an offence referred to in paragraph (a) or (b), to a fine, or to imprisonment for a period not exceeding six months; and
- (ii) in the case of an offence referred to in paragraph (c), to a fine, or to imprisonment for a period not exceeding 12 months.

(Editorial Note: Numbering as per original *Government Gazette*.)

18. These regulations may be added to, varied or amended from time to time.

19. The Commission may determine its own procedures.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)

GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)

NATIONAL TREASURY

The Minister of Finance has, in terms of [section 91](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#) - "the Act"), and with effect from 1 April 2015, made regulations-

- (a) prescribing the following standards as set by the Accounting Standards Board in terms of [section 89](#) of the Act and set out in the specified Schedule:

<i>Reference</i>	<i>Topic</i>	<i>Schedule</i>
GRAP 18	Segment Reporting	1
GRAP 105	Transfers of Functions Between Entities Under Common Control	2
GRAP 106	Transfers of Functions Between Entities Not Under Common Control	3
GRAP 107	Mergers	4

(b) applicable in respect of-

- (i) GRAP 18, to public entities listed in Parts A and C of [Schedule 3](#) to the Act and constitutional institutions listed in [Schedule 1](#) to the Act; and
- (ii) GRAP 105, 106 and 107, to public entities listed in Parts A and C of [Schedule 3](#) to the Act, constitutional institutions listed in [Schedule 1](#) to the Act and municipalities and the entities under the ownership control of a municipality, referred to in [section 89 \(1\) \(a\) \(iv\)](#) of the Act.

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SCHEDULE 1
GRAP 18 - SEGMENT REPORTING



Accounting Standards Board

ACCOUNTING STANDARDS BOARD

STANDARD OF GENERALLY RECOGNISED ACCOUNTING PRACTICE

SEGMENT REPORTING

(GRAP 18)

Issued by the

Accounting Standards Board

February 2011

Acknowledgement

The Standard of GRAP on *Segment Reporting* is drawn primarily from the International Financial Reporting Standard on *Operating Segments* (IFRS 8) issued by the International Accounting Standards Board (IASB). The approved text of the IFRS is that published by the IASB in the English language and copies may be obtained from:

IFRS Foundation
30 Cannon Street
London, EC4M 6XH
United Kingdom

Internet: <http://www.ifrs.org>

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This Standard of Generally Recognised Accounting Practice (GRAP) has also drawn from the International Public Sector Accounting Standard (IPSAS) on *Segment Reporting* issued by the International Federation of Accountants' International Public Sector Accounting Standards Board (IPSASB). The International Federation of Accountants (IFAC) was founded in 1977 with its mission to develop and enhance the profession with harmonised standards. IPSASB has issued a comprehensive body of IPSASs, which will be used to produce future Standards of GRAP. Extracts of the IPSAS on *Segment Reporting* are reproduced in this Standard of GRAP with the permission of the IPSASB.

The approved text of the IPSASs is that published by the IFAC in the English language.

The IPSASs are contained in the IFAC Handbook of International Public Sector Accounting Pronouncements and are available from:

International Federation of Accountants
545 Fifth Avenue, 14th Floor
New York, New York 10017 USA
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Introduction

Standards of Generally Recognised Accounting Practice

The Accounting Standards Board (the Board) is required, in terms of the Public Finance Management Act, Act [No. 1 of 1999](#), as amended (PFMA), to determine generally recognised accounting practice referred to as Standards of Generally Recognised Accounting Practice (GRAP).

The Board must determine GRAP for:

- (a) departments (including national and provincial and government components);
- (b) public entities;
- (c) trading entities (as defined in the PFMA);
- (d) constitutional institutions;
- (e) municipalities and boards, commissions, companies, corporations, funds or other entities under the ownership control of a municipality; and
- (f) Parliament and the provincial legislatures.

The above are collectively referred to as "entities" in Standards of GRAP.

The Board has approved the application of Statements of Generally Accepted Accounting Practice (GAAP), as codified by the Accounting Practices Board and issued by the South African Institute of Chartered Accountants as at 1 April 2012, to be GRAP for:

- (a) government business enterprises (as defined in the PFMA);
- (b) any other entity, other than a municipality, whose ordinary shares, potential ordinary shares or debt are publicly tradable on the capital markets; and
- (c) entities under the ownership control of any of these entities.

The Board has approved the application of International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board to be GRAP for these entities where they are applying IFRSs.

Financial statements should be described as complying with Standards of GRAP only if they comply with all the requirements of each applicable Standard of GRAP and any related Interpretations of the Standards of GRAP.

Any limitation of the applicability of specific Standards is made clear in those Standards.

The Standard of GRAP on *Segment Reporting* is set out in paragraphs .01 to .35. All paragraphs in this Standard of GRAP have equal authority. The status and authority of appendices are dealt with in the preamble to each appendix. This Standard should be read in the context of its objective, its basis for conclusions if applicable, the *Preface to Standards of GRAP*, the *Preface to the Interpretations of the Standards of GRAP* and the *Framework for the Preparation and Presentation of Financial Statements*.

Standards of GRAP should also be read in conjunction with any directives issued by the Board prescribing transitional provisions, as well as any regulations issued by the Minister of Finance regarding the effective dates of the Standards of GRAP, published in the *Government Gazette*.

Reference may be made here to a Standard of GRAP that has not been issued at the time of issue of this Standard. This is done to avoid having to change the Standards already issued when a later Standard is subsequently issued. Paragraph .11 of the Standard of GRAP on *Accounting Policies, Changes in Accounting Estimates and Errors* provides a basis for selecting and applying accounting policies in the absence of explicit guidance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Objective

Objective

- .01 The objective of this Standard is to establish principles for reporting financial information by segments. The disclosure of this information will:
- (a) enable users of the financial statements to better understand the entity's past performance, to evaluate the nature and financial effects of the activities in which it engages and the economic environments in which it operates;
 - (b) identify the resources allocated to support the major activities of the entity and assist in making decisions about the allocation of resources; and
 - (c) enhance the transparency of financial reporting and enable the entity to better discharge its accountability obligations.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Scope

Scope

- .02 ***An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in the presentation of segment information.***
- .03 ***This Standard shall apply to the separate or individual financial statements of an entity and the consolidated financial statements of an economic entity.***
- .04 If a financial report contains both the consolidated financial statements and the separate financial statements of a controlling entity, segment information is required only in the consolidated financial statements.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Definitions

Definitions

- .05 ***The following terms are used in this Standard with the meanings specified:***

***Management* comprises those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.**

A segment is an activity of an entity:

- (a) ***that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);***
- (b) ***whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and***
- (c) ***for which separate financial information is available.***

Terms defined in other Standards of GRAP are used in this Standard with the same meaning as in those other Standards.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Segments

Segments

- .06 Entities control significant public resources and operate to provide a wide variety of goods and services in different geographical areas and in regions with differing socio-economic characteristics. Entities are required to use allocated resources efficiently and effectively to achieve their objectives. Entity-wide and consolidated financial statements provide an overview of the assets controlled and liabilities incurred by the reporting entity, the cost of services provided and the taxation revenue, budget allocations and cost recoveries generated to fund the provision of those services. However, this aggregated information may not provide information about the specific operational objectives and major activities of the reporting entity and the resources devoted to and costs of those objectives and activities.
- .07 Because the activities of the entity are often very broad, and are undertaken in a wide range of different

geographical areas with different socio-economic characteristics, it is necessary to report disaggregated financial and non-financial information about particular segments of the entity. This provides relevant information for accountability and decision-making purposes.

- .08 Not every part of an entity is necessarily a segment or part of a segment. For example, an administrative unit or functional department may not undertake activities of an entity that generates economic benefits or service potential. As a result, these activities may not be regularly reviewed by the management of the entity. These activities are not reported as segments as they do not meet the definition of a segment in paragraph .05.
- .09 For the purposes of this Standard, an entity's post-employment benefit plans are not segments.
- .10 Many entities are able to clearly identify their segments based on the definition of a segment in paragraph .05. However, an entity may produce reports in which its activities are presented in a variety of ways. If management uses more than one set of segment information, other factors may identify a single set of activities as constituting an entity's segments, including the nature of these activities, the existence of managers responsible for them, and other information presented to them.
- .11 The characteristics of a segment in paragraph .05 may apply to two or more overlapping sets of activities for which managers are held responsible. Such a structure is sometimes referred to as a matrix form of organisation. For example, in certain entities, some managers are responsible for different goods and service lines across geographical areas, whereas others are responsible for specific geographical areas. Management may regularly review the results of both sets of components, and financial information is available for both.
- .12 Reporting on more than one type of segment in the external financial statements may provide useful information if the achievement of an entity's objectives is strongly affected by the different types of segments.
- .13 Where an entity identifies more than one set of segments, as described in paragraph .11, they may be reported separately or as a matrix. In addition, a primary and secondary segment reporting structure may be adopted with only limited disclosures made about secondary segments.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Reportable segments

Reportable segments

- .14 *An entity shall report separately information about each segment that has been identified in accordance with paragraphs .06 to .13 or results from aggregating two or more of those segments in accordance with paragraph .15.***

Aggregation criteria

- .15 An entity may combine segments if the segments have similar economic characteristics and share a majority of the aggregation criteria listed in paragraph .16 or are individually insignificant and a practical limit has been reached in accordance with paragraph .17.
- .16 Two or more segments may be aggregated into a single segment if aggregation is consistent with the objective of this Standard and the segments have similar economic characteristics, and the segments share a majority of the following:
 - (a) the nature of the goods and/or services delivered;
 - (b) the type or class of customer or consumer to which goods and services are delivered;
 - (c) the methods used to distribute the goods or provide the services; or
 - (d) if applicable, the nature of the regulatory environment that applies to the segment.
- .17 There may be a practical limit to the number of reportable segments that an entity separately discloses beyond which segment information becomes too detailed. Although no precise limit has been determined, if the number of segments that are reportable in accordance with paragraph .14 increases to more than ten, the entity should consider whether additional segmentation provides useful and relevant information.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Disclosure

Disclosure

- .18 *An entity shall disclose information to enable users of its financial statements to evaluate the nature and financial effects of the activities in which it engages and the economic environments in which it operates.***
- .19 *To give effect to the principle in paragraph .18, an entity shall disclose the following:***

- (a) *general information as described in paragraph .20;*
- (b) *information about reported segment surplus or deficit, including specified revenues and expenses included in reported segment surplus or deficit, segment assets, segment liabilities and the basis of measurement, as described in paragraphs .21 to .23; and*
- (c) *reconciliations of the totals of segment revenues, reported segment surplus or deficit, segment assets, segment liabilities and other material segment items to corresponding entity amounts as described in paragraph .27.*

Reconciliations of the amounts in the statement of financial position for reportable segments to the amounts in the entity's statement of financial position are required for each date at which a statement of financial position is presented. Information for prior periods shall be restated as described in paragraphs .28 and .29.

General information

.20 An entity shall disclose the following general information:

- (a) *factors used to identify the entity's reportable segments, including the basis of organisation (for example, whether management has chosen to organise the entity around differences in goods and/or services, geographical areas, regulatory environments, or a combination of factors);*
- (b) *whether segments have been aggregated and the basis of the aggregation; and*
- (c) *types of goods and/or services delivered by each segment.*

Information about surplus or deficit, assets and liabilities

.21 An entity shall report a measure of surplus or deficit for each reportable segment. An entity shall report a measure of assets and liabilities for each reportable segment if such an amount is regularly provided to management. An entity shall also disclose the following about each reportable segment if the specified amounts are included in the measure of segment surplus or deficit reviewed by management, or are otherwise regularly provided to management, even if not included in that measure of segment surplus or deficit:

- (a) *external revenue from non-exchange transactions;*
- (b) *external revenue from exchange transactions;*
- (c) *revenue from transactions with other segments in the same entity;*
- (d) *interest revenue;*
- (e) *interest expense;*
- (f) *depreciation and amortisation;*
- (g) *material items of revenue and expenses disclosed in accordance with paragraph .97 of the Standard of GRAP on Presentation of Financial Statements (2010);*
- (h) *the entity's interest in the surplus or deficit of associates and joint ventures accounted for by the equity method;*
- (i) *income tax expenses (if applicable); and*
- (j) *material non-cash items other than depreciation and amortisation.*

.22 An entity shall report interest revenue separately from interest expense for each segment reported unless a majority of the segment's revenue is from interest, and management relies primarily on net interest revenue to assess the performance of the segment and make decisions about resources to be allocated to the segment. In such a situation an entity may report segment interest revenue net of interest expense and then disclose that it has done so.

.23 An entity shall disclose the following about each reportable segment if the specified amounts are included in the measure of segment assets reviewed by management or are otherwise regularly provided to management, even if not included in the measure of segment assets:

- (a) *the amount of investment in associates and joint ventures accounted for by the equity method; and*
- (b) *the amounts of additions to non-current assets¹ other than financial instruments, deferred tax assets (where applicable), post-employment benefit assets (see Standard of GRAP on Employee Benefits) and rights arising under insurance contracts.*

Footnotes

1 For assets classified according to a liquidity presentation, non-current assets are assets that include amounts expected to be recovered more than twelve months after the reporting period.

Measurement

- .24** *The amount of each segment item reported shall be the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing an entity's financial statements and allocations of revenues and expenses shall be included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management shall be reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts shall be allocated on a reasonable basis.*
- .25** *If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities shall be reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures shall be those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.*
- .26** *An entity shall provide an explanation of the measurements of segment surplus or deficit, segment assets and segment liabilities for each reportable segment. An entity shall disclose at least the following.*
- (a) The basis of accounting for any transactions between reportable segments.*
 - (b) The nature of any differences between the measurements of the reportable segments' surplus or deficit and the entity's surplus or deficit and discontinued operations (if not apparent from the reconciliations described in paragraph .27). Those differences could include accounting policies and policies for allocation of centrally incurred costs that are necessary for an understanding of the reported segment information.*
 - (c) The nature of any differences between the measurements of the reportable segments' assets and the entity's assets (if not apparent from the reconciliations described in paragraph .27). Those differences could include accounting policies and policies for allocation of jointly-used assets that are necessary for an understanding of the reported segment information.*
 - (d) The nature of any differences between the measurements of the reportable segments' liabilities and the entity's liabilities (if not apparent from the reconciliations described in paragraph .27). Those differences could include accounting policies and policies for allocation of jointly-utilised liabilities that are necessary for an understanding of the reported segment information.*
 - (e) The nature of any changes from prior periods in the measurement methods used to determine reported segment surplus or deficit and the effect, if any, of those changes on the measure of segment surplus or deficit.*
 - (f) The nature and effect of any asymmetrical allocations to reportable segments. For example, an entity might allocate depreciation expense to a segment without allocating the related depreciable assets to that segment.*

Reconciliations

- .27** *An entity shall provide reconciliations of all of the following:*
- (a) The total of the reportable segments' revenues to the entity's revenue.*
 - (b) The total of the reportable segments' measures of surplus or deficit to the entity's surplus or deficit before discontinued operations. However, if an entity allocates to reportable segments items such as tax expense (if applicable), the entity may reconcile the total of the segments' measures of surplus or deficit to the entity's surplus or deficit after those items.*
 - (c) The total of the reportable segments' assets to the entity's assets if segment assets are reported in accordance with paragraph .21.*
 - (d) The total of the reportable segments' liabilities to the entity's liabilities if segment liabilities are reported in accordance with paragraph .21.*
 - (e) The total of the reportable segments' amounts for every other material item of information disclosed to the corresponding amount for the entity.*

All material reconciling items shall be separately identified and described. For example, the amount of each material adjustment needed to reconcile reportable segment surplus or deficit to the entity's surplus or deficit arising from different accounting policies shall be separately identified and described.

Restatement of previously reported information

- .28** *If an entity changes the structure of its internal organisation in a manner that causes the composition of its reportable segments to change, the corresponding information for earlier periods shall be restated unless the information is not available and the cost to develop it would be excessive. The determination of whether the information is not available and the cost to develop it would be excessive shall be made for each individual item of disclosure. Following a change in the composition of its reportable segments, an entity shall disclose whether it has restated the corresponding items of segment information for earlier periods.*
- .29** *If an entity has changed the structure of its internal organisation in a manner that causes the composition of its reportable segments to change and if segment information for earlier periods is not restated to reflect the change, the entity shall disclose segment information for the current period on both the old basis and the new basis of segmentation unless the necessary information is not available and the cost to develop it would be excessive. This shall be done in the year in which the change occurs.*

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Entity-wide disclosures

Entity-wide disclosures

- .30** *Paragraphs .31 to .32 apply to all entities, including those that have a single reportable segment. Some entities' activities are not organised on the basis of differences in geographical areas of operations. Information required by paragraphs .31 to .32 shall be provided only if it is not provided as part of the reportable segment information required by this Standard or if it is not reported elsewhere in the financial report*

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Information about geographical areas

Information about geographical areas

- .31** *An entity shall disclose the geographical areas in which it operates that are relevant for decision-making purposes, including any foreign countries.*
- .32** *An entity shall report the following geographical information, unless the necessary information is not available and the cost to develop it would be excessive:*
- (a) external revenues from non-exchange transactions and external revenues from exchange transactions attributed to the geographical areas in which it operates;*
 - (b) total expenditure attributed to the geographical areas; and*
 - (c) non-current assets² other than financial instruments, deferred tax assets (where applicable), post-employment benefit assets, and rights arising under insurance contracts for the geographical areas.*

The amounts reported shall be based on the financial information that is used to produce the entity's financial statements. If the necessary information is not available and the cost to develop it would be excessive, that fact shall be disclosed. An entity may provide subtotals of geographical information for groups of geographical areas.

Footnotes

- ² For assets classified according to a liquidity presentation, non-current assets are assets that include amounts expected to be recovered more than twelve months after the reporting period.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Transitional provisions

Transitional provisions

- .33** *The transitional provisions to be applied by entities on the initial adoption of this Standard are prescribed in a directive(s). The provisions of this Standard should be read in conjunction with each applicable directive.*

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Effective date

Effective date

.34 An entity shall apply this Standard of GRAP for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with [section 91 \(1\) \(b\)](#) of the Public Finance Management Act [No. 1 of 1999](#) as amended.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Withdrawal of the Standard of GRAP on Segment Reporting (2005)

Withdrawal of the Standard of GRAP on Segment Reporting (2005)

.35 This Standard supersedes the Standard of GRAP on *Segment Reporting* issued in March 2005.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Appendix 1 - Illustrative segment disclosures

Appendix 1 - Illustrative segment disclosures

The appendix is illustrative only and does not form part of the Standard. The purpose of the appendix is to illustrate the application of the Standard to assist in clarifying its meaning.

Introduction

The tables and notes illustrate segment disclosures that this Standard would require for an education entity which is predominantly funded by appropriation but provides some educational services on a commercial basis to the employees of major corporations, and that has joined with a commercial venture to establish a private education foundation operating on a commercial basis. The entity has significant influence over the foundation, but does not control it.

Segment data is required for each year in which a complete set of financial statements is presented. Paragraph references are to the relevant requirements in this Standard.

General information (paragraph .20)

The entity is organised and reports to management on the basis of four major functional areas: primary, secondary, tertiary, and special educational services. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were not aggregated for reporting purposes.

Operations of the special education services segments include provision of educational services on a commercial basis to the employees of major corporations. In providing these services to external parties the commercial services unit of the segment uses, on a fee for services basis, services provided by the primary, secondary and tertiary segments. These inter-segment transfers are eliminated on consolidation.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Information about surplus or deficits, assets and liabilities (paragraphs .21 and .23) and reconciliations (paragraph .27)

20X2	<i>Primary</i>	<i>Secondary</i>	<i>Tertiary</i>	<i>Special Services</i>	<i>Eliminations</i>	<i>TOTAL</i>
R'000						
REVENUE						
Revenue from non-exchange transactions	29	19	22	17		
Revenue from exchange transactions	3	2	-	9		14

Inter-segment transfers	6	4	6	4	(20)	-
Share of surpluses of associates				8		8
Total segment revenue	38	25	28	38	(20)	109
EXPENSES						
Salaries and wages	(23)	(16)	(13)	(15)		(67)
Depreciation and amortisation	(5)	(4)	(5)	(6)		(20)
Other expenses	(7)	(5)	(10)	(7)	20	(9)
Total segment expenses	(35)	(25)	(28)	(28)	20	(96)
Total segmental surplus	3	-	-	10	-	13
Interest revenue						2
Other unallocated revenue						9
Interest expense						(4)
Unallocated expenses						(7)
Surplus for the period	3	-	-	10	-	13
ASSETS						
Segment assets	32	22	34	20		108
Investment in associates (equity method)				32		32
Unallocated assets						35
Total assets						175
LIABILITIES						
Segment liabilities	15	10	8	9		42
Unallocated liabilities						40
Total liabilities						82
OTHER INFORMATION						
Capital expenditure*	7	5	3	7		
<i>Non-cash items excluding Depreciation</i>						
Accrued expenses	(5)	(3)	(3)	(3)		
Deferred revenue	0	0	-	1		

20X1	<i>Primary</i>	<i>Secondary</i>	<i>Tertiary</i>	<i>Special Services</i>	<i>Eliminations</i>	<i>TOTAL</i>
R'000						
SEGMENT REVENUE						
Revenue from non-exchange transactions	24	16	23	17		80
Revenue from exchange transactions	2	2	-	6		10
Inter-segment transfers	4	2	7	6	(19)	-
Share of surpluses of associates				7		7
Total segment revenue	30	20	30	36	19	97
SEGMENT EXPENSE						
Salaries and wages	(19)	(12)	(13)	(15)		(59)
Depreciation and amortisation	(4)	(3)	(7)	(4)		(18)
Other expenses	(7)	(4)	(9)	(7)	19	(8)
Total segment expenses	(30)	(19)	(29)	(26)	19	(85)

Interest revenue					2
Other unallocated revenue					7
Interest expense					(4)
Unallocated expenses					(7)
Surplus for the period	-	1	1	10	-
ASSETS	0	0			
Segment assets	30	20	30	19	99
Investment in associates (equity method)				26	26
Unallocated assets					30
Total assets					155
LIABILITIES					
Segment liabilities	9	6	11	9	35
Unallocated liabilities					55
Total liabilities					90
OTHER INFORMATION					
Capital expenditure	6	4	5	3	
<i>Non-cash items excluding Depreciation</i>					
Accrued expenses	(1)	(1)	(3)	(3)	
Deferred revenue	-	-	-	1	-

Measurement of segment surplus or deficit, assets and liabilities (paragraphs .24 to .26)

The accounting policies of the segments are the same as those described in the summary of significant accounting policies, except that pension expense for each segment is recognised and measured on the basis of cash payments to the pension plan.

Inter-segment transfers: segment revenue and segment expense include revenue and expense arising from transfers between segments. Such transfers are usually accounted for at cost and are eliminated on consolidation. The amount of these transfers was R20-million (R19-million in 20X1).

Investments in associates are accounted for using the equity method: the entity owns 40% of the shares of AfricaED Ltd, a specialist education foundation providing educational services internationally on a commercial basis under contract to multilateral lending agencies. The investment in, and the entity's share of, AfricaED's net profit are excluded from segment assets and segment revenue. It is shown separately under other services, the segment responsible for the administration of the investment in the associate.

Information about geographical areas (paragraphs .31 and .32)

The majority of the entity's operations are in the Gauteng Province except that as part of an aid programme it has established facilities in East Africa for the provision of secondary educational services. Total cost of services provided in East Africa is R5-million (R4-million in 20X1). Total carrying amount of the educational facilities in East Africa are R3-million (R6.5-million in 20X1). There were no outlays on the acquisition of capital assets in East Africa during 20X2 or 20X1. Revenues are not allocated per geographical area.

The table below indicate the expenditure incurred in the different regional areas after eliminating inter segmental transfers.

R'000	20x2	20X1
<i>Gauteng Province</i>		
Region A	44	41
Region B	19	16
Region C	28	24
<i>Sub total</i>	91	81
<i>Foreign expenditure - East Africa</i>	5	4
<i>Total segment expenditure</i>	96	85

Footnotes

* Excluding additions to financial instruments and post-employment benefit assets

Appendix 2 - Consequential amendments to Standards of GRAP

The purpose of the appendix is to identify the consequential amendments to the other Standards of GRAP resulting from the issue of this Standard.

Amended text is shown with new text underlined and deleted text struck through.

Amendments to other Standards of GRAP

The Standard of GRAP on *Cash Flow Statements* (Issued 2010)

A1. Amend the following paragraph in GRAP 2

- .51 Additional information may be relevant to users in understanding the financial position and liquidity of an entity. Disclosure of this information, together with a commentary by management, is encouraged and may include:
- (a) the amount of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments, indicating any restrictions on the use of these facilities;
 - (b) the aggregate amounts of the cash flows from each of operating, investing and financing activities related to interests in joint ventures reported using proportionate consolidation;
 - (c) the amount and nature of restricted cash balances; and
 - (d) the amount of the cash flows arising from the operating, investing and financing activities of each reportable segment (see the Standard of GRAP on *Segment Reporting*).

Basis for conclusions

The basis for conclusions gives the Accounting Standards Board's (the Board's) reasons for rejecting certain solutions related to the disclosure of segment information. This basis for conclusions accompanies, but is not part of this Standard.

Introduction

Approach adopted by the Board

- BC1. The Standard of GRAP on *Segment Reporting* issued in 2005 was drawn mainly from the International Public Sector Accounting Standard on *Segment Reporting* (IPSAS 18), issued by the International Public Sector Accounting Board (IPSASB). This Standard has not yet been approved for implementation.
- BC2. In September 2007, the International Accounting Standards Board issued a revised Standard on Segment Reporting (IFRS 8). IFRS 8 requirements are based on information about components of the entity that management uses in making decisions about operating matters. IFRS 8 eliminated the requirement of separating between primary and secondary segments; it introduced the concept of operating segments; and it simplified the measurement requirements previously included in IAS 14. IFRS 8 also introduced required disclosures on information about products and services, geographical areas and major customers.
- BC3. In November 2009, the Board decided to revise GRAP 18 in order to simplify it. The Board decided to base these amendments mainly on IFRS 8. New disclosure requirements would not be introduced, unless that information is readily available and is used for management decision-making purposes, or the cost of disclosure would not be excessive.
- BC4. The title of the Standard was not revised, as the IASB's approach to refer to "Operating Segments" did not reflect the approach the Board adopted regarding the definition of segments.

Scope

- BC5. The Board did not amend the scope of GRAP 18 (2005) as all entities that apply Standards of GRAP are publicly accountable. The IFRS 8 scope is not appropriate for public sector entities.

Identifying reportable segments

- BC6. The Board amended the definition of a segment in IFRS 8 to include the notion that a segment is an activity of the entity from which future economic benefits or service potential is expected rather than a component of the entity that may earn revenues and incur expenses, similar to GRAP 18 (2005). In identifying segments in the public sector, the Board realises that performance review of a segment consist of both the quality and the

quantity elements. As a result, the definition of a segment refers to the review of "results" versus "operating results".

BC7. The Board did not adopt the threshold approach in IFRS 8 to identify reportable segments. The Board believes that the threshold approach may result in the non-disclosure of relevant information in the public sector.

BC8. The Board believes that it is useful to aggregate certain segments, but did not regard the criteria in IFRS 8 to be helpful in the public sector. Aggregating segment information may be helpful especially where these segments relate to achieving the same objectives or the objectives are very similar and aggregate disclosures would not jeopardise decision useful information. The Board amended the criteria in IFRS 8 for public sector purposes.

General disclosure requirements

BC9. The Board adopted the general disclosure requirements of IFRS 8, but amended it for public sector specific reasons. IFRS 8 focuses on revenue generation activities. Although information about this is relevant, public sector entities are more interested in the expenditure per segment. Also, the reliance on budget allocations and other revenues from non-exchange transactions are more relevant.

Entity wide disclosures

BC10. The Board did not believe that the entity-wide disclosures as envisaged in IFRS 8 would add value in the public sector. The goods and/or services that an entity delivers form part of its mandate and the reliance on a major "revenue source" is common in the public sector. The users of the financial statements are already familiar with these when evaluating an entity's financial statements. The Board also did not believe that the IFRS requirement to report only on "foreign versus domestic revenues" is relevant since most entities only operate domestically.

BC11. As a result, the Board adopted and amended the IFRS 8 disclosure requirement for geographical areas to be more relevant for the local needs of users of financial statements and did not require information about products and services or information about major customers as required in the IFRS.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Comparison with the International Financial Reporting Standard on Operating Segments (November 2006)

Comparison with the International Financial Reporting Standard on *Operating Segments* (November 2006)

The Standard of GRAP on *Segment Reporting* (2010) is drawn primarily from the International Financial Reporting Standard on *Operating Segments* (IFRS 8). The main differences between this Standard and IFRS 8 are as follows:

- . The Scope of this Standard is different to IFRS 8 in that all entities that apply Standards of GRAP report segment information if they have segments.
- . Terminology and examples have been amended for public sector specific reasons and alignment with other Standards of GRAP. For example:
 - the name of this Standard is "Segment Reporting" not "Operating Segments";
 - the Standard refers to "segments" not "operating segments" and the term "chief operating decision maker" has been replaced with "management". The related guidance has been deleted or amended as Standards of GRAP already define "management";
 - "parent" has been replaced with "controlling entity", "group" with "economic entity", "statement of comprehensive income" with "statement of financial performance", "profit or loss" with "surplus or deficit", "products and services" with "goods and/or services"; and
 - the implementation guidance has been replaced with a public sector example.
- . The way in which segments are identified for reportable purposes has been adapted to meet the requirements of a public sector perspective.
- . The definition of a segment is different to that of an operating segment in IFRS 8. A segment refers to an "activity" versus a "component" of an entity that "generates economic benefits and service potential" versus "earn revenues and incur expenses", and whose "results" are regularly reviewed by management versus reviewing of "operating results". The word "discrete" has been replaced with "separate".
- . The aggregation criteria have been amended and the Standard does not include the threshold approach in IFRS 8.
- . This Standard allows multiple segment reporting or adoption of a primary and secondary segment basis.
- . The general disclosure requirements have been amended to include disclosures for non-exchange revenues.
- . This Standard requires geographical information to be disclosed, per geographical area, for revenues (exchange and non-exchange transactions), expenditure and assets. IFRS 8 only requires a distinction

between national and foreign revenues and assets. The other entity-wide disclosures in IFRS 8 are not required in this Standard.

Transitional provisions in this Standard are dealt with differently than in IFRS 8.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ SCHEDULE 2 GRAP 105 - TRANSFER OF FUNCTIONS BETWEEN ENTITIES UNDER COMMON CONTROL

**SCHEDULE 2
GRAP 105 - TRANSFER OF FUNCTIONS BETWEEN ENTITIES UNDER COMMON CONTROL**



Accounting Standards Board

ACCOUNTING STANDARDS BOARD

STANDARD OF GENERALLY RECOGNISED ACCOUNTING PRACTICE

TRANSFER OF FUNCTIONS BETWEEN ENTITIES UNDER COMMON CONTROL

(GRAP 105)

Issued by the

Accounting Standards Board

November 2010

Acknowledgement

In developing the Standard of Generally Recognised Accounting Practice (GRAP) on *Transfer of Functions Between Entities Under Common Control* reference was made to the International Financial Reporting Standard (IFRS) on *Business Combinations* issued by the International Accounting Standards Board (IASB).

The IASB has issued a comprehensive body of International Financial Reporting Standards (IFRSs). Extracts of the IFRS on *Business Combinations* are reproduced in this Standard of GRAP with the permission of the IASB.

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TRANSFER OF FUNCTIONS BETWEEN ENTITIES UNDER COMMON CONTROL

This Standard of GRAP was originally issued by the Accounting Standards Board (the Board) in November 2010. Since then, it has been amended as follows:

- . To clarify principles relating to the initial recognition and measurement by the acquirer.
- . With consequential amendments following the revisions to GRAP 100 *Discontinued Operations* in 2013.

Introduction

Standards of Generally Recognised Accounting Practice (GRAP)

The Accounting Standards Board (the Board) is required in terms of the Public Finance Management Act, Act [No. 1 of 1999](#), as amended (PFMA), to determine generally recognised accounting practice referred to as Standards of Generally Recognised Accounting Practice (GRAP).

The Board must determine GRAP for:

- (a) departments (including national and provincial and government components);
- (b) public entities;
- (c) trading entities (as defined in the PFMA);
- (d) constitutional institutions;
- (e) municipalities and boards, commissions, companies, corporations, funds or other entities under the ownership control of a municipality; and
- (f) Parliament and the provincial legislatures.

The above are collectively referred to as "entities" in Standards of GRAP.

The Board has approved the application of Statements of Generally Accepted Accounting Practice (GAAP), as codified by the Accounting Practices Board and issued by the South African Institute of Chartered Accountants as at 1 April 2012, to be GRAP for:

- (a) government business enterprises (as defined in the PFMA);

- (b) any other entity, other than a municipality, whose ordinary shares, potential ordinary shares or debt are publicly tradable on the capital markets; and
- (c) entities under the ownership control of any of these entities.

The Board has approved the application of International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board to be GRAP for these entities where they are applying IFRSs. Financial statements should be described as complying with Standards of GRAP only if they comply with all the requirements of each applicable Standard of GRAP and any related Interpretations of the Standards of GRAP.

Any limitation of the applicability of specific Standards or Interpretations is made clear in those Standards or Interpretations of the Standards of GRAP.

The Standard of GRAP on *Transfer of Functions Between Entities Under Common Control* is set out in paragraphs .01 to .65. All paragraphs in the Standards of GRAP have equal authority. The status and authority of appendices are dealt with in the preamble to each appendix. The Standards should be read in the context of its objective, its basis for conclusions if applicable, the *Preface to Standards of GRAP*, the *Preface to the Interpretations of the Standards of GRAP* and the *Framework for the Preparation and Presentation of Financial Statements*.

Standards of GRAP and Interpretations of the Standards of GRAP should also be read in conjunction with any directives issued by the Board prescribing transitional provisions, as well as any regulations issued by the Minister of Finance regarding the effective dates of the Standards of GRAP, published in the *Government Gazette*.

Reference may be made here to a Standard of GRAP that has not been issued at the time of issue of this Standard. This is done to avoid having to change the Standards already issued when a later Standard is subsequently issued. Paragraph .11 of the Standard of GRAP on *Accounting Policies, Changes in Accounting Estimates and Errors* provides a basis for selecting and applying accounting policies in the absence of explicit guidance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Objective

Objective

- .01 The objective of this Standard is to establish accounting principles for the acquirer and transferor in a transfer of functions between entities under common control.

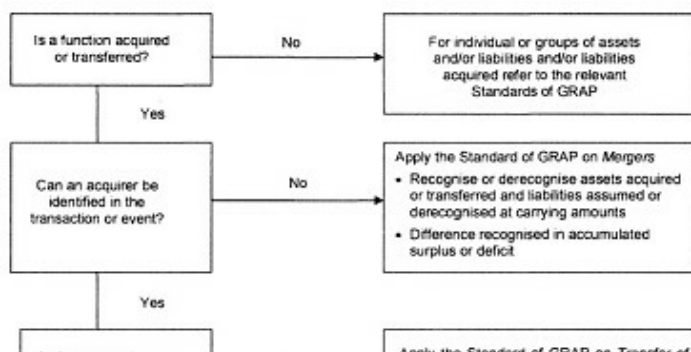
National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Scope

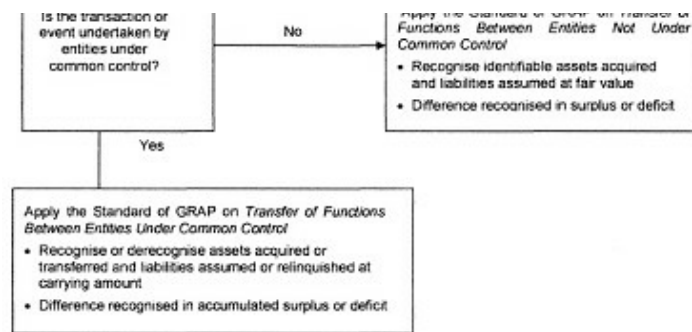
Scope

- .02 **An acquirer and a transferor that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard to a transaction or event that meets the definition of a transfer of functions.**

- .03 This Standard does not apply to:
 - (a) transfers of individual or groups of assets and/or liabilities that do not meet the definition of a transfer of functions (see the applicable Standards of GRAP);
 - (b) a transfer of functions between entities not under common control (see the Standard of GRAP on *Transfer of Functions Between Entities Not Under Common Control*); and
 - (c) a merger (see the Standard of GRAP on *Mergers*).

- .04 Entities should consider the following diagram in determining whether this Standard should be applied in accounting for a transaction or event that involves a transfer of functions or merger:





- .05 Transfers of individual or groups of assets and/or liabilities are excluded from the scope of this Standard as these arrangements result in the acquisition or transfer of an asset or a group of assets and/or the assumption or transfer of a liability or a group of liabilities by an entity rather than the transfer of functions. For example, when a national roads agency takes control of a provincial road from various provincial departments from time to time, it is a transfer of individual assets.
- .06 If no acquirer can be identified in the transaction or event, the Standard of GRAP on *Mergers* should be applied. A merger is the establishment of a new combined entity in which none of the former entities obtains control over any other and no acquirer can be identified.
- .07 A transaction or event in which an acquirer can be identified, and that occurs between entities under common control falls within the scope of this Standard. A transfer of functions between entities under common control is a reorganisation and/or reallocation of functions between entities that are ultimately controlled by the same entity before and after a transfer of functions, and that control is not transitory.
- .08 A transaction or event in which an acquirer can be identified and that are undertaken between entities not under common control should be accounted for in terms of the Standard of GRAP on *Transfer of Functions Between Entities Not Under Common Control*.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Definitions

Definitions

.09 **The following terms are used in this Standard with the meanings specified:**

An acquirer is the entity that obtains control of the acquiree or transferor.

Carrying amount of an asset or liability is the amount at which an asset or liability is recognised in the statement of financial position.

Control is the power to govern the financial and operating policies of another entity so as to benefit from its activities.

A function is an integrated set of activities that is capable of being conducted and managed for purposes of achieving an entity's objectives, either by providing economic benefits or service potential.

A merger is the establishment of a new combined entity in which none of the former entities obtains control over any other and no acquirer can be identified.

Transfer date is the date on which the acquirer obtains control of the function and the transferor loses control of that function.

A transfer of functions is the reorganisation and/or the re-allocation of functions between entities by transferring functions between entities or into another entity.

A transferor is the entity that relinquishes control of a function.

Terms defined in other Standards of GRAP are used in this Standard with the same meaning as in those other Standards of GRAP.

Common control

- .10 For a transaction or event to occur between entities under common control, the transaction or event needs to be undertaken between entities within the same sphere of government or between entities that are part of the same economic entity. Entities that are ultimately controlled by the same entity before and after the transfer of functions are within the same economic entity. For example, a national health department is mandated through legislation to transfer its primary school nutrition programme to the education department. Because the education department is identified as the acquirer, and both departments are within the national

sphere of government and within the same economic entity, the transfer of functions falls within the scope of this Standard.

- .11 The extent of non-controlling interests in each of the entities that are involved in a transfer of functions before and after the transfer of functions is not relevant in determining whether the transaction or event involves entities under common control.

Function

- .12 A function is an integrated set of activities that is capable of being conducted and managed for purposes of achieving an entity's objectives, either by providing economic benefits or service potential. A function consists of inputs and processes applied to those inputs that have the ability to create outputs. A function can either be a part or a portion of an entity or can consist of the whole entity. Although functions may have outputs, outputs are not required to qualify as a function. The three elements of a function are defined as follows:
- (a) **Input:** Any resource that creates, or has the ability to create, outputs when one or more processes are applied to it. Examples include non-current assets (including intangible assets or rights to use non-current assets), intellectual property, and the ability to obtain access to necessary materials or rights and employees.
 - (b) **Process:** Any system, standard, protocol, convention or rule that when applied to an input or inputs, creates or has the ability to create outputs. Examples include strategic management processes, operational processes and resource management processes. These processes typically are documented, but an organised workforce having the necessary skills and experience following rules and conventions may provide the necessary processes that are capable of being applied to inputs to create outputs. (Accounting, billing, payroll and other administrative systems typically are not processes used to create outputs.)
 - (c) **Output:** The result of inputs and processes applied to achieve and improve efficiency. This may be in the form of achieving service delivery objectives, or the delivery of goods and/or services.
- .13 However, to be capable of being conducted and managed for the purposes defined, a function requires two essential elements - inputs and processes applied to those inputs, which together may or will be used to create outputs. However, a function need not include all of the inputs or processes that will be used in operating that function if entities are capable of acquiring the function and continuing to produce outputs, for example, by integrating the function with their own inputs and processes.
- .14 The nature of the elements of a function varies by the structure of an entity's operations (activities), including the entity's stage of development. Established functions often have many different types of inputs, processes and outputs, whereas new functions often have few inputs and processes and sometimes only a single output. Nearly all functions also have liabilities, but a function need not have liabilities.
- .15 A function in the development stage might not have outputs. If not, other factors should be considered to determine whether the integrated set of activities meets the definition of a function. Those factors include, but are not limited to, whether the function:
- (a) has begun planned principal activities;
 - (b) has employees, intellectual property and other inputs and processes that could be applied to those inputs;
 - (c) is pursuing a plan to produce outputs; or
 - (d) will be able to obtain access to economic benefits or service potential.

Not all of those factors need to be present in the development stage to meet the definition of a function.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Identifying the acquirer and transferor

Identifying the acquirer and transferor

- .16 For each transfer of functions between entities under common control an acquirer and transferor shall be identified.**
- .17 The terms and conditions of a transfer of functions undertaken between entities under common control are set out in a binding arrangement. This arrangement may be evidenced in a number of ways and may encompass a formal written agreement between the entities, legislation passed in parliament or a provincial legislature, cabinet decision, ministerial order, a decision made by a municipal council, regulation or a notice or other official means.
- .18 In a transfer of functions, it is one of the parties to the transaction or event should be identified as the acquirer. The binding arrangement governing the terms and conditions of a transfer of functions may identify which entity to the transaction or event is the transferor(s) and which entity is the acquirer. Where the

binding arrangement does not clearly identify the acquirer or the transferor, the behaviour or actions of the entities may indicate which entity is the acquirer and which entity is the transferor. For example, if the department of health used to feed primary school children on a daily basis and it subsequently ceases to do so following a transfer of the programme to the department of education, this is a clear indication that the department of health is the transferor and the department of education is the acquirer. Additional evidence may be that an entity no longer receives funding from the fiscus to carry out certain activities.

- .19 In a transfer of functions effected primarily by transferring cash or other assets (where applicable) or by incurring liabilities, the acquirer is usually the entity that transfers the cash or other assets (where applicable) or incurs the liabilities.
- .20 In a transfer of functions involving more than one entity, one of the entities that existed before the transaction or event may be identified as the acquirer on the basis of available evidence. For example, if the management of one of the entities involved in the transfer of functions dominates the selection of the management team in the newly established entity, the dominant entity is usually the acquirer.
- .21 Determining the acquirer shall include a consideration of, amongst other things, which of the entities involved in the transfer of functions initiated the transaction or event, the relative size of the entities, as well as whether the assets or revenue of one of the entities involved in the transaction or event significantly exceed those of the other entities. If no acquirer can be identified, the transaction or event should be accounted for in terms of the Standard of GRAP on *Mergers*.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Determining the transfer date

Determining the transfer date

- .22 ***The acquirer and the transferor shall identify the transfer date, which is the date on which the acquirer obtains control and the transferor loses control of that function.***
- .23 The binding arrangement governing the terms and conditions of a transfer of functions between entities under common control may specify that the transaction or event is effective from a specific date. The date on which the acquirer obtains control of the functions is the date on which the acquirer transfers the consideration (if any), acquires the assets and assumes the liabilities of the transferor as identified in the binding arrangement. However, the acquirer may obtain control on a date that is either earlier or later than the date on which the assets and liabilities are transferred by the transferor, or specified in the binding arrangement. For example, legislation passed in Parliament on 1 April 20X1 requires department A to take over the functions of department B. Both departments are within the same province. A directive is issued stating that the effective date of the transfer is 1 June 20X1. Department A however only obtains control of the assets and liabilities on 1 July 20X1 through a memorandum of understanding drawn up between the two departments. As department A can only use or otherwise benefit from the transfer of functions in pursuit of its objectives, or exclude or otherwise regulate the access of others to those benefits from 1 July 20X1, the transaction or event should be accounted for as from 1 July 20X1. The acquirer should consider all relevant facts and circumstances in identifying the transfer date.
- .24 The fact that a binding arrangement exists creates an obligation for either one or both of the parties to act in order to fulfil the terms and conditions of the arrangement. This means that under the binding arrangement, the acquirer has an enforceable claim over the transferor either, to relinquish control of the entity, or over the assets and liabilities of the function to be transferred.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Assets acquired or transferred and liabilities assumed or relinquished

Assets acquired or transferred and liabilities assumed or relinquished

- .25 ***The recognition of assets and liabilities by the acquirer, and the derecognition of assets and liabilities by the transferor is subject to the conditions specified in the paragraphs below.***

Criteria for the acquirer and transferor

- .26 The assets and liabilities that qualify for recognition by the acquirer or derecognition by the transferor in a transfer of functions between entities under common control are normally governed by the terms and conditions of the binding arrangement.
- .27 The assets acquired or transferred and the liabilities assumed or relinquished must be part of what had been agreed in terms of the binding arrangement, rather than the result of separate transactions. The acquirer and transferor shall apply the guidance in paragraphs .28 and .29 to determine which assets are acquired or transferred and which liabilities are assumed or relinquished as part of a transfer of functions and which, if any, are the result of separate transactions to be accounted for in accordance with their nature and the

Determining what is part of the transfer of functions transaction

- .28 The acquirer and the transferor may have a pre-existing relationship before or when negotiations for a transfer of functions began, or they may enter into a binding arrangement during the negotiations that is separate from a transfer of functions. In either situation, the acquirer shall identify any amounts that are not part of what the acquirer and transferor transferred in a transfer of functions. This Standard only applies to the consideration transferred, if any, and the assets acquired and liabilities assumed by the acquirer in a transfer of functions as governed by the terms and conditions of the binding arrangement. Similarly, the transferor shall apply this Standard to recognise only the consideration received (if any) and derecognise the assets transferred and liabilities relinquished in a transfer of functions as governed by the terms and conditions of the binding arrangement. Apart from those transactions identified in paragraphs .31 and .32, separate transactions shall be accounted for in accordance with the relevant Standards of GRAP.**
- .29 The following are examples of separate transactions that are not part of a transfer of functions:
- (a) a transaction that in effect settles pre-existing relationships between the acquirer and the transferor;
 - (b) a transaction that reimburses the transferor for paying the acquirer's acquisition-related costs; and
 - (c) contributions received from third parties as compensation for future services as a result of undertaking the transfer of functions.
- .30 The acquirer and transferor should consider the following factors, which are neither mutually exclusive nor individually conclusive, to determine whether a transaction is part of a transfer or function or whether the transaction is separate:
- (a) **the reasons for the transaction** - Understanding the reasons for the transaction may provide insight into whether it is part of the consideration transferred, if any, and the assets acquired or transferred or liabilities assumed or relinquished. For example, amounts due by the transferor from a previous arrangement between the transferor as a service provider will not form part of the transfer of functions as the services provided were primarily for the benefit of the transferor rather for the benefit of the acquirer.
 - (b) **the timing of the transaction** - The timing of the transaction may also provide insight into whether it is part of the consideration, if any, for the transferor.

Effective settlement of a pre-existing relationship between the acquirer and transferor in a transfer of functions (application of paragraph .29 (a))

- .31 A pre-existing relationship between the acquirer and transferor may be contractual (for example, vendor and customer or supplier) or non-contractual (for example, plaintiff and defendant).
- .32 If a transfer of functions in effect settles a pre-existing relationship, the acquirer recognises a gain or loss, measured as follows:
- (a) for a pre-existing non-contractual relationship, fair value.
 - (b) for a pre-existing contractual relationship, the lesser of (i) and (ii):
 - (i) the amount by which the binding arrangement is favourable or unfavourable from the perspective of the acquirer when compared with terms for current market transactions for the same or similar items. (An unfavourable contract is a contract that is unfavourable in terms of current market terms. It is not necessarily an onerous contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits or service potential expected to be received under it.)
 - (ii) the amount of any stated settlement provisions in the binding arrangement available to the counterparty to whom the contract is unfavourable.

If (ii) is less than (i), the difference is included as part of a transfer of functions accounting. The amount of gain or loss recognised may depend in part on whether the acquirer had previously recognised a related asset or liability, and the reported gain or loss therefore may differ from the amount calculated by applying the above requirements.

Criteria for the acquirer

- .33 The assets acquired and liabilities assumed that qualify for recognition as set out in the binding arrangement must meet the definitions of assets and liabilities in the *Framework for the Preparation and Presentation of Financial Statements* and the recognition criteria in the applicable Standards of GRAP at the transfer date.
- .34 Costs that the acquirer expects, but which the acquirer is not obliged to incur in the future to effect its plan to exit an activity of the transferor or to terminate the employment of, or relocate the transferor's employees, shall not be accounted for as part of the liabilities at the transfer date. The acquirer shall not recognise those costs as part of a transfer of functions. Instead, the acquirer recognises these costs in its financial statements after the transfer has occurred, in accordance with the applicable Standards of GRAP.

Accounting by the acquirer

Initial recognition and measurement

- .35 As of the transfer date, the acquirer shall recognise the purchase consideration paid (if any) to the transferor and all the assets acquired and liabilities assumed in a transfer of functions. The assets acquired and liabilities assumed shall be measured at their carrying amounts.**
- .36 The carrying amount of an asset acquired, or a liability assumed is the amount at which the asset or liability is recognised by the transferor in its statement of financial position as of the transfer date.
- .37 If, on the transfer date, the transferor did not apply Standards of GRAP, the acquirer should adjust the basis of accounting used for the assets acquired and liabilities assumed to align it to Standards of GRAP prior to the transfer.
- .38 The consideration paid by the acquirer can be in the form of cash, cash equivalents or other assets. If the consideration paid is in the form of other assets, the acquirer shall de-recognise such assets on the transfer date at their carrying amounts, i.e. the amount at which the asset is recognised by the acquirer in its statement of financial position as of the transfer date.
- .39 The difference between the carrying amounts of the assets acquired, the liabilities assumed and the consideration paid (if any) to the transferor and adjustments required to the basis of accounting as described in paragraph .37, shall be recognised in accumulated surplus or deficit.**

Measurement period

- .40 If the initial accounting for a transfer of functions is incomplete by the end of the reporting period in which the transfer occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognised at the transfer date to reflect new information obtained about facts and circumstances that existed as of the transfer date and, if known, would have affected the measurement of the amounts recognised as of that date. The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as of the transfer date or learns that more information is not obtainable. However, the measurement period shall not exceed two years from the transfer date.**
- .41 The measurement period is the period after the transfer date during which the acquirer may adjust the provisional amounts recognised for a transfer of functions. The measurement period provides the acquirer with reasonable time to obtain the information necessary to identify and measure the following as of the transfer date in accordance with the requirements of this Standard:
- (a) the assets acquired and liabilities assumed;
 - (b) the consideration transferred, if any, for the transferor; and
 - (c) the resulting excess of the purchase consideration paid (if any) over the assets acquired and liabilities assumed.
- .42 The acquirer shall consider all relevant factors in determining whether information obtained after the transfer date should result in an adjustment to the provisional amounts recognised or whether that information results from events that occurred after the transfer date. Relevant factors include the date when additional information is obtained and whether the acquirer can identify a reason for a change to provisional amounts. Information that is obtained shortly after the transfer date is more likely to reflect circumstances that existed at the transfer date than is information obtained several months later.
- .43 The acquirer recognises an increase (decrease) in the provisional amount recognised for an asset (liability) by means of decreasing (increasing) the excess of the purchase consideration paid (if any) over the carrying amount of the assets acquired and liabilities assumed previously recognised in accumulated surplus or deficit. However, new information obtained during the measurement period may sometimes result in an adjustment to the provisional amount of more than one asset or liability. For example, the acquirer might have assumed a liability to pay damages related to an accident in one of the transferor's facilities, part or all of which are covered by the transferor's liability insurance policy. If the acquirer obtains new information during the measurement period about the transfer date carrying amounts of that liability, the adjustment to the excess resulting from a change to the provisional amount recognised for the liability would be offset (in whole or in part) by a corresponding adjustment to the previously recognised excess in accumulated surplus or deficit resulting from a change to the provisional amount recognised for the claim receivable from the insurer.
- .44 During the measurement period, the acquirer shall recognise adjustments to the provisional amounts as if the accounting for the transfer of functions had been completed at the transfer date. Thus, the acquirer shall revise comparative information for prior periods presented in financial statements as needed, including making any change in depreciation, amortisation or other income effects recognised in completing the initial accounting.

- .45 After the measurement period ends, the acquirer shall revise the accounting for a transfer of functions only to correct an error in accordance with the Standard of GRAP on *Accounting Policies, Changes in Accounting Estimates and Errors*.

Acquisition-related costs

- .46 Acquisition-related costs are costs that the acquirer incurs to affect the transfer of functions. These costs include advisory, legal, accounting and other professional or consulting fees, general administrative costs, and costs of registering and issuing debt and equity securities (if applicable). The acquirer shall account for acquisition-related costs as expenses in the period in which the costs are incurred and the services are received, with the exception of the costs incurred to issue debt or equity securities (if applicable). Such costs shall be recognised in accordance with the Standard of GRAP on *Financial Instruments*.

Subsequent measurement

- .47 The acquirer shall subsequently measure any assets acquired and any liabilities assumed in a transfer of functions in accordance with the applicable Standards of GRAP.**
- .48 At the transfer date, the acquirer shall classify or designate the assets acquired and liabilities assumed as necessary to apply other Standards of GRAP subsequently. The acquirer shall make those classifications or designations on the basis of the terms of the binding arrangement, economic conditions, its operating or accounting policies and other relevant conditions that exist at the transfer date.**
- .49 In some situations, the Standards of GRAP provide for different accounting depending on how an entity classifies or designates a particular asset or liability. Examples of classifications or designations that the acquirer shall make on the basis of the relevant conditions as they exist at the transfer date, is the categorisation of particular financial assets and liabilities at fair value or amortised cost in accordance with the Standard of GRAP on *Financial Instruments*.
- .50 An exception to the requirement in paragraph .48 to the classification or designation of the assets acquired and liabilities assumed on the transfer date, is that the acquirer shall classify the following contracts on the basis of the contractual terms and other factors at the inception of the contract (or, if the terms of the contract have been modified in a manner that would change its classification, at the date of that modification, which might be the transfer date):
- (a) classification of a lease contract as either an operating lease or a finance lease in accordance with the Standard of GRAP on *Leases*; and
 - (b) classification of a contract as an insurance contract in accordance with the International Financial Reporting Standard on *Insurance Contracts*.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Accounting by the transferor

Accounting by the transferor

Derecognition of assets transferred and liabilities relinquished

- .51 As of the transfer date, the transferor shall derecognise from its financial statements, all the assets transferred and liabilities relinquished in a transfer of functions at their carrying amounts.**
- .52 Until the transfer date, the transferor shall continue to measure these assets and liabilities in accordance with applicable Standards of GRAP.
- .53 The consideration received from the acquirer can be in the form of cash, cash equivalents or other assets. If the consideration received is in the form of other assets, the transferor shall measure such assets at their fair value on the transfer date in accordance with the applicable Standard of GRAP.
- .54 The difference between the carrying amounts of the assets transferred, the liabilities relinquished and the consideration received (if any) from the acquirer shall be recognised in accumulated surplus or deficit.**

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Disclosure

Disclosure

- .55 The acquirer and transferor shall disclose information that enables users of its financial statements to evaluate the nature and financial effect of a transfer of functions that occurs either:**

- (a) *during the current reporting period; or*
 - (b) *after the end of the reporting period but before the financial statements are authorised for issue.*
- .56** *The acquirer and transferor shall disclose the following for a transfer of functions that occurred during the reporting period:*
- (a) *the accounting policy adopted for a transfer of functions that occurred during the reporting period;*
 - (b) *the name of the entities involved in the transfer of functions, a brief description of the functions transferred and the reason for undertaking the transaction or event; and*
 - (c) *the transfer date.*
- .57** *For transactions that are recognised separately from the transfer of functions in accordance with paragraph .28:*
- (a) *a description of each transaction;*
 - (b) *how the transaction was accounted for;*
 - (c) *the amounts recognised for each transaction and the line item in the financial statements in which each amount is recognised; and*
 - (d) *if the transaction is the effective settlement of a pre-existing relationship, the method used to determine the settlement amount.*

Acquirer

- .58** *The acquirer shall disclose the following for each transfer of functions that occurred during the reporting period:*
- (a) *for each affected line item in the financial statements, the value of the assets acquired and liabilities assumed in a transfer of functions;*
 - (b) *the difference between the carrying amounts of the assets acquired, the liabilities assumed and the consideration paid (if any) to the transferor and any adjustments required to the basis of accounting as described in paragraph .37, as a separate line item in net assets;*
 - (c) *additional contingent liabilities and contingent assets disclosed attributable to a transfer of functions; and*
 - (d) *revenue and expenditure attributable to a transfer of functions subsequent to its transfer.*

Financial statements of subsequent periods need not to repeat these disclosures.

- .59** *If the specific disclosures required by this and other Standards of GRAP do not meet the objectives set out in paragraph .58, the acquirer shall disclose whatever additional information is necessary to meet those objectives.*
- .60** *The acquirer shall disclose the following information for each material transfer of functions or in the aggregate for individually immaterial transfer of functions that are material collectively if the initial accounting for a transfer of functions is incomplete (see paragraph .40) for particular assets, liabilities, or any consideration and the amounts recognised in the financial statements for the transfer of functions:*
- (a) *the reasons why the initial accounting for the transfer of functions is incomplete;*
 - (b) *the assets, liabilities, or any consideration for which the initial accounting is incomplete; and*
 - (c) *the nature and the amount of any measurement period adjustments recognised during the reporting period in accordance with paragraph .44.*

Transferor

- .61** *The transferor shall disclose the following, in addition to the disclosure requirements in the Standard of GRAP on Discontinued Operations, for each transfer of functions that occurred during the reporting period:*
- (a) *for each affected line item in the financial statements, the carrying amount of the assets transferred and the liabilities relinquished;*
 - (b) *the difference between the carrying amounts of the assets transferred, the liabilities relinquished and the consideration received (if any) from the acquirer, as a separate line item in net assets.*

Financial statements of subsequent periods need not repeat these disclosures.

Transitional provisions

Initial adoption of the Standards of GRAP

.62 *The transitional provisions to be applied by entities on the initial adoption of this Standard are prescribed in a directive(s). The provisions of this Standard shall be read in conjunction with each applicable directive.*

Amendments to Standards of GRAP

.63 *Paragraphs .37, .39, and .58 were amended to accommodate implementation requirements that were approved by the Board during February 2013. An entity shall apply these amendments prospectively to a transaction or event that involves a transfer of functions when the transfer date is on or after the initial adoption of the Standard.*

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Effective date

Effective date

.64 *An entity shall apply this Standard of GRAP for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with [section 91 \(1\) \(b\)](#) of the Public Finance Management Act, Act [No. 1 of 1999](#), as amended.*

.65 The guidance on the measurement period as included in paragraphs .40 to .45 will only become effective once Directives 2 to 4 that prescribe the transitional provisions for entities on the initial adoption of the Standards of GRAP are withdrawn.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Appendix - Consequential amendments to other Standards of GRAP

Appendix - Consequential amendments to other Standards of GRAP

The purpose of the appendix is to identify the consequential amendments to other Standards of GRAP resulting from the issue of the Standard of GRAP on Transfer of Functions Between Entities Under Common Control.

Amended text is shown with new text underlined and deleted text struck through.

Amendments to the *Framework for the Preparation and Presentation of Financial Statements (Framework)*

A1. Amend paragraph .38 in the 'Going concern' section of the Framework as follows:

Going concern

.38 The financial statements should be prepared on the assumption that an entity is a going concern, and will continue in operation for the foreseeable future. Financial problems of public sector entities are normally resolved by either the ability to raise taxes or some other intervention in order to ensure the services are maintained. Accordingly, a consideration of the going concern involves judgement on whether the entity will continue in its present or some modified form, which may include a merger. Only on rare occasions will the activities cease altogether e.g., when the government discontinues a guarantee of debt and no other intervention is proposed for the entity to continue as a going concern. In those circumstances, the financial statements may have to be prepared on a different basis and, if so, the basis used is disclosed.

The Standard of GRAP on *Presentation of Financial Statements (Issued 2004)*

A2. Amend the following paragraphs in GRAP 1:

Going concern

.28 Financial statements are normally prepared on the assumption that the entity is a going concern and will continue in operation or some modified form, for example a merger, and meet its statutory obligations for the foreseeable future. In assessing whether the going concern assumption is appropriate, those responsible for the preparation of the financial statements take into account all available information about the future, which is at least, but is not limited to, twelve months from the reporting date.

- .99 Circumstances that would give rise to the separate disclosure of items of revenue and expense include:
- (a) the write-downs of inventories to net realisable value or property, plant and equipment to recoverable amount, as well as the reversals of such write-downs;
 - (b) restructurings of the activities of an entity and the reversals of any provisions for the costs of restructuring;
 - (c) disposals of items of property, plant and equipment;
 - (d) disposals of investments;
 - (e) discontinuing operations;
 - (f) litigation settlements; and
 - (g) other reversals of provisions;
 - (h) the difference between the assets acquired and liabilities assumed and the consideration transferred to an acquirer (if any) in a transfer of functions between entities not under common control.

.110 An entity shall present a statement of changes in net assets, showing on the face of the statement:

- (a) ***the surplus or deficit for the period;***
- (b) ***each item of revenue and expense that, as required by other Standards of GRAP, is recognised directly in net assets, and the total of these items;***
- (c) ***total revenue and expense for the period (calculated as the sum of (a) and (b)), showing separately the total amounts attributable to net assets holders of the controlling entity and to minority interest; and***
- (d) ***for each component of net assets, the effects of changes in accounting policies and the correction of prior period errors recognised in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors; and***
- (e) ***for each component of net assets the effect of a transfer of functions and a merger in accordance with the Standards of GRAP on Transfer of Functions Between Entities Under Common Control or Mergers.***

Appendix - Illustrative examples

ENTITY - STATEMENT OF FINANCIAL PERFORMANCE

(ILLUSTRATING THE CLASSIFICATION OF EXPENSES BY FUNCTION)

	20X2	20X1
Revenue		
Taxes	X	X
Fees, fines, penalties and licences	X	X
Revenue from exchange transactions	X	X
Transfers from other government entities	X	X
<u>Gain attributable to transfer of functions between entities not under common control</u>	<u>X</u>	<u>X</u>
Other operating revenue	<u>X</u>	<u>X</u>
Total revenue	<u>X</u>	<u>X</u>

(ILLUSTRATING THE CLASSIFICATION OF EXPENSES BY NATURE)

(in thousands of rands)

	20X2	20X1
Revenue		
Taxes	X	X
Fees, fines, penalties and licences	X	X
Revenue from exchange transactions	X	X
Transfers from other government entities	X	X
<u>Gain attributable to transfer of functions between entities not under common control</u>	<u>X</u>	<u>X</u>
Other operating revenue	<u>X</u>	<u>X</u>
Total revenue	<u>X</u>	<u>X</u>

ENTITY - STATEMENT OF CHANGES IN NET ASSETS

Attributable to net assets holders of the controlling entity

	Contributed capital	Revaluation reserve	Translation reserve	Accumulated surpluses/ (deficits)	Total	Minority interest	Total equity
Balance at 31 December 20X0	X	X	(X)	X	X	X	X
<u>Gain or loss from transfer of functions between entities under common control</u>				<u>(X)</u>			<u>(X)</u>
<u>Gain or loss from mergers</u>				<u>(X)</u>			<u>(X)</u>
Balance at 31 December 20X1	X	X	(X)	X	X	X	X
<u>Gain or loss from transfer of functions between entities under common control</u>				<u>(X)</u>			<u>(X)</u>
<u>Gain or loss from mergers</u>				<u>(X)</u>			<u>(X)</u>
Balance at 31 December 20X2	X	X	(X)	X	X	X	X

The Standard of GRAP on *The Effects of Changes in Foreign Exchange Rates* (issued 2007)

A3. Amend the following paragraphs in GRAP 4:

.15 The essential feature of a monetary item is a right to receive (or an obligation to deliver) a fixed or determinable number of units of currency. Examples include: child support grant obligations and other employee benefits to be paid in cash; provisions that are to be settled in cash; and cash dividends or similar distributions that are recognised as a liability. Conversely, the essential feature of a non-monetary item is the absence of a right to receive (or an obligation to deliver) a fixed or determinable number of units of currency. Examples include: amounts prepaid for goods and services (e.g. prepaid rent); ~~goodwill~~; intangible assets; inventories; property, plant and equipment; and provisions that are to be settled by the delivery of a non-monetary asset.

.54 *The difference between the assets acquired, the liabilities assumed and the consideration transferred (if any). Any goodwill arising on the acquisition of a foreign operation shall be accounted for in terms of the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control. and Any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation shall be treated as assets and liabilities of the foreign operation. Thus they shall be expressed in the functional currency of the foreign operation and shall be translated at the closing rate in accordance with paragraphs .42 and .46.*

The Standard of GRAP on *Financial Reporting in Hyperinflationary Economies* (issued 2007)

A4. Amend the following paragraphs in GRAP 10:

.16 Most non-monetary items are carried at cost or cost less depreciation; hence they are expressed at amounts current at their date of acquisition. The restated cost, or cost less depreciation, of each item is determined by applying to its historical cost and accumulated depreciation the change in a general price index from the date of acquisition to the reporting date. Hence, property, plant and equipment, investments carried at cost, inventories of raw materials and merchandise, ~~goodwill~~, patents, trademarks and similar assets are restated from the dates of their purchase. Inventories of partly-finished and finished goods are restated from the dates on which the costs of purchase and of conversion were incurred.

.20 To determine whether the restated amount of a non-monetary item has become impaired and should be reduced, an entity applies the Standards of GRAP on Impairment of Assets. Hence, in such cases, restated amounts of property, plant and equipment, ~~goodwill~~, patents and trademarks are reduced to recoverable amount or recoverable service amount, and restated amounts of inventories are reduced to net realisable value and restated amounts of current investments are reduced to market value.

The Standard of GRAP on *Construction Contracts* (issued 2006)

A5. Add the following paragraph in GRAP 11:

.06A This Standard does not apply to the initial recognition and initial measurement of items in a construction contract acquired in a *transfer of functions between entities under common control* (see the Standard of GRAP on Transfer of Functions Between Entities Under Common Control) or a merger (see the Standard of GRAP on Mergers).

The Standard of GRAP on *Inventories* (issued 2004)

A6. Amend the following paragraph in GRAP 12:

.02 *An entity which prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for inventories. The Standard applies to all inventories, except:*

...

- (e) to the initial recognition and initial measurement of inventories acquired in a transfer of functions between entities under common control (see the Standard of GRAP on Transfer of Functions Between Entities Under Common Control) or a merger (see the Standard of GRAP on Mergers).

The Standard of GRAP on Leases (issued 2004)

A7. Amend the following paragraph in GRAP 13:

- .02 An entity which prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for all leases other than:**
- (c) the initial recognition and initial measurement of assets and liabilities in a lease agreement acquired in a transfer of functions between entities under common control (see the Standard of GRAP on Transfer of Functions Between Entities Under Common Control) or a merger (see the Standard of GRAP on Mergers).

The Standard of GRAP on Investment Property (issued 2004)

A8. Amend the following paragraphs in GRAP 16:

- .04 This Standard does not apply to:

...

- (c) the initial recognition and initial measurement of investment property acquired in a transfer of functions between entities under common control (see the Standard of GRAP on Transfer of Functions Between Entities Under Common Control) or a merger (see the Standard of GRAP on Mergers).

- .85 In addition to the disclosures required by paragraph .84, an entity that applies the fair value model in paragraphs .41 - .63 shall disclose a reconciliation between the carrying amounts of investment property at the beginning and end of the period, showing the following:**

...

- (b) additions resulting from acquisitions through a transfer of functions between entities under common control, a transfer of functions between entities not under common control or a merger, ~~business combinations,~~

- .88 In addition to the disclosures required by paragraph .84, an entity that applies the cost model in paragraph .64 shall disclose:**

...

- (d) **a reconciliation of the carrying amount of investment property at the beginning and end of the period, showing the following:**
- (i) **additions, disclosing separately those additions resulting from acquisitions and those resulting from subsequent expenditure recognised as an asset,**
- (ii) additions resulting from acquisitions through through a transfer of functions between entities under common control, a transfer of functions between entities not under common control or a merger. ~~business combinations,~~

(Editorial Note: Wording as per original *Government Gazette*. It is suggested that the phrase "through through a transfer" is intended to be "through a transfer".)

The Standard of GRAP on Property, Plant and Equipment (issued 2004)

A9. Amend the following paragraphs in GRAP 17:

- .02 An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for property, plant and equipment, except:**

...

- (e) to the initial recognition and initial measurement of property, plant and equipment acquired in a transfer of functions between entities under common control (see the Standard of GRAP on Transfer of Functions Between Entities Under Common Control) or a merger (see the Standard of GRAP on Mergers).

- .82 The financial statements shall disclose, for each class of property, plant and equipment recognised in the financial statements:**

...

- (e) **a reconciliation of the carrying amount at the beginning and end of the period showing:**
- (i) **additions,**

(ii) *disposals,*

(iii) **acquisitions through a transfer of functions between entities under common control, transfer of functions between entities not under common control or a merger business combinations,**

The Standard of GRAP on Segment Reporting (issued 2004)

A10. Amend the following paragraphs in GRAP 18:

- ~~.33 The consolidated financial statements of an entity may encompass entities acquired in an entity acquisition which gives rise to purchased goodwill (guidance on accounting for the acquisition of an entity is included in the Standard of GRAP on *Business Combinations*). In these cases, segment assets will include goodwill that is directly attributable to a segment or that can be allocated to a segment on a reasonable basis, and segment expense includes related impairment of goodwill.~~
- .36 Standards of GRAP may require adjustments to be made to the carrying amounts of the identifiable assets and liabilities of an entity acquired in an acquisition (see the Standard of GRAP on *Business Transfer of Functions Between Entities Not Under Common Control*). Measurements of segment assets and liabilities include any adjustments to the prior carrying amounts of the identifiable segment assets and segment liabilities of an entity acquired in a transfer of functions ~~entity combination~~ accounted for as a purchase, even if those adjustments are made only for the purpose of preparing consolidated financial statements and are not recorded in either the controlling entity's or the controlled entity's separate financial statements. Similarly, if property, plant, and equipment has been revalued subsequent to acquisition in accordance with the revaluation model allowed by the Standard of GRAP on *Property, Plant and Equipment*, measurements of segment assets reflect those revaluations.

(Editorial Note: Wording as per original *Government Gazette*. It is suggested that the phrase "property, plant, and equipment has" is intended to be "property, plant, and equipment have".)

The Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets (issued 2007)

A11. Amend the following paragraph in GRAP 19:

- .12 Where another Standard of GRAP deals with a specific type of provision, contingent liability or contingent asset, an entity applies that Standard instead of this Standard. ~~For example, the Standard of GRAP on *Entity Combinations* addresses the treatment by an acquirer of contingent liabilities assumed in a business combination. Similarly, certain types of provisions are also addressed in Standards of GRAP on: ...~~

The Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers) (issued 2008)

A12. Amend the following paragraphs in GRAP 23:

- .01 The objective of this Standard is to prescribe requirements for the financial reporting of revenue arising from non-exchange transactions, other than non-exchange transactions that involves a transfer of functions between entities under common control or a merger ~~an entity combination~~. The Standard deals with issues that need to be considered in recognising and measuring revenue from non-exchange transactions, including the identification of contributions from owners.
- .02 *An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for revenue from non-exchange transactions. This Standard does not apply to a transfer of functions between entities under common control or a merger or an entity combination that is a non-exchange transaction (see the Standards of GRAP on Transfer of Functions Between Entities Under Common Control or Mergers).***
- ~~.04 Governments may reorganise the public sector, merging some entities and dividing other entities into two or more separate entities. An entity combination occurs when two or more reporting entities are brought together to form one entity. These restructurings do not ordinarily involve one entity purchasing another entity, but may result in a new or existing entity acquiring all the assets and liabilities of another entity. The Board has not yet addressed entity combinations and has excluded them from the scope of this Standard. Therefore, this Standard does not specify whether an entity combination, which is a non-exchange transaction, will give rise to revenue or not.~~

The Standard of GRAP on Impairment of Non-cash-generating Assets (issued 2009)

A13. Add the following paragraphs after paragraph .08:

- .08A A transferor that holds a non-cash-generating asset or a group of non-cash-generating assets that are to be relinquished in a transfer of functions between entities under common control (see the Standard of GRAP on *Transfer of Functions Between Entities Under Common Control*), and combining entities that holds a non-cash-generating asset or a group of non-cash-generating assets that are to be transferred in a merger (see the Standard of GRAP on *Mergers*), shall apply the principles in this Standard until the transfer or merger date.

A14. Amend the following consequential amendments in GRAP 21:

The Standard of GRAP on Investments in Associates

D3. Paragraphs .40 and .41 are to be amended as follows:

~~.01 .40— Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognised, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in the Standards of GRAP on *Impairment of Cash-generating Assets* and *Impairment of Non-cash-generating Assets*. Instead the entire carrying amount of the investment is tested under for impairment in accordance with the Standards of GRAP on *Impairment of Cash-generating Assets* or *Impairment of Non-cash-generating Assets* as a single amount, by comparing its recoverable amount or recoverable service amount (higher of value in use and fair value less costs to sell) with its carrying amount, whenever application of the requirements in the Standards of GRAP on Financial Instruments indicates that the investment may be impaired.~~

.40A In determining the value in use of a cash-generating the investment, an entity estimates:

- (a) its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds from the ultimate disposal of the investment; or
- (b) the present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Under appropriate assumptions, both methods give the same result. Any resulting impairment loss for the investment is allocated in accordance with the Standards of GRAP on *Impairment of Non-cash-generating Assets* and *Impairment of Cash-generating Assets*. Therefore, it is allocated first to any remaining goodwill (see paragraph .30).

The Standard of GRAP on Employee Benefits (issued 2009)

A15. Amend the following paragraph in GRAP 25:

.02 This Standard shall be applied by an employer in accounting for all employee benefits, except share based payment transactions (see the International Financial Reporting Standard on Share-based Payment), and to the initial recognition and initial measurement of assets and liabilities acquired in a transfer of functions between entities under common control (see the Standard of GRAP on Transfer of Functions Between Entities Under Common Control) or a merger (see the Standard of GRAP on Mergers.

The Standard of GRAP on Impairment of Cash-generating Assets (issued 2009)

A16. Add the following paragraphs after paragraph .08:

.08A A transferor that holds a cash-generating asset or a cash-generating unit that are to be relinquished in a transfer of functions between entities under common control (see the Standard of GRAP on *Transfer of Functions Between Entities Under Common Control*), and combining entities that holds a cash-generating asset or a cash-generating unit that are to be transferred in a merger (see the Standard of GRAP on *Mergers*), shall apply the principles in this Standard until the transfer or merger date.

A17. Delete the following paragraph in GRAP 26:

~~.09 For guidance on the impairment of goodwill and the disclosure requirements related thereto, reference should be made to the International Accounting Standard on *Impairment of Assets*.~~

A18. Amend the following consequential amendments in GRAP 26:

The Standard of GRAP on Investments in Associates

D3. Paragraphs .40 and .41 are to be amended as follows:

~~.01 .40— Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognised, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in the Standards of GRAP on *Impairment of Cash-generating Assets* and *Impairment of Non-cash-generating Assets*. Instead the entire carrying amount of the investment is tested under for impairment in accordance with the Standards of GRAP on *Impairment of Cash-generating Assets* or *Impairment of Non-cash-generating Assets* as a single amount, by comparing its recoverable amount or recoverable service amount (higher of value in use and fair value less costs to sell) with its carrying amount, whenever application of the requirements in the Standards of GRAP on Financial Instruments indicates that the investment may be impaired.~~

.40A In determining the value in use of a cash-generating the investment, an entity estimates:

- .02 (a) its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds from the ultimate disposal of the investment; or
- .03 (b) the present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Under appropriate assumptions, both methods give the same result. Any resulting

impairment loss for the investment is allocated in accordance with the Standards of GRAP on *Impairment of Non-cash-generating Assets* and *Impairment of Cash-generating Assets*. Therefore, it is allocated first to any remaining goodwill (see paragraph 30).

A19. Amend the following paragraphs in the Basis for Conclusions:

Inclusion of g-Treatment of goodwill

BC11. IAS 36 contains extensive requirements and guidance on the impairment of goodwill, the allocation of goodwill to cash-generating units and testing cash-generating units with goodwill for impairment. The Standard of GRAP on *Transfer of Functions Between Entities Not Under Common Control* requires that the difference between the assets acquired and liabilities assumed and the consideration transferred (if any) as of the acquisition date in surplus or deficit. As no goodwill is recognised in the statement of financial position, the principles of the impairment of goodwill is not applicable.

~~The IPSASB has, however, not yet issued an IPSAS dealing with entity combinations and considers it likely that a number of public sector specific issues will arise when combinations of public sector entities take place. As a result, the IPSASB concluded in the basis for conclusions to IPSAS 26 that impairment of goodwill should be scoped out from IPSAS 26.~~

BC12. ~~The Board, however, agrees with the scope inclusion of impairment of goodwill as in IAS 36. The inclusion of goodwill in this Standard is consistent with the requirements in other Standards of GRAP already approved by the Board. The scope exclusion for the impairment of goodwill is therefore included in this Standard.~~

BC13. ~~However, in the absence of a Standard of GRAP on *Entity Combinations*, reference should be made to the International Accounting Standard on *Impairment of Assets* (IAS 36) for guidance on the impairment of goodwill, and the disclosure requirements related to that.~~

A20. Amend the following in the comparison with IPSAS 26:

Comparison with the International Public Sector Accounting Standard on *Impairment of Cash-Generating Assets* (January 2008)

~~Goodwill has been included in the scope of this Standard. IPSAS 26 excludes goodwill from its scope.~~

The Standard of GRAP on *Discontinued Operations* (issued 2006)

A21. Add the following paragraph in GRAP 100:

.02A The disclosure requirements of this Standard do not apply to the combining entities in a merger.

The Standard of GRAP on *Agriculture* (issued 2006)

A22. Amend the following paragraphs in GRAP 101:

.04 This Standard does not apply to:

...

(d) the initial recognition and initial measurement of agricultural activity acquired in a transfer of functions between entities under common control (see the Standard of GRAP on *Transfer of Functions Between Entities Under Common Control*) or a merger (see the Standard of GRAP on *Mergers*).

.48 An entity shall present a reconciliation of changes in the carrying amount of biological assets between the beginning and the end of the current period. The reconciliation shall include:

...

(e) decreases due to harvest;

(eA) decreases as a result of a transfer of functions between entities under common control or a merger,

(f) increases resulting from a transfer of functions between entities under common control, a transfer of functions between entities not under common control or a merger entity combinations;

The Standard of GRAP on *Intangible Assets* (issued 2006)

A23. Amend the following paragraphs in GRAP 102:

.03 This Standard shall be applied in accounting for intangible assets, except:

...

(d) the initial recognition and initial measurement of intangible assets acquired in a transfer of functions between entities under common control (see the Standard of GRAP on *Transfer of Functions Between Entities Under Common Control*) or a merger (see the Standard of GRAP on *Mergers*).

.04 Where the accounting for a specific type of intangible asset is prescribed by another Standard of GRAP, an entity applies that Standard of GRAP. For example, this Standard does not apply to:

...

~~(f) goodwill acquired in an entity combination (see the Standard of GRAP on Entity Combinations).~~

~~(g) in-process research and development projects acquired through an entity combination (see the Standard of GRAP on Entity Combinations).~~

.121 An entity shall disclose the following for each class of intangible assets, distinguishing between internally generated intangible assets and other intangible assets:

...

(e) A reconciliation of the carrying amount at the beginning and end of the period showing:

(iA) acquisitions through a transfer of functions between entities under common control, a transfer of functions between entities not under common control or a merger,

Comparison with the International Accounting Standard on *Intangible Assets* (June 2004)

The Standard of GRAP on *Intangible Assets* is drawn primarily from the International Accounting Standard on *Intangible Assets* (IAS 38). The main differences between the Standard of GRAP on *Intangible Assets* and the IAS on *Intangible Assets* are as follows:

- ~~The This Standard excludes guidance in this Standard on accounting for intangible assets acquired as part of a transfer of functions an entity combination and in-process research and development costs acquired in a transfer of functions an entity combination is different that in IAS 38 as the Standard of GRAP on *Transfer of Functions Between Entities Not Under Common Control* excluded certain exceptions to the recognition and/or measurement principles from the equivalent IFRS. as the Board has not yet considered the applicability of entity combinations to the South African public sector.~~
- ~~Guidance on the treatment of goodwill in this Standard has been aligned with the requirements in the Standard of GRAP on *Transfer of Functions Between Entities Not Under Common Control*.~~
- ~~The disclosure requirements in IAS 38 that require the disclosure of increases resulting from entity combinations have been deleted from this Standard, as the Board has not yet considered the applicability of entity combinations to the South African public sector.~~

A24. The following paragraph is to be inserted in GRAP 102:

Acquisition as part of a transfer of functions

.39A In accordance with the Standard of GRAP on *Transfer of Functions Between Entities Not Under Common Control*, if an intangible asset is acquired in a transfer of functions, the cost of that intangible asset is its fair value at the acquisition date. The fair value of the intangible asset will reflect expectations about the probability that the expected future economic benefits or service potential embodied in the asset will flow to the entity. In other words, the entity expects there to be an inflow of economic benefits or service potential, even if there is uncertainty about the timing or the amount of the inflow. Therefore, the probability recognition criterion in paragraph .24 (a) is always considered to be satisfied for intangible asset acquired in a transfer of functions. If an asset acquired in a transfer of functions is separable or arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), sufficient information exists to measure reliably the fair value of the asset. Thus, the reliable measurement criterion in paragraph .24 (b) is always considered to be satisfied for intangible assets acquired in a transfer of functions.

The Standard of GRAP on *Heritage Assets* (issued 2008)

A25. Amend the following paragraphs in GRAP 103:

.02 An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in the recognition, measurement and disclosure of all assets that meet the definition of a heritage asset, except the initial recognition and initial measurement of heritage assets acquired in a transfer of functions between entities under common control (see the Standard of GRAP on *Transfer of Functions Between Entities Under Common Control*) or a merger (see the Standard of GRAP on *Mergers*).

.83 The financial statements shall disclose, for each class of heritage assets recognised in the financial statements:

...

(c) a reconciliation of the carrying amount at the beginning and end of the period showing:

(iii) acquisitions through a transfer of functions between entities under common control, a transfer of functions between entities not under common control or a merger entity combinations,

The Standard of GRAP on *Financial Instruments* (issued 2009)

A26. Amend the following paragraphs in GRAP 104:

.02 An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for financial instruments except:

...

(c) the initial recognition and initial measurement of financial instruments acquired in a transfer of functions between entities under common control (see the Standard of GRAP on Transfer of Functions Between Entities Under Common Control) or a merger (see the Standard of GRAP on Mergers).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Basis for conclusions

Basis for conclusions

This basis for conclusions accompanies, but is not part of the Standard of GRAP.

- BC1. This basis for conclusions summarises the Board's considerations in developing the Standard of GRAP on *Transfer of Functions Between Entities Under Common Control*. In forming its views, the Board considered the views expressed and the comment received from stakeholders that responded to the Invitation to Comment (ITC) on a Discussion Paper on *Transfer of Functions* issued in November 2007. The Board further considered the responses to an Invitation to Comment on an exposure draft of the Standard of GRAP on *Transfer of Functions Between Entities Under Common Control* (issued May 2010).
- BC2. In developing this Standard of GRAP, the Board considered the principles in the Standards of GRAP on *Revenue from Exchange Transactions* (GRAP 9), *Revenue from Non-exchange Transactions (Taxes and Transfers)* (GRAP 23), *Non-current Assets Held for Sale and Discontinued Operations* (GRAP 100) and the International Financial Reporting Standard on *Business Combinations* (IFRS 3) (2008) issued by the International Accounting Standards Board (IASB).
- BC3. A project on the accounting for entity combinations arising from exchange transactions is included on the International Public Sector Accounting Standards Board's (IPSASB) work programme. The Board will continue to monitor this project and, at an appropriate time, consider the implications of the IPSASB project on the Standard of GRAP on *Transfer of Functions Between Entities Under Common Control*.

Background

- BC4. In the Discussion Paper, the Board proposed that a GRAP equivalent of IFRS 3 dealing with entity combinations should be issued and that entity combinations arising from exchange transactions undertaken between entities not under common control also be included in the scope of the project. It was also proposed that a Standard of GRAP should be developed to deal with transfer of functions undertaken between entities that are:
- . under common control, whether by way of an exchange and a non-exchange transaction; and
 - . not under common control by way of a non-exchange transaction.
- BC5. Following proposals from respondents to the Discussion Paper to include a transaction or event undertaken between entities not under common control by way of a non-exchange transaction in the scope of the IFRS 3 equivalent GRAP Standard, the Board agreed to the development of the following Standards of GRAP:
- . The Standard of GRAP on *Transfer of Functions Between Entities Not Under Common Control* to include in its scope transactions undertaken between entities not under common control by way of an exchange and non-exchange transaction; and
 - . The Standard of GRAP on *Transfer of Functions Between Entities Under Common Control* to include in its scope transactions undertaken between entities under common control by way of an exchange and non-exchange transaction.
- BC6. Some respondents to the exposure draft requested that the same approach should be applied in accounting for all transactions or events that involve a transfer of functions within government. However, the Board concluded that in a transfer of functions undertaken between entities under common control there will be no effect on the consolidated financial statements, whereas a transfer of functions undertaken between entities not under common will have an effect on the consolidated financial statements. The Board reconfirmed its view that two separate Standards should be develop for transactions or events undertaken between entities under common control, and those undertaken between entities not under common control.
- BC7. The Board also noted that the initial recognition and measurement principles of transfers of functions undertaken between entities not under common control by way of a non-exchange transaction, is similar to those for business combinations currently within the scope of IFRS 3.
- BC8. The Discussion Paper also proposed accounting principles for transactions and events where one entity is

not deemed to gain control over another entity. As these arrangements do not involve "control", respondents supported the development of a separate Standard of GRAP on *Mergers*.

Common control

- BC9. The government of the Republic of South Africa is divided into three different spheres, i.e. national, provincial and local, each given independence from the decision-making of another sphere. Control for accounting purposes is defined in the Standard of GRAP on *Consolidated and Separate Financial Statements* as: "The power to govern the financing and operating policies of an entity so as to obtain benefit from its activities". The key consideration in determining whether or not control exists for accounting purposes is that an entity must be able to demonstrate both that it has certain decision-making capabilities over another, and that it benefits from the activities of that entity.
- BC10. The national government is responsible for setting the overall policies and objectives for all three spheres of government in line with the prescripts of the Constitution. Each sphere of government is in turn responsible for executing its assigned functions in line with the overall policies and objectives set by national government. In effect, national government benefits from the activities undertaken by the various spheres of government, as these contribute to it achieving its overall policies and objectives. The fact that national government provides funding for the operations and may regulate the operating environment does not necessarily imply control for financial reporting purposes.
- BC11. In South Africa, this is supported by the requirements in [section 8](#) and [19](#) of the Public Finance Management Act, Act [No. 1 of 1999](#), as amended (PFMA) to prepare separate consolidated financial statements on a national level and for each province. Similarly, [section 122](#) of the Municipal Finance Management Act, Act [No. 56 of 2003](#) (MFMA) requires the preparation of consolidated financial statements for each municipality.
- BC12. In rare circumstances, for example, through national legislation, an entity in one sphere of government may intervene in the administration of an entity in another sphere of government, if that other entity cannot and does not fulfil its executive obligation. For example, an entity in the national sphere of government may intervene in the administration of a municipality if that municipality is unable to fulfil its constitutional or legislative mandate. These interventions mean that executive decisions are taken on behalf of the other entity until it is able to fulfil its legislative obligations. Such interventions are usually only temporary in nature. However, during this period, circumstances must be evaluated to establish whether or not the intervention meets the definition of control.

Scope

Transfer of individual assets or groups of assets and/or liabilities (paragraphs .03 (a) and .05)

- BC13. Arrangements that require one entity to take over an asset or a group of assets, or a liability or a group of liabilities of another entity are outside the scope of this Standard, as these arrangements are merely the acquisition of an asset or a group of assets and/or the assumption of a liability or a group of liabilities.

Mergers (paragraphs .03 (c) and .06)

- BC14. A merger involves the establishment of a new combined entity formed in which none of the former entities obtains control over any other and no acquirer can be identified. Determining whether an acquirer can be identified includes a consideration of, amongst other things, which of the combining entities initiated the transaction or event, the relative size of the combining entities, as well as whether the assets or revenue of one of the entities involved in the transaction or event significantly exceed those of the other entities. In a merger, the combining entities come together for the mutual sharing of risks and benefits of the combined entity. Mergers are not included in the scope of this Standard. The Standard of GRAP on *Mergers* should be applied in accounting for such arrangements.

A transaction or event undertaken between entities under common control (paragraphs .02 and .07)

- BC15. A transaction or event in which an acquirer can be identified and that results in a transfer of functions between entities in the same sphere of government, and/or between entities that are part of the same economic entity, will fall within the scope of this Standard as the transaction or event is undertaken between entities under common control. The entities involved in the transfer of functions are ultimately controlled by the same entity before and after the transfer of functions. If the function is transferred to a newly established entity that did not exist prior to the transfer date, the transfer will also fall within the scope of this Standard if the newly established entity is identified as the acquirer and the acquirer and transferor forms part of the same economic entity subsequent to the transfer of functions.

A transaction or event undertaken between entities not under common control (paragraphs .03 (b) and .08)

- BC16. A transaction or event in which an acquirer can be identified and that results in a transfer of functions between entities in different spheres of government, and/or between entities that are not part of the same economic entity do not fall within the scope of this Standard as the transaction or event is undertaken between entities not under common control. The entities involved in the transfer of functions are not ultimately controlled by the same entity before and after the transfer of functions. Entities should apply the Standard of GRAP on *Transfer of Functions Between Entities Not Under Common Control* in accounting for such transfer of functions.

Initial recognition and measurement

- BC17. As limited guidance exists in the public sector on the accounting for transfer of functions undertaken

between entities under common control, the Board considered the appropriateness of guidance on the acquisition and disposal of assets as included in other Standards of GRAP in developing principles for the recognition and measurement of the assets acquired or transferred and liabilities assumed or relinquished in a transfer of functions.

BC18. In most instances, the guidance provided by other standard setters, either for the acquisition of an entity or part of an entity, or for the acquisition of assets acquired requires the use of fair value as a measurement basis.

BC19. The Discussion Paper concluded that carrying amounts should be used to account for a transaction or event undertaken between entities under common control. The proposal to use carrying amounts was supported by the following:

- If carrying amounts are used by both the acquirer and transferor, no gain or loss is recognised by either party as opposed to remeasuring those assets and liabilities to fair value.
- Gains and losses are not recognised as the entity that ultimately controls the acquirer and transferor are merely transacting with itself.
- No costs need to be incurred to reevaluate any assets and liabilities.

Respondents to the Discussion Paper concurred with the Board's view.

BC20. Respondents to the exposure draft supported this proposal, and the Standard of GRAP on *Transfer of Functions Between Entities Under Common Control* requires that the acquirer should recognise the assets acquired and the liabilities assumed, on the transfer date, at the carrying amount at which the transferor recognised such assets and liabilities in its financial statements as of the transfer date.

BC21. During the comment period, some respondents raised concerns about the fact that the transferor's carrying amounts could be incomplete on the transfer date due to the values being inaccurate or because the transferor is applying a different basis of accounting. A requirement has been included in the Standard to clarify that if the transferor is not applying the accrual basis of accounting prior to the transfer of functions, it should change its basis of accounting to that of an accrual basis of accounting prior to the transfer.

Measurement period

BC22. The Standard provides the acquirer with a reasonable period after the transfer date, a measurement period, during which to obtain the information necessary to identify and measure the assets acquired and liabilities assumed in a transfer of functions. If sufficient information is not available at the transfer date to measure the assets and liabilities, the acquirer determines and recognises provisional amounts until the necessary information becomes available.

BC23. A constraint is placed on the period for which it is deemed reasonable to seek information necessary to complete the accounting for a transfer of functions. The measurement period ends as soon as the acquirer receives the necessary information about facts and circumstances that existed as of the transfer date or learns that the information is not obtainable. The Board agreed to a measurement period of two years.

BC24. The Board also concluded that the acquirer should provide the users of financial statements with relevant information about the status of items that have been measured using provisional amounts. A disclosure requirement has been included to provide such information.

Effective settlement of a pre-existing relationship between the acquirer and transferor in a transfer of functions

BC25. The settlement of a pre-existing relationship between the acquirer and the transferor is not part of the transfer of functions as these transactions were entered into, by, or on behalf of the acquirer or primarily for the benefit of the acquirer rather than primarily for the benefit of the transferor before a transfer of functions. Such transactions should be accounted for in terms so the applicable Standards of GRAP.

BC26. As these transactions were entered into in at arm's length, the acquirer should measure the gain or loss when settling the pre-existing relationship at its fair value.

Excess of the purchase consideration paid by the acquirer over the net assets acquired

BC27. The Discussion Paper proposed that any excess of the purchase consideration paid by the acquirer over the net asset value of the assets acquired or transferred and liabilities assumed or relinquished should be treated as a purchase premium and recognised in surplus or deficit. The Discussion Paper further proposed that the transferor should recognise such excess in accordance with the Standard of GRAP on *Revenue from Exchange Transactions*, and any excess of the carrying amounts of the assets transferred and liabilities relinquished over the purchase consideration paid by the acquirer, should be recognised by the transferor in surplus or deficit.

BC28. The Board reconsidered its initial view following comment from respondents to the Discussion Paper. It was agreed that any excess of the purchase consideration paid by the acquirer (if any) over the net asset value of the assets acquired or transferred and the liabilities assumed or relinquished should be recognised by both the acquirer and transferor in accumulated surplus and deficit, as the transaction between the acquirer and transferor represents a transaction with owners that occurred between entities under common control. The acquirer is thus entitled to the transferor's portion of the accumulated surplus or deficit that relates to the assets transferred and liabilities relinquished.

BC29. Respondents to the exposure draft supported this proposal, and the Standard of GRAP on *Transfer of Functions Between Entities Under Common Control* requires that the acquirer and transferor should recognise the difference between the assets acquired or transferred, the liabilities assumed or relinquished and the consideration paid or received (if any) in accumulated surplus or deficit.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ SCHEDULE 3 GRAP 106 - TRANSFER OF FUNCTIONS BETWEEN ENTITIES NOT UNDER COMMON CONTROL

**SCHEDULE 3
GRAP 106 - TRANSFER OF FUNCTIONS BETWEEN ENTITIES NOT UNDER COMMON CONTROL**



Accounting Standards Board

ACCOUNTING STANDARDS BOARD

STANDARD OF GENERALLY RECOGNISED ACCOUNTING PRACTICE

TRANSFER OF FUNCTIONS BETWEEN ENTITIES NOT UNDER COMMON CONTROL

(GRAP 106)

Issued by the

Accounting Standards Board

November 2010

Acknowledgement

This Standard of Generally Recognised Accounting Practice (GRAP) on *Transfer of Functions Between Entities Not Under Common Control* is drawn primarily from the International Financial Reporting Standard (IFRS) on *Business Combinations* issued by the International Accounting Standards Board (IASB). The IASB has issued a comprehensive body of International Financial Reporting Standards (IFRSs). Extracts of the IFRS on *Business Combinations* are reproduced in this Standard of GRAP with the permission of the IASB.

The approved text of IFRSs is that published by the IASB in the English language and copies may be obtained from:

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TRANSFER OF FUNCTIONS BETWEEN ENTITIES NOT UNDER COMMON CONTROL

This Standard was originally issued by the Accounting Standards Board (the Board) in November 2010. Since then, it has been amended with consequential amendments following the revisions to GRAP 100 *Discontinued Operations* in 2013.

Introduction

Standards of Generally Recognised Accounting Practice (GRAP)

The Accounting Standards Board (the Board) is required in terms of the Public Finance Management Act, Act [No. 1 of 1999](#), as amended (PFMA), to determine generally recognised accounting practice referred to as Standards of Generally Recognised Accounting Practice (GRAP).

The Board must determine GRAP for.

- (a) departments (including national and provincial and government components);
- (b) public entities;
- (c) trading entities (as defined in the PFMA);
- (d) constitutional institutions;
- (e) municipalities and boards, commissions, companies, corporations, funds or other entities under the ownership control of a municipality; and
- (f) Parliament and the provincial legislatures.

The above are collectively referred to as "entities" in Standards of GRAP.

The Board has approved the application of Statements of Generally Accepted Accounting Practice (GAAP), as codified by the Accounting Practices Board and issued by the South African Institute of Chartered Accountants as at 1 April 2012, to be GRAP for-

- (a) government business enterprises (as defined in the PFMA);
- (b) any other entity, other than a municipality, whose ordinary shares, potential ordinary shares or debt are publicly tradable on the capital markets; and
- (c) entities under the ownership control of any of these entities.

The Board has approved the application of International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board to be GRAP for these entities where they are applying IFRSs.

Financial statements should be described as complying with Standards of GRAP only if they comply with all the requirements of each applicable Standard of GRAP and any related Interpretations of the Standards of GRAP.

Any limitation of the applicability of specific Standards or Interpretations is made clear in those Standards or Interpretations of the Standards of GRAP.

The Standard of GRAP on *Transfer of Functions Between Entities Not Under Common Control* is set out in paragraphs .01 to .99. All paragraphs in the Standards of GRAP have equal authority. The status and authority of appendices are dealt with in the preamble to each appendix. The Standards should be read in the context of its objective, its basis for conclusions if applicable, the *Preface to Standards of GRAP*, the *Preface to the Interpretations of the Standards of GRAP* and the *Framework for the Preparation and Presentation of Financial Statements*.

Standards of GRAP and Interpretations of the Standards of GRAP should also be read in conjunction with any directives issued by the Board prescribing transitional provisions, as well as any regulations issued by the Minister of Finance regarding the effective dates of the Standards of GRAP, published in the *Government Gazette*.

Reference may be made here to a Standard of GRAP that has not been issued at the time of issue of this Standard. This is done to avoid having to change the Standards already issued when a later Standard is subsequently issued. Paragraph .11 of the Standard of GRAP on *Accounting Policies, Changes in Accounting Estimates and Errors* provides a basis for selecting and applying accounting policies in the absence of explicit guidance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Objective

Objective

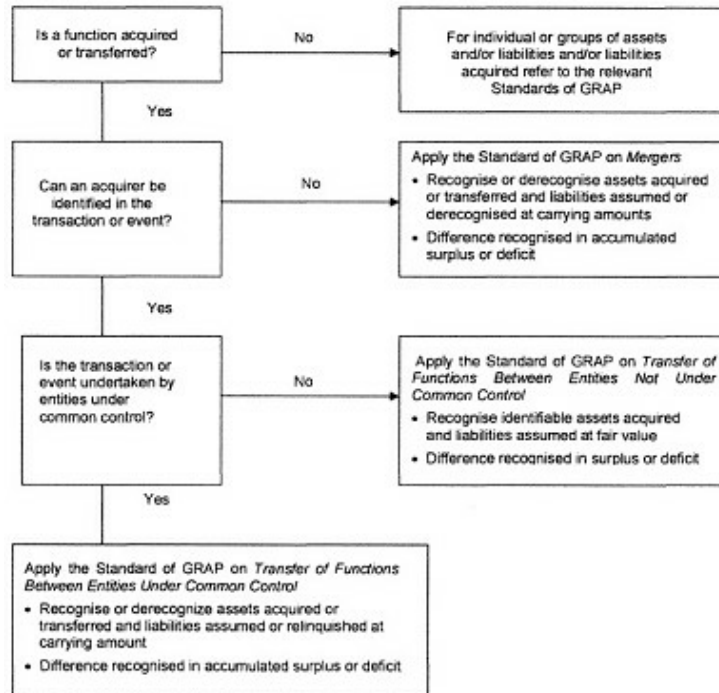
- .01 The objective of this Standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Scope

Scope

- .02 ***An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard to a transaction or other event that meets the definition of a transfer of functions.***

- .03 This Standard does not apply to:
- transfers of individual or groups of assets and/or liabilities that do not meet the definition of a transfer of functions (see the applicable Standard of GRAP).
 - a transfer of functions undertaken between entities under common control (see the Standard of GRAP on *Transfer of Functions Between Entities Under Common Control*);
 - a merger (see the Standard of GRAP on *Mergers*); and
 - the formation of a joint venture (see the Standard of GRAP on *Interests in Joint Ventures*).
- .04 A transfer of functions undertaken between entities not under common control could involve an acquisition or transfer of another entity or the acquisition or transfer of part of another entity.
- .05 Entities should consider the following diagram in determining whether this Standard should be applied in accounting for a transaction or event that involves a transfer of functions or merger:



- .06 Transfers of individual or groups of assets and/or liabilities are excluded from the scope of this Standard as these arrangements result in the acquisition of an asset or a group of assets and/or the assumption of a liability or a group of liabilities by an entity rather than the transfer of functions. For example, when a national roads agency takes control of a provincial road from various provincial departments from time to time, it is a transfer of individual assets.
- .07 If no acquirer can be identified in a transaction or event, the Standard of GRAP on *Mergers* should be applied. A merger is the establishment of new combined entity in which none of the former entities obtains control over any other and no acquirer can be identified.
- .08 A transaction or event in which an acquirer can be identified, and that occurs between entities not under common control falls within the scope of this Standard. A transfer of functions between entities not under common control is a reorganisation and/or reallocation of functions between entities that are not ultimately controlled by the same entity both before and after the transfer of functions and that control is not transitory.
- .09 A transaction or event in which an acquirer can be identified and that results in a transfer of functions between entities under common control is excluded from the scope of this Standard. Such a transaction or event should be accounted for in terms of the Standard of GRAP on *Transfer of Functions Between Entities Under Common Control*.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Definitions

Definitions

- .10 **The following terms are used in this Standard with the meanings specified:**

An acquiree is the entity and/or the functions that the acquirer obtains control of in a transfer of functions.

An acquirer is the entity that obtains control of the acquiree or transferor.

Acquisition date is the date on which the acquirer obtains control of the acquiree.

Contingent consideration is usually, an obligation of the acquirer to transfer additional assets or a residual interest to the former owners of an acquiree as part of the exchange for control of the acquiree if specified future events occur or conditions are met. However, contingent consideration also may give the acquirer the right to the return of previously transferred consideration if specified conditions are met.

Control is the power to govern the financial and operating policies of another entity so as to obtain benefit from its activities.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

A function is an integrated set of activities that is capable of being conducted and managed for purposes of achieving an entity's objectives, either by providing economic benefits or service potential.

An asset is identifiable if it either:

- (a) is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or**
- (b) arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.**

A merger is the establishment of a new combined entity in which none of the former entities obtain control over any other and no acquirer can be identified.

Non-controlling interest is the interest in the net assets of a controlled entity not attributable, directly or indirectly, to a controlling entity.

Owners (for the purposes of this Standard), is used broadly to include holders of residual interests.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- (a) equity instruments or similar forms of unitised capital;**
- (b) a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or**
- (c) a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.**

A transfer of functions is the reorganisation and/or the re-allocation of functions between entities by transferring functions between entities or into another entity.

Terms defined in other Standards of GRAP are used in this Standard with the same meaning as in those other Standards of GRAP.

Common control

- .11 For a transaction or event to occur between entities under common control, the transaction or event needs to be undertaken between entities within the same sphere of government or between entities that are part of the same economic entity. Entities that are ultimately controlled by the same entity before and after the transfer of functions are within the same economic entity. For example, a national health department is mandated through legislation to transfer its primary school nutrition programme to the education department. Because the education department is identified as the acquirer, and both departments are within the national sphere of government and within the same economic entity, the transfer of functions falls within the scope of the Standard of GRAP on *Transfer of Functions Between Entities Under Common Control*.
- .12 The extent of non-controlling interests in each of the entities that are involved in a transfer of functions before and after the transfer of functions is not relevant in determining whether the transaction or event involves entities under common control.

Function

- .13 A function is an integrated set of activities that is capable of being conducted and managed for purposes of achieving an entity's objectives, either by providing economic benefits or service potential. A function consists of inputs and processes applied to those inputs that have the ability to create outputs. A function can either be a part or a portion of an entity or can consist of the whole entity. Although functions may have outputs, outputs are not required to qualify as a function. The three elements of a function are defined as follows:

- (a) **Input:** Any resource that creates, or has the ability to create, outputs when one or more processes are applied to it. Examples include non-current assets (including intangible assets or rights to use non-current assets), intellectual property and the ability to obtain access to necessary materials or rights and employees.
 - (b) **Process:** Any system, standard, protocol, convention or rule that when applied to an input or inputs, creates or has the ability to create outputs. Examples include strategic management processes, operational processes and resource management processes. These processes typically are documented, but an organised workforce having the necessary skills and experience following rules and conventions may provide the necessary processes that are capable of being applied to inputs to create outputs. (Accounting, billing, payroll and other administrative systems typically are not processes used to create outputs.)
 - (c) **Output:** The result of inputs and processes applied to achieve and improve efficiency. This may be in the form of achieving service delivery objectives, or the delivery of goods and/or services.
- .14 However, to be capable of being conducted and managed for the purposes defined, a function requires two essential elements - inputs and processes applied to those inputs, which together may or will be used to create outputs. However, a function need not include all of the inputs or processes that will be used in operating that function if entities are capable of acquiring the function and continuing to produce outputs, for example, by integrating the function with their own inputs and processes.
- .15 The nature of the elements of a function varies by the structure of an entity's operations (activities), including the entity's stage of development. Established functions often have many different types of inputs, processes and outputs, whereas new functions often have few inputs and processes and sometimes only a single output. Nearly all functions also have liabilities, but a function need not have liabilities.
- .16 A function in the development stage might not have outputs. If not, other factors should be considered to determine whether the integrated set of activities meets the definition of a function. Those factors include, but are not limited to, whether the function:
- (a) has begun planned principal activities;
 - (b) has employees, intellectual property and other inputs and processes that could be applied to those inputs;
 - (c) is pursuing a plan to produce outputs; or
 - (d) will be able to obtain access to economic benefits or service potential.

Not all of those factors need to be present in the development stage to meet the definition of a function.

Residual interest

- .17 A residual interest is a contract that shows evidence of an interest in the net assets of another entity. A residual interest entitles the holder of the interest to a part of the net assets of an entity, and any payments made to the holder are discretionary, e.g. dividends or similar distributions are paid to holders of residual interests at management's discretion
- .18 In the public sector, various forms of contributed capital exist. For example, some public entities may issue shares, while others may have been given capital contributions through the budget process. Where an entity receives capital contributions other than through the issue of shares or other unitised capital, the following evidence may indicate that the contribution is a residual interest:
- (a) there is a formal designation of the contribution by the parties to the transaction either before or at the time of the contribution; or
 - (b) there is a formal agreement between the parties specifying that the contribution represents a residual interest of another entity.

Even though a formal transfer of resources may be proven by a designation or formal agreement, an entity assesses the nature of the transfer based on its substance and not merely its legal form.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Identifying a transfer of functions between entities not under common control

Identifying a transfer of functions between entities not under common control

- .19 ***An entity shall determine whether a transaction or other event is a transfer of functions between entities not under common control by applying the definition in this Standard, which requires that the assets acquired and liabilities assumed constitute a function. If the assets acquired or liabilities assumed are not a function, the reporting entity shall account for the transaction or other event as in accordance with the applicable Standard of GRAP.***
- .20 This Standard defines a transfer of functions as the reorganisation and/or the re-allocation of functions

between entities by transferring functions between entities or into another entity. The transfer of functions must be undertaken between entities not under common control. An acquirer might obtain control of an acquiree in a variety of ways, for example:

- (a) by transferring cash, cash equivalents or other assets (including net assets that constitute a function);
 - (b) by incurring liabilities;
 - (c) by exchanging residual interests;
 - (d) by providing more than one type of consideration; or
 - (e) without transferring consideration, including through a binding arrangement.
- .21 A transfer of functions between entities not under common control may be structured in a variety of ways, which include but are not limited to:
- (a) one or more functions become controlled entities of an acquirer or the net assets of one or more functions are legally acquired or transferred by the acquirer; or
 - (b) one entity transfers its net assets, or its owners transfer their residual interests, to another entity or its owners.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ The acquisition method

The acquisition method

.22 An entity shall account for each transfer of functions between entities not under common control by applying the acquisition method.

.23 Applying the acquisition method requires:

- (a) identifying the acquirer;
- (b) determining the acquisition date;
- (c) recognising and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree; and
- (d) recognising the difference between (c) and the consideration transferred to the seller.

Identifying the acquirer

.24 For each transfer of functions between entities not under common control, one of the combining entities shall be identified as the acquirer.

.25 The terms and conditions of a transfer of functions undertaken between entities not under common control are set out in a binding arrangement. This arrangement may be evidenced in a number of ways and may encompass a formal written agreement between the entities, legislation passed in parliament or a provincial legislature, cabinet decision, ministerial order, a decision made by a municipal council, regulation or a notice or other official means. In a transfer of functions, it is assumed that one of the parties to the transaction or event can be identified as the acquirer. The binding arrangement governing the terms and conditions of a transfer of functions may identify which entity to the transaction or event is the combining entities and which entity is the acquirer.

.26 In a transfer of functions effected primarily by transferring cash or other assets (where applicable) or by incurring liabilities, the acquirer is usually the entity that transfers the cash or other assets (where applicable) or incurs the liabilities.

.27 In a transfer of functions effected primarily by exchanging residual interests, the acquirer is the entity that does not experience a change in control.

.28 In a transfer of functions involving more than one entity, one of the entities that existed before the transaction or event may be identified as the acquirer on the basis of available evidence available. For example, if the management of one of the entities involved in the transfer of functions dominates the selection of the management team in the newly establish entity, the dominant entity is usually the acquirer.

.29 Determining the acquirer shall include a consideration of, amongst other things, which of the combining entities initiated the transaction or event, the relative size of the combining entities, as well as whether the assets or revenue of one of the entities involved in the transaction or event significantly exceed those of the other entities. If no acquirer can be identified, the transaction or event should be accounted for in terms of the Standard of GRAP on *Mergers*.

Determining the acquisition date

.30 The acquirer shall identify the acquisition date, which is the date on which it obtains control of the

acquiree.

- .31 The binding arrangement governing the terms and conditions of a transfer of functions between entities not under common control may specify that the transaction or event is effective from a specific date. The date on which the acquirer obtains control of the functions is the date on which the acquirer transfers the consideration (if any), acquires the assets and assumes the liabilities of the acquiree as identified to in the binding arrangement. However, the acquirer may obtain control on a date that is either earlier or later than the date on which the assets and liabilities are transferred by the acquiree, or specified in the binding arrangement. For example, legislation passed in Parliament on 1 April 20X1 requires department A to take over the functions of department B. The departments are not within the same economic entity as they are not within the same sphere of government. A directive is issued stating that the effective date of the transfer is 1 June 20X1. Department A however only obtains control of the assets and liabilities on 1 July 20X1 through a memorandum of understanding drawn up between the two departments. As department A can only use or otherwise benefit from the transfer of functions in pursuit of its objectives, or exclude or otherwise regulate the access of others to those benefits from 1 July 20X1, the transaction or event should be accounted for as from 1 July 20X1. An acquirer shall consider all relevant facts and circumstances in identifying the acquisition date.
- .32 The fact that a binding arrangement exists creates an obligation for either one or both of the parties to act in order to fulfil the terms and conditions of the arrangement. This means that under the binding arrangement, the acquirer has an enforceable claim over the acquiree either, to relinquish control of the entity, or over the assets and liabilities of the function to be transferred.

Recognising and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree

Recognition principle

- .33 *As of the acquisition date, the acquirer shall recognise, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. Recognition of identifiable assets acquired and liabilities assumed is subject to the conditions specified in paragraphs .34 to .36.***

Recognition conditions

- .34 To qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the *Framework for the Preparation and Presentation of Financial Statements* and the recognition criteria in the applicable Standards of GRAP at the acquisition date. For example, costs the acquirer expects but is not obliged to incur in the future to effect its plan to exit an activity of an acquiree or to terminate the employment of or relocate an acquiree's employees are not liabilities at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Standards of GRAP.
- .35 In addition, to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must be part of what the acquirer and the acquiree (or its former owners) agreed in the binding arrangement rather than the result of separate transactions. The acquirer shall apply the guidance in paragraphs .77 to .83 to determine which assets acquired or liabilities assumed are part of the transfer of functions for the acquiree and which, if any, are the result of separate transactions to be accounted for in accordance with their nature and the applicable Standards of GRAP.
- .36 The acquirer's application of the recognition principle and conditions may result in recognising some assets and liabilities that the acquiree had not previously recognised as assets and liabilities in its financial statements. For example, the acquirer recognises the acquired identifiable intangible assets, such as a brand name, a patent or a customer relationship, that the acquiree did not recognise as assets in its financial statements because it developed them internally and charged the related costs to expense.
- .37 Paragraphs .38 to .44 provides guidance on recognising operating leases and intangible assets. Paragraphs .56 to .60 specify the types of identifiable assets and liabilities that include items for which this Standard provides limited exceptions to the recognition principle and conditions.

Operating leases

- .38 The acquirer shall recognise no assets or liabilities related to an operating lease in which the acquiree is the lessee except as required by paragraphs .39 and .40.
- .39 The acquirer shall determine whether the terms of each operating lease in which the acquiree is the lessee are favourable or unfavourable. The acquirer shall recognise an intangible asset if the terms of an operating lease are favourable relative to market terms and a liability if the terms are unfavourable relative to market terms. Paragraph .54 provides guidance on measuring the acquisition-date fair value of assets subject to operating leases in which the acquiree is the lessor.
- .40 An identifiable intangible asset may be associated with an operating lease, which may be evidenced by market participants' willingness to pay a price for the lease even if it is at market terms.

Intangible assets

- .41 The acquirer shall separately recognise the identifiable intangible assets acquired in a transfer of functions. An intangible asset is identifiable if it meets either the separability criterion or the contractual-legal right criterion.

- .42 An intangible asset that meets the contractual-legal right criterion is identifiable even if the asset is not transferable or separable from the acquiree or from other rights and obligations. For example:
- (a) an acquiree leases a manufacturing facility under an operating lease that has terms that are favourable relative to market terms. The lease terms explicitly prohibit transfer of the lease (through either sale or sublease). The amount by which the lease terms are favourable compared with the terms of current market transactions for the same or similar items is an intangible asset that meets the contractual-legal right criterion for separate recognition, even though the acquirer cannot sell or otherwise transfer the lease contract.
 - (b) an acquiree owns and operates a power plant. The licence to operate that power plant is an intangible asset that meets the contractual-legal right criterion for separate recognition, even if the acquirer cannot sell or transfer it separately from the acquired power plant. An acquirer may recognise the fair value of the operating licence and the fair value of the power plant as a single asset for financial reporting purposes if the useful lives of those assets are similar.
 - (c) an acquiree owns a technology patent. It has licensed that patent to others for their exclusive use outside the domestic market, receiving a specified percentage of future foreign revenue in exchange. Both the technology patent and the related licence agreement meet the contractual-legal right criterion for separate recognition separately even if selling or exchanging the patent and the related licence agreement separately from one another would not be practical.
- .43 The separability criterion means that an acquired intangible asset is capable of being separated or divided from the acquiree and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability. An intangible asset that the acquirer would be able to sell, license or otherwise exchange for something else of value meets the separability criterion even if the acquirer does not intend to sell, license or otherwise exchange it. An acquired intangible asset meets the separability criterion if there is evidence of exchange transactions for that type of asset or an asset of a similar type, even if those transactions are infrequent and regardless of whether the acquirer is involved in them. For example, customer lists are frequently licensed and thus meet the separability criterion. Even if an acquiree believes its customer lists have characteristics different from other customer lists, the fact that customer lists are frequently licensed generally means that the acquired customer list meets the separability criterion. However, a customer list acquired in a transfer of functions would not meet the separability criterion if the terms of confidentiality or other agreements prohibit an entity from selling, leasing or otherwise exchanging information about its customers.
- .44 An intangible asset that is not individually separable from the acquiree meets the separability criterion if it is separable in the transfer of functions with a related contract, identifiable asset or liability. For example:
- (a) market participants exchange deposit liabilities and related depositor relationship intangible assets in observable exchange transactions. Therefore, the acquirer should recognise the depositor relationship intangible asset separately.
 - (b) an acquiree owns a registered trademark and documented but unpatented technical expertise used to manufacture the trademarked product. To transfer ownership of a trademark, the owner is also required to transfer everything else necessary for the new owner to produce a product or service indistinguishable from that produced by the former owner. Because the unpatented technical expertise must be separated from the acquiree and sold if the related trademark is sold, it meets the separability criterion.

Classifying or designating identifiable assets acquired and liabilities assumed in a transfer of functions

- .45 At the acquisition date, the acquirer shall classify or designate the identifiable assets acquired and liabilities assumed as necessary to apply other Standards of GRAP subsequent to the acquisition date. The acquirer shall make those classifications or designations on the basis of the terms of the binding arrangement, economic conditions, its operating or accounting policies and other relevant conditions as they exist at the acquisition date.**
- .46 In some situations, Standards of GRAP provide for different accounting depending on how an entity classifies or designates a particular asset or liability. Examples of classifications or designations that the acquirer shall make on the basis of the relevant conditions as they exist at the acquisition date include but are not limited to:
- (a) classification of particular financial assets and liabilities as a financial asset or liability at fair value or amortised cost in accordance with the Standard of GRAP on *Financial Instruments*;
 - (b) assessment of whether an embedded derivative should be separated from the host contract in accordance with the Standard of GRAP on *Financial Instruments*.
- .47 An exception to the requirement in paragraph .45 to the classification or designation of the assets acquired and liabilities assumed on the acquisition date, is that the acquirer shall classify the following contracts on the basis of the contractual terms and other factors at the inception of the contract (or, if the terms of the contract have been modified in a manner that would change its classification, at the date of that modification, which might be the acquisition date):
- (a) classification of a lease contract as either an operating lease or a finance lease in accordance with the Standard of GRAP on *Leases*; and

- (b) classification of a contract as an insurance contract in accordance with the International Financial Reporting Standard on *Insurance Contracts*.

Measurement principle

.48 The acquirer shall measure the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values.

Non-controlling interest in an acquiree

- .49 For each transfer of functions, the acquirer shall measure at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation at either:
- (a) fair value; or
 - (b) the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by the Standards of GRAP.

- .50 Sometimes an acquirer will be able to measure the acquisition-date fair value of a non-controlling interest on the basis of active market prices for the equity shares not held by the acquirer. In other situations, however, an active market price for the equity shares will not be available. In those situations, the acquirer would measure the fair value of the non-controlling interest using other valuation techniques.
- .51 The fair values of the acquirer's interest in the acquiree and the non-controlling interest on a per-share basis might differ. The main difference is likely to be the inclusion of a control premium in the per-share fair value of the acquirer's interest in the acquiree or, conversely, the inclusion of a discount for lack of control (also referred to as a minority discount) in the per-share fair value of the non-controlling interest.
- .52 Paragraphs .53 and .54 provide guidance on measuring the fair value of particular identifiable assets. Paragraphs .56 to .63 specify the types of identifiable assets and liabilities that include items for which this Standard provides limited exceptions to the recognition or measurement principle.

Assets with uncertain cash flows (valuation allowances)

- .53 The acquirer shall not recognise a separate valuation allowance as of the acquisition date for assets acquired in a transfer of functions that are measured at their acquisition-date fair values because the effects of uncertainty about future cash flows are included in the fair value measure. For example, because this Standard requires the acquirer to measure acquired receivables, including loans, at their acquisition-date fair values, the acquirer does not recognise a separate valuation allowance for the contractual cash flows that are deemed to be uncollectible at that date.

Assets subject to operating leases in which the acquiree is the lessor

- .54 In measuring the acquisition-date fair value of an asset such as a building or a patent that is subject to an operating lease in which the acquiree is the lessor, the acquirer shall take into account the terms of the lease. In other words, the acquirer does not recognise a separate asset or liability if the terms of an operating lease are either favourable or unfavourable when compared with market terms for leases in which the acquiree is the lessor.

Exceptions to the recognition or measurement principles

- .55 This Standard provides limited exceptions to its recognition and measurement principles. Paragraphs .56 to .63 specify both the particular items for which exceptions are provided and the nature of those exceptions. The acquirer shall account for those items by applying the requirements in paragraphs .56 to .63, which will result in some items being:
- (a) Recognised either by applying recognition conditions in addition to those in paragraphs .34 and .35 or by applying the requirements of other Standards of GRAP, with results that differ from applying the recognition principle and conditions.
 - (b) Measured at an amount other than their acquisition-date fair values.

Exceptions to the recognition principles

Contingent liabilities

- .56 The Standard of GRAP on *Provisions, Contingent Liabilities and Contingent Assets* defines a contingent liability as:
- (a) a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
 - (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits or service potential will

be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

.57 The requirements in the Standard of GRAP on *Provisions, Contingent Liabilities and Contingent Assets* do not apply in determining which contingent liabilities to recognise as of the acquisition date. Instead, the acquirer shall recognise as of the acquisition date a contingent liability assumed in a transfer of functions if it is a present obligation that arises from past events and its fair value can be measured reliably. Therefore, contrary to the Standard of GRAP on *Provisions, Contingent Liabilities and Contingent Assets*, the acquirer recognises a contingent liability assumed in a transfer of functions at the acquisition date even if it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation. Paragraph .86 provides guidance on the subsequent accounting for contingent liabilities.

Exceptions to both the recognition and measurement principles

Employee benefits

.58 The acquirer shall recognise and measure a liability (or asset, if any) related to the acquiree's employee benefit arrangements in accordance with the Standard of GRAP on *Employee Benefits*.

Indemnification assets

.59 The seller in a transfer of functions may contractually indemnify the acquirer for the outcome of a contingency or uncertainty related to all or part of a specific asset or liability. For example, the seller may indemnify the acquirer against losses above a specified amount on a liability arising from a particular contingency; in other words, the seller will guarantee that the acquirer's liability will not exceed a specified amount. As a result, the acquirer obtains an indemnification asset. The acquirer shall recognise an indemnification asset at the same time that it recognises the indemnified item measured on the same basis as the indemnified item, subject to the need for a valuation allowance for uncollectible amounts. Therefore, if the indemnification relates to an asset or a liability that is recognised at the acquisition date and measured at its acquisition-date fair value, the acquirer shall recognise the indemnification asset at the acquisition date measured at its acquisition-date fair value. For an indemnification asset measured at fair value, the effects of uncertainty about future cash flows because of collectability considerations are included in the fair value measure and a separate valuation allowance is not necessary (paragraph .53 provides related application guidance).

.60 In some circumstances, the indemnification may relate to an asset or a liability that is an exception to the recognition or measurement principles. Alternatively, an indemnification may relate to an asset or a liability, for example, one that results from an employee benefit that is measured on a basis other than acquisition-date fair value. In those circumstances, the indemnification asset shall be recognised and measured using assumptions consistent with those used to measure the indemnified item, subject to management's assessment of the collectability of the indemnification asset and any contractual limitations on the indemnified amount. Paragraph .87 provides guidance on the subsequent accounting for an indemnification asset.

Exceptions to the measurement principle

Reacquired rights

.61 The acquirer shall measure the value of a reacquired right recognised as an intangible asset on the basis of the remaining contractual term of the related contract or other binding arrangement regardless of whether market participants would consider potential renewals of the contract or other binding arrangement in determining its fair value. Paragraphs .62 and .63 provide related application guidance.

.62 As part of a transfer of functions, an acquirer may reacquire a right that it had previously granted to the acquiree to use one or more of the acquirer's recognised or unrecognised assets. A reacquired right is an intangible asset that the acquirer recognises separately from the difference between the identifiable assets acquired and liabilities assumed and the consideration transferred (if any). Paragraph .61 provides guidance on measuring a reacquired right and paragraph .85 provides guidance on the subsequent accounting for a reacquired right.

.63 If the terms of the binding arrangement giving rise to a reacquired right are favourable or unfavourable relative to the terms of current market transactions for the same or similar items, the acquirer shall recognise a settlement gain or loss. Paragraph .81 provides guidance for measuring that settlement gain or loss.

Recognising and measuring the difference between the assets acquired and liabilities assumed and the consideration transferred (if any)

.64 *The acquirer shall recognise the difference between the assets acquired and liabilities assumed and the consideration transferred (if any) as of the acquisition date in surplus or deficit. This difference is measured as the excess of (a) over (b) below:*

(a) *the aggregate of:*

(i) *the consideration transferred (if any) measured in accordance with this Standard, which generally requires acquisition-date fair value (see paragraph .65);*

(ii) *the amount of any non-controlling interest in the acquiree measured in accordance with this Standard; and*

(iii) *in a transfer of functions achieved in stages (see paragraphs .69 and .70), the acquisition-*

date fair value of the acquirer's previously held equity interest in the acquiree.

- (b) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with this Standard.**

Consideration transferred

- .65 The consideration transferred in a transfer of functions shall be measured at fair value, which shall be calculated as the sum of the acquisition-date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the residual interests issued by the acquirer. Examples of potential forms of consideration include cash, other assets, a function or a controlled entity of the acquirer, contingent consideration, equity instruments, options, warrants and other owner interests.
- .66 The consideration transferred may include assets or liabilities of the acquirer that have carrying amounts that differ from their fair values at the acquisition date (for example, non-monetary assets or a function of the acquirer). If so, the acquirer shall remeasure the transferred assets or liabilities to their fair values as of the acquisition date and recognise the resulting gains or losses, if any, in surplus or deficit. However, sometimes the transferred assets or liabilities remain within the combined entity after the transfer of function (for example, because the assets or liabilities were transferred to the acquiree rather than to its former owners), and the acquirer therefore retains control of them. In that situation, the acquirer shall measure those assets and liabilities at their carrying amounts immediately before the acquisition date and shall not recognise a gain or loss in surplus or deficit on assets or liabilities it controls both before and after the transfer of functions.

Contingent consideration

- .67 The consideration the acquirer transfers in exchange for the acquiree includes any asset or liability resulting from a contingent consideration arrangement (see paragraph .65). The acquirer shall recognise the acquisition-date fair value of contingent consideration as part of the consideration transferred in exchange for the acquiree.
- .68 The acquirer shall classify an obligation to pay contingent consideration as a liability or as net assets on the basis of the definitions of a residual interest and a financial liability in the Standard of GRAP on *Financial Instruments*, or other applicable Standard of GRAP. The acquirer shall classify as an asset a right to the return of previously transferred consideration if specified conditions are met. Paragraph .88 provides guidance on the subsequent accounting for contingent consideration.

A transfer of functions achieved in stages

- .69 An acquirer sometimes obtains control of an acquiree in which it held a residual interest immediately before the acquisition date. For example, on 31 March 20X1, Entity A holds a 35 per cent non-controlling interest in Entity B. On that date, Entity A purchases an additional 40 per cent interest in Entity B, which gives it control of Entity B. This Standard refers to such a transaction as a transfer of functions achieved in stages, sometimes also referred to as a step acquisition.
- .70 In a transfer of functions achieved in stages, the acquirer shall remeasure its previously held residual interest in the acquiree at its acquisition-date fair value and recognise the resulting gain or loss, if any, in surplus or deficit. In prior reporting periods, the acquirer may have recognised changes in the value of its residual interest in the acquiree in surplus or deficit. If so, the amount that was recognised in surplus or deficit shall be recognised on the same basis as would be required if the acquirer had disposed directly of the previously held residual interest.

Measurement period

- .71 If the initial accounting for a transfer of functions is incomplete by the end of the reporting period in which the transfer occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. During the measurement period, the acquirer shall also recognise additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed two years from the acquisition date.**
- .72 The measurement period is the period after the acquisition date during which the acquirer may adjust the provisional amounts recognised for a transfer of functions. The measurement period provides the acquirer with reasonable time to obtain the information necessary to identify and measure the following as of the acquisition date in accordance with the requirements of this Standard:
- (a) the identifiable assets acquired, liabilities assumed and any non-controlling interest in the acquiree;
 - (b) the consideration transferred, if any, for the acquiree;
 - (c) in a transfer of functions achieved in stages, the interest in the acquiree previously held by the acquirer; and

- (d) the resulting excess of the purchase consideration paid (if any) over the fair value of the assets acquired and liabilities assumed.
- .73 The acquirer shall consider all relevant factors in determining whether information obtained after the acquisition date should result in an adjustment to the provisional amounts recognised or whether that information results from events that occurred after the acquisition date. Relevant factors include the date when additional information is obtained and whether the acquirer can identify a reason for a change to provisional amounts. Information that is obtained shortly after the acquisition date is more likely to reflect circumstances that existed at the acquisition date than is information obtained several months later. For example, unless an intervening event that changed its fair value can be identified, the sale of an asset to a third party shortly after the acquisition date for an amount that differs significantly from its provisional fair value determined at that date is likely to indicate an error in the provisional amount.
- .74 The acquirer recognises an increase (decrease) in the provisional amount recognised for an identifiable asset (liability) by means of decreasing (increasing) the excess of the purchase consideration paid (if any) over the fair value of the assets acquired and liabilities assumed previously recognised in surplus or deficit. However, new information obtained during the measurement period may sometimes result in an adjustment to the provisional amount of more than one asset or liability. For example, the acquirer might have assumed a liability to pay damages related to an accident in one of the acquiree's facilities, part or all of which are covered by the acquiree's liability insurance policy. If the acquirer obtains new information during the measurement period about the acquisition-date fair value of that liability, the adjustment to the excess resulting from a change to the provisional amount recognised for the liability would be offset (in whole or in part) by a corresponding adjustment to the previously recognised excess in surplus or deficit resulting from a change to the provisional amount recognised for the claim receivable from the insurer.
- .75 During the measurement period, the acquirer shall recognise adjustments to the provisional amounts as if the accounting for the transfer of functions had been completed at the acquisition date. Thus, the acquirer shall revise comparative information for prior periods presented in financial statements as needed, including making any change in depreciation, amortisation or other income effects recognised in completing the initial accounting.
- .76 After the measurement period ends, the acquirer shall revise the accounting for a transfer of functions only to correct an error in accordance with the Standard of GRAP on *Accounting Policies, Changes in Accounting Estimates and Errors*.

Determining what is part of the transfer of functions transaction

- .77 *The acquirer and the acquiree may have a pre-existing relationship or other arrangement before or when negotiations for the transfer of functions began, or they may enter into a binding arrangement during the negotiations that is separate from the transfer of functions. In either situation, the acquirer shall identify any amounts that are not part of what the acquirer and the acquiree (or its former owners) exchanged in the transfer of functions. The acquirer shall recognise as part of applying the acquisition method only the consideration transferred (if any) for the acquiree and the assets acquired and liabilities assumed by the acquirer in the transfer of functions as governed by the terms and conditions of the binding arrangement. Apart from the transactions identified in paragraphs .80 and .81, separate transactions shall be accounted for in accordance with the relevant Standards of GRAP.***
- .78 The following are examples of separate transactions that are not to be included in applying the acquisition method:
- (a) a transaction that in effect settles pre-existing relationships between the acquirer and acquiree;
 - (b) a transaction that reimburses the acquiree or its former owners for paying the acquirer's acquisition-related costs; and
 - (c) contributions received from third parties as compensation for future services as a result of undertaking a transfer of functions.

Paragraphs .79 to .82 provide related application guidance.

- .79 The acquirer should consider the following factors, which are neither mutually exclusive nor individually conclusive, to determine whether a transaction is part of the transfer of functions or whether the transaction is separate from the transfer of functions:
- (a) **the reasons for the transaction** - Understanding the reasons for the transaction may provide insight into whether it is part of the consideration transferred, if any, and the assets acquired or transferred or liabilities assumed or relinquished. For example, amounts due by the acquiree from a previous arrangement between the acquiree as a service provided will not form part of the transfer of functions as the services provided were primarily for the benefit of the acquiree rather than for the benefit of the acquirer.
 - (b) **the timing of the transaction** - The timing of the transaction may also provide insight into whether it is part of the consideration, if any, for the acquiree.

Effective settlement of a pre-existing relationship between the acquirer and acquiree in a transfer of functions (application of paragraph .78 (a))

- .80 A pre-existing relationship between the acquirer and acquiree may be contractual (for example, vendor and customer or supplier) or non-contractual (for example, plaintiff and defendant).

- .81 If the transfer of functions in effect settles a pre-existing relationship, the acquirer recognises a gain or loss, measured as follows:
- (a) for a pre-existing non-contractual relationship, fair value.
 - (b) for a pre-existing contractual relationship, the lesser of (i) and (ii):
 - (i) the amount by which the binding arrangement is favourable or unfavourable from the perspective of the acquirer when compared with terms for current market transactions for the same or similar items. (An unfavourable contract is a contract that is unfavourable in terms of current market terms. It is not necessarily an onerous contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits or service potential expected to be received under it.)
 - (ii) the amount of any stated settlement provisions in the binding arrangement available to the counterparty to whom the contract is unfavourable.

If (ii) is less than (i), the difference is included as part of the transfer of functions accounting. The amount of gain or loss recognised may depend in part on whether the acquirer had previously recognised a related asset or liability, and the reported gain or loss therefore may differ from the amount calculated by applying the above requirements.

- .82 A pre-existing relationship may be a contract that the acquirer recognises as a reacquired right. If the binding arrangement includes terms that are favourable or unfavourable when compared with pricing for current market transactions for the same or similar items, the acquirer recognises, separately from the transfer of functions, a gain or loss for the effective settlement of the contract, measured in accordance with paragraph .81.

Acquisition-related costs

- .83 Acquisition-related costs are costs the acquirer incurs to effect a transfer of functions. Those costs include advisory, legal, accounting, valuation and other professional or consulting fees, general administrative costs, and costs of registering and issuing debt and equity securities (if applicable). The acquirer shall account for acquisition-related costs as expenses in the periods in which the costs are incurred and the services are received, with one exception. The costs to issue debt or equity securities (if applicable) shall be recognised in accordance with the Standard of GRAP on *Financial Instruments*.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Subsequent measurement and accounting

Subsequent measurement and accounting

- .84 In general, an acquirer shall subsequently measure and account for assets acquired, liabilities assumed or incurred and the residual interest issued in a transfer of functions in accordance with other applicable Standards of GRAP for those items, depending on their nature. However, this Standard provides guidance on subsequently measuring and accounting for the following assets acquired, liabilities assumed or incurred and residual interest issued in a transfer of functions:**
- (a) reacquired rights;**
 - (b) contingent liabilities recognised as of the acquisition date;**
 - (c) indemnification assets; and**
 - (d) contingent consideration.**

Reacquired rights

- .85 A reacquired right recognised as an intangible asset shall be amortised over the remaining contractual period of the contract in which the right was granted. An acquirer that subsequently sells a reacquired right to a third party shall include the carrying amount of the intangible asset in determining the gain or loss on the sale.

Contingent liabilities

- .86 After initial recognition and until the liability is settled, cancelled or expires, the acquirer shall measure a contingent liability recognised in a transfer of functions at the higher of:
- (a) the amount that would be recognised in accordance with the Standard of GRAP on *Provisions, Contingent Liabilities and Contingent Assets*; and
 - (b) the amount initially recognised less, if appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on *Revenue from Exchange Transactions*.

This requirement does not apply to contracts accounted for in accordance with the Standard of GRAP on

Indemnification assets

- .87 At the end of each subsequent reporting period, the acquirer shall measure an indemnification asset that was recognised at the acquisition date on the same basis as the indemnified liability or asset, subject to any limitations as set in the binding arrangement on its amount and, for an indemnification asset that is not subsequently measured at its fair value, management's assessment of the collectability of the indemnification asset. The acquirer shall derecognise the indemnification asset only when it collects the asset, sells it or otherwise loses the right to it.

Contingent consideration

- .88 Some changes in the fair value of contingent consideration that the acquirer recognises after the acquisition date may be the result of additional information that the acquirer obtained after that date about facts and circumstances that existed at the acquisition date. However, changes resulting from events after the acquisition date, such as meeting a performance target, or reaching a milestone on a research and development project, are not measurement period adjustments. The acquirer shall account for changes in the fair value of contingent consideration that are not measurement period adjustments as follows:
- (a) Contingent consideration classified as net assets shall not be remeasured and its subsequent settlement shall be accounted for within net assets.
 - (b) Contingent consideration classified as an asset or a liability that:
 - (i) is a financial instrument and is within the scope of the Standard of GRAP on *Financial Instruments* shall be measured at fair value, with any resulting gain or loss recognised in surplus or deficit in accordance with that Standard of GRAP.
 - (ii) is not within the scope of the Standard of GRAP on *Financial Instruments* shall be accounted for in accordance with the Standard of GRAP on *Provisions, Contingent Liabilities and Contingent Assets* or other Standards of GRAP as appropriate.
- .89 Examples of other Standards of GRAP that provide guidance on subsequently measuring and accounting for assets acquired and liabilities assumed or incurred in a transfer of functions include:
- (a) The Standard of GRAP on *Intangible Assets* prescribes the accounting for identifiable intangible assets acquired in a transfer of functions.
 - (b) The International Financial Reporting Standard on *Insurance Contracts* (IFRS 4) provides guidance on the subsequent accounting for an insurance contract acquired in a transfer of functions.
 - (c) The Standard of GRAP on *Consolidated and Separate Financial Statements* provides guidance on accounting for changes in a controlling entity's ownership interest in a controlled entity after control is obtained.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Disclosures

Disclosures

- .90 The acquirer shall disclose information that enables users of its financial statements to evaluate the nature and financial effect of a transfer of functions that occurs either:**
- (a) during the current reporting period; or**
 - (b) after the end of the reporting period but before the financial statements are authorised for issue.**
- .91 To meet the objective in paragraph .90, the acquirer shall disclose the following information for each transfer of functions that occurs during the reporting period:**
- (a) The name and a description of the acquiree.**
 - (b) The acquisition date.**
 - (c) The percentage of voting rights acquired through a residual interest.**
 - (d) The primary reasons for the transfer of functions and a description of how the acquirer obtained control of the acquiree.**
 - (e) The acquisition-date fair value of the total consideration transferred and the acquisition-date fair value of each major class of consideration, such as:**
 - (i) cash;**
 - (ii) other tangible or intangible assets, including a function or controlled entity of the acquirer;**

- (iii) liabilities incurred, for example, a liability for contingent consideration; and*
 - (iv) residual interests of the acquirer, including the number of instruments or interests issued or issuable and the method of determining the fair value of those instruments or interests.*
- (f) For contingent consideration arrangements and indemnification assets:**
- (i) the amount recognised as of the acquisition date;*
 - (ii) a description of the arrangement and the basis for determining the amount of the payment; and*
 - (iii) an estimate of the range of outcomes (undiscounted) or, if a range cannot be estimated, that fact and the reasons why a range cannot be estimated. If the maximum amount of the payment is unlimited, the acquirer shall disclose that fact.*
- (g) For acquired receivables:**
- (i) the fair value of the receivables;*
 - (ii) the gross contractual amounts receivable; and*
 - (iii) the best estimate at the acquisition date of the contractual cash flows not expected to be collected.*
- The disclosures shall be provided by major class of receivable, such as loans, direct finance leases and any other class of receivables.*
- (h) The amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed.**
- (i) Additional contingent liabilities and contingent assets assumed or acquired in the transfer of functions.**
- (j) For transactions that are recognised separately from the acquisition of assets and assumption of liabilities in the transfer of functions in accordance with paragraph .77:**
- (i) a description of each transaction;*
 - (ii) how the acquirer accounted for each transaction;*
 - (iii) the amounts recognised for each transaction and the line item in the financial statements in which each amount is recognised; and*
 - (iv) if the transaction is the effective settlement of a pre-existing relationship, the method used to determine the settlement amount.*
- (k) The disclosure of separately recognised transactions required by (j) shall include the amount of acquisition-related costs and, separately, the amount of those costs recognised as an expense. The amount of any issue costs not recognised as an expense and how they were recognised shall also be disclosed.**
- (l) For each transfer of function in which the acquirer holds less than 100 per cent of the equity interests in the acquiree at the acquisition date:**
- (i) the amount of the non-controlling interest in the acquiree recognised at the acquisition date and the measurement basis for that amount; and*
 - (ii) for each non-controlling interest in an acquiree measured at fair value, the valuation techniques and key model inputs used for determining that value.*
- (m) In a transfer of functions achieved in stages:**
- (i) the acquisition-date fair value of the residual interest in the acquiree held by the acquirer immediately before the acquisition date; and*
 - (ii) the amount of any gain or loss recognised as a result of remeasuring to fair value the residual interest in the acquiree held by the acquirer before the transfer of functions (see paragraph .70) and the line item in the consolidated statement of financial performance in which that gain or loss is recognised.*
- (n) The following information:**
- (i) the amounts of revenue and surplus or deficit of the acquiree since the acquisition date; and*
 - (ii) the revenue and surplus or deficit of the combined entity for the current reporting period as though the acquisition date for all transfer of functions that occurred during the year had been as of the beginning of the annual reporting period.*

If disclosure of any of the information required by this paragraph is impracticable, the acquirer shall disclose that fact and explain why the disclosure is impracticable. This Standard uses the term 'impracticable' with the same meaning as in the Standard of GRAP on Accounting Policies, Changes in

Accounting Estimates and Errors.

- .92 The acquirer shall disclose the difference between the assets acquired and liabilities assumed and the consideration transferred (if any), as a separate line item in the statement of financial performance.**
- .93 For individually immaterial transfer of functions occurring during the reporting period that are material collectively, the acquirer shall disclose in aggregate the information required by paragraph .91 (e) - (n).**
- .94 The acquirer shall disclose information that enables users of its financial statements to evaluate the financial effects of adjustments recognised in the current reporting period that relate to transfer of functions that occurred in the period or previous reporting periods.**
- .95 The acquirer shall disclose the following information for each material transfer of functions or in the aggregate for individually immaterial transfer of functions that are material collectively:**
- (a) if the initial accounting for a transfer of functions is incomplete (see paragraph .70) for particular assets, liabilities, non-controlling interests or any consideration and the amounts recognised in the financial statements for the transfer of functions thus have been determined:**
 - (i) the reasons why the initial accounting for the transfer of functions is incomplete;**
 - (ii) the assets, liabilities, residual interest or any consideration for which the initial accounting is incomplete; and**
 - (iii) the nature and the amount of any measurement period adjustments recognised during the reporting period in accordance with paragraph. 75.**
 - (b) for each reporting period after the acquisition date until the entity collects, sells or otherwise loses the right to a contingent consideration asset, or until the entity settles a contingent consideration liability or the liability is cancelled or expires:**
 - (i) any changes in the recognised amounts, including any differences arising upon settlement;**
 - (ii) any changes in the range of outcomes (undiscounted) and the reasons for those changes; and**
 - (iii) the valuation techniques and key model inputs used to measure contingent consideration.**
 - (c) for contingent liabilities recognised in a transfer of functions, the acquirer shall disclose the information required by paragraphs .107 and .108 of the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets for each class of provision.**
 - (d) the amount and an explanation of any gain or loss recognised in the current reporting period that both:**
 - (i) relates to the identifiable assets acquired or liabilities assumed in a transfer of functions that was effected in the current or previous reporting period; and**
 - (ii) is of such a size, nature or incidence that disclosure is relevant to understanding the combined entity's financial statements.**
- .96 If the specific disclosures required by this and other Standards of GRAP do not meet the objectives set out in paragraphs .91 and .95, the acquirer shall disclose whatever additional information is necessary to meet those objectives.**

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Transitional provisions

Transitional provisions

- .97 The transitional provisions to be applied by entities on the initial adoption of this Standard are prescribed in a directive(s). The provisions of this Standard shall be read in conjunction with each applicable directive.**

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Effective date

Effective date

- .98 An entity shall apply this Standard of GRAP for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in**

accordance with [section 91 \(1\) \(b\) of the Public Finance Management Act, Act No. 1 of 1999, as amended.](#)

- .99 The guidance on the measurement period as included in paragraphs .71 to .76 will only become effective once Directives 2 to 4 that prescribe the transitional provisions for entities on the initial adoption of the Standards of GRAP are withdrawn.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Appendix - Consequential amendments to other Standards of GRAP

Appendix - Consequential amendments to other Standards of GRAP

The purpose of the appendix is to identify the consequential amendments to other Standards of GRAP resulting from the issue of the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control.

Amended text is shown with new text underlined and deleted text struck through.

Amendments to the Framework for the Preparation and Presentation of Financial Statements (Framework)

- A1. Amend paragraph .38 in the 'Going concern' section of the Framework as follows:

Going concern

- .38 The financial statements should be prepared on the assumption that an entity is a going concern, and will continue in operation for the foreseeable future. Financial problems of public sector entities are normally resolved by either the ability to raise taxes or some other intervention in order to ensure the services are maintained. Accordingly, a consideration of the going concern involves judgement on whether the entity will continue in its present or some modified form, which may include a merger. Only on rare occasions will the activities cease altogether e.g., when the government discontinues a guarantee of debt and no other intervention is proposed for the entity to continue as a going concern. In those circumstances, the financial statements may have to be prepared on a different basis and, if so, the basis used is disclosed.

The Standard of GRAP on Presentation of Financial Statements (Issued 2004)

- A2. Amend the following paragraphs in GRAP 1:

Going concern

- .28 Financial statements are normally prepared on the assumption that the entity is a going concern and will continue in operation or some modified form, for example a merger, and meet its statutory obligations for the foreseeable future. In assessing whether the going concern assumption is appropriate, those responsible for the preparation of the financial statements take into account all available information about the future, which is at least, but is not limited to, twelve months from the reporting date.
- .99 Circumstances that would give rise to the separate disclosure of items of revenue and expense include:
- (a) the write-downs of inventories to net realisable value or property, plant and equipment to recoverable amount, as well as the reversals of such write-downs;
 - (b) restructurings of the activities of an entity and the reversals of any provisions for the costs of restructuring;
 - (c) disposals of items of property, plant and equipment;
 - (d) disposals of investments;
 - (e) discontinuing operations;
 - (f) litigation settlements; ~~and~~
 - (g) other reversals of provisions;
 - (h) the difference between the assets acquired and liabilities assumed and the consideration transferred to an acquiree (if any) in a transfer of functions between entities not under common control.

.110 An entity shall present a statement of changes in net assets, showing on the face of the statement:

- (a) the surplus or deficit for the period;**
- (b) each item of revenue and expense that, as required by other Standards of GRAP, is recognised directly in net assets, and the total of these items;**

- (c) **total revenue and expense for the period (calculated as the sum of (a) and (b)), showing separately the total amounts attributable to net assets holders of the controlling entity and to minority interest; and**
- (d) **for each component of net assets, the effects of changes in accounting policies and the correction of prior period errors recognised in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors; and**
- (e) **for each component of net assets the effect of a transfer of functions and a merger in accordance with the Standards of GRAP on Transfer of Functions Between Entities Under Common Control or Mergers.**

Appendix - Illustrative examples

ENTITY - STATEMENT OF FINANCIAL PERFORMANCE

(ILLUSTRATING THE CLASSIFICATION OF EXPENSES BY FUNCTION)

	20X2	20X1
Revenue		
Taxes	X	X
Fees, fines, penalties and licences	X	X
Revenue from exchange transactions	X	X
Transfers from other government entities	X	X
<u>Gain attributable to transfer of functions between entities not under common control</u>	<u>X</u>	<u>X</u>
Other operating revenue	<u>X</u>	<u>X</u>
Total revenue	<u>X</u>	<u>X</u>

(ILLUSTRATING THE CLASSIFICATION OF EXPENSES BY NATURE)

(in thousands of rands)

	20X2	20X1
Revenue		
Taxes	X	X
Fees, fines, penalties and licences	X	X
Revenue from exchange transactions	X	X
Transfers from other government entities	X	X
<u>Gain attributable to transfer of functions between entities not under common control</u>	<u>X</u>	<u>X</u>
Other operating revenue	<u>X</u>	<u>X</u>
Total revenue	<u>X</u>	<u>X</u>

ENTITY - STATEMENT OF CHANGES IN NET ASSETS

	Attributable to net assets holders of the controlling entity				Total	Minority interest	Total equity
	Contributed capital	Revaluation reserve	Translation reserve	Accumulated surpluses/ (deficits)			
Balance at 31 December 20X0	X	X	(X)	X	X	X	X
<u>Gain or loss from transfer of functions between entities under common control</u>				<u>(X)</u>			<u>(X)</u>
<u>Gain or loss from mergers</u>				<u>(X)</u>			<u>(X)</u>
Balance at 31 December 20X1	X	X	(X)	X	X	X	X
<u>Gain or loss from transfer of functions between entities under common control</u>				<u>(X)</u>			<u>(X)</u>
<u>Gain or loss from mergers</u>				<u>(X)</u>			<u>(X)</u>
Balance at 31 December 20X2	X	X	(X)	X	X	X	X

The Standard of GRAP on The Effects of Changes in Foreign Exchange Rates (issued 2007)

A3. Amend the following paragraphs in GRAP 4:

- .15 The essential feature of a monetary item is a right to receive (or an obligation to deliver) a fixed or determinable number of units of currency. Examples include: child support grant obligations and other employee benefits to be paid in cash; provisions that are to be settled in cash; and cash dividends or similar distributions that are recognised as a liability. Conversely, the essential feature of a non-

monetary item is the absence of a right to receive (or an obligation to deliver) a fixed or determinable number of units of currency. Examples include: amounts prepaid for goods and services (e.g. prepaid rent); ~~goodwill~~; intangible assets; inventories; property, plant and equipment; and provisions that are to be settled by the delivery of a non-monetary asset.

- .54 The difference between the assets acquired, the liabilities assumed and the consideration transferred (if any) ~~Any goodwill arising on the acquisition of a foreign operation shall be accounted for in terms of the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control, and~~ Any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation shall be treated as assets and liabilities of the foreign operation. Thus they shall be expressed in the functional currency of the foreign operation and shall be translated at the closing rate in accordance with paragraphs .42 and .46.**

The Standard of GRAP on Financial Reporting in Hyperinflationary Economies (issued 2007)

A4. Amend the following paragraphs in GRAP 10:

- .16 Most non-monetary items are carried at cost or cost less depreciation; hence they are expressed at amounts current at their date of acquisition. The restated cost, or cost less depreciation, of each item is determined by applying to its historical cost and accumulated depreciation the change in a general price index from the date of acquisition to the reporting date. Hence, property, plant and equipment, investments carried at cost, inventories of raw materials and merchandise, ~~goodwill~~, patents, trademarks and similar assets are restated from the dates of their purchase. Inventories of partly-finished and finished goods are restated from the dates on which the costs of purchase and of conversion were incurred.
- .20 To determine whether the restated amount of a non-monetary item has become impaired and should be reduced, an entity applies the Standards of GRAP on Impairment of Assets. Hence, in such cases, restated amounts of property, plant and equipment, ~~goodwill~~, patents and trademarks are reduced to recoverable amount or recoverable service amount, and restated amounts of inventories are reduced to net realisable value and restated amounts of current investments are reduced to market value.

The Standard of GRAP on Construction Contracts (issued 2006)

A5. Add the following paragraph in GRAP 11:

- .06A This Standard does not apply to the initial recognition and initial measurement of items in a construction contract acquired in a *transfer of functions between entities under common control* (see the Standard of GRAP on Transfer of Functions Between Entities Under Common Control) or a merger (see the Standard of GRAP on Mergers).

The Standard of GRAP on Inventories (issued 2004)

A6. Amend the following paragraph in GRAP 12:

- .02 *An entity which prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for inventories. The Standard applies to all inventories, except:***
- ...
- (e) to the initial recognition and initial measurement of inventories acquired in a transfer of functions between entities under common control (see the Standard of GRAP on Transfer of Functions Between Entities Under Common Control) or a merger (see the Standard of GRAP on Mergers).**

The Standard of GRAP on Leases (issued 2004)

A7. Amend the following paragraph in GRAP 13:

- .02 *An entity which prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for all leases other than:***
- (a) the initial recognition and initial measurement of assets and liabilities in a lease agreement acquired in a transfer of functions between entities under common control (see the Standard of GRAP on Transfer of Functions Between Entities Under Common Control) or a merger (see the Standard of GRAP on Mergers).**

The Standard of GRAP on Investment Property (issued 2004)

A8. Amend the following paragraphs in GRAP 16:

- .04 This Standard does not apply to:
- ...
- (c) the initial recognition and initial measurement of investment property acquired in a transfer of functions between entities under common control (see the Standard of GRAP on Transfer of Functions Between Entities Under Common Control) or a merger (see the Standard of GRAP on**

Mergers).

- .85 In addition to the disclosures required by paragraph .84, an entity that applies the fair value model in paragraphs .41 - .63 shall disclose a reconciliation between the carrying amounts of investment property at the beginning and end of the period, showing the following:**

...

- (b) additions resulting from acquisitions through a transfer of functions between entities under common control, a transfer of functions between entities not under common control or a merger, ~~business combinations,~~**

- .88 In addition to the disclosures required by paragraph .84, an entity that applies the cost model in paragraph .64 shall disclose:**

...

- (d) a reconciliation of the carrying amount of investment property at the beginning and end of the period, showing the following:**

- (i) additions, disclosing separately those additions resulting from acquisitions and those resulting from subsequent expenditure recognised as an asset,**

- (ii) additions resulting from acquisitions through through a transfer of functions between entities under common control, a transfer of functions between entities not under common control or a merger. ~~business combinations,~~**

(Editorial Note: Wording as per original *Government Gazette*. It is suggested that the phrase "through through a transfer" is intended to be "through a transfer".)

The Standard of GRAP on Property, Plant and Equipment (issued 2004)

A9. Amend the following paragraphs in GRAP 17:

- .02 An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for property, plant and equipment, except:**

...

- (e) to the initial recognition and initial measurement of property, plant and equipment acquired in a transfer of functions between entities under common control (see the Standard of GRAP on Transfer of Functions Between Entities Under Common Control) or a merger (see the Standard of GRAP on Mergers).**

- .82 The financial statements shall disclose, for each class of property, plant and equipment recognised in the financial statements:**

...

- (e) a reconciliation of the carrying amount at the beginning and end of the period showing:**

- (i) additions,**

- (ii) disposals,**

- (iii) acquisitions through a transfer of functions between entities under common control, transfer of functions between entities not under common control or a merger ~~business combinations,~~**

The Standard of GRAP on Segment Reporting (issued 2004)

A10. Amend the following paragraphs in GRAP 18:

- ~~.33 The consolidated financial statements of an entity may encompass entities acquired in an entity acquisition which gives rise to purchased goodwill (guidance on accounting for the acquisition of an entity is included in the Standard of GRAP on *Business Combinations*). In these cases, segment assets will include goodwill that is directly attributable to a segment or that can be allocated to a segment on a reasonable basis, and segment expense includes related impairment of goodwill.~~

- .36 Standards of GRAP may require adjustments to be made to the carrying amounts of the identifiable assets and liabilities of an entity acquired in an acquisition (see the Standard of GRAP on *Business Transfer of Functions Between Entities Not Under Common Control*). Measurements of segment assets and liabilities include any adjustments to the prior carrying amounts of the identifiable segment assets and segment liabilities of an entity acquired in a transfer of functions entity combination accounted for as a purchase, even if those adjustments are made only for the purpose of preparing consolidated financial statements and are not recorded in either the controlling entity's or the controlled entity's separate financial statements. Similarly, if property, plant, and equipment has been revalued subsequent to acquisition in accordance with the revaluation model allowed by the Standard of GRAP on *Property, Plant and Equipment*, measurements of segment assets reflect those revaluations.

(Editorial Note: Wording as per original *Government Gazette*. It is suggested that the phrase "property, plant, and

equipment has" is intended to be "property, plant, and equipment have".)

The Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets (issued 2007)

A11. Amend the following paragraph in GRAP 19:

- .12 Where another Standard of GRAP deals with a specific type of provision, contingent liability or contingent asset, an entity applies that Standard instead of this Standard. ~~For example, the Standard of GRAP on Entity Combinations addresses the treatment by an acquirer of contingent liabilities assumed in a business combination. Similarly, certain types of provisions are also addressed in Standards of GRAP on: ...~~

The Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers) (issued 2008)

A12. Amend the following paragraphs in GRAP 23:

- .01 The objective of this Standard is to prescribe requirements for the financial reporting of revenue arising from non-exchange transactions, other than non-exchange transactions that involves a transfer of functions between entities under common control or a merger ~~an entity combination~~. The Standard deals with issues that need to be considered in recognising and measuring revenue from non-exchange transactions, including the identification of contributions from owners.
- .02 An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for revenue from non-exchange transactions. This Standard does not apply to a transfer of functions between entities under common control or a merger or an entity combination that is a non-exchange transaction (see the Standards of GRAP on Transfer of Functions Between Entities Under Common Control or Mergers).**
- ~~.04 Governments may reorganise the public sector, merging some entities and dividing other entities into two or more separate entities. An entity combination occurs when two or more reporting entities are brought together to form one entity. These restructurings do not ordinarily involve one entity purchasing another entity, but may result in a new or existing entity acquiring all the assets and liabilities of another entity. The Board has not yet addressed entity combinations and has excluded them from the scope of this Standard. Therefore, this Standard does not specify whether an entity combination, which is a non-exchange transaction, will give rise to revenue or not.~~

The Standard of GRAP on Impairment of Non-cash-generating Assets (issued 2009)

A13. Add the following paragraphs after paragraph .08:

- .08A A transferor that holds a non-cash-generating asset or a group of non-cash-generating assets that are to be relinquished in a transfer of functions between entities under common control (see the Standard of GRAP on Transfer of Functions Between Entities Under Common Control), and combining entities that holds a non-cash-generating asset or a group of non-cash-generating assets that are to be transferred in a merger (see the Standard of GRAP on Mergers), shall apply the principles in this Standard until the transfer or merger date.

A14. Amend the following consequential amendments in GRAP 21:

The Standard of GRAP on Investments in Associates

~~D3. Paragraphs .40 and .41 are to be amended as follows:~~

- ~~.01 .40—Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognised, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in the Standards of GRAP on Impairment of Cash-generating Assets and Impairment of Non-cash-generating Assets. Instead the entire carrying amount of the investment is tested under for impairment in accordance with the Standards of GRAP on Impairment of Cash-generating Assets or Impairment of Non-cash-generating Assets as a single amount, by comparing its recoverable amount or recoverable service amount (higher of value in use and fair value less costs to sell) with its carrying amount, whenever application of the requirements in the Standards of GRAP on Financial Instruments indicates that the investment may be impaired.~~
- .40A In determining the value in use of a cash-generating the-investment, an entity estimates:
- its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds from the ultimate disposal of the investment; or
 - the present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Under appropriate assumptions, both methods give the same result. Any resulting impairment loss for the investment is allocated in accordance with the Standards of GRAP on Impairment of Non-cash-generating Assets and Impairment of Cash-generating Assets. ~~Therefore, it is allocated first to any remaining goodwill (see paragraph .30).~~

The Standard of GRAP on Employee Benefits (issued 2009)

A15. Amend the following paragraph in GRAP 25:

- .02 This Standard shall be applied by an employer in accounting for all employee benefits, except share based payment transactions (see the International Financial Reporting Standard on Share-based Payment), and to the initial recognition and initial measurement of assets and liabilities acquired in a transfer of functions between entities under common control (see the Standard of GRAP on Transfer of Functions Between Entities Under Common Control) or a merger (see the Standard of GRAP on Mergers.**

The Standard of GRAP on Impairment of Cash-generating Assets (issued 2009)

A16. Add the following paragraphs after paragraph .08:

- .08A A transferor that holds a cash-generating asset or a cash-generating unit that are to be relinquished in a transfer of functions between entities under common control (see the Standard of GRAP on Transfer of Functions Between Entities Under Common Control), and combining entities that holds a cash-generating asset or a cash-generating unit that are to be transferred in a merger (see the Standard of GRAP on Mergers), shall apply the principles in this Standard until the transfer or merger date.

A17. Delete the following paragraph in GRAP 26:

- ~~.09 For guidance on the impairment of goodwill and the disclosure requirements related thereto, reference should be made to the International Accounting Standard on Impairment of Assets.~~

A18. Amend the following consequential amendments in GRAP 26:

The Standard of GRAP on Investments in Associates

~~D3. Paragraphs .40 and .41 are to be amended as follows:~~

- ~~.01 .40 Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognised, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in the Standards of GRAP on Impairment of Cash-generating Assets and Impairment of Non-cash-generating Assets. Instead the entire carrying amount of the investment is tested under for impairment in accordance with the Standards of GRAP on Impairment of Cash-generating Assets or Impairment of Non-cash-generating Assets as a single amount, by comparing its recoverable amount or recoverable service amount (higher of value in use and fair value less costs to sell) with its carrying amount, whenever application of the requirements in the Standards of GRAP on Financial Instruments indicates that the investment may be impaired.~~

~~.40A In determining the value in use of a cash-generating the-investment, an entity estimates:~~

- ~~.02 (a) its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds from the ultimate disposal of the investment; or~~
- ~~.03 (b) the present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.~~

~~Under appropriate assumptions, both methods give the same result. Any resulting impairment loss for the investment is allocated in accordance with the Standards of GRAP on Impairment of Non-cash-generating Assets and Impairment of Cash-generating Assets. Therefore, it is allocated first to any remaining goodwill (see paragraph .30).~~

A19. Amend the following paragraphs in the Basis for Conclusions:

Inclusion of g Treatment of goodwill

- BC11. IAS 36 contains extensive requirements and guidance on the impairment of goodwill, the allocation of goodwill to cash-generating units and testing cash-generating units with goodwill for impairment. The Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control requires that the difference between the assets acquired and liabilities assumed and the consideration transferred (if any) as of the acquisition date in surplus or deficit. As no goodwill is recognised in the statement of financial position, the principles of the impairment of goodwill is not applicable.

~~The IPSASB has, however, not yet issued an IPSAS dealing with entity combinations and considers it likely that a number of public sector specific issues will arise when combinations of public sector entities take place. As a result, the IPSASB concluded in the basis for conclusions to IPSAS 26 that impairment of goodwill should be scoped out from IPSAS 26.~~

- BC12. ~~The Board, however, agrees with the scope inclusion of impairment of goodwill as in IAS 36. The inclusion of goodwill in this Standard is consistent with the requirements in other Standards of GRAP already approved by the Board. The scope exclusion for the impairment of goodwill is therefore included in this Standard~~

- BC13. ~~However, in the absence of a Standard of GRAP on Entity Combinations, reference should be made to the International Accounting Standard on Impairment of Assets (IAS 36) for guidance on the impairment of goodwill, and the disclosure requirements related to that.~~

A20. Amend the following in the comparison with IPSAS 26:

Comparison with the International Public Sector Accounting Standard on *Impairment of Cash-Generating Assets* (January 2008)

- Goodwill has been included in the scope of this Standard. IPSAS 26 excludes goodwill from its scope.

The Standard of GRAP on *Discontinued Operations* (issued 2006)

A21. Add the following paragraph in GRAP 100:

- .02A The disclosure requirements of this Standard do not apply to the combining entities in a merger.

The Standard of GRAP on *Agriculture* (issued 2006)

A22. Amend the following paragraphs in GRAP 101:

- .04 This Standard does not apply to:
 - ...
 - (d) the initial recognition and initial measurement of agricultural activity acquired in a transfer of functions between entities under common control (see the Standard of GRAP on *Transfer of Functions Between Entities Under Common Control*) or a merger (see the Standard of GRAP on *Mergers*).
- .48 An entity shall present a reconciliation of changes in the carrying amount of biological assets between the beginning and the end of the current period. The reconciliation shall include:**
 - ...
 - (e) **decreases due to harvest;**
 - (eA) decreases as a result of a transfer of functions between entities under common control or a merger,**
 - (f) increases resulting from a transfer of functions between entities under common control, a transfer of functions between entities not under common control or a merger entity combinations;**

The Standard of GRAP on *Intangible Assets* (issued 2006)

A23. Amend the following paragraphs in GRAP 102:

- .03 This Standard shall be applied in accounting for intangible assets, except:**
 - ...
 - (d) **the initial recognition and initial measurement of intangible assets acquired in a transfer of functions between entities under common control (see the Standard of GRAP on *Transfer of Functions Between Entities Under Common Control*) or a merger (see the Standard of GRAP on *Mergers*).**
- .04 Where the accounting for a specific type of intangible asset is prescribed by another Standard of GRAP, an entity applies that Standard of GRAP. For example, this Standard does not apply to:
 - ...
 - (f) ~~goodwill acquired in an entity combination (see the Standard of GRAP on *Entity Combinations*).~~
 - (g) ~~in-process research and development projects acquired through an entity combination (see the Standard of GRAP on *Entity Combinations*).~~
- .121 An entity shall disclose the following for each class of intangible assets, distinguishing between internally generated intangible assets and other intangible assets:**
 - ...
 - (e) **A reconciliation of the carrying amount at the beginning and end of the period showing:**
 - (iA) acquisitions through a transfer of functions between entities under common control, a transfer of functions between entities not under common control or a merger,**

Comparison with the International Accounting Standard on *Intangible Assets* (June 2004)

The Standard of GRAP on *Intangible Assets* is drawn primarily from the International Accounting Standard on *Intangible Assets* (IAS 38). The main differences between the Standard of GRAP on *Intangible Assets* and the IAS on *Intangible Assets* are as follows:

- ~~The This Standard excludes guidance in this Standard on accounting for intangible assets acquired as part of a transfer of functions an entity combination and in-process research and development costs acquired in a transfer of functions an entity combination is different that in IAS 38 as the Standard of GRAP on *Transfer of Functions Between Entities Not Under Common Control* excluded certain exceptions to~~

~~the recognition and/or measurement principles from the equivalent IFRS, as the Board has not yet considered the applicability of entity combinations to the South African public sector.~~

~~Guidance on the treatment of goodwill in this Standard has been aligned with the requirements in the Standard of GRAP on *Transfer of Functions Between Entities Not Under Common Control*.~~

~~The disclosure requirements in IAS 38 that require the disclosure of increases resulting from entity combinations have been deleted from this Standard, as the Board has not yet considered the applicability of entity combinations to the South African public sector.~~

A24. The following paragraph is to be inserted in GRAP 102:

Acquisition as part of a transfer of functions

.39A In accordance with the Standard of GRAP on *Transfer of Functions Between Entities Not Under Common Control*, if an intangible asset is acquired in a transfer of functions, the cost of that intangible asset is its fair value at the acquisition date. The fair value of the intangible asset will reflect expectations about the probability that the expected future economic benefits or service potential embodied in the asset will flow to the entity. In other words, the entity expects there to be an inflow of economic benefits or service potential, even if there is uncertainty about the timing or the amount of the inflow. Therefore, the probability recognition criterion in paragraph .24 (a) is always considered to be satisfied for intangible asset acquired in a transfer of functions. If an asset acquired in a transfer of functions is separable or arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), sufficient information exists to measure reliably the fair value of the asset. Thus, the reliable measurement criterion in paragraph .24 (b) is always considered to be satisfied for intangible assets acquired in a transfer of functions.

The Standard of GRAP on *Heritage Assets* (issued 2008)

A25. Amend the following paragraphs in GRAP 103:

.02 An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in the recognition, measurement and disclosure of all assets that meet the definition of a heritage asset, except the initial recognition and initial measurement of heritage assets acquired in a transfer of functions between entities under common control (see the Standard of GRAP on *Transfer of Functions Between Entities Under Common Control*) or a merger (see the Standard of GRAP on *Mergers*).

.83 The financial statements shall disclose, for each class of heritage assets recognised in the financial statements:

...

(c) a reconciliation of the carrying amount at the beginning and end of the period showing:

(iii) acquisitions through a transfer of functions between entities under common control, a transfer of functions between entities not under common control or a merger entity combinations,

The Standard of GRAP on *Financial Instruments* (issued 2009)

A26. Amend the following paragraphs in GRAP 104:

.02 An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for financial instruments except:

...

(c) the initial recognition and initial measurement of financial instruments acquired in a transfer of functions between entities under common control (see the Standard of GRAP on *Transfer of Functions Between Entities Under Common Control*) or a merger (see the Standard of GRAP on *Mergers*).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Basis for conclusions

Basis for conclusions

This basis for conclusions accompanies, but is not part of the proposed Standard of GRAP.

BC1. This basis for conclusions summarises the Board's considerations in developing the proposed Standard of GRAP on *Transfer of Functions Between Entities Not Under Common Control*. In forming its views, the Board considered the views expressed and the comment received from stakeholders that responded to the Invitation to Comment (ITC) of a Discussion Paper on *Transfer of Functions* issued in November 2007.

BC2. A project on the accounting for entity combinations arising from exchange transactions is included on the

International Public Sector Accounting Standards Board's (IPSASB) work programme. The Board will continue to monitor this project and, at an appropriate time, consider the implications of the IPSASB project on the Standard of GRAP on *Transfer of Functions Between Entities Not Under Common Control*. The Board further considered the responses to an Invitation to Comment on an exposure draft of the Standard of GRAP on *Transfer of Functions Between Entities Not Under Common Control* (issued July 2010).

Background

- BC3. In the Discussion Paper, the Board proposed that a GRAP equivalent of IFRS 3 dealing with entity combinations should be issued and that entity combinations arising from exchange transactions undertaken between entities not under common control also be included in the scope of the project. It was also proposed that a Standard of GRAP should be developed to deal with transfer of functions undertaken between entities that are:
- . under common control, whether by way of an exchange and a non-exchange transaction; and
 - . not under common control by way of a non-exchange transaction.
- BC4. Following proposals from respondents to the Discussion Paper to include a transaction or event undertaken between entities not under common control by way of a non-exchange transaction in the scope of the IFRS 3 equivalent GRAP Standard, the Board agreed to the development of the following Standards of GRAP:
- . The Standard of GRAP on *Transfer of Functions Between Entities Not Under Common Control* to include in its scope a transaction or event undertaken between entities not under common control by way of an exchange and non-exchange transaction; and
 - . The Standard of GRAP on *Transfer of Functions Between Entities Under Common Control* to include in its scope a transaction or event undertaken between entities under common control.
- BC5. Some respondents to the exposure draft also requested that the same approach should be applied in accounting for all transactions or events that involve a transfer of functions within government. However, the Board concluded that in a transfer of functions undertaken between entities under common control there will be no effect on the consolidated financial statements, whereas a transfer of functions undertaken between entities not under common will have an effect on the consolidated financial statements. The Board reconfirmed its view that two separate Standards should be develop for transactions or events undertaken between entities under common control, and those undertaken between entities not under common control.
- BC6. The Discussion Paper also proposed accounting principles for a transaction or event where an acquirer cannot be identified, and as a result, one entity is not deemed to gain control over another entity. Respondents therefore supported the development of a separate Standard of GRAP on *Mergers*.

Common control

- BC7. The government of the Republic of South Africa is divided into three different spheres, i.e. national, provincial and local, each given independence from the decision-making of another sphere. Control for accounting purposes is defined in the Standard of GRAP on *Consolidated and Separate Financial Statements* as: "The power to govern the financing and operating policies of an entity so as to obtain benefit from its activities". The key consideration in determining whether or not control exists for accounting purposes is that an entity must be able to demonstrate both that it has certain decision-making capabilities over another, and that it benefits from the activities of that entity.
- BC8. The national government is responsible for setting the overall policies and objectives for all three spheres of government in line with the prescripts of the Constitution. Each sphere of government is in turn responsible for executing its assigned functions in line with the overall policies and objectives set by national government. In effect, national government benefits from the activities undertaken by the various spheres of government, as these contribute to it achieving its overall policies and objectives.
- BC9. However, each sphere is autonomous from national government in executing those policies and objectives, i.e. each sphere of government can decide how it will achieve those objectives both operationally and financially. The fact that national government provides funding for these operations and may regulate the operating environment does not necessarily imply control for financial reporting purposes. Entities within one sphere of government are thus independent from entities in another sphere.
- BC10. In South Africa, this is further applied through the requirement in [section 8](#) and [19](#) of the Public Finance Management Act, Act [No. 1 of 1999](#), as amended (PFMA) that requires the preparation of consolidated financial statements on a national and provincial level. The entities included in such consolidations may, from an accounting perspective, not necessarily be required to prepare such consolidated financial statements. Similarly, [section 122](#) of the Municipal Finance Management Act, Act [No. 56 of 2003](#) (MFMA) requires the preparation of consolidated financial statements from a municipal perspective.
- BC11. In rare circumstances, for example, through national legislation, an entity in one sphere of government may intervene in the administration of an entity in another sphere of government, if that other entity cannot and does not fulfil its executive obligation. For example, an entity in the national sphere of government may intervene in the administration of a municipality if that municipality is unable to fulfil its constitutional or legislative mandate. These interventions mean that executive decisions are taken on behalf of the other entity until it is able to fulfil its legislative obligations. Such interventions are usually

only temporary in nature. However, during this period, circumstances must be evaluated to establish whether or not the intervention meets the definition of control.

Scope

Transfer of individual assets or groups of assets and/or liabilities (paragraphs .03 (a) and .06)

BC12. Arrangements that require one entity to take over an asset or a group of assets, or a liability or a group of liabilities of another entity are outside the scope of this Standard, as these arrangements are merely the acquisition of an asset or a group of assets, or the assumption of a liability or a group of liabilities.

Mergers (paragraph .03 (c) and .07)

BC13. A merger involves the creation of a new combined entity in which none of the former entities obtains control over any other and no acquirer can be identified. Determining whether an acquirer can be identified includes a consideration of, amongst other things, which of the combining entities initiated the transaction or event, the relative size of the combining entities, as well as whether the assets or revenue of one of the entities involved in the transaction or event significantly exceed those of the other entities. The combining entities rather came together for the mutual sharing of risks and benefits of the combined entity. The Discussion Paper considered various alternatives to account for a transaction or event that meets the definition of merger. In considering IFRS 3, the Board agreed that the acquisition method will not be appropriate to account for a transaction or event that meets the definition of merger. The acquisition method requires the identification of an acquirer that obtains control of an acquiree in a transaction or event that meets the definition of a business combination, as defined in IFRS 3. In a merger an acquirer is not identified. A merger involves the establishment of a new reporting entity, formed from combining entities that come together for the mutual sharing of risks and benefits. A merger does thus not result in one entity obtaining control over another. While entities in a transfer of functions obtain control over another entity, mergers do not involve control. The Standard of GRAP on *Mergers* should be applied in accounting for a merger.

A transaction or event undertaken between entities not under common control (paragraphs .02 and .08)

BC14. A transaction or event in which an acquirer can be identified and that results in a transfer of functions between entities in different spheres of government, and/or between entities that are not part of the same economic entity, falls within the scope of this Standard as the transaction or event is undertaken between entities not under common control. The entities involved in the transfer of functions are not ultimately controlled by the same entity before and after the transfer of functions. If the function is transferred to a newly established entity that did not exist prior to the acquisition date, the transfer will also fall within the scope of this Standard if the newly established entity is identified as the acquirer and the newly established entity and the acquiree do not form part of the same economic entity subsequent to the transfer of functions.

A transaction or event undertaken between entities under common control (paragraphs .03 (b), and .09)

BC15. A transaction or event in which an acquirer can be identified and that results in a transfer of functions between entities in the same sphere of government, and/or between entities that forms part of the consolidated financial statements, will fall outside the scope of this Standard as the transaction or event is undertaken between entities under common control.

Identifying the acquirer

BC16. IFRS 3 concludes that a new entity formed to effect a business combination is not necessarily the acquirer. If a new entity is formed to exchange equity interests to effect a business combination, one of the combining entities that existed before the business combination shall be identified as the acquirer. In contrast, a new entity that transfers cash or other assets or incurs liabilities as consideration may be the acquirer.

BC17. The Board concluded that this is not likely to occur for a transfer of functions that involves the acquisition of another entity or a transfer of assets and liabilities undertaken between entities not under common control in the public sector. The guidance was therefore excluded from this Standard.

Recognition and measuring the difference between identifiable assets acquired and liabilities assumed, and the consideration transferred (if any)

BC18. IFRS 3 requires the recognition and measurement of goodwill, i.e. any excess of the purchase consideration paid over the fair value of the assets acquired and liabilities assumed. Goodwill is recognised as an asset and is subject to an annual impairment test.

BC19. For an item to meet the definition of an asset in the *Framework for the Preparation and Presentation of Financial Statements* (the Framework), future economic benefits or service potential should be obtainable from that item. In applying that principle to any excess of the purchase consideration paid over the fair value of the assets acquired and liabilities assumed, the Board noted that the acquirer should be able to demonstrate that the projected future results of operations of the acquired entity would be sufficient to recover the purchase premium over its amortisation period. The acquiree should be able to provide supportive evidence on projected future results through, for example a realistic and specific business plan. As public sector entities are not focused on generating a commercial return, and because the excess is likely to have been paid for policy reasons, the Board further argued that it will be more appropriate to recognise the excess as an expense. The Board further noted that in determining the fair value of the

assets acquired and liabilities assumed, the assets' or liabilities' future economic benefits or service potential will be reflected in the value determined on acquisition date.

- BC20. Based on the above arguments, the Board concluded that, because the excess of the purchase consideration paid (if any) over the fair value of the assets acquired and liabilities assumed can be seen as a premium that is paid by the acquirer to the previous owners, and because the definition of an asset or liability in terms of the Framework has not been met to support the recognition of goodwill, the excess should be recognised in surplus and deficit on acquisition date. The entity should however recognise and measure all assets acquired and liabilities assumed, subject to it meeting the definition of an asset and liability in the Framework and the recognition criteria in the applicable Standards of GRAP before recognising the excess in the statement of financial performance.
- BC21. Respondents to the exposure draft supported this proposal, and the Standard of GRAP on *Transfer of Functions Between Entities Not Under Common Control* requires that the excess should be recognised in surplus and deficit on acquisition date.

Measurement period

- BC22. The Standard provides the acquirer with a reasonable period after the transfer date, a measurement period, during which to obtain the information necessary to identify and measure the assets acquired and liabilities assumed in a transfer of functions. The Board agreed to a measurement period of two years.

Effective settlement of a pre-existing relationship between the acquirer and acquiree in a transfer of functions

- BC23. The settlement of a pre-existing relationship between the acquirer and the acquiree is not part of the transfer of functions as these transactions were entered into, by, or on behalf of the acquirer or primarily for the benefit of the acquirer rather than primarily for the benefit of the acquiree before a transfer of functions. Such transactions should be accounted for in terms so the applicable Standards of GRAP.
- BC24. As these transactions were entered into in at arm's length, the acquirer should measure the gain or loss when settling the pre-existing relationship, at its fair value.

Bargain purchases

- BC25. IFRS 3 establishes principles and requirements for the accounting of bargain purchases, i.e. a business combination where the fair value of the assets acquired and liabilities assumed exceeds the consideration transferred to the acquiree. IFRS 3 requires that any such gain shall be recognised in surplus or deficit on acquisition date.
- BC26. In its decision to develop a Standard of GRAP on *Transfer of Functions Between Entities Not Under Common Control* undertaken by way of an exchange and non-exchange transaction, the Board acknowledged that the initial recognition and measurement principles of transfer of functions between entities not under common control undertaken by way of a non-exchange transaction, should be similar to those of business combinations that falls within the scope of IFRS 3. The bargain purchase principles, as included in IFRS 3, should therefore be applied to a transfer of function between entities not under common control undertaken by way of a non-exchange transaction. Any difference between the fair value of the assets acquired and liabilities assumed, and the consideration transferred (if any) to the acquiree should be recognised in surplus or deficit on the acquisition date. The principle for the treatment of the any excess of the fair value of the assets acquired and liabilities assumed in a non-exchange transaction, is similar to that in an exchange transaction (see BC 18 and 19). This proposal was supported by respondents to the exposure draft.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Comparison with the International Financial Reporting Standard on Business Combinations (2008)

Comparison with the International Financial Reporting Standard on *Business Combinations* (2008)

The Standard of GRAP on *Transfer of Functions Between Entities Not Under Common Control* (ED GRAP 77) is drawn primarily from the International Financial Reporting Standard on *Business Combinations* (IFRS 3). The main differences between this Standard and IFRS 3 are as follows:

- . The heading and related text of the Standard has been amended from "business combinations" to "transfer of functions between entities not under common control" to reflect public sector circumstances.
- . The objective paragraph in this Standard has been simplified and aligned with that of other Standards of GRAP.
- . The scope of the Standard has been expanded to exclude other public sector specific transactions. A diagram has been included to assist entities in determining whether this Standard should be applied in accounting for a transaction or event that involves a transfer of functions or merger.
- . Guidance on the concept of common control has been included in this Standard to clarify the application of this Standard in the public sector.

- . Additional explanatory guidance on the concept of residual interest from GRAP 104 *Financial Instruments* has been included in this Standard.
- . The term "service potential" has been used in this Standard as public entities' activities give rise to both economic benefits and service potential.
- . Public sector definitions and explanatory guidance from other Standards of GRAP have been included in this Standard where they are relevant to the understanding of this Standard.
- . Any related application guidance that is included as an appendix to IFRS 3, has been included as part of the text of the Standard, where appropriate.
- . Additional explanatory guidance on identifying an acquirer and in determining the acquisition date has been included in the Standard.
- . An example has been included to clarify the acquisition date from a public sector perspective.
- . Certain exceptions to the recognition and/or principles have been excluded from this Standard. The Standard requires that all identifiable assets and liabilities that meet the definition in the *Framework for the Preparation and Presentation of Financial Statements* and the recognition criteria in the applicable Standard of GRAP are recognised in the transfer of functions.
- . The treatment of goodwill is dealt with differently in this Standard. This Standard requires that the excess of the purchase consideration paid (if any) over the fair value of the assets acquired and liabilities assumed, should be recognised in surplus and deficit.
- . As this Standard includes in its scope transactions or events undertaken in terms of an exchange and non-exchange transaction, the related text in this Standard has been expanded to incorporate this concept.
- . The measurement period in IFRS 3 that allows the acquirer additional time to recognise assets acquired and liabilities assumed in a business combinations, has been extended to two years due to practical considerations.
- . Only factors assisting the acquirer to determine whether a transaction is part of the transfer of functions or whether the transaction is separate from the transfer of functions that are relevant to the public sector, have been included in this Standard.
- . The appendix on the illustrative examples in IFRS 3 has not been included in this Standard, as most of the examples address circumstances that are not applicable to this Standard.
- . The transitional provisions to this Standard of GRAP are dealt with differently that in IFRS 3.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ SCHEDULE 4 GRAP 107 - MERGERS

**SCHEDULE 4
GRAP 107 - MERGERS**

ACCOUNTING STANDARDS BOARD

STANDARD OF GENERALLY RECOGNISED ACCOUNTING PRACTICE

MERGERS

(GRAP 107)

Issued by the

Accounting Standards Board

November 2010

Acknowledgement

In developing the Standard of Generally Recognised Accounting Practice (GRAP) on *Mergers* reference was made to the International Financial Reporting Standard (IFRS) on *Business Combinations* issued by the International Accounting Standards Board (IASB). The IASB has issued a comprehensive body of International Financial Reporting Standards (IFRSs). Extracts of the IFRS on *Business Combinations* are reproduced in this Standard of GRAP with the permission of the IASB.

The approved text of IFRSs is that published by the IASB in the English language and copies may be obtained from:

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MERGERS

Introduction

This Standard of GRAP was originally issued by the Accounting Standards Board (the Board) in November 2010. Since then, it has been amended as follows:

- . To clarify principles relating to the initial recognition and measurement by the combined entity.
- . With consequential amendments following the revisions to GRAP 100 *Discontinued Operations* in 2013.

Standards of Generally Recognised Accounting Practice (GRAP)

The Accounting Standards Board (the Board) is required in terms of the Public Finance Management Act, Act [No. 1 of 1999](#), as amended (PFMA), to determine generally recognised accounting practice referred to as Standards of Generally Recognised Accounting Practice (GRAP).

The Board must determine GRAP for:

- (a) departments (including national and provincial and government components);
- (b) public entities;
- (c) trading entities (as defined in the PFMA);
- (d) constitutional institutions;
- (e) municipalities and boards, commissions, companies, corporations, funds or other entities under the ownership control of a municipality; and
- (f) Parliament and the provincial legislatures.

The above are collectively referred to as "entities" in Standards of GRAP.

The Board has approved the application of Statements of Generally Accepted Accounting Practice (GAAP), as codified by the Accounting Practices Board and issued by the South African Institute of Chartered Accountants as at 1 April 2012, to be GRAP for:

- (a) government business enterprises (as defined in the PFMA);
- (b) any other entity, other than a municipality, whose ordinary shares, potential ordinary shares or debt are publicly tradable on the capital markets; and
- (c) entities under the ownership control of any of these entities.

The Board has approved the application of International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board to be GRAP for these entities where they are applying IFRSs.

Financial statements should be described as complying with Standards of GRAP only if they comply with all the requirements of each applicable Standard of GRAP and any related Interpretations of the Standards of GRAP.

Any limitation of the applicability of specific Standards or Interpretations is made clear in those Standards or Interpretations of the Standards of GRAP.

The Standard of GRAP on *Mergers* is set out in paragraphs .01 to .51. All paragraphs in the Standards of GRAP have equal authority. The status and authority of appendices are dealt with in the preamble to each appendix. The Standards should be read in the context of its objective, its basis for conclusions if applicable, the *Preface to Standards of GRAP*, the *Preface to the Interpretations of the Standards of GRAP* and the *Framework for the Preparation and Presentation of Financial Statements*.

Standards of GRAP and Interpretations of the Standards of GRAP should also be read in conjunction with any directives issued by the Board prescribing transitional provisions, as well as any regulations issued by the Minister of Finance regarding the effective dates of the Standards of GRAP, published in the *Government Gazette*.

Reference may be made here to a Standard of GRAP that has not been issued at the time of issue of this Standard. This is done to avoid having to change the Standards already issued when a later Standard is subsequently issued. Paragraph .11 of the Standard of GRAP on *Accounting Policies, Changes in Accounting Estimates and Errors* provides a basis for selecting and applying accounting policies in the absence of explicit guidance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Objective

Objective

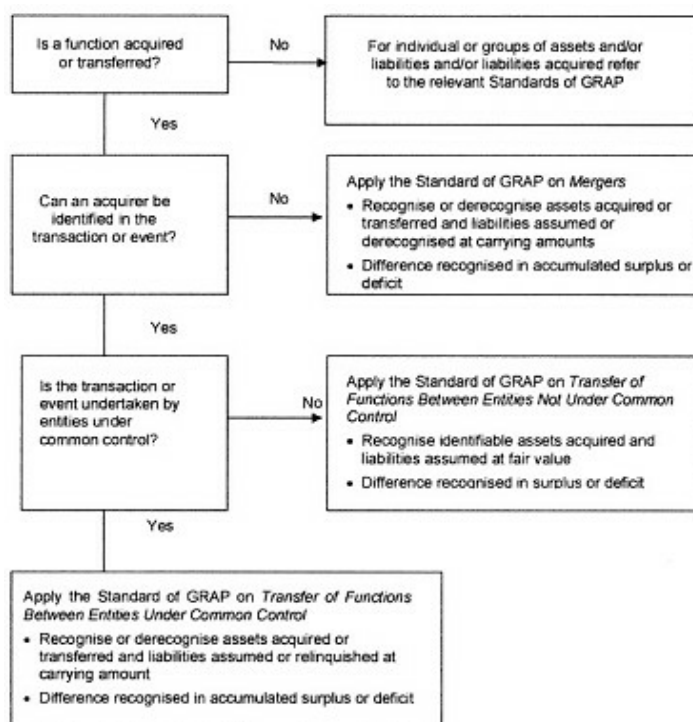
- .01 The objective of this Standard is to establish accounting principles for the combined entity and combining entities in a merger.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Scope

Scope

- .02 ***A combined entity and combining entities that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard to a transaction or event that meets the definition of a merger where no acquirer can be identified.***

- .03 This Standard does not apply to:
- a transfer of functions between entities under common control (see the Standard of GRAP on *Transfer of Functions Between Entities Under Common Control*); and
 - a transfer of functions between entities not under common control (see the Standard of GRAP on *Transfer of Functions Between Entities Not Under Common Control*).
- .04 A transaction or event for where no acquirer can be identified falls within the scope of this Standard. A merger is the establishment of a new combined entity in which none of the former entities obtains control over any other and no acquirer can be identified. Determining whether an acquirer can be identified includes a consideration of, amongst other things, which of the combining entities initiated the transaction or event, the relative size of the combining entities, as well as whether the assets or revenue of one of the entities involved in the transaction or event significantly exceed those of the other entities. A merger can either involve the combination of two or more entities in which one of the combining entities continues to become the new reporting entity, or a new reporting entity is established from the combining entities. The concept of control and a function is not relevant in a transaction or event that meets the definition of a merger. A transaction or event in which an acquirer can be identified and that involves control should be accounted for in terms of the Standards of GRAP on *Transfer of Functions Between Entities Under Common Control* or *Transfer of Functions Between Entities Not Under Common Control*.
- .05 Entities should consider the following diagram in determining whether this Standard should be applied in accounting for a transaction or event that involves a transfer of functions or merger:



National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Definitions

Definitions

- .06 **The following terms are used in this Standard with the meanings specified:**

***Carrying amount of an asset or liability* is the amount at which an asset or liability is recognised in the statement of financial position.**

***Combined entity* is a new reporting entity formed from the combination of two or more entities.**

***Combining entities (for purposes of this Standard)* are the entities that are combined for the mutual sharing of risks and benefits in a merger.**

***Control* is the power to govern the financial and operating policies of another entity so as to benefit from its activities.**

***A merger* is the establishment of a new combined entity in which none of the former entities obtain control over any other and no acquirer can be identified.**

Merger date is the date on which entities are combined for the mutual sharing of risks and benefits and when the assets and liabilities are transferred to the combined entity.

A transfer of functions is the reorganisation and/or the re-allocation of functions between entities by transferring functions between entities or into another entity.

Terms defined in other Standards of GRAP are used in this Standard with the same meaning as in those other Standards of GRAP.

Mergers

- .07 A merger is the establishment of a new combined entity in which none of the former entities obtains control over any other and no acquirer can be identified. As no acquirer can be identified, a merger does not result in an entity having or obtaining control over any of the entities that are involved in the transaction or event, as the combining entities are not controlled entities of each other, either before or after the merger.
- .08 The following criteria indicate that a transaction or event should be accounted for as a merger:
- (a) No acquirer: No entity in the transaction or event can be identified as the acquirer.
 - (b) No control: No party acquires control as no party is seen to be dominant. All parties to the transaction or event combine their relative risks and benefits in the combined entity and maintain or preserve their decision making powers.
 - (c) Representation by management: All parties to the transaction or event, as represented by management, participate in establishing the management structure of the combined entity, and in selecting the management personnel. Such decisions are made on the basis of consensus between the parties to the transaction or event.
 - (d) Size of entities involved: The relative sizes of the combining entities are not so disparate that one entity dominates the combined entity by virtue of its relative size. As such, the relative size of an entity is not as pervasive as the other two indicators in this paragraph in determining whether an arrangement constitutes a merger.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Identifying the combined entity and combining entities

Identifying the combined entity and combining entities

- .09 For each merger a combined entity and combining entities shall be identified.**
- .10 The terms and conditions of a merger are set out in a binding arrangement. This arrangement may be evidenced in a number of ways and may encompass a formal written agreement between the entities, legislation passed in parliament or a provincial legislature, cabinet decision, ministerial order, a decision made by municipal councils, regulation or a notice or other official means. The binding arrangement usually sets out which entities are to be combined as a result of the merger, and identifies the new reporting entity after the merger.
- .11 A merger involves a transaction or event where no acquirer can be identified. If the binding arrangement governing the terms and conditions of the transaction or event identifies which entity to the transaction or event is the acquirer, and which entity is the transferor or combining entity, the transaction or event should be accounted for in terms of the Standard of GRAP on *Transfer of Functions Between Entities Under Common Control* or the Standard of GRAP on *Transfer of Functions Between Entities Not Under Common Control*.
- .12 Determining the acquirer shall include a consideration of, amongst other things, which of the combining entities initiated the transaction or event, the relative size of the combining entities, as well as whether the assets or revenue of one of the entities involved in the transaction or event significantly exceed those of the other entities.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Determining the merger date

Determining the merger date

- .13 The combined entity and the combining entities shall identify the merger date, which is the date on which the new reporting entity obtains control of the assets and liabilities and the combining entities loses control of their assets and liabilities.**
- .14 The binding arrangement governing the terms and conditions of a merger may specify that the transaction or event is effective from a specific date. The merger date is the date on which the combining entities transfer

the assets and liabilities to the combined entity as identified in the binding arrangement. However, the combined entity may obtain control of the assets and liabilities on a date that is either earlier or later than the date on which the assets and liabilities are transferred by the combining entities, or specified in the binding arrangement. For example, a Regulation passed by the Demarcation Board on 1 April 20X1 requires three municipalities to transfer all their functions into a new metropolitan municipality. A directive is issued stating that the effective date of the transfer is 1 June 20X1. The new metropolitan municipality, however, only obtains control of the assets and liabilities on 1 July 20X1 through a memorandum of understanding. As the new metropolitan municipality can only use or otherwise benefit from the combination in pursuit of its objectives, or exclude or otherwise regulate the access of others to those benefits from 1 July 20X1, the transaction or event should be accounted for as from 1 July 20X1. All relevant facts and circumstances should be considered in identifying the merger date.

- .15 The fact that a binding arrangement exists creates an obligation for either one or all of the parties to act in order to fulfil the terms and conditions of the arrangement. This means that under the binding arrangement, the combined entity has an enforceable claim over the assets and liabilities of the combining entities that are to be combined in terms of the merger. This indicates that the merger is probable and will occur in line with the terms and conditions of the binding arrangement.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Assets acquired or transferred and/or liabilities assumed or derecognised

Assets acquired or transferred and/or liabilities assumed or derecognised

- .16 *The recognition of assets and liabilities by the combined entity, and the transfer and derecognition of assets and liabilities by the combining entities are subject to the conditions specified in the paragraphs below.***

Criteria for the combined entity and the combining entities

- .17 The assets and liabilities that qualify for recognition by the combined entity or transfer and derecognition by the combining entities in a merger are normally governed by the terms and conditions of the binding arrangement. Such assets and liabilities must be part of what had been agreed in terms of the binding arrangement, rather than the result of separate transactions.

Criteria for the combined entity

- .18 The assets and liabilities as that qualify for recognition as set out in the binding arrangement must meet the definitions of assets and liabilities in the *Framework for the Preparation and Presentation of Financial Statements* and the recognition criteria in the applicable Standards of GRAP at the merger date.
- .19 Costs that the combined entity expects but which the entity is not obliged to incur in the future to effect its plan to exit an activity of the combining entities or to terminate the employment of, or relocate the combining entities' employees, shall not be accounted for as part of the liabilities at the merger date. The combined entity shall not recognise those costs as part of a merger. Instead, the combined entity recognises these costs in its financial statements after the merger has occurred, in accordance with the applicable Standards of GRAP.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Accounting by the combined entity

Accounting by the combined entity

Initial recognition and measurement

- .20 *As of the merger date, the combined entity shall recognise all the assets acquired and liabilities assumed. The assets acquired and liabilities assumed shall be measured at their carrying amounts.***
- .21 The carrying amount of an asset acquired or a liability assumed is the amount at which the asset or liability is recognised by the combining entities in their statements of financial position at the merger date.
- .22 If, on the merger date, a combining entity did not apply Standards of GRAP, the combined entity should adjust the basis of accounting used for the assets acquired and liabilities assumed to align it to Standards of GRAP prior to the merger.
- .23 *The difference between the carrying amounts of the assets acquired and the liabilities assumed and any adjustments required to the basis of accounting as described in paragraph .22, shall be recognised in accumulated surplus or deficit.***

Measurement period

- .24 If the initial accounting for a merger is incomplete by the end of the reporting period in which the merger occurs, the combined entity shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the combined entity shall retrospectively adjust the provisional amounts recognised at the merger date to reflect new information obtained about facts and circumstances that existed as of the merger date and, if known, would have affected the measurement of the amounts recognised as of that date. The measurement period ends as soon as the combined entity receives the information it was seeking about facts and circumstances that existed as of the merger date or learns that more information is not obtainable. However, the measurement period shall not exceed two years from the merger date.**
- .25 The measurement period is the period after the merger date during which the combined entity may adjust the provisional amounts recognised for a merger. The measurement period provides the combined entity with reasonable time to obtain the information necessary to identify and measure the following as of the merger date in accordance with the requirements of this Standard:
- (a) the assets acquired and liabilities assumed;
 - (b) the consideration transferred, if any, for the combining entities; and
 - (c) the resulting excess of the purchase consideration paid (if any) over the assets acquired and liabilities assumed.
- .26 The combined entity shall consider all relevant factors in determining whether information obtained after the merger date should result in an adjustment to the provisional amounts recognised or whether that information results from events that occurred after the merger date. Relevant factors include the date when additional information is obtained and whether the combined entity can identify a reason for a change to provisional amounts. Information that is obtained shortly after the merger date is more likely to reflect circumstances that existed at the merger date than is information obtained several months later.
- .27 The combined entity recognises an increase (decrease) in the provisional amount recognised for an asset (liability) by means of decreasing (increasing) the excess of the purchase consideration paid (if any) over the carrying amount of the assets acquired and liabilities assumed previously recognised in accumulated surplus or deficit. However, new information obtained during the measurement period may sometimes result in an adjustment to the provisional amount of more than one asset or liability. For example, the combined entity might have assumed a liability to pay damages related to an accident in one of the combining entity's facilities, part or all of which are covered by the combining entity's liability insurance policy. If the combined entity obtains new information during the measurement period about the merger date carrying amounts of that liability, the adjustment to the excess resulting from a change to the provisional amount recognised for the liability would be offset (in whole or in part) by a corresponding adjustment to the previously recognised excess in accumulated surplus or deficit resulting from a change to the provisional amount recognised for the claim receivable from the insurer.
- .28 During the measurement period, the combined entity shall recognise adjustments to the provisional amounts as if the accounting for the merger had been completed at the merger date. Thus, the combined entity shall revise comparative information for prior periods presented in financial statements as needed, including making any change in depreciation, amortisation or other income effects recognised in completing the initial accounting.
- .29 After the measurement period ends, the combined entity shall revise the accounting for a merger only to correct an error in accordance with the Standard of GRAP on *Accounting Policies, Changes in Accounting Estimates and Errors*.

Expenditure incurred in relation to the merger

- .30 Expenditures incurred in relation to the merger are costs that the combined entity incurs to effect the merger. These costs include advisory, legal, accounting and other professional or consulting fees, general administrative costs, costs to furnish information to owners of the combining entities, and salaries and other expenses related to services of employees involved in achieving the merger. It also includes costs or losses incurred in combining the assets and liabilities of the combining entities. The combined entity shall account for such expenditure as expenses in the period in which the costs are incurred.

Subsequent measurement

- .31 The combined entity shall subsequently measure any assets acquired and any liabilities assumed in a merger in accordance with the applicable Standards of GRAP.**
- .32 At the merger date, the combined entity shall classify or designate the assets acquired and liabilities assumed as necessary to apply other Standards of GRAP subsequently. The combined entity shall make those classifications or designations on the basis of the terms of the binding arrangement, economic conditions, the operating or accounting policies and other relevant conditions as these exist at the merger date.**
- .33 In some situations, the Standards of GRAP provide for different accounting depending on how an entity classifies or designates a particular asset or liability. Examples of classifications or designations that the combined entity shall make on the basis of the relevant conditions as they exist at the merger date, is the categorisation of particular financial assets and liabilities at fair value or amortised cost in accordance with the Standard of GRAP on *Financial Instruments*.

- .34 An exception to the requirement in paragraph .32 to the classification or designation of the assets acquired and liabilities assumed on the merger date, is that the combined entity shall classify the following contracts on the basis of the contractual terms and other factors at the inception of the contract (or, if the terms of the contract have been modified in a manner that would change its classification, at the date of that modification, which might be the merger date):
- (a) classification of a lease contract as either an operating lease or a finance lease in accordance with the Standard of GRAP on *Leases*; and
 - (b) classification of a contract as an insurance contract in accordance with the International Financial Reporting Standard on *Insurance Contracts*.

.35 *The financial statements of the combined entity shall be prepared using uniform accounting policies for similar transactions and other events or similar circumstances.*

- .36 Since the merger results in a single reporting entity, a single uniform set of accounting policies is adopted by the combined entity. Therefore, the combined entity recognises the assets acquired and the liabilities assumed of the combining entities on the merger date at their existing carrying amounts and subsequently adjust it only as a result of conforming with the combined entity's accounting policies.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Accounting by the combining entities

Accounting by the combining entities

Assets transferred and liabilities de-recognised

- .37 *As of the merger date, the combining entities shall transfer and de-recognise from its financial statements, all the assets and liabilities de-recognised at their carrying amounts.***
- .38 Until the merger date, the combining entities shall continue to measure these assets and liabilities in accordance with applicable Standards of GRAP.
- .39 *The difference between the carrying amounts of the assets transferred and the liabilities de-recognised shall be recognised in accumulated surplus or deficit.***

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Disclosure

Disclosure

- .40 *The combined entity and the combining entities shall disclose information that enables users of its financial statements to evaluate the nature and financial effect of a merger that occurs either:***
- (a) *during the current reporting period; or*
 - (b) *after the end of the reporting period but before the financial statements are authorised for issue.*
- .41 *The combined entity and the combining entities shall disclose the following for a merger that occurred during the reporting period:***
- (a) *the accounting policy adopted for a merger that occurred during the reporting period;*
 - (b) *the name of the entities involved in the merger, a brief description of the merger and the reason for undertaking the transaction or event; and*
 - (c) *the merger date.*

Combined entity

- .42 *The combined entity need not to present comparative information in the first reporting period.***
- .43 *The combined entity shall disclose the following for a merger that occurred during the reporting period:***
- (a) *for each effected line item in financial statements, the value of the assets acquired and liabilities assumed in a merger;*
 - (b) *the difference between the carrying amounts of the assets acquired and the liabilities assumed and any adjustments required to the basis of accounting as described in paragraph .22, as a separate line item in net assets;*

- (c) *additional contingent liabilities and contingent assets assumed or acquired in the merger; and*
- (d) *the period for which the results of the merger are included in the financial statements of the combined entities.*

Financial statements for subsequent periods need not to repeat these disclosures.

- .44** *If the specific disclosures required by this and other Standards of GRAP do not meet the objectives set out in paragraph .43, the combined entity shall disclose whatever additional information is necessary to meet those objectives.*
- .45** *The combined entity shall disclose the following information for each material merger or in the aggregate for individually immaterial mergers that are material collectively if the initial accounting is incomplete (see paragraph .24) for particular assets, liabilities, or any consideration and the amounts recognised in the financial statements for the merger:*
 - (a) *the reasons why the initial accounting for the merger is incomplete;*
 - (b) *the assets, liabilities, or any consideration for which the initial accounting is incomplete; and*
 - (c) *the nature and the amount of any measurement period adjustments recognised during the reporting period in accordance with paragraph .28.*

Combining entities

- .46** *Comparative information shall not be restated or adjusted by the combining entities.*
- .47** *The combining entities shall disclose the following for a merger:*
 - (a) *for each asset transferred and liability derecognised, the carrying amount of the assets transferred and the liabilities de-recognised; and*
 - (b) *the difference between the carrying amounts of the assets transferred and the liabilities derecognised, as a separate line item in accumulated surplus and deficit.*

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Transitional provisions

Transitional provisions

Initial adoption of the Standards of GRAP

- .48** *The transitional provisions to be applied by entities on the initial adoption of this Standard are prescribed in a directive(s). The provisions of this Standard should be read in conjunction with each applicable directive.*

Amendments to Standards of GRAP

- .49** *Paragraphs .22, .23, and .43 were amended to accommodate implementation requirements that were approved by the Board during February 2013. An entity shall apply these amendments prospectively to a transaction or event that involves a merger when the merger date is on or after the initial adoption of the Standard.*

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Effective date

Effective date

- .50** *An entity shall apply this Standard of GRAP for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with [section 91 \(1\) \(b\)](#) of the [Public Finance Management Act, Act No. 1 of 1999](#), as amended.*
- .51** *The guidance on the measurement period as included in paragraphs .24 to .29 will only become effective once Directives 2 to 4 that prescribe the transitional provisions for entities on the initial adoption of the Standards of GRAP are withdrawn.*

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Appendix - Consequential

Appendix - Consequential amendments to other Standards of GRAP

The purpose of the appendix is to identify the consequential amendments to other Standards of GRAP resulting from the issue of the Standard of GRAP on Mergers.

Amended text is shown with new text underlined and deleted text struck through.

Amendments to the *Framework for the Preparation and Presentation of Financial Statements (Framework)*

A1. Amend paragraph .38 in the 'Going concern' section of the Framework as follows:

Going concern

- .38 The financial statements should be prepared on the assumption that an entity is a going concern, and will continue in operation for the foreseeable future. Financial problems of public sector entities are normally resolved by either the ability to raise taxes or some other intervention in order to ensure the services are maintained. Accordingly, a consideration of the going concern involves judgement on whether the entity will continue in its present or some modified form, which may include a merger. Only on rare occasions will the activities cease altogether e.g., when the government discontinues a guarantee of debt and no other intervention is proposed for the entity to continue as a going concern. In those circumstances, the financial statements may have to be prepared on a different basis and, if so, the basis used is disclosed.

The Standard of GRAP on *Presentation of Financial Statements (Issued 2004)*

A2. Amend the following paragraphs in GRAP 1:

Going concern

- .28 Financial statements are normally prepared on the assumption that the entity is a going concern and will continue in operation or some modified form, for example a merger, and meet its statutory obligations for the foreseeable future. In assessing whether the going concern assumption is appropriate, those responsible for the preparation of the financial statements take into account all available information about the future, which is at least, but is not limited to, twelve months from the reporting date.
- .99 Circumstances that would give rise to the separate disclosure of items of revenue and expense include:
- (a) the write-downs of inventories to net realisable value or property, plant and equipment to recoverable amount, as well as the reversals of such write-downs;
 - (b) restructurings of the activities of an entity and the reversals of any provisions for the costs of restructuring;
 - (c) disposals of items of property, plant and equipment;
 - (d) disposals of investments;
 - (e) discontinuing operations;
 - (f) litigation settlements; and
 - (g) other reversals of provisions;
 - (h) the difference between the assets acquired and liabilities assumed and the consideration transferred to an acquiree (if any) in a transfer of functions between entities not under common control.

.110 An entity shall present a statement of changes in net assets, showing on the face of the statement:

- (a) the surplus or deficit for the period;**
- (b) each item of revenue and expense that, as required by other Standards of GRAP, is recognised directly in net assets, and the total of these items;**
- (c) total revenue and expense for the period (calculated as the sum of (a) and (b)), showing separately the total amounts attributable to net assets holders of the controlling entity and to minority interest; ~~and~~**
- (d) for each component of net assets, the effects of changes in accounting policies and the correction of prior period errors recognised in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors; and**
- (e) for each component of net assets the effect of a transfer of functions and a merger in accordance with the Standards of GRAP on Transfer of Functions Between Entities Under Common Control or Mergers.**

Appendix - Illustrative examples

ENTITY - STATEMENT OF FINANCIAL PERFORMANCE

(ILLUSTRATING THE CLASSIFICATION OF EXPENSES BY FUNCTION)

	20X2	20X1
Revenue		
Taxes	X	X
Fees, fines, penalties and licences	X	X
Revenue from exchange transactions	X	X
Transfers from other government entities	X	X
<u>Gain attributable to transfer of functions between entities not under common control</u>	<u>X</u>	<u>X</u>
Other operating revenue	<u>X</u>	<u>X</u>
Total revenue	<u>X</u>	<u>X</u>

(ILLUSTRATING THE CLASSIFICATION OF EXPENSES BY NATURE)

(in thousands of rands)

	20X2	20X1
Revenue		
Taxes	X	X
Fees, fines, penalties and licences	X	X
Revenue from exchange transactions	X	X
Transfers from other government entities	X	X
<u>Gain attributable to transfer of functions between entities not under common control</u>	<u>X</u>	<u>X</u>
Other operating revenue	<u>X</u>	<u>X</u>
Total revenue	<u>X</u>	<u>X</u>

ENTITY - STATEMENT OF CHANGES IN NET ASSETS

	Attributable to net assets holders of the controlling entity				Total	Minority interest	Total equity
	Contributed capital	Revaluation reserve	Translation reserve	Accumulated surpluses/ (deficits)			
Balance at 31 December 20X0	X	X	(X)	X	X	X	X
<u>Gain or loss from transfer of functions between entities under common control</u>				(X)			(X)
<u>Gain or loss from mergers</u>				(X)			(X)
Balance at 31 December 20X1	X	X	(X)	X	X	X	X
<u>Gain or loss from transfer of functions between entities under common control</u>				(X)			(X)
<u>Gain or loss from mergers</u>				(X)			(X)
Balance at 31 December 20X2	X	X	(X)	X	X	X	X

The Standard of GRAP on *The Effects of Changes in Foreign Exchange Rates* (issued 2007)

A3. Amend the following paragraphs in GRAP 4:

.15 The essential feature of a monetary item is a right to receive (or an obligation to deliver) a fixed or determinable number of units of currency. Examples include: child support grant obligations and other employee benefits to be paid in cash; provisions that are to be settled in cash; and cash dividends or similar distributions that are recognised as a liability. Conversely, the essential feature of a non-monetary item is the absence of a right to receive (or an obligation to deliver) a fixed or determinable number of units of currency. Examples include: amounts prepaid for goods and services (e.g. prepaid rent); goodwill; intangible assets; inventories; property, plant and equipment; and provisions that are to be settled by the delivery of a non-monetary asset.

.54 The difference between the assets acquired, the liabilities assumed and the consideration transferred (if any) Any goodwill arising on the acquisition of a foreign operation shall be accounted for in terms of the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control, and Any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation shall be treated as assets and liabilities of the foreign operation. Thus they shall be expressed in the functional currency of the

foreign operation and shall be translated at the closing rate in accordance with paragraphs .42 and .46.

The Standard of GRAP on Financial Reporting in Hyperinflationary Economies (issued 2007)

A4. Amend the following paragraphs in GRAP 10:

- .16 Most non-monetary items are carried at cost or cost less depreciation; hence they are expressed at amounts current at their date of acquisition. The restated cost, or cost less depreciation, of each item is determined by applying to its historical cost and accumulated depreciation the change in a general price index from the date of acquisition to the reporting date. Hence, property, plant and equipment, investments carried at cost, inventories of raw materials and merchandise, ~~goodwill~~, patents, trademarks and similar assets are restated from the dates of their purchase. Inventories of partly-finished and finished goods are restated from the dates on which the costs of purchase and of conversion were incurred.
- .20 To determine whether the restated amount of a non-monetary item has become impaired and should be reduced, an entity applies the Standards of GRAP on Impairment of Assets. Hence, in such cases, restated amounts of property, plant and equipment, ~~goodwill~~, patents and trademarks are reduced to recoverable amount or recoverable service amount, and restated amounts of inventories are reduced to net realisable value and restated amounts of current investments are reduced to market value.

The Standard of GRAP on Construction Contracts (issued 2006)

A5. Add the following paragraph in GRAP 11:

- .06A This Standard does not apply to the initial recognition and initial measurement of items in a construction contract acquired in a *transfer of functions between entities under common control* (see the Standard of GRAP on Transfer of Functions Between Entities Under Common Control) or a merger (see the Standard of GRAP on Mergers).

The Standard of GRAP on Inventories (issued 2004)

A6. Amend the following paragraph in GRAP 12:

- .02 An entity which prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for inventories. The Standard applies to all inventories, except:**

...

- (e) to the initial recognition and initial measurement of inventories acquired in a transfer of functions between entities under common control (see the Standard of GRAP on Transfer of Functions Between Entities Under Common Control) or a merger (see the Standard of GRAP on Mergers).**

The Standard of GRAP on Leases (issued 2004)

A7. Amend the following paragraph in GRAP 13:

- .02 An entity which prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for all leases other than:
- (c) the initial recognition and initial measurement of assets and liabilities in a lease agreement acquired in a *transfer of functions between entities under common control* (see the Standard of GRAP on Transfer of Functions Between Entities Under Common Control) or a merger (see the Standard of GRAP on Mergers).

The Standard of GRAP on Investment Property (issued 2004)

A8. Amend the following paragraphs in GRAP 16:

- .04 This Standard does not apply to:

...

- (c) the initial recognition and initial measurement of investment property acquired in a transfer of functions between entities under common control (see the Standard of GRAP on Transfer of Functions Between Entities Under Common Control) or a merger (see the Standard of GRAP on Mergers).

- .85 In addition to the disclosures required by paragraph .84, an entity that applies the fair value model in paragraphs .41 - .63 shall disclose a reconciliation between the carrying amounts of investment property at the beginning and end of the period, showing the following:**

...

- (b) additions resulting from acquisitions through a transfer of functions between entities under common control, a transfer of functions between entities not under common control or a merger, business combinations,**

.88 In addition to the disclosures required by paragraph .84, an entity that applies the cost model in paragraph .64 shall disclose:

...

(d) a reconciliation of the carrying amount of investment property at the beginning and end of the period, showing the following:

(i) additions, disclosing separately those additions resulting from acquisitions and those resulting from subsequent expenditure recognised as an asset,

(ii) additions resulting from acquisitions through through a transfer of functions between entities under common control, a transfer of functions between entities not under common control or a merger. ~~business combinations,~~

(Editorial Note: Wording as per original *Government Gazette*. It is suggested that the phrase "through through a transfer" is intended to be "through a transfer".)

The Standard of GRAP on Property, Plant and Equipment (issued 2004)

A9. Amend the following paragraphs in GRAP 17:

.02 An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for property, plant and equipment, except:

...

(e) to the initial recognition and initial measurement of property, plant and equipment acquired in a transfer of functions between entities under common control (see the Standard of GRAP on Transfer of Functions Between Entities Under Common Control) or a merger (see the Standard of GRAP on Mergers).

.82 The financial statements shall disclose, for each class of property, plant and equipment recognised in the financial statements:

(e) a reconciliation of the carrying amount at the beginning and end of the period showing:

(i) additions,

(ii) disposals,

(iii) acquisitions through a transfer of functions between entities under common control, transfer of functions between entities not under common control or a merger business combinations,

The Standard of GRAP on Segment Reporting (issued 2004)

A10. Amend the following paragraphs in GRAP 18:

~~.33 The consolidated financial statements of an entity may encompass entities acquired in an entity acquisition which gives rise to purchased goodwill (guidance on accounting for the acquisition of an entity is included in the Standard of GRAP on *Business Combinations*). In these cases, segment assets will include goodwill that is directly attributable to a segment or that can be allocated to a segment on a reasonable basis, and segment expense includes related impairment of goodwill.~~

.36 Standards of GRAP may require adjustments to be made to the carrying amounts of the identifiable assets and liabilities of an entity acquired in an acquisition (see the Standard of GRAP on *Business Transfer of Functions Between Entities Not Under Common Control*). Measurements of segment assets and liabilities include any adjustments to the prior carrying amounts of the identifiable segment assets and segment liabilities of an entity acquired in a transfer of functions ~~entity combination~~ accounted for as a purchase, even if those adjustments are made only for the purpose of preparing consolidated financial statements and are not recorded in either the controlling entity's or the controlled entity's separate financial statements. Similarly, if property, plant, and equipment has been revalued subsequent to acquisition in accordance with the revaluation model allowed by the Standard of GRAP on *Property, Plant and Equipment*, measurements of segment assets reflect those revaluations.

(Editorial Note: Wording as per original *Government Gazette*. It is suggested that the phrase "property, plant, and equipment has" is intended to be "property, plant, and equipment have".)

The Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets (issued 2007)

A11. Amend the following paragraph in GRAP 19:

.12 Where another Standard of GRAP deals with a specific type of provision, contingent liability or contingent asset, an entity applies that Standard instead of this Standard. ~~For example, the Standard of GRAP on *Entity Combinations* addresses the treatment by an acquirer of contingent liabilities assumed in a business combination. Similarly, c~~Certain types of provisions are also addressed in Standards of GRAP on: ...

The Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers) (issued 2008)

A12. Amend the following paragraphs in GRAP 23:

- .01 The objective of this Standard is to prescribe requirements for the financial reporting of revenue arising from non-exchange transactions, other than non-exchange transactions that involves a transfer of functions between entities under common control or a merger or an entity combination. The Standard deals with issues that need to be considered in recognising and measuring revenue from non-exchange transactions, including the identification of contributions from owners.
- .02 *An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for revenue from non-exchange transactions. This Standard does not apply to a transfer of functions between entities under common control or a merger or an entity combination that is a non-exchange transaction (see the Standards of GRAP on Transfer of Functions Between Entities Under Common Control or Mergers).***
- ~~.04 Governments may reorganise the public sector, merging some entities and dividing other entities into two or more separate entities. An entity combination occurs when two or more reporting entities are brought together to form one entity. These restructurings do not ordinarily involve one entity purchasing another entity, but may result in a new or existing entity acquiring all the assets and liabilities of another entity. The Board has not yet addressed entity combinations and has excluded them from the scope of this Standard. Therefore, this Standard does not specify whether an entity combination, which is a non-exchange transaction, will give rise to revenue or not.~~

The Standard of GRAP on Impairment of Non-cash-generating Assets (issued 2009)

A13. Add the following paragraphs after paragraph .08:

- .08A A transferor that holds a non-cash-generating asset or a group of non-cash-generating assets that are to be relinquished in a transfer of functions between entities under common control (see the Standard of GRAP on Transfer of Functions Between Entities Under Common Control), and combining entities that holds a non-cash-generating asset or a group of non-cash-generating assets that are to be transferred in a merger (see the Standard of GRAP on Mergers), shall apply the principles in this Standard until the transfer or merger date.

A14. Amend the following consequential amendments in GRAP 21:

The Standard of GRAP on Investments in Associates

~~D3. Paragraphs .40 and .41 are to be amended as follows:~~

- ~~.40 Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognised, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in the Standards of GRAP on Impairment of Cash-generating Assets and Impairment of Non-cash-generating Assets. Instead the entire carrying amount of the investment is tested under for impairment in accordance with the Standards of GRAP on Impairment of Cash-generating Assets or Impairment of Non-cash-generating Assets as a single amount, by comparing its recoverable amount or recoverable service amount (higher of value in use and fair value less costs to sell) with its carrying amount, whenever application of the requirements in the Standards of GRAP on Financial Instruments indicates that the investment may be impaired.~~
- .40A In determining the value in use of a cash-generating the investment, an entity estimates:
- its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds from the ultimate disposal of the investment; or
 - the present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

~~Under appropriate assumptions, both methods give the same result. Any resulting impairment loss for the investment is allocated in accordance with the Standards of GRAP on Impairment of Non-cash-generating Assets and Impairment of Cash-generating Assets. Therefore, it is allocated first to any remaining goodwill (see paragraph .30).~~

The Standard of GRAP on Employee Benefits (issued 2009)

A15. Amend the following paragraph in GRAP 25:

- .02 *This Standard shall be applied by an employer in accounting for all employee benefits, except share based payment transactions (see the International Financial Reporting Standard on Share-based Payment), and to the initial recognition and initial measurement of assets and liabilities acquired in a transfer of functions between entities under common control (see the Standard of GRAP on Transfer of Functions Between Entities Under Common Control) or a merger (see the Standard of GRAP on Mergers).***

The Standard of GRAP on Impairment of Cash-generating Assets (issued 2009)

A16. Add the following paragraphs after paragraph .08:

- .08A A transferor that holds a cash-generating asset or a cash-generating unit that are to be relinquished in

a transfer of functions between entities under common control (see the Standard of GRAP on *Transfer of Functions Between Entities Under Common Control*), and combining entities that holds a cash-generating asset or a cash-generating unit that are to be transferred in a merger (see the Standard of GRAP on *Mergers*), shall apply the principles in this Standard until the transfer or merger date.

A17. Delete the following paragraph in GRAP 26:

~~.09 For guidance on the impairment of goodwill and the disclosure requirements related thereto, reference should be made to the International Accounting Standard on *Impairment of Assets*.~~

A18. Amend the following consequential amendments in GRAP 26:

The Standard of GRAP on *Investments in Associates*

~~D3. Paragraphs .40 and .41 are to be amended as follows:~~

~~.01 .40 Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognised, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in the Standards of GRAP on *Impairment of Cash-generating Assets* and *Impairment of Non-cash-generating Assets*. Instead the entire carrying amount of the investment is tested under for impairment in accordance with the Standards of GRAP on *Impairment of Cash-generating Assets* or *Impairment of Non-cash-generating Assets* as a single amount, by comparing its recoverable amount or recoverable service amount (higher of value in use and fair value less costs to sell) with its carrying amount, whenever application of the requirements in the Standards of GRAP on Financial Instruments indicates that the investment may be impaired.~~

~~.40A In determining the value in use of a cash-generating the investment, an entity estimates:~~

~~.02 (a) its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds from the ultimate disposal of the investment; or~~

~~.03 (b) the present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.~~

~~Under appropriate assumptions, both methods give the same result. Any resulting impairment loss for the investment is allocated in accordance with the Standards of GRAP on *Impairment of Non-cash-generating Assets* and *Impairment of Cash-generating Assets*. Therefore, it is allocated first to any remaining goodwill (see paragraph .30).~~

A19. Amend the following paragraphs in the Basis for Conclusions:

Inclusion of g Treatment of goodwill

BC11. IAS 36 contains extensive requirements and guidance on the impairment of goodwill, the allocation of goodwill to cash-generating units and testing cash-generating units with goodwill for impairment. The Standard of GRAP on *Transfer of Functions Between Entities Not Under Common Control* requires that the difference between the assets acquired and liabilities assumed and the consideration transferred (if any) as of the acquisition date in surplus or deficit. As no goodwill is recognised in the statement of financial position, the principles of the impairment of goodwill is not applicable.

~~The IPSASB has, however, not yet issued an IPSAS dealing with entity combinations and considers it likely that a number of public sector specific issues will arise when combinations of public sector entities take place. As a result, the IPSASB concluded in the basis for conclusions to IPSAS 26 that impairment of goodwill should be scoped out from IPSAS 26.~~

BC12. ~~The Board, however, agrees with the scope inclusion of impairment of goodwill as in IAS 36. The inclusion of goodwill in this Standard is consistent with the requirements in other Standards of GRAP already approved by the Board. The scope exclusion for the impairment of goodwill is therefore included in this Standard.~~

BC13. ~~However, in the absence of a Standard of GRAP on *Entity Combinations*, reference should be made to the International Accounting Standard on *Impairment of Assets* (IAS 36) for guidance on the impairment of goodwill, and the disclosure requirements related to that.~~

A20. Amend the following in the comparison with IPSAS 26:

Comparison with the International Public Sector Accounting Standard on *Impairment of Cash-Generating Assets* (January 2008)

~~Goodwill has been included in the scope of this Standard. IPSAS 26 excludes goodwill from its scope.~~

The Standard of GRAP on *Non-current Assets held for Sale and Discontinued Operations* (issued 2006)

A21. Add the following paragraph in GRAP 100:

.02A The disclosure requirements of this Standard do not apply to the combining entities in a merger.

The Standard of GRAP on *Agriculture* (issued 2006)

A22. Amend the following paragraphs in GRAP 101:

.04 This Standard does not apply to:

...

(d) the initial recognition and initial measurement of agricultural activity acquired in a transfer of functions between entities under common control (see the Standard of GRAP on *Transfer of Functions Between Entities Under Common Control*) or a merger (see the Standard of GRAP on *Mergers*).

.48 An entity shall present a reconciliation of changes in the carrying amount of biological assets between the beginning and the end of the current period. The reconciliation shall include:

...

(e) decreases due to harvest;

(eA) decreases as a result of a transfer of functions between entities under common control or a merger,

(f) increases resulting from a transfer of functions between entities under common control, a transfer of functions between entities not under common control or a merger entity combinations;

The Standard of GRAP on *Intangible Assets* (issued 2006)

A23. Amend the following paragraphs in GRAP 102:

.03 This Standard shall be applied in accounting for intangible assets, except:

...

(d) the initial recognition and initial measurement of intangible assets acquired in a transfer of functions between entities under common control (see the Standard of GRAP on *Transfer of Functions Between Entities Under Common Control*) or a merger (see the Standard of GRAP on *Mergers*).

.04 Where the accounting for a specific type of intangible asset is prescribed by another Standard of GRAP, an entity applies that Standard of GRAP. For example, this Standard does not apply to:

...

~~(f) goodwill acquired in an entity combination (see the Standard of GRAP on *Entity Combinations*).~~

~~(g) in-process research and development projects acquired through an entity combination (see the Standard of GRAP on *Entity Combinations*).~~

.121 An entity shall disclose the following for each class of intangible assets, distinguishing between internally generated intangible assets and other intangible assets:

...

(e) A reconciliation of the carrying amount at the beginning and end of the period showing:

(iA) acquisitions through a transfer of functions between entities under common control, a transfer of functions between entities not under common control or a merger,

Comparison with the International Accounting Standard on *Intangible Assets* (June 2004)

The Standard of GRAP on *Intangible Assets* is drawn primarily from the International Accounting Standard on *Intangible Assets* (IAS 38). The main differences between the Standard of GRAP on *Intangible Assets* and the IAS on *Intangible Assets* are as follows:

~~The This Standard excludes guidance in this Standard on accounting for intangible assets acquired as part of a transfer of functions an entity combination and in-process research and development costs acquired in a transfer of functions an entity combination is different that in IAS 38 as the Standard of GRAP on *Transfer of Functions Between Entities Not Under Common Control* excluded certain exceptions to the recognition and/or measurement principles from the equivalent IFRS, as the Board has not yet considered the applicability of entity combinations to the South African public sector.~~

~~Guidance on the treatment of goodwill in this Standard has been aligned with the requirements in the Standard of GRAP on *Transfer of Functions Between Entities Not Under Common Control*.~~

~~The disclosure requirements in IAS 38 that require the disclosure of increases resulting from entity combinations have been deleted from this Standard, as the Board has not yet considered the applicability of entity combinations to the South African public sector.~~

A24. The following paragraph is to be inserted in GRAP 102:

Acquisition as part of a transfer of functions

.39A In accordance with the Standard of GRAP on *Transfer of Functions Between Entities Not Under Common Control*, if an intangible asset is acquired in a transfer of functions, the cost of that intangible asset is its fair value at the acquisition date. The fair value of the intangible asset will reflect expectations about the probability that the expected future economic benefits or service potential embodied in the asset will flow to the entity. In other words, the entity expects there to be an inflow of economic benefits or service potential, even if there is uncertainty about the timing or the amount of the inflow. Therefore, the probability recognition criterion in paragraph .24 (a) is always considered to be satisfied for intangible asset acquired in a transfer of functions. If an asset acquired in a transfer of functions is separable or arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), sufficient information exists to measure reliably the fair value of the asset. Thus, the reliable measurement criterion in paragraph .24 (b) is always considered to be satisfied for intangible assets acquired in a transfer of functions.

The Standard of GRAP on *Heritage Assets* (issued 2008)

A25. Amend the following paragraphs in GRAP 103:

.02 *An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in the recognition, measurement and disclosure of all assets that meet the definition of a heritage asset, except the initial recognition and initial measurement of heritage assets acquired in a transfer of functions between entities under common control (see the Standard of GRAP on *Transfer of Functions Between Entities Under Common Control*) or a merger (see the Standard of GRAP on *Mergers*).*

.83 *The financial statements shall disclose, for each class of heritage assets recognised in the financial statements:*

...

(c) *a reconciliation of the carrying amount at the beginning and end of the period showing:*

(iii) *acquisitions through a transfer of functions between entities under common control, a transfer of functions between entities not under common control or a merger entity combinations,*

The Standard of GRAP on *Financial Instruments* (issued 2009)

A26. Amend the following paragraphs in GRAP 104:

.02 *An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for financial instruments except:*

...

(c) *the initial recognition and initial measurement of financial instruments acquired in a transfer of functions between entities under common control (see the Standard of GRAP on *Transfer of Functions Between Entities Under Common Control*) or a merger (see the Standard of GRAP on *Mergers*).*

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.551 of 10 July 2014: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 37820)/ Basis for Conclusions

Basis for Conclusions

This basis for conclusions accompanies, but is not part of the Standard of GRAP.

BC1. This basis for conclusions summarises the Board's considerations in developing the Standard of GRAP on *Mergers*. In forming its views, the Board considered the views expressed and the comment received from stakeholders that responded to the Invitation to Comment (ITC) on a Discussion Paper on *Transfer of Functions* issued in November 2007. The Board further considered the responses to an Invitation to Comment on an exposure draft of the Standard of GRAP on *Mergers* (issued May 2010).

BC2. In developing this Standard of GRAP, the Board considered the principles in the Standards of GRAP on *Revenue from Exchange Transactions* (GRAP 9), *Revenue from Non-exchange Transactions (Taxes and Transfers)* (GRAP 23), *Non-current Assets Held for Sale and Discontinued Operations* (GRAP 100) and the International Financial Reporting Standard on *Business Combinations* (IFRS 3) issued by the International Accounting Standards Board (IASB).

BC3. A project on the accounting for entity combinations arising from exchange transactions is included on the International Public Sector Accounting Standards Board's (IPSASB) work programme. The Board will continue to monitor this project and, at an appropriate time, consider the implications of the IPSASB project on the Standard of GRAP on *Mergers*, if any.

Scope (paragraphs .02 to .05)

- BC4. A merger involves the establishment of a new combined entity in which none of the former entities obtains control over any other and no acquirer can be identified. The combining entities rather came together for the mutual sharing of risks and benefits of the combined entity. A transaction or event in which no acquirer can be identified can either involve the combination of two or more entities in which one of the combining entities continues to become the combined entity, or a new reporting entity is established from the combining entities. The Discussion Paper considered various alternatives to account for a transaction or event that meets the definition of merger. In considering IFRS 3, the Board agreed that the acquisition method will not be appropriate to account for a transaction or event that meets the definition of merger. The acquisition method requires the identification of an acquirer that obtains control of an acquiree in a transaction or event that meets the definition of a business combination, as defined in IFRS 3. In a merger however, no acquirer is identified, and a merger does thus not result in one entity obtaining control over another. While entities in an entity combination obtain control over another entity, mergers do not involve control as no acquirer can be identified. The Standard of GRAP on *Mergers* should be applied in accounting for a merger. Even though reference was made to IFRS 3 in developing this Standard, the Standard departs from the acquisition method principles as established in IFRS 3.
- BC5. For a transaction or event to fall within the scope of this Standard, no acquirer should be identified and the new reporting entity should be established, formed from combining entities that came together for the mutual sharing of risks and benefits. The relative risks and benefits of the combining entities prior to the merger are maintained and their decision making powers are preserved in the new reporting entity. All parties to the transaction or event, as represented by management, participate in establishing the management structure of the combined entity, and assist in selecting the management personnel. These decisions are made on the basis of consensus between the parties to the transaction or event.
- BC6. The concept of control is not relevant in a transaction or event that meets the definition of a merger as no acquirer can be identified. A transaction or event in which an acquirer is identified and that is undertaken between entities under common control or a transaction undertaken between entities not under common control, should be accounted for in terms of the Standards of GRAP on *Transfer of Functions Between Entities Under Common Control* or *Transfer of Functions Between Entities Not Under Common Control*.

Recognition and measurement

- BC7. As limited guidance exists in the public sector on the accounting for mergers, the Board considered the appropriateness of the fresh start method and the pooling of interests method to account for a transaction or event that meets the definition of a merger.
- BC8. The Discussion Paper concluded that, while the fresh start method might be appropriate because it assumes that a new entity is started and all the assets and liabilities of that new entity are valued at fair value, little literature is available on the mechanics and rationale of this method. The Board also noted that determining the fair value of the assets and liabilities to be transferred and derecognised by the combining entities, will have additional cost implications. The Board further noted that few countries apply the fresh start method in practice. The Discussion Paper thus concluded that the fresh start method is an appropriate method to account for mergers.
- BC9. Under the pooling of interests method, on the other hand, entities are deemed to continue within a new form, while the economic substance of the combining entities remains unchanged. As the combining entities are deemed to only continue under a new legislative framework, their assets and liabilities are transferred and derecognised at carrying amounts. The Discussion Paper concluded that the application of the pooling of interests method is the preferred method for purposes of developing accounting guidance for mergers.
- BC10. Respondents to the Discussion paper supported this proposal but questioned the practicality of the approach as it involves the restatement of comparative information by applying uniform accounting policies to the prior year figures of the combining entities. The Board reconsidered the accounting principles to be applied under this approach. The Board confirmed that the pooling of interests method should be applied to account for a transaction or event that meets the definition of a merger, but agreed that the principles should be applied prospectively from the merger date. As a result, no comparative information will be required by the combined entity in its first year of operations. Respondents to the exposure draft supported these proposals.
- BC11. During the comment period, some respondents raised concerns about the fact that the combining entities' carrying amounts could be incomplete on the merger date due to the values being inaccurate or because a combining entity is applying a different basis of accounting. A requirement has been included in the Standard to clarify that if a combining entity is not applying an accrual basis of accounting, that combining entity should change its basis of accounting to an accrual basis of accounting prior to the merger.

Measurement period

- BC12. The Standard provides the combined entity with a reasonable period after the merger, a measurement period, during which to obtain the information necessary to identify and measure the assets acquired and liabilities assumed in a merger. If sufficient information is not available at the merger date to measure the assets and liabilities, the combined entity determines and recognises provisional amounts until the necessary information becomes available.
- BC13. A constraint is placed on the period for which it is deemed reasonable to seek information necessary to complete the accounting for a merger. The measurement period ends as soon as the combined entity receives the necessary information about facts and circumstances that existed as of the merger date or learns that the information is not obtainable. The Board agreed to a measurement period of two years.

BC14. The Board also concluded that the combined entity should provide the users of financial statements with relevant information about the status of items that have been measured using provisional amounts. A disclosure requirement has been included to provide such information.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GN 207 of 26 April 2018: Regulations Prescribing Standards of Generally Recognised Accounting Practice (Government Gazette No. 41593)

GN 207 of 26 April 2018: Regulations Prescribing Standards of Generally Recognised Accounting Practice (Government Gazette No. 41593)

DEPARTMENT OF NATIONAL TREASURY

The Minister of Finance has, in terms of [section 91](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#) - "the Act"), made regulations prescribing the following Standards as set by the Accounting Standards Board in terms of section 89 of the Act and set out below:

Reference	Topic
GRAP 18	Segment Reporting
GRAP 20	Related Parties
GRAP 32	Service Concession Arrangements: Grantor
GRAP 105	Transfers of Functions Between Entities Under Common Control
GRAP 106	Transfers of Functions Between Entities Not Under Common Control
GRAP 107	Mergers
GRAP 108	Statutory Receivables
GRAP 109	Accounting by Principals and Agents
GRAP 110	Living and Non-living Resources

applicable in respect of-

- (i) GRAP 18, to municipalities and boards, commissions, companies, corporations, funds or entities under the ownership control of a municipality with effect from financial years beginning on or after 1 April 2020;
- (ii) GRAP 18, 105, 106 and 107, to trading entities, Parliament and the provincial legislatures with effect from financial years beginning on or after 1 April 2019;
- (iii) GRAP 20, 32, 108 and 109 to public entities, constitutional institutions, municipalities and boards, commissions, companies, corporations, funds or entities under the ownership control of a municipality, Parliament and the provincial legislatures with effect from financial years beginning on or after 1 April 2019;
- (iv) GRAP 110 to public entities, constitutional institutions, municipalities and boards, commissions, companies, corporations, funds or entities under the ownership control of a municipality, Parliament and the provincial legislatures with effect from financial years beginning on or after 1 April 2020;

The Modified Cash Standard set by the National Treasury remains applicable in respect of national and provincial departments in the absence of any implementation dates for the Standards as set by the Accounting Standards Board.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Regulations/ GNR.640 of 4 June 2020: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 43401)

GNR.640 of 4 June 2020: Regulations prescribing standards of generally recognised accounting practice (Government Gazette No. 43401)

NATIONAL TREASURY

I, TT Mboweni, hereby in terms of [section 91](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#) - the Act), make this regulation prescribing the standards set by the Accounting Standards Board in terms of section 89 of the Act as set out in the Schedule.

SCHEDULE

The following standards set by the Accounting Standards Board in terms of section 89 of the Act is hereby prescribed for the annual financial statements of trading entities (as defined in the Act) with effect from 1 April 2021:

- (i) GRAP 20 on Related Parties;
- (ii) GRAP 32 on Service Concession Arrangements: Granter;
- (iii) GRAP 108 on Statutory Receivables;
- (iv) GRAP 109 on Accounting by Principals and Agents; and
- (v) GRAP 110 on Living and Non-living Resources.

The above mentioned accounting standard can be found on the website of the ASB (www.asb.co.za).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 1035 of 28 June 1996: Rate of interest on Government Loans (Government Gazette No. 17267)

**GN 1035 of 28 June 1996: Rate of interest on Government Loans
(Government Gazette No. 17267)**

DEPARTMENT OF FINANCE

It is hereby notified that the Minister of Finance has, in terms of section 26 (1) of the Exchequer Act, 1975 (Act [No. 66 of 1975](#)), fixed the standard interest rate applicable from 1 July 1996 and until further notice, to loans granted by the State out of the State Revenue Fund, at sixteen comma nil nil per cent (16,00%) per annum.

The above-mentioned standard interest rate is applicable from 1 July 1996 and until further notice to all drawings of loans from State moneys, except loans in respect of which other rates of interest are specifically authorised by legislation or the Minister of Finance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 419 of 2 April 2004: Exemptions

GN 419 of 2 April 2004: Exemptions

NATIONAL TREASURY

I, Trevor Andrew Manuel, Minister of Finance, acting in terms of [Section 92](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), hereby exempt the institutions specified in the first column below from the provisions of the Act specified in the second column to the extent and duration specified in the third and fourth columns of [the Schedule](#).

(Signed)
MINISTER OF FINANCE
Date: 16 March 2004

SCHEDULE

<i>Institutions exempted</i>	<i>Section of act</i>	<i>Extent of Exemption</i>	<i>Duration of exemption</i>
IDC and its subsidiaries - Findevco (Pty) Ltd, Konoil (Pty) Ltd, Impofin (Pty) Ltd, Export-Import Finance Corporation of SA (Pty) Ltd	55 (2) (c)	Each subsidiary under the ownership control of the IDC must annually submit a copy of its audited financial statements to the National Treasury.	Until 31 October 2005

Dormant Subsidiaries of the IDC	Whole Act	The exemption lapses when the dormant subsidiary becomes active. A list of all dormant subsidiaries must be submitted to the National Treasury.	Until 31 October 2005
Foskor Limited	Whole Act		Until 31 October 2005
Mocotex Limitada	Whole Act		Until 31 October 2005
Swellensharon Property	Whole Act		Until 31 October 2005
Rotundo Walnuts	Whole Act		Until 31 October 2005
Debt Restructuring subsidiaries of the IDC	Whole Act	The exemption lapses when the IDC gains control over the entity to the extent that it requires consolidation on the IDC's balance sheet. A list of Debt Restructuring subsidiaries must be submitted to the National Treasury.	Until 31 October 2005

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 1334 of 19 November 2004: Exemptions

GN 1334 of 19 November 2004: Exemptions

NATIONAL TREASURY

I, Trevor Andrew Manuel, Minister of Finance, acting in terms of [section 92](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)) (the "Act"), exempt the institution specified in the first column of the schedule below from the provisions of the Act as specified in the second column of the schedule for the duration specified in the third column of the schedule.

(signed)
T A MANUEL
Minister of Finance
Date: 5 November 2004

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 1334 of 19 November 2004: Exemptions/ Schedule

Schedule

<i>Institutions Exempted</i>	<i>Provisions of Act</i>	<i>Duration of Exemption</i>
TELKOM SA LIMITED and its subsidiaries and any entities under its ownership control.	Sections 6 (2) (e), 6 (2) (f), 7 (2), 7 (4), 49, 50 (1) (c), 50 (1) (d), 51 (1) (b) (ii), 51 (1) (f), 51 (1) (g), 52, 54 (1), 54 (2), 54 (4), 55, 56, 58, 59, 60, 61, 62, 66 (1), 66 (3), 66 (6), 66 (7), 68, 76 (4), 83, 86 and all provisions of the	For a three-year period commencing on the date on which exemption is approved.

Treasury Regulations issued in terms of the Act on 9 April 2001 (<i>Regulation Gazette 22219</i>) to which such institutions are subject.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 753 of 29 July 2005: Borrowing limits

GN 753 of 29 July 2005: Borrowing limits

NATIONAL TREASURY

I, Trevor Andrew Manuel, Minister of Finance, acting in terms of [Section 66 \(3\) \(c\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#) (the "Act")), approve the annual limits of the Council for Scientific and Industrial Research (CSIR) to issue performance, bid and payments bonds, local and foreign advance payment guarantees and Carnets. The schedule of total annual limits is:

CSIR ANNUAL LIMITS						
R'000						
Years	Carnets	Bid Bonds	Performance Bonds	Payment Guarantees	Advance Payment Guarantee	Total Annual Limits
2005	R600	R2 100	R6 100	R7 000	R27 000	R42 800
2006	R800	R3 000	R9 500	R10 000	R35 000	R58 300
2007	R1 000	R3 000	R11 500	R15 000	R35 000	R65 500

(Signed)

MINISTER OF FINANCE

DATE: 11 July 2005

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 1855 of 29 December 2006: Rate on the interest on Government Loans

GN 1855 of 29 December 2006: Rate on the interest on Government Loans

NATIONAL TREASURY

It is hereby notified that the Minister of Finance has, in terms of [section 80 \(1\) \(a\)](#) and [\(b\)](#) of the Public Finance Management Act, fixed the Standard Interest Rate applicable from **1 January 2007** and until further notice, to loans granted by the State out of the State Revenue Fund, and/or to all other debts which must be paid into the State Revenue Fund, at twelve percent (**12,00%**) per annum.

The above-mentioned Standard Interest Rate is applicable from **1 January 2007** and until further notice to all drawings of loans from State money, except loans in respect of which other rates of interest are specifically authorized by legislation or the Minister of Finance.

(29 December 2006)

PRESCRIBED RATES

Rate (a)	Rate (b)	Effective date	Notice
8%	12%	1 March 2007	Notice 1855 GG 29493 of 29 December 2006
7%	11%	1 November 2006	Notice 1118 GG 29133 of 25 August 2006
6,5%	10,5%	1 November 2004**	Notice 1760 GG 26693 of 27 August 2004
7,5%	11,5%	1 December 2003	Notice 3373 GG 25778 of 5 December 2003

9%	13%	1 October 2003	Notice 2524 GG 25492 of 3 October 2003
10%	14%	1 September 2003	Notice 2261 GG 25367 of 29 August 2003
11%	15%	1 July 2003	Notice 1763 GG 25106 of 27 June 2003
12,5%	16,5%	1 April 2003*	Notice 1743 GG 23844 of 20 September 2002
11,5%	15,5%	1 October 2002	GN 1161 GG 23817 of 13 September 2002
-	15%	1 June 2000	GN 1996 GG 21197 of 26 May 2000
9%	13%	1 March 2000	GN 182 GG 20897 of 25 February 2000

Editorial Notes: * Definition of "[prescribed rate](#)" in [s 1](#) of the Income Tax [Act 58 of 1962](#) substituted with effect from 1 April 2003.

** Proviso to definition of "[prescribed rate](#)" in [s 1](#) of the Income Tax [Act 58 of 1962](#) added with effect from 27 July 2004. From this date the rate applies only from the second month following the date of operation of the new rate. The later date of operation in terms of this Act is given here.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 647 of 25 May 2007: Directive: Public Finance Management Act

GN 647 of 25 May 2007: Directive: Public Finance Management Act

THE AUDITOR GENERAL

**DIRECTIVE: PUBLIC FINANCE MANAGEMENT ACT
PUBLIC AUDIT ACT, 2004
Act No. 25 of 2004**

Under the powers vested in me by [section 13 \(3\) \(b\)](#) of the Public Audit Act, 2004 (Act [No. 25 of 2004](#)) (hereafter referred to as the PAA), I, Terence Mncedisi Nombembe, Auditor-General of the Republic of South Africa, hereby determine the following:

1. Standards for audits - section 13 (1) (a) of the PAA.-In terms of section 13 (1) (a) of the PAA the International Standards on Auditing shall be applied for all regularity audits conducted by me until further notice to the contrary.

2. Audit reports - section 20 of the PAA.-I have recognised the following bases of accounting as prescribed by the National Treasury, in respect of which my audit of the financial statements of the different spheres of government as indicated will be conducted and in terms of which my audit opinion will be expressed:

(a) *National and provincial departments, Parliament and provincial legislatures*

As prescribed by the National Treasury (NT) in its *Specimen annual financial statements* and the accompanying *Guide for the preparation of annual reports*, departments are required to prepare their annual financial statements on a modified cash basis of accounting. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting, transactions and other events are recognised when cash is received or paid or when the final authorisation for payment is effected on the system (by no later than 31 March each year).

The National Treasury's *Specimen annual financial statements* and accompanying *Guide for the preparation of annual reports* have been recognised by me as a comprehensive basis of accountancy. The audit report will therefore be issued in terms of International Standard on Auditing (ISA) 800.

(b) *Schedule 3A and 3C public entities and constitutional institutions*

The Minister of Finance approved Generally Recognised Accounting Practice Standards (GRAP) 1 to 3 for implementation by schedule 3A and 3C public entities and constitutional institutions for the 31 March 2006 financial year-end in terms of *Notice 991* issued in *Government Gazette No. 28095 of 7 December 2005*.

The National Treasury has determined that the basis of accounting to be applied by these entities will be as set out in the annexure to this notice.

Given the phased implementation of GRAP, I have recognised the basis of accounting set out above as a comprehensive basis of accounting and my audit report will therefore be issued in terms of ISA 800.

Disclosure of budget information

GRAP 1, paragraph 11 et seq. requires that financial reporting by entities shall provide information on

whether resources were obtained and used in accordance with the legally obtained budget. However, in terms of the basis of accounting determined by the National Treasury, budget information need not be disclosed. A GRAP standard on the presentation of budget information in the financial statements is in the process of being developed by the standard setter. In the absence of such a standard and until presentation of budget information is required in terms of the prescribed basis of accounting, any budget information presented in the financial statements will be excluded from the scope of auditing.

(c) *Schedule 2, 3B and 3D public entities and trading entities*

As stated in the introductory paragraphs to Standards of GRAP, the Accounting Standards Board (ASB) has approved the application of Statements of Generally Accepted Accounting Practice (GAAP), as codified by the South African Institute of Chartered Accountants (SAICA), as generally recognised accounting practice for the following:

- Government business enterprises
- Trading entities
- Any other entity, other than a municipality, whose ordinary shares, potential ordinary shares or debt is publicly tradable on the capital markets
- Entities under the ownership control of any of these entities

SA Statements of GAAP constitute a financial reporting framework set by an authorised/recognised standard-setting body and my audit report will therefore be issued in terms of ISA 700R.

(d) *Entity specific basis of accounting*

In terms of section 20 (2) of the PAA an audit report must reflect at least an opinion or conclusion on whether the annual financial statements of the auditee fairly present, in all material respects, the financial position at a specific date and the results of its operations and cash flow for the period which ended on that date in accordance with the applicable financial framework and legislation.

I have determined that where an auditee prepares financial statements on an entity specific basis of accounting, due to written approval obtained from the National Treasury to depart from the applicable basis of accounting as detailed in (a) to (d) above, no opinion on the fair presentation of the financial statements will be expressed and an opinion will only be given on whether the financial statements have been prepared, in all material respects, in accordance with the basis of accounting as disclosed, in terms of South African Auditing Practice Statement (SAAPS) 2.

3. Report on administration by the National Treasury - section 5 (3) of the PAA.-I will issue a report in respect of any matters concerning the duties assigned to the National Treasury (NT) in terms of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)) (PFMA) and any related matters. This report will be included as an addendum to my report on the consolidated financial statements/information as prepared by the National Treasury in terms of section 8 of the PFMA and will, inter alia, deal with the following matters:

- . Approval by the NT of deviations from the applicable financial reporting framework
- . Impact of practice notes issued
- . Transitional plan for the implementation of Generally Recognised Accounting Practice (GRAP)
- . Evaluation of the readiness of entities to migrate to GRAP
- . Guidance and capacity building at the entities
- . Effective monitoring of management discipline at the entities
- . Transversal information systems

Any query related to this notice should be addressed to the following office:

J H van Schalkwyk
Business Executive: Audit Research and Development
The Auditor-General
Tel: (012) 422 9823
Fax (012) 422 9822
Email: janvs@agsa.co.za

Signed and approved:

T M Nombembe
Auditor-General

Basis of preparation as published by the National Treasury

The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practices (GAAP) including any interpretations of such Statements issued by the Accounting Practices Board, with the

effective Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statement as follows:

Standard of GRAP

Replaced Statement of GAAP

GRAP 1: Presentation of financial statements	AC101: Presentation of financial statements
GRAP 2: Cash flow statements	AC118: Cash flow statements
GRAP 3: Accounting policies, changes in accounting estimates and errors	AC103: Accounting policies, changes in accounting estimates and errors

Currently the recognition and measurement principles in the above GRAP and GAAP Statements do not differ or result in material differences in items presented and disclosed in the financial statements. The implementation of GRAP 1, 2 & 3 has resulted in the following changes in the presentation of the financial statements:

1. Terminology differences:

Standard of GRAP

Replaced Statement of GAAP

Statement of financial performance	Income statement
Statement of financial position	Balance sheet
Statement of changes in net assets	Statement of changes in equity
Net assets	Equity
Surplus/deficit	Profit/loss
Accumulated surplus/deficit	Retained earnings
Contributions from owners	Share capital
Distributions to owners	Dividends

2. The cash flow statement can only be prepared in accordance with the direct method.
3. Specific information has been presented separately on the statement of financial position such as:
 - a. Receivables from non-exchange transactions, including taxes and transfers;
 - b. Taxes and transfers payable;
 - c. Trade and other payables from non-exchange transactions;
4. Amount and nature of any restrictions on cash balances is required.

Paragraph 11 - 15 of GRAP 1 has not been implemented due the fact that the budget reporting standard has not been developed by the local standard setter and the international standard is not effective for this financial year. Although the inclusion of budget information would enhance the usefulness of the financial statements, non-disclosure will not affect the objective of the financial statements.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 686 of 3 August 2007: Borrowing Limits (Government Gazette No. 30118)

GN 686 of 3 August 2007: Borrowing Limits (Government Gazette No. 30118)

NATIONAL TREASURY

I, TREVOR ANDREW MANUEL, MINISTER OF FINANCE, acting in terms of [Section 66 \(3\) \(c\)](#) of the Public Finance Management Act, 1999 (Act [No 1 of 1999](#) (the "Act")), approve the annual limits of the Council for Scientific and Industrial Research (CSIR) to issue performance, bid and payments bonds, local and foreign advance payment guarantees and carnets. The schedule of total annual limits is-

<i>CSIR ANNUAL LIMITS</i>						
<i>R'000</i>						
<i>Year end</i>	<i>Carnets</i>	<i>Bid Bonds</i>	<i>Performance Bonds</i>	<i>Payment Guarantees</i>	<i>Advance Payment Guarantee</i>	<i>Total Annual Limits</i>
31 March 2008	R1 000	R3 000	R1 500	R15 000	R37 000	R57 500
31 March 2009	R1 000	R3 000	R2 000	R20 000	R45 000	R71 000
31 March 2010	R1 000	R3 000	R2 000	R25 000	R53 000	R84 000

(Signed)
MINISTER OF FINANCE
Date: 05 July 2007

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 1802 of 13 December 2007: Rate on interest on government loans (Government Gazette No. 30614)

**GN 1802 of 13 December 2007: Rate on interest on government loans
(Government Gazette No. 30614)**

NATIONAL TREASURY

It is hereby notified that the Minister of Finance has, in terms of [section 80 \(1\) \(a\)](#) and [\(b\)](#) of the Public Finance Management Act, fixed the Standard Interest Rate applicable from **1 January 2008** and until further notice, to loans granted by the State out of the State Revenue Fund, and/or to all other debts which must be paid into the State Revenue Fund, at Fourteen percent (**14,00%**) per annum.

The above-mentioned Standard Interest Rate is applicable from **1 January 2008** and until further notice all drawings of loans from State money, except loans in respect of which other rates of interest are specifically authorized by legislation or the Minister of Finance.

(28 December 2007)

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 41 of 18 January 2008: Rate on the interest on government loans (Government Gazette No. 30666)

**GN 41 of 18 January 2008: Rate on the interest on government loans
(Government Gazette No. 30666)**

(Editorial Note: This notice was also promulgated under [GN 1802 of 13 December 2007](#) in *Government Gazette* 30614.)

NATIONAL TREASURY

It is hereby notified that the Minister of Finance has, in terms of [section 80 \(1\) \(a\)](#) and [\(b\)](#) of the Public Finance Management Act, fixed the Standard Interest Rate applicable from **1 January 2008** and until further notice, to loans granted by the State out of the State Revenue Fund, and/or to all other debts which must be paid into the State Revenue Fund, at fourteen percent (**14 %**) per annum.

The above-mentioned Standard Interest Rate is applicable from **1 January 2008** and until further notice to all drawings of loans from the State money, except loans in respect of which other rates of interest are specifically authorized by legislation or the Minister of Finance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 441 of 11 April 2008: Ministerial Committee on progress towards transformation and social cohesion and the elimination of discrimination in public higher education institutions (Government Gazette No. 30967)

**GN 441 of 11 April 2008: Ministerial Committee on progress towards transformation and social cohesion and the elimination of discrimination in public higher education institutions
(Government Gazette No. 30967)**

MINISTRY OF EDUCATION

I, Grace Naledi Mandisa Pandor, MP, Minister of Education, in accordance with Treasury Regulation 20 (issued in terms of the Public Finance Management Act, 1999 [Act [No 1 of 1999](#)]), hereby establish the committee set out in the schedule hereto to investigate discrimination in public higher education institutions, with a particular focus on racism and to make appropriate recommendations to combat discrimination and promote social cohesion.

(Signed)
GNM Pandor, MP

SCHEDULE

1. Purpose

The Committee will investigate discrimination in public higher education institutions, with a particular focus on racism and to make appropriate recommendations to combat discrimination and promote social cohesion.

2. Terms of Reference

The Committee must report on the following:

- 2.1 The nature and extent of racism and racial discrimination in public higher education, and in particular university residences. While the emphasis should be on racial discrimination, other forms of discrimination, based on, for example, gender, ethnicity and disability should also be considered.
- 2.2 The steps that have been taken by institutions to combat discrimination, including an assessment of good practice as well as the shortcomings of the existing interventions.
- 2.3 Advise the Minister of Education and the key constituencies in higher education on the policies, strategies and interventions needed to combat discrimination and to promote inclusive institutional cultures for staff and students, which are based on the values and principles enshrined in the Constitution.
- 2.4 Identify implications for other sectors of the education system.

3. Process

- 3.1 In the course of its work, the Committee is expected to engage with key stakeholders within and outside of higher education, including national student organisations, national staff unions, Higher Education South Africa, Council on Higher Education etc.
- 3.2 The Committee should also draw on studies undertaken in South Africa and on international best practice, as appropriate.
- 3.3 The Committee will be supported by a dedicated secretariat.
- 3.4 The Committee is accountable to the Minister. The Commission will provide the Minister of Education with an initial report within a period of three months from commencing its work. A final report will be due three months thereafter.

The Members of the Ministerial Committee are:

Prof Crain Soudien-Chairperson

Dr. Olive Shisana

Prof. Siphon Seepe

Ms. Gugu Nyanda

Mrs. Sankie Mthembi-Mahanyele

Dr. Charles Villa-Vicencio

Prof. Mokubung Nkomo

Ms. Mohau Pheko

Mr. Nkateko Nyoka

Ms Wynoma Michaels

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 830 of 4 July 2008: Rate on the interest on government loans (Government Gazette No. 31190)

**GN 830 of 4 July 2008: Rate on the interest on government loans
(Government Gazette No. 31190)**

NATIONAL TREASURY

It is hereby notified that the Minister of Finance has, in terms of section 80 (1) (a) and (b) of the Public Finance Management Act, fixed the Standard Interest Rate applicable from **1 July 2008** and until further notice, to loans granted by the State out of the State Revenue Fund, and/or to all other debts which must be paid into the State

Revenue Fund, at Fifteen percent **(15,00%)** per annum.

The above-mentioned Standard Interest Rate is applicable from **1 July 2008** and until further notice to all drawings of loans from State money, except loans in respect of which other rates of interest are specifically authorized by legislation or the Minister of Finance.

(4 July 2008)

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 179 of 20 February 2009: Rate on the interest on government loans (Government Gazette No. 31893)

**GN 179 of 20 February 2009: Rate on the interest on government loans
(Government Gazette No. 31893)**

NATIONAL TREASURY

10 FEBRUARY 2009

It is hereby notified that the Minister of Finance has, in terms of [Section 80 \(1\) \(a\)](#) and [\(b\)](#) of the Public Finance Management Act, fixed the Standard Interest Rate applicable from **1 March 2009** and until further notice, to loans granted by the State out of the State Revenue Fund, and/or to all other debts which must be paid into the State Revenue Fund, at thirteen and a half percent **(13.50%)** per annum.

The above-mentioned Standard Interest Rate is applicable from **1 March 2009** and until further notice to all drawings of loans from State money, except loans in respect of which other rates of interest are specifically authorized by legislation or the Minister of Finance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 392 of 24 April 2009: Rate on the interest on government loans (Government Gazette No. 32135)

**GN 392 of 24 April 2009: Rate on the interest on government loans
(Government Gazette No. 32135)**

NATIONAL TREASURY

07 APRIL 2009

It is hereby notified that the Minister of Finance has, in terms of [Section 80 \(1\) \(a\)](#) and [\(b\)](#) of the Public Finance Management Act, fixed the Standard Interest Rate applicable from **1 May 2009** and until further notice, to loans granted by the State out of the State Revenue Fund, and/or to all other debts which must be paid into the State Revenue Fund, at thirteen and a half percent **(12.50%)** per annum.

The above-mentioned Standard Interest Rate is applicable from **1 May 2009** and until further notice to all drawings of loans from State money, except loans in respect of which other rates of interest are specifically authorized by legislation or the Minister of Finance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 582 of 29 May 2009: Delegated powers of the Department of Correctional Services: Procurement and provisioning of goods, works and services (Government Gazette No. 32251)

**GN 582 of 29 May 2009: Delegated powers of the Department of Correctional Services: Procurement and provisioning of goods, works and services
(Government Gazette No. 32251)**

DEPARTMENT OF CORRECTIONAL SERVICES

ARRANGEMENT OF REGULATIONS

[Delegated powers of the department of correctional services](#)

[1.](#) Introduction

2. Terminology
 3. Invitation and acceptance of price quotations up to the value of R500 000-00
 4. Invitation of bids (Exceeding R500 000-00 per case)
 5. Consideration and acceptance of bids (Exceeding R500 000-00 per case)
 6. Contract administration
 7. Restriction of suppliers and the upliftment of such restrictions
- [Specific delegated powers of the department of correctional services](#)
[Specific delegated powers: reasons for deviating from inviting competitive bids](#)

DELEGATED POWERS OF THE DEPARTMENT OF CORRECTIONAL SERVICES

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 582 of 29 May 2009: Delegated powers of the Department of Correctional Services: Procurement and provisioning of goods, works and services (Government Gazette No. 32251)/ 1. INTRODUCTION

1. INTRODUCTION

DELEGATED POWERS OF THE DEPARTMENT OF CORRECTIONAL SERVICES PROCUREMENT AND PROVISIONING OF GOODS, WORKS AND SERVICES	
1.	<i>INTRODUCTION</i>
1.1	By virtue of the authority vested in me in terms of Section 38 (1) (a) (iii) and Section 44 (1) (a) of the Public Finance Management Act, I Vivian P. Petersen, Commissioner of Correctional Services hereby delegate the powers and duties assigned to me in terms of the Public Finance Management Act (Act 1 of 1999 as amended by Act 29 of 1999) and the Treasury Regulations, Part 6 Chapter 16A issued in terms of the Public Finance Management Act, to the post levels as indicated in this annexure.
1.2	As far as procedures and administrative actions are concerned, all procurement units are bound to comply with the conditions contained in the Government Procurement: General Conditions of Contract (GCC) and the Supply Chain Management User Manual: Directives in respect of Procurement in so far as they are not in conflict with the directives and limitations stipulated herein.
1.3	At any time the powers may be withdrawn or the conditions, under which they have been granted, may be amended.
1.4	Any delegated power in connection with the arrangement of a <u>specific service, goods, works or sale</u> will lapse automatically as soon as a contract for the relevant service, supply or sale has been arranged.
1.5	Where any doubt exists with regard to the interpretation or application of any power or condition, the Directorate Procurement must be approached through normal channels for a decision or finalisation.
1.6	These powers are granted subject to the provisions of any other Act of Parliament, as amended from time to time.
1.6.1	Armaments (firearms, ammunition, etc.) may not be acquired in terms of these delegated powers.
1.7	These powers are also applicable as far as sales/disposals are concerned.
1.8	Supply Chain Management Practitioners and officials in their line function reporting structure may execute these Delegated Powers.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 582 of 29 May 2009: Delegated powers of the Department of Correctional Services: Procurement and provisioning of goods, works and services (Government Gazette No. 32251)/ 2. TERMINOLOGY

2. TERMINOLOGY

2.	<i>TERMINOLOGY</i>
2.1	<p><u>Case</u></p> <p>In respect of the Procurement Unit concerned, a "case" is the consolidated requirement of a specific category of items, which requirement exists at a Given point in time and at the time of consolidation, is known to the specific Procurement Unit and has been quantified. It covers the estimated total Value (VAT included) of all the items concerned for the complete service or supply and not only the value of any individual item in that specific category.</p> <p>Whenever requirements are obtained within the delegated powers, Procurement Units must as far as possible consider the break-out of such requirements into smaller manageable segments with due consideration to the quality of the goods required, time to administrate the process and cost-effectiveness of the ensuing</p>

Note: contracts. This can be achieved by providing for different items on a single bid/price quotation invitation, bearing in mind the cost of the requirement per case. Should the estimated cost for the Total requirement, i.e. for the case, exceed the delegated authority applicable to the specific Procurement Unit, then the principle of break-out procurement should still be applied but it should be forwarded to the next level of authority with the request to invite the bids/price quotations.

Price quotation

2.2 A verbal/written offer, which is not necessarily subject to the General Conditions of Contract (GCC).

Bid

2.3 A written offer on a prescribed or stipulated form in response to an invitation by an organ of state for the provisioning of goods, works, services or the sale and letting of assets, and unless otherwise determined, has been advertised in the Government Tender Bulletin.

Bidder

2.4 Any natural or legal person who makes an offer in response to a request to submit a bid or a price quotation

Contract

2.5 Written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

Transversal contract

2.6 A contract arranged by the National Treasury for the supply, over a specified period of time, of the repetitive requirements of various participating organisations for goods, works or services, the hiring or letting of anything, the acquisition or granting of any right, or the disposal of movable State property

General period contract

2.7 A contract arranged by the Directorate: Procurement for the supply, over a specified period of time, for the repetitive requirements of various participating Procurement Units for goods, works or services, the hiring or letting of anything, the acquisition or granting of any right, or the disposal of movable State property.

Ad hoc contract

2.8 A contract arranged for a once-off requirement for goods, works or services, the hiring or letting of anything, the acquisition or granting of any right, or the disposal of movable State property.

Specific period contract

2.9 A contract for the supply, over a specified period of time, for the repetitive requirements of only one Procurement Unit for goods, works or services, the hiring or letting of anything, the acquisition or granting of any right or the disposal of movable state property.

GCC

2.10 General Conditions of Contract

Standard Special Conditions

2.11 Approved special conditions on standardised forms, applicable to certain commodities.

National Bid Adjudication Committee

The National Bid Adjudication Committee of the department must at least consist of the following:

- Chairperson and Vice-chairperson, appointed in writing by the Accounting Officer, with the rank of at least a Chief Deputy Commissioner.
- Three other members, appointed in writing by the Accounting Officer, of whom at least one is a Supply Chain Management Practitioner.

Where considered necessary, additional members may be co-opted on account of their specialised knowledge.

Sub-Bid Adjudication Committees

The Sub-Bid Adjudication Committees of the department must at least consist of the following:

- Chairperson with a rank of at least a Deputy Commissioner and Vice-chairperson with a rank of at least a Director, appointed in writing by the Accounting Officer,
- Three other members, appointed in writing by the Accounting Officer, of whom at least one is a Supply Chain Management Practitioner.

Where considered necessary, additional members may be co-opted on account of their specialised knowledge.

Note: All members of the Bid Committees should be cleared at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually

Appointment of Secundi

2.14 For the purpose of continuity and not to delay meetings, a *secundi* may be appointed by the Accounting Officer to temporarily replace members that are absent from meetings due to illness, leave, etc. A *secundi* will have the same powers as the member for the duration of the meeting. *Secundi's* may not represent more than 50% of any Bid Adjudication Committee Meeting.

NUMBER	DELEGATION	AREA/ CORRECTIONAL CENTRE LEVEL	REGIONAL OFFICE LEVEL	HEAD OFFICE LEVEL
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National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 582 of 29 May 2009: Delegated powers of the Department of Correctional Services: Procurement and provisioning of goods, works and services (Government Gazette No. 32251)/ 3. INVITATION AND ACCEPTANCE OF PRICE QUOTATIONS UP TO THE VALUE OF R500 000-00.

3. INVITATION AND ACCEPTANCE OF PRICE QUOTATIONS UP TO THE VALUE OF R500 000-00.

3.0 INVITATION AND ACCEPTANCE OF PRICE QUOTATIONS UP TO THE VALUE OF R500 000-00.				
3.1	<p><u>Approval of purchases up to an transaction value of R2 000-00 (VAT included) per case</u></p> <p>Procurement of requirements without inviting competitive bids or price quotations by means of petty cash per petty cash voucher. Own internal procedures to ensure sound financial management of funds when goods and/or services are obtained by means of petty cash must be established.</p> <p>Note: For the granting of any right or the disposal of state property, competitive written price quotations must be invited.</p>	UP TO R2 000-00 - CO II/APAO	UP TO R2 000-00 - CO II/APAO	UP TO R2 000-00 - CO II/APAO
3.2	<p><u>Acceptance of price quotations between an estimated value of R2 000-00 and R30 000-00 (VAT included) per case</u></p> <p>Procurement of goods, works or services, the hiring or letting of anything, the acquisition or granting of any right or the disposal/sales of movable State property, by inviting competitive price quotations from as many as possible suppliers that are registered on the list of prospective suppliers for requirements up to an estimated value of R29 999-99.</p> <p>Note: The price quotation lowest in price per item and which is acceptable should be approved.</p>	UP TO R10 000-00 - CO II/APAO UP TO R30 000-00 - CO I/PAO	UP TO R10 000-00 - CO II/APAO UP TO R30 000-00 - CO I/PAO	UP TO R10 000-00 - CO II/APAO UP TO R30 000-00 - CO I/PAO
3.2.1	<p>Consideration and approval of reasons/motivation where it is not possible to obtain at least three (3) price quotations</p> <p>Note: Reasons should be recorded.</p>	UP TO R10 000-00 - CO II/APAO UP TO R30 000-00 - CO I/PAO	UP TO R10 000-00 - CO II/APAO UP TO R30 000-00 - CO I/PAO	UP TO R10 000-00 - CO II/APAO UP TO R30 000-00 - CO I/PAO
3.3	<p><u>Invitation and acceptance of price quotations equal to or above the estimated value of R30 000-00 to R500 000-00 (VAT included) per case</u></p> <p>Procurement of goods, works or services, the hiring or letting of anything, the acquisition or granting of any right or the disposal/sales of movable State property, by inviting competitive price quotations from as many as possible suppliers that are registered on the list of prospective suppliers for requirements up to an estimated value of R500 000-00.</p> <p>The prescripts of the Procurement Preferential Policy Framework Act (Act 5 of 2000) and its associated Regulations should apply.</p>			
		UP TO R500 000-00 - CO I/PAO (PERIOD NOT EXCEEDING ONE	UP TO R500 000-00 - CO I/PAO (PERIOD NOT EXCEEDING ONE	UP TO R500 000-00 - CO I/PAO (PERIOD NOT EXCEEDING ONE

3.3.1	Determining contract (price quotation) period and approving the price quotation document by signing the covering letter	(1) YEAR) UP TO R500 000-00 - SCO/SPAO (PERIOD NOT EXCEEDING TWO (2) YEARS) UP TO R500 000-00 - ASD (PERIOD IN EXCESS OF TWO (2) YEARS)	(1) YEAR) UP TO R500 000-00 - SCO/SPAO (PERIOD NOT EXCEEDING TWO (2) YEARS) UP TO R500 000-00 - ASD (PERIOD IN EXCESS OF TWO (2) YEARS)	(1) YEAR) UP TO R500 000-00 - SCO/SPAO (PERIOD NOT EXCEEDING TWO (2) YEARS) UP TO R500 000-00 - ASD (PERIOD IN EXCESS OF TWO (2) YEARS)
3.3.2	Acceptance of price quotations. Note: The price quotation (acceptable) with the highest points per item must be approved.	UP TO R100 000-00 - CO I/PAO UP TO R300 000-00 - SCO/SPAO UP TO R500 000-00 - ASD	UP TO R100 000-00 - CO I/PAO UP TO R300 000-00 - SCO/SPAO UP TO R500 000-00 - ASD	UP TO R100 000-00 - CO I/PAO UP TO R300 000-00 - SCO/SPAO UP TO R500 000-00 - ASD
3.3.3	Consideration and approval of reasons/motivation where it is not possible to obtain at least three (3) price quotations.	UP TO R100 000-00 - CO I/PAO UP TO R300 000-00 - SCO/SPAO UP TO R500 000-00 - ASD	UP TO R100 000-00 - CO I/PAO UP TO R300 000-00 - SCO/SPAO UP TO R500 000-00 - ASD	UP TO R100 000-00 - CO I/PAO UP TO R300 000-00 - SCO/SPAO UP TO R500 000-00 - ASD
3.4	Signing of agreements/contracts in addition to a quotation.	UP TO R100 000-00 - CO I/PAO UP TO R300 000-00 - SCO/SPAO UP TO R500 000-00 - ASD	UP TO R100 000-00 - CO I/PAO UP TO R300 000-00 - SCO/SPAO UP TO R500 000-00 - ASD	UP TO R100 000-00 - CO I/PAO UP TO R300 000-00 - SCO/SPAO UP TO R500 000-00 - ASD
3.5	Over-deliveries may be accepted up to 5 % of the total value of the original contract. The following conditions apply: <ul style="list-style-type: none"> ◦ The over-delivery is not deliberate of nature; ◦ Over-delivery is due to the nature of the goods/services; ◦ It is impractical to return the over-delivery to the contractor; ◦ The over-delivery is in the best interest of the Department; and ◦ Funds are available 	UP TO R100 000-00 - CO I/PAO UP TO R300 000-00 - SCO/SPAO UP TO R500 000-00 - ASD	UP TO R100 000-00 - CO I/PAO UP TO R300 000-00 - SCO/SPAO UP TO R500 000-00 - ASD	UP TO R100 000-00 - CO I/PAO UP TO R300 000-00 - SCO/SPAO UP TO R500 000-00 - ASD
3.6	<u>Conditions applicable to invitation and acceptance of price quotations.</u>			
3.6.1	In the case of purchases up to the value of R2 000-00, sufficient control measures must be implemented to ensure sound financial management of funds and logistics accounting system be adhered to.			
3.6.2	Price quotations must only be invited from possible suppliers registered on the list of prospective suppliers (data base). Where no suitable suppliers are available from the list of prospective suppliers, quotations can be obtained from other possible suppliers, who must then be added to the list.			
3.6.3	For cases up to the value of R30 000-00 (VAT included) the lowest acceptable price quotations per item must be accepted before expiry of validity by means of a facsimile or an order (on condition that the price is not exorbitant).			
3.6.4	In instances where a single price quotation was received in cases exceeding R2 000-00, the price quotation may be accepted provided that the prices are proved and certified to be fair and reasonable. Proof of reasonableness must be determined as follows:			
3.6.4.1	Comparison with prices, after discounts, to its other normal clients and the relative discount that the State enjoys;			
3.6.4.2	Where this is not possible, profit before tax based on a full statement of relevant costs; and			
3.6.4.3	Comparison with previous prices where these are available.			
3.6.4.4	Proof of reasonableness of prices where only one price quotation is received, must be available for audit purposes.			
3.6.5	Approval must be done by the delegated official on the price quotation itself, with reference to the applicable delegation number and date what approved by the Commissioner. Please note that the official involved with the invitation of the price quotation may not approve the price quotation.			
3.6.6	Price quotations from sole suppliers must be considered by the delegated official upon receipt of proper motivated reasons/evidence.			

3.6.7	Price quotations that are equal in all respects must be dealt with by means of drawing of lots by the delegated official in the presence of at least two (2) witnesses. All these officials must sign on the price quotation.
3.6.8	Where further documentation is signed by all parties concerned as an agreement in addition to a price quotation, the Directorate: Legal Services'/ Regional Co-ordinator: Legal Services' approval of the agreement/contract is also required prior to the signing thereof.
3.6.9	The following is applicable to invitation and acceptance of quotations equal to or above R30 000-00 per case: <ul style="list-style-type: none"> ◦ The PPPFA and its Regulations must be applicable. ◦ Functional approval by the relevant Head Correctional Centre/Area Commissioner/relevant Director at Regional Office or at Head Office of the requisition. ◦ Funds must be available. ◦ Should normally be awarded per item to the quoter with highest on points
3.6.10	Should a quoter omit to submit an original Tax Clearance Certificate for cases equal to or above R30 000-00 (VAT included), a recommendation to decline such a quoter, must be made to the delegated official.
3.6.11	In the case of price quotations equal to or above R30 000-00 (VAT included), the official responsible for the compilation of the price quotation invitation document may not approve the document by signing the covering letter.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 582 of 29 May 2009: Delegated powers of the Department of Correctional Services: Procurement and provisioning of goods, works and services (Government Gazette No. 32251)/ 4. INVITATION OF BIDS (Exceeding R500 000-00 per case)

4. INVITATION OF BIDS (Exceeding R500 000-00 per case)

4.	INVITATION OF BIDS (Exceeding R500 000-00 per case)		
4.1.	The Department may invite bids to an unlimited value per case for the procurement of goods, works or services, the hiring or letting of anything, the acquisition or granting of any right or the disposal/sale of movable State property. Particulars of the requirement must be advertised at least in the Government Tender Bulletin. If it is deemed necessary, bids may also be advertised in other appropriate media. Bids may close at the office concerned.		
4.1.1	If in a specific case it is impractical to invite competitive bids, the Commissioner may approve that the required goods or services be procured by other means, provided that the reasons for deviating from inviting competitive bids must be recorded.		
4.1.2	The invitation of any bid is subject to the prior functional approval by Regional Commissioners/Deputy Regional Commissioner at Regional level and Chief Deputy Commissioners at Head Office		
4.2	All invitations of bids are subject to the Preferential Procurement Policy Framework Act and its Regulations as well as the General Conditions of Contract.		
4.2	The <u>invitation of bids</u> , as set out in paragraph 4.1 supra, comprises, where applicable		
4.2.1	Determining of contract period	<u>PERIOD NOT EXCEEDING ONE (1) YEAR</u>	
		UP TO R1 000 000-00 - CO I/PAO	UP TO R1 000 000-00 - CO I/PAO
		UP TO R3 000 000-00 - SCO/SPAO	UP TO R3 000 000-00 - SCO/SPAO
		UP TO R10 000 000-00 - ASD	UP TO R10 000 000-00 - ASD
			UP TO R1 000 000-00 - CO I/PAO
			UP TO R3 000 000-00 - SCO/SPAO
			UP TO R10 000 000-00 - ASD
		<u>PERIOD NOT EXCEEDING TWO (2) YEARS</u>	
		UP TO R5 000 000-00 - ASD	UP TO R5 000 000-00 - ASD
			UP TO R5 000 000-00 - ASD
		<u>PERIOD IN EXCESS OF TWO (2) YEARS</u>	
			UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE (PERIOD IN EXCESS OF TWO (2) YEARS)
		UP TO R10 000 000-00 - SUB-BID ADJUDICATION	

		NO DELEGATION	COMMITTEE (PERIOD IN EXCESS OF TWO (2) YEARS)	EXCEEDING R10 000 000-00 - NATIONAL BID ADJUDICATION COMMITTEE (PERIOD IN EXCESS OF TWO (2) YEARS)
4.2.2	Consideration of the shortening of the closing date due to the urgent nature of the requirement (deviation from thirty (30) days)	NO DELEGATION	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE EXCEEDING R10 000 000-00 - NATIONAL BID ADJUDICATION COMMITTEE
4.2.3	Determine whether only firm prices, or whether non-firm prices, such as prices subject to Rate of Exchange variations are applicable to bid invitation.	UP TO R1 000 000-00 - CO I/PAO UP TO R5 000 000-00 - SCO/SPAO UP TO R10 000 000-00 - ASD	UP TO R1 000 000-00 - CO I/PAO UP TO R5 000 000-00 - SCO/SPAO UP TO R10 000 000-00 - ASD	UP TO R1 000 000-00 - CO I/PAO UP TO R5 000 000-00 - SCO/SPAO UP TO R10 000 000-00 - ASD UNLIMITED - DD
4.2.4	Approval of the bid documents by signing the bid covering letter as well as the notification (advertising) of invitations to bid.	UP TO R1 000 000-00 - CO I/PAO UP TO R5 000 000-00 - SCO/SPAO UP TO R10 000 000-00 - ASD	UP TO R1 000 000-00 - CO I/PAO UP TO R5 000 000-00 - SCO/SPAO UP TO R10 000 000-00 - ASD	UP TO R1 000 000-00 - CO I/PAO UP TO R5 000 000-00 - SCO/SPAO UP TO R10 000 000-00 - ASD UNLIMITED - DD
4.2.5	Approval for the invitation of bids from selected/sole suppliers for a specific brand or trade mark product only.	NO DELEGATION	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE EXCEEDING R10 000 000-00 - NATIONAL BID ADJUDICATION COMMITTEE
4.2.6	Before closing date, in the event of serious mistakes and amendments in the bid document, to grant approval that such invitation to bid be cancelled and new bids be invited or those amendments to the invitation to bid be issued.	NO DELEGATION	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE EXCEEDING R10 000 000-00 - NATIONAL BID ADJUDICATION COMMITTEE
4.2.7	Supervising the receiving and processing of bids.	UP TO R5 000 000-00 - CO I/PAO UP TO R10 000 000-00 - SCO/SPAO	UP TO R5 000 000-00 - CO I/PAO UP TO R10 000 000-00 - SCO/SPAO	UP TO R5 000 000-00 - CO I/PAO UP TO R10 000 000-00 - SCO/SPAO UNLIMITED - ASD
4.2.8	Administration and return of late bids	UP TO R5 000 000-00 - CO I/PAO UP TO R10 000 000-00 - SCO/SPAO	UP TO R5 000 000-00 - CO I/PAO UP TO R10 000 000-00 - SCO/SPAO	UP TO R5 000 000-00 - CO I/PAO UP TO R10 000 000-00 - SCO/SPAO UNLIMITED - ASD
4.3	<u>Conditions applicable to invitation of bids</u>			
4.3.1	The stipulated monetary limit per case must be taken into account before bids are invited. If the estimated value (VAT included) exceeds the delegated limits, it must be submitted to the next level of			

	authority.
4.3.1.1	The standardised bidding documents (SBD- and BD-forms) must be used for the procurement of goods, works or services.
4.3.1.2	In exceptional cases it may happen that the bids received exceeded the delegated limits. In such cases motivated recommendations must be forwarded to the next level of authority. NOTE: A supply, service or sale may not be purposely sub-divided in order to bring the estimated value within the limit.
4.3.2	The official responsible for the compilation of the bid invitation document may not approve the bid invitation document by signing the covering letter and the notification (advertising) of invitation of bid.
4.3.3	Conditions not yet contained in the General Conditions of Contract (GCC) or standard Special Conditions may not be stated as conditions in bids without prior approval of the Directorate: Procurement. Where necessary, such conditions must also be submitted to the Directorate: Legal Services beforehand, for consideration and recommendation.
4.3.3.1	Where additional special conditions apply in respect of specific goods/works/services, these must also be included in the bid documentation.
4.3.4	Bids must be opened in public at the time of closure of the bid, and, if so requested, the names of the bidders as well as the total amount, if available, of each bid must be read aloud.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 582 of 29 May 2009: Delegated powers of the Department of Correctional Services: Procurement and provisioning of goods, works and services (Government Gazette No. 32251)/ 5. CONSIDERATION AND ACCEPTANCE OF BIDS (Exceeding R500 000-00 per case)

5. CONSIDERATION AND ACCEPTANCE OF BIDS (Exceeding R500 000-00 per case)

5.	CONSIDERATION AND ACCEPTANCE OF BIDS (Exceeding R500 000-00 per case)			
5.1	<i>The consideration and acceptance of bids comprises, where applicable</i>			
5.1.1	Written communication with bidders may take place in cases where information is incomplete, where a lack of clarity exists regarding technical aspects of the offer, or to obtain confirmation of prices or preference claims in cases where it is obvious that a written, typed or transcription error or an error in the unit price has been made	UP TO R1 000 000-00 - SCO/SPAO UP TO R5 000 000-00 - ASD UP TO R10 000 000-00 - DD	UP TO R1 000 000-00 - SCO/SPAO UP TO R5 000 000-00 - ASD UP TO R10 000 000-00 - DD	UP TO R1 000 000-00 - SCO/SPAO UP TO R5 000 000-00 - ASD UP TO R10 000 000-00 - DD UNLIMITED - DIRECTOR
5.1.2.	Consideration of escalation of prices when the validity period is extended	NO DELEGATION	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE	UP TO R10 000 000-00 -SUB-BID ADJUDICATION COMMITTEE EXCEEDING R10 000 000-00 - NATIONAL BID ADJUDICATION COMMITTEE
5.1.3	The acceptance of quantities other than those specified in the bid documents	NO DELEGATION	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE EXCEEDING R10 000 000-00 - NATIONAL BID ADJUDICATION COMMITTEE
5.1.4	Approval or rejection of a bidder's own conditions	NO DELEGATION	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE EXCEEDING R10 000 000-00 - NATIONAL BID ADJUDICATION COMMITTEE
				UP TO R10 000 000-00 - SUB-BID

5.1.5	Consideration of minimum quantities for new and unproven products	NO DELEGATION	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE	ADJUDICATION COMMITTEE EXCEEDING R10 000 000-00 - NATIONAL BID ADJUDICATION COMMITTEE
5.1.6	Consideration of a bid with acceptable deviations from the specification	NO DELEGATION	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE EXCEEDING R10 000 000-00 - NATIONAL BID ADJUDICATION COMMITTEE
5.1.7	Consideration of alternative offers	NO DELEGATION	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE EXCEEDING R10 000 000-00 - NATIONAL BID ADJUDICATION COMMITTEE
5.1.8	Acceptance of bids	NO DELEGATION	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE EXCEEDING R10 000 000-00 - NATIONAL BID ADJUDICATION COMMITTEE
5.1.9	The signing of the formal contract (SBD 7.1 to 7.3) after approval has been granted by the relevant Bid Committee for the acceptance of a bid.	NO DELEGATION	UP TO R5 000 000-00 - ASD UP TO R10 000 000-00 - DD	UP TO R5 000 000-00 - ASD EXCEEDING R5 000 000-00 - DD
5.1.10	<p>Cancellation of bids or items thereof, in cases where:</p> <ul style="list-style-type: none"> - due to changed circumstances, there is no longer need for the goods, works or services that were bid for; - funds are no longer available to cover the total envisaged expenditure; - no acceptable bids have been received; - if the preference point system stipulated in the bid document turns out not to be applicable as a result of the actual value; - errors in the bidding invitations; - bid price is certified as being exorbitant; - bid was accidentally not advertised in the Government Tender Bulletin. <p style="text-align: center;">Directorate: Legal Services/Regional Coordinator: Note: Legal Services must first be consulted prior to submitting the recommendation to the relevant Bid Adjudication Committee.</p>	NO DELEGATION	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE EXCEEDING R10 000 000-00 - NATIONAL BID ADJUDICATION COMMITTEE
5.1.11	Signing of agreements/contract, in addition to a bid and in line with the conditions of the bid.	NO DELEGATION	UP TO R5 000 000-00 - ASD UP TO R10 000 000-00 - DD	UP TO R5 000 000-00 - ASD EXCEEDING R5 000 000-00 - DD
5.2	<i>Conditions applicable to the consideration and acceptance of bids</i>			
5.2.1	Consideration of bids will at all times be in accordance with the policy and directives of the Department as contained in the Supply Chain Management User Manual: Directives in respect of Procurement and must be strictly adhered to.			

5.2.2	<p>Where there is communication with a bidder after closing time regarding:</p> <ul style="list-style-type: none"> - incomplete offer or lack of clarity - confirmation of prices or preference claims in cases where it is obvious that an error or an error in the unit price has been made. <p>Additional information or specific explanations requested in terms of this power can be requested. Such confirmation or information must be furnished in writing and must be attached to the relevant bid. Full particulars of the aspects, regarding which the bidder concerned was approached, must be furnished in the recommendations for the acceptance of a bid.</p>
5.2.3	<p>In instances where a single bid was received the bid may be accepted provided that the prices are proved to be and certified as fair and reasonable. Proof of reasonableness must be determined as follows:</p>
5.2.3.1	<p>Comparison with prices, after discounts, to the supplier's other normal clients and the relative discount that the State enjoys;</p>
5.2.3.2	<p>Where this is not possible, profit before tax based on a full statement of relevant costs; and</p>
5.2.3.3	<p>Comparison with previous bid prices where these are available.</p>
5.2.4	<p>Proof of reasonableness of prices where only one bid is received, must be available for audit purposes.</p>
5.2.5	<p>Bids must be duly scheduled and brought on a comparative basis and submitted together with a motivated recommendation to the relevant Bid Committee for consideration.</p> <p>As a rule, the contract should be awarded to the bid highest on points.</p> <p>Note: It is of prime importance that recorded reasons for the acceptance/rejection of a bid are comprehensive and accountable so that they may be conveyed in writing to the bidder concerned whenever written requests are received. In a court case these reasons will have to be provided and proof will be required that the relevant Bid Adjudication Committee has taken a reasonable decision on the grounds of the information available to it and that the decision was objectively taken. Therefore, in the interests of sound administration and accountable decision making, the Department is always prepared to give reasons for its decisions.</p>
5.2.6	<p>Bids, which qualify for acceptance, that are equal in all respects must be dealt with by the drawing of lots.</p>
5.2.8	<p>If a Supply Chain Management Practitioner or other role player, or any close family member, partner or associate of such official or other role player, has any private or business interest in any contract to be awarded, that official or other role player must</p> <ul style="list-style-type: none"> (a) disclose that interest; and (b) withdraw from participating in any manner whatsoever in the process relating to that bid/contract.
5.2.9	<p>Bids must be accepted, before expiry of validity, by means of a formal contract (SBD 7.1 to 7.3). If this is not possible, extension of validity must be requested timeously.</p>
5.2.10	<p>Bid Adjudication Committees, in all their proceedings, must comply with the directives and procedures contained in the <i>Supply Chain Management User Manual: Directives in respect of Procurement</i>. Minutes must be taken and electronically recorded. All the decisions of the bidding committees and the signatures of the chairperson and secretary of the committee must confirm these minutes. Original submissions to committees, their minuted decisions as well as the electronic recording must be placed on record for audit purposes.</p>
5.2.11	<p>Where further documentation is signed by all parties concerned as an agreement in addition to a bid, the Directorate: Legal Services'/Regional Co-ordinator: Legal Services' approval of the agreement/contract is also required prior to the signing thereof.</p>

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 582 of 29 May 2009: Delegated powers of the Department of Correctional Services: Procurement and provisioning of goods, works and services (Government Gazette No. 32251)/ 6. CONTRACT ADMINISTRATION

6. CONTRACT ADMINISTRATION

6.	CONTRACT ADMINISTRATION			
	<p><u>Increase/decrease in quantities/scope for contracts</u></p> <p>Should the need arise for the increase/decrease in quantities/scope of a contract, the contractor may be approached accordingly, on the following conditions:</p> <ul style="list-style-type: none"> ◦ The contract must be valid; ◦ The commodity/service must be available on the contract; ◦ In the case of an increase in quantities, the contractor must be 			<p>UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE</p>

6.1	<p>approached to reduce or maintain the initial contract price;</p> <ul style="list-style-type: none"> ◦ The increase/decrease of quantities should not result in the escalation of the price; ◦ The increase/decrease must be reasonable and in the best interest of the Department; ◦ The request must be supported by a motivation; ◦ The total value of the original contract as well as the additional purchases may not exceed the relevant delegated powers; and ◦ The increase in quantities must not be applied in order to avoid the new invitation of bids. ◦ The increase/decrease in the scope of a contract does not imply substantial modification of the scope of services. 	NO DELEGATION	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE	EXCEEDING R10 000 000-00 - NATIONAL BID ADJUDICATION COMMITTEE
6.1.1	Transversal contracts, arranged by the National Treasury, and contracts arranged by other Institutions are specifically excluded from these Delegated Powers.			
6.2	<p>Over-deliveries may be accepted up to 5 % of the total value of the original contract. The following conditions apply:</p> <ul style="list-style-type: none"> ◦ The over-delivery is not deliberate of nature: ◦ Over-delivery is due to the nature of the goods/services; ◦ It is impractical to return the over-delivery to the contractor; ◦ The over-delivery is in the best interest of the Department; and ◦ Funds are available 	<p>UP TO R1 000 000-00 - ASD</p> <p>UP TO R10 000 000-00 - DD</p>	<p>UP TO R1 000 000-00 - ASD</p> <p>UP TO R10 000 000-00 - DD</p>	<p>UP TO R1 000 000-00 - ASD</p> <p>UP TO R10 000 000-00 - DD</p> <p>EXCEEDING R10 000 000-00 - DIRECTOR</p>
6.3	<u>Price Adjustments</u>			
6.3.1	<p><u>Contractual price adjustments</u></p> <p>Subject to the conditions of a contract, contractual price adjustments may, with the exception of transversal contracts or contracts not arranged at the relevant office, be approved in accordance with contract conditions.</p>	NO DELEGATION	<p>UP TO R5 000 000-00 - ASD</p> <p>UP TO R10 000 000-00 - DD</p>	<p>UP TO R5 000 000-00 - ASD</p> <p>UNLIMITED - DD</p>
6.3.2	<p><u>Non-contractual price adjustments</u></p> <p>Consideration of requests for price adjustments which are not according to contract conditions.</p>	NO DELEGATION	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE	<p>UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE</p> <p>EXCEEDING R10 000 000-00 - NATIONAL BID ADJUDICATION COMMITTEE</p>
6.4	<p><u>Extension of delivery periods</u></p> <p>Requests received from contractors for the extension of delivery periods may be approved provided the price remains unchanged.</p>	<p>UP TO R1 000 000-00 - CO I/PAO</p> <p>UP TO R5 000 000-00 - SCO/SPAO</p> <p>UNLIMITED - ASD</p>	<p>UP TO R1 000 000-00 - CO I/PAO</p> <p>UP TO R5 000 000-00 - SCO/SPAO</p> <p>UNLIMITED - ASD</p>	<p>UP TO R1 000 000-00 - CO I/PAO</p> <p>UP TO R5 000 000-00 - SCO/SPAO</p> <p>UNLIMITED - ASD</p>
6.5	<p><u>Transfer of contracts</u></p> <p>A transfer of a contract may be allowed provided that the conditions below are adhered to.</p>	NO DELEGATION	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE	<p>UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE</p> <p>EXCEEDING R10 000 000-00 - NATIONAL BID ADJUDICATION COMMITTEE</p>
6.5.1	The BD 15.1 and BD 15.2 must be completed and signed by both the transferer and transferee;			

6.5.2	The contract has been arranged by the relevant Bid Committee within delegated powers;			
6.5.3	The transfer is not to the detriment of the State			
6.5.4	If a contract was awarded as a result of the application of the point preference system for equity ownership, etc, the transferee should also similarly qualify under the same principle, to obtain such a contract. (This is to prevent fronting)			
6.5.5	The transferee is capable of executing the contract and has complied with all initial conditions of the contract, including the provisioning of an original and valid Tax Clearance Certificate.			
6.5.5	Prior to submitting the recommendation to the relevant Bid Adjudication Committee, the Directorate Legal Services/Regional Coordinator: Legal Services must be consulted.			
6.6	<p><u>Transfer of contract payments</u></p> <p>Approval may be granted, that contract payments may be transferred under certain circumstances, subject to the conditions stipulated in the <i>Supply Chain Management User Manual: Directives in respect of Procurement</i>.</p> <p>Note: Prior to submitting the recommendation to the relevant Bid Adjudication Committee, the Directorate Legal Services/Regional Coordinator: Legal Services must be consulted.</p>	NO DELEGATION	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE EXCEEDING R10 000 000-00 - NATIONAL BID ADJUDICATION COMMITTEE
6.7	<p><u>Cancellation of contracts</u></p> <p>A contract may be cancelled subject to the conditions mentioned below.</p>	NO DELEGATION	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE EXCEEDING R10 000 000-00 - NATIONAL BID ADJUDICATION COMMITTEE
6.7.1	Transversal contracts arranged by the National Treasury and contracts arranged by other Institutions are specifically <u>excluded</u> from these Delegated Powers.			
6.7.2	Prior to submitting the recommendation to the relevant Bid Adjudication Committee, the Directorate Legal Services/Regional Coordinator: Legal Services must be consulted.			
6.7.3	In the event of the Department requesting the cancellation, the contractor or supplier must certify in writing his willingness to cancel the contract without any cost to the State.			
6.7.4	In the event of the contractor or supplier requesting the cancellation, it must-			
6.7.4.1	be without any cost to the State;			
6.7.4.2	be accepted in writing by the contractor or supplier that responsibility is accepted to reimburse the department for any additional cost, in the event that re-bidding to satisfy the requirement should bring about additional cost; and			
6.7.3.3	not be a case of repeated requests of such nature by the said contractor or supplier. (Editorial Note: Numbering as per original <i>Government Gazette</i> .)			
6.7.5	The reasons for the cancellation and the losses or consequences that will follow if the contract is not cancelled, must be certified and placed on record for audit purposes.			
6.7.5	In all cases, the cancellation must not be to the detriment of the State. (Editorial Note: Numbering as per original <i>Government Gazette</i> .)			
6.7.6	The case refers to the total value of the contract and not only the part of the contract to be cancelled.			
6.7.7	All cancellations should be reported to the Director: Procurement for verification purposes and in order to identify possible cases where bidders should be restricted.			
6.8	<p><u>Amendment of specifications</u></p> <p>Where a binding contract has been concluded, an amendment of the specification, whether initiated by the contractor or the Department, can be made but only after negotiation between the contractor and the Department and at no additional cost.</p> <p>Note: Such an amendment may not be to the detriment of the Department.</p>	NO DELEGATION	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE	UP TO R10 000 000-00 - SUB-BID ADJUDICATION COMMITTEE EXCEEDING R10 000 000-00 - NATIONAL BID ADJUDICATION COMMITTEE

7. RESTRICTION OF SUPPLIERS AND THE UPLIFTMENT OF SUCH RESTRICTIONS

7.	RESTRICTION OF SUPPLIERS AND THE UPLIFTMENT OF SUCH RESTRICTIONS			
7.1	The restriction of a contractor may be considered if such a contractor claimed preferences fraudulently or if such a supplier failed to perform according to contract conditions and specifications.	NO DELEGATION	NO DELEGATION	UNLIMITED - NATIONAL BID ADJUDICATION COMMITTEE
7.1.1	<u>Conditions applicable to the restriction of suppliers</u>			
7.1.1.1	Prior to submitting the recommendation to the relevant Bid Adjudication Committee, the Directorate Legal Services/Regional Coordinator: Legal Services must be consulted.			
7.1.1.2	A supplier may be restricted from doing business with any Organ of the State for a period not exceeding ten (10) years.			
7.1.1.3	The National Treasury must be informed within five (5) working days of such imposition of the name of the restricted supplier and/or person, the reason for restriction, the period of restriction and the date of commencement of the restriction.			
7.2	The amendment/upliftment of restrictions imposed	NO DELEGATION	NO DELEGATION	UNLIMITED - NATIONAL BID ADJUDICATION COMMITTEE
7.2.1	<u>Conditions applicable to the restriction of suppliers</u>			
7.2.1.1	The National Treasury must be informed within five (5) working days of such amendments/upliftments of the restriction.			
<p><i>Where a power has been delegated to a holder of a specific rank, that power may be executed by the acting official or the holder of an equivalent or any higher rank</i></p> <p>CO III : CORRECTIONAL OFFICER GRADE III</p> <p>CO II : CORRECTIONAL OFFICER GRADE II</p> <p>APAO : ASSISTANT PROVISIONING ADMINISTRATION OFFICIAL</p> <p>CO I : CORRECTIONAL OFFICER GRADE I</p> <p>PAO : PROVISIONING ADMINISTRATION OFFICIAL</p> <p>SCO : SENIOR CORRECTIONAL OFFICER</p> <p>SPAO : SENIOR PROVISIONING ADMINISTRATION OFFICIAL</p> <p>ASD : ASSISTANT DIRECTOR</p> <p>DD : DEPUTY DIRECTOR</p>				

AUTHORISED BY: (Signed) _____
 COMMISSIONER V.P. PETERSEN

DATE: 09-06-08

SPECIFIC DELEGATED POWERS OF THE DEPARTMENT OF CORRECTIONAL SERVICES

SPECIFIC DELEGATED POWERS OF THE DEPARTMENT OF CORRECTIONAL SERVICES	
PROCUREMENT AND PROVISIONING OF GOODS, WORKS AND SERVICES	
1.	INTRODUCTION
1.1	<p>I, Vivian P. Petersen, Commissioner of Correctional Services, hereby approve the specific delegated powers contained in this document, in accordance with part 6, paragraph 16A.6.4 of the Treasury Regulations issued in terms of the Public Finance Management Act, 1999, which reads as follows:</p> <p>"If in a specific case it is impractical to invite competitive bids, the Accounting Officer or Accounting Authority may procure the required goods or services by other means, provided that the reasons for deviating from inviting competitive bids must be recorded and approved by the Accounting Officer or Accounting Authority"</p>

1.2	By virtue of the authority vested in me in terms of Section 38 (1) (a) (iii) and Section 44 (1) (a) of the Public Finance Management Act, I Vivian P. Petersen, Commissioner of Correctional Services hereby delegate the powers and duties assigned to me in terms of the Public Finance Management Act (Act 1 of 1999 as amended by Act 29 of 1999) and the Treasury Regulations, Part 6 Chapter 16A of the Public Finance Management Act, to the post levels as indicated in this annexure.
1.3	As far as procedures and administrative actions are concerned, all procurement units are bound to comply with the conditions contained in the Government Procurement: General Conditions of Contract (GCC) and the Supply Chain Management User Manual: Directives in respect of Procurement in so far as they are not in conflict with the directives and limitations stipulated herein
1.4	At any time the powers may be withdrawn or the conditions, under which they have been granted, may be amended.
1.5	Where any doubt exists with regard to the interpretation or application of any power or condition, the Directorate: Procurement must be approached through normal service channels for a decision or finalisation.
1.6	These powers are granted subject to the provisions of any other Act of Parliament, as amended from time to time.
1.7	All cases exceeding R1 000 000-00 per case (VAT included) may only be approved by the Commissioner and must be reported to the National Treasury and the Auditor-General in accordance with Treasury Regulations 16A6.4.
1.8	Supply Chain Management Practitioners and officials in their line function reporting structure may execute these Delegated Powers.

Annexure A

NUMBER	DELEGATION	MANAGEMENT AREA/ CORRECTIONAL CENTRE LEVEL	REGIONAL OFFICE LEVEL	HEAD OFFICE LEVEL
2.	<i>SPECIFIC DELEGATED POWERS</i>			
2.1	<i>Urgent and Emergency Cases</i>			
2.1.1	<i>Urgent cases to an estimated value of R1 000 000,00 (VAT included) per case</i> Goods, works or services may be procured by preferably making use of the list of prospective suppliers in cases where early delivery is of critical importance and the invitation of competitive bids is either impossible or impractical.	UP TO R200 000-00 - SCO/SPAO UP TO R500 000-00 - ASD UP TO R1 000 000-00 - DD	UP TO R200 000-00 - SCO/SPAO UP TO R500 000-00 - ASD UP TO R1 000 000-00 - DD	UP TO R200 000-00 - SCO/SPAO UP TO R500 000-00 - ASD UP TO R1 000 000-00 - DD
2.1.2	<i>Emergency cases up to an estimated value of R1 000 000,00 (VAT included) per case</i> Goods, works or services may be procured by preferably making use of the list of prospective suppliers in cases of emergency where immediate action is necessary in order to avoid a dangerous or risky situation/ misery.	UP TO R200 000-00 - SCO/SPAO UP TO R500 000-00 - ASD UP TO R1 000 000-00 - DD	UP TO R200 000-00 - SCO/SPAO UP TO R500 000-00 - ASD UP TO R1 000 000-00 - DD	UP TO R200 000-00 - SCO/SPAO UP TO R500 000-00 - ASD UP TO R1 000 000-00 - DD
2.1.3	<i>Conditions applicable to urgent and emergency cases</i>			
2.1.3.1	The Supply Chain Management functionary in these cases approves the price quotations and not the motivation.			
2.1.3.2	In these cases it is permissible to deviate from the bid process and to invite price quotations. The relevant parties must confirm their offers in writing as soon as possible.			
2.1.3.3	Depending on circumstances, all attempts should be made to obtain an original Tax Clearance Certificate for cases exceeding R30 000-00 (VAT included). Proof of all such attempts must be placed on record.			
2.1.3.4	The reasons for the urgency or emergency and the losses or consequences that will follow if action was not taken must be certified by at least a Director in the line function and placed on record for audit purposes. However, a lack of proper planning should not be constituted as an urgent case and therefore, it must also be certified that the case is not a result of a lack of proper planning. The BD 25-form must be used for this purpose			
2.1.3.5	Where only one price quotation is received and accepted, and taking the circumstances into account, all reasonable steps must be taken to ensure that a fair price is obtained.			
2.1.3.6	The PPPFA and its Regulations must be applicable in all cases exceeding R30 000-00 if circumstances allow it.			
2.1.3.7	The principle of competition should be adhered to as far as possible.			

2.1.3.8	Statistics of all urgent and emergency cases must be recorded and placed on file in order to make them available upon request thereof.			
2.2	<u>Perishable provisions, where the internal source of supply that normally produce this commodity, cannot supply</u>			
2.2.1	Purchasing of perishable provisions up to R1 000 000-00 per price quotation in cases where the internal source of supply that normally produce this commodity, cannot supply the commodity, and if it is impractical to invite competitive bids.	UP TO R100 000-00 - SCO/SPAO UP TO R500 000-00 - ASD	UP TO R100 000-00 - SCO/SPAO UP TO R500 000-00 - ASD UP TO R1 000 000-00 - SUB-BID COMMITTEE	UP TO R100 000-00 - SCO/SPAO UP TO R500 000-00 - ASD UP TO R1 000 000-00 - SUB-BID COMMITTEE
2.2.2	<u>Conditions applicable</u>			
2.2.2.1	The period may not be longer than three (3) months.			
2.2.2.2	The General Conditions of Contract must be made applicable.			
2.2.2.3	The PPPFA and its Regulations must be applied to all requirements exceeding R30 000-00 (VAT included) per case if circumstances allow it.			
2.2.2.4	A valid and original Tax Clearance Certificate must be available for all quotations exceeding R30 000-00 (VAT included) Note: Before the specific delegation is applied, it should first be confirmed in writing whether the commodity cannot be provided by the nearby internal source of supply and if the item after consultation in writing with the caterer , cannot be replaced with another item for the period.			
2.3	<u>Purchases outside contract per price quotation as a result of unsatisfactory performance</u>			
2.3.1	Purchases up to R1 000 000-00 per price quotation outside contract as a result of unsatisfactory performance by suppliers, until a new contract is arranged.	UP TO R100 000-00 - SCO/SPAO UP TO R500 000-00 - ASD	UP TOR 100 000-00 - SCO/SPAO UP TO R500 000-00 - ASD UP TO R1 000 000-00 - SUB-BID COMMITTEE	UP TO R100 000-00 - SCO/SPAO UP TO R500 000-00 - ASD UP TO R1 000 000-00 - SUB-BID COMMITTEE
2.3.2	<u>Conditions applicable</u>			
2.3.2.1	The General Conditions of Contract must be applied.			
2.3.2.2	The PPPFA and its Regulations must be applied to all requirements exceeding R30 000-00 per case if circumstances allow it.			
2.3.2.3	A valid and original Tax Clearance Certificate must be available for all quotations exceeding R30 000-00 (VAT included)			
2.4	<u>Purchases per price quotations when transversal contract/general period contract has not been renewed timeously</u>			
2.4.1	Purchases per price quotation outside contract up to a value of R1 000 000-00 when a transversal contract/general period contract has not been renewed timeously, for the amounts exceeding R500 000-00 per case.	NO DELEGATION	UP TO R1 000 000-00 - SUB-BID COMMITTEE	UP TO R1 000 000-00 - SUB-BID COMMITTEE
2.4.2	<u>Conditions applicable</u>			
2.4.2.1	Prior to the invitation of written price quotations, confirmation must be obtained in writing from the Directorate: Procurement that such a contract is not yet available.			
2.4.2.2	The delegation may only be utilised to satisfy immediate needs until such contract is available.			
2.4.2.3	The General Conditions of Contract must be applied.			
2.4.2.4	The PPPFA and its Regulations must be applied to all requirements.			
2.4.2.5	A valid and original Tax Clearance Certificate must be available for all quotations.			
2.5	<u>Repair of technical equipment of which the defect is not known</u>			
2.5.1	Repair of technical equipment of which the defect is unknown up to the value of R250 000-00 per case by obtaining price quotations only from the manufacturer, his agent or a qualified institution on the list of prospective suppliers.	CUP TO R30 000-00 - CO I/PAO UP TO R60 000-00 - SCO/SPAO UP TO R250 000-00 - ASD	UP TO R30 000-00 - CO I/PAO UP TO R60 000-00 - SCO/SPAO UP TO R250 000-00 - ASD	UP TO R30 000-00 - CO I/PAO UP TO R60 000-00 - SCO/SPAO UP TO R250 000-00 - ASD
2.5.2	<u>Conditions applicable</u>			

2.5.2.1	If the machinery is still under guarantee, repair should take place in accordance with the stipulations of the guarantee.			
2.5.2.2	Should the manufacturer or his agent not be available, rotation of qualified institutions on the list of prospective suppliers should take place.			
2.5.2.3	The General Conditions of Contract must be applied.			
2.5.2.4	It should be determined whether it is economic to repair the equipment.			
2.5.2.5	The PPPFA and its Regulations must be applied to all requirements exceeding R30 000 (VAT included).			
2.5.2.6	A valid and original Tax Clearance Certificate must be available for all quotations exceeding R30 000-00 (VAT included)			
2.6	<u>Purchasing of dogs and breeding animals up to a financial limit of R200 000-00 per case</u>			
2.6.1	Production Auctions	CUP TO R200 000-00 - CO I/PAO	UP TO R200 000-00 - CO 1/PAO	NOT APPLICABLE
2.6.1.1	<u>Conditions applicable</u> The departmental agriculturists, in co-operation with the state veterinarian, should make preliminary surveys of the available breeding animals that comply with the established requirements with a view to purchase. Recommendations must be made to the Director: Agriculture and Production Workshops, for a final decision. A departmental agriculturist, (irrespective of rank), should be delegated to bid at the auction on the identified breeding animals, on behalf of the department, with reference to confidential guidelines regarding the estimated value of the livestock.			
2.6.2	Dogs and breeding animals that are not available at production auctions	UP TO R30 000-00 - CO I/PAO UP TO R60 000-00 - SCO/SPAO UP TO R200 000-00 - ASD	UP TO R30 000-00 - CO I/PAO UP TO R60 000-00 - SCO/SPAO UP TO R200 000-00 - ASD	NOT APPLICABLE
2.6.2.1	<u>Conditions applicable</u> <u>Breeding Animals</u> Departmental agriculturists, in co-operation with the state veterinarian, should make preliminary surveys of available breeding animals that comply with the stated requirements with a view to purchase. Recommendations are made to the Director: Agriculture and Production Workshops for a final decision. A departmental agriculturist (irrespective of rank) should be delegated to negotiate with the breeders, on behalf of the department, for the purchase of the identified breeding animals, with reference to confidential guidelines regarding the estimated value of the livestock. <u>Dogs</u> The departmental dog-handlers, in co-operation with the state veterinarian, should make preliminary surveys of available dogs that comply with the stated requirements with a view to purchase. In the case of dogs, only the Departmental Head of the Dog Training Centre has the authority to decide on the purchase of dogs and he/she is authorised to negotiate with the breeder, on behalf of the department, for the purchase of the identified dogs, with reference to confidential guidelines regarding the estimated value of the dogs.			
2.6.2.1.1	In both the above-mentioned cases, the transaction must be formalised by means of price quotations, in which the breeder commits himself/herself to the conditions as contained in the General Conditions of Contract.			
2.6.2.1.2	The PPPFA and its Regulations must be applied to requirements exceeding R30 000-00.			
2.6.2.1.3	A valid and original Tax Clearance Certificate must be available for all quotations exceeding R30 000-00 (VAT included)			
2.6.2.1.4				
2.6.2.1.5				
2.7	<u>Purchasing of medicament from wholesalers</u>			
2.7.1	Purchasing of medicament for Departmental Pharmacies up to R500 000-00 per month (each month must be viewed as a case) from wholesalers registered on the list of prospective suppliers without the invitation of price quotations where prescriptions from doctors are received, other identified urgent cases and where no stock is available.	UP TO R15 000-00 - CO I/PAO UP TO R60 000-00 - SCO/SPAO UP TO R300 000-00 - ASD UP TO R500 000-00 - DD	UP TO R15 000-00 - CO I/PAO UP TO R60 000-00 - SCO/SPAO UP TO R300 000-00 - ASD UP TO R500 000-00 - DD	NOT APPLICABLE
2.7.2	<u>Conditions applicable</u>			
2.7.2.1	Only the quantities required to satisfy the immediate need and not to maintain stocklevels must be procured.			

2.7.2.2	Such requests must be recommended by the Pharmacist,			
2.7.2.3	Purchases must take place on a rotation basis, per month, by rotating all medical wholesalers registered on the list of prospective suppliers.			
2.8	<u>Purchasing of medicament for inmates per prescription</u>			
2.8.1	Purchasing of medicament for inmates per prescription without inviting price quotations (each month must be viewed as a case)	UP TO R15 000-00 - COI/PAO UP TO R60 000-00 - SCO/SPAO UP TO R300 000-00 - ASD UP TO R1 000 000-00 - DD	UP TO R15 000-00 - CO I/PAO UP TO R60 000-00 - SCO/SPAO UP TO R300 000-00 - ASD UP TO R1 000 000-00 - DD	NOT APPLICABLE
2.8.2	<u>Conditions applicable</u>			
2.8.2.1	Only applicable where no accessible departmental pharmacy is available.			
2.8.2.2	Purchases to be done on a monthly rotation basis from the different pharmacies registered on the list of prospective suppliers.			
2.8.2.3	Pharmacies must be approached for discount on items supplied.			
Where a power has been delegated to a holder of a specific rank, that power may be executed by the acting official or the holder of an equivalent or any higher rank				
CO III : CORRECTIONAL OFFICER GRADE III				
CO II : CORRECTIONAL OFFICER GRADE II				
APAO : ASSISTANT PROVISIONING ADMINISTRATION OFFICIAL				
CO I : CORRECTIONAL OFFICER GRADE I				
PAO : PROVISIONING ADMINISTRATION OFFICIAL				
SCO : SENIOR CORRECTIONAL OFFICER				
SPAO : SENIOR PROVISIONING ADMINISTRATION OFFICIAL				
ASD : ASSISTANT DIRECTOR				
DD : DEPUTY DIRECTOR				

AUTHORISED BY: (Signed) _____
COMMISSIONER V.P. PETERSEN

DATE: 09-06-08

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 582 of 29 May 2009: Delegated powers of the Department of Correctional Services: Procurement and provisioning of goods, works and services (Government Gazette No. 32251)/ SPECIFIC DELEGATED POWERS: REASONS FOR DEVIATING FROM INVITING COMPETITIVE BIDS

SPECIFIC DELEGATED POWERS: REASONS FOR DEVIATING FROM INVITING COMPETITIVE BIDS

SPECIFIC DELEGATED POWERS: REASONS FOR DEVIATING FROM INVITING COMPETITIVE BIDS		
DELEGATION NUMBER	DESCRIPTION	REASON
2.1	<u>Urgent and emergency cases</u>	
2.1.1	Urgent cases to an estimated value of R1 000 000-00 (VAT included) per case	Goods, works and services may be procured by preferably making use of the list of prospective suppliers in cases where early delivery is of critical importance and the invitation of competitive bids is either impossible or impractical.
2.1.2	Emergency cases up to an estimated value of R1 000 000-00 (VAT included) per case	Goods, works and services may be procured by preferably making use of the list of prospective suppliers in cases of emergency where immediate action is necessary in order to avoid a dangerous or risky situation/misery.
2.2	<u>Perishable provisions, where the internal source of supply that normally produce this commodity, cannot supply</u>	
		During the arrangement of contracts for perishable provisions for the various Area Commissioners/Correctional Centres, certain Area Commissioners/Correctional Centres,

2.2.1	<p>Purchasing of perishable provisions up to R1 000 000-00 per price quotation in cases where the internal source of supply that normally produce this commodity, cannot supply the commodity, and if it is impractical to invite competitive bids.</p>	<p>where the requirements for example meat, vegetables and eggs, are produced and provided internally at Correctional Centre farms, are excluded.</p> <p>As a result of unforeseen circumstances for example, continuous increase in prison population, drought conditions, failure of crops, mortalities of livestock, etc., it sometimes occurs that prison farms cannot generally provide self-produced products to prisons for certain periods.</p> <p>Since the periods for which the prison farms cannot provide supplies, varies between one (1) and three (3) months, it is impractical to arrange contracts for such short periods in accordance with the prescribed bidding process.</p> <p>In view of the afore-mentioned, price quotations should be invited by those Area Commissioners/ Correctional Centres for whom contracts have not been arranged in cases where self produced products cannot be provided for periods shorter than three (3) months.</p> <p>In cases where the internal provisioning of self-produced products cannot be provided for periods longer than three (3) months, contracts will be arranged in accordance with the prescribed bidding procedures.</p>
2.3	<p><u>Purchases outside contract per price quotation as a result of unsatisfactory performance</u></p>	
2.3.1	<p>Purchases to R1 000 000-00 per quotation outside contract as a result of unsatisfactory performance by suppliers, until a new contract is arranged.</p>	<p>Contracts in this Department were predominantly awarded to upcoming Entrepreneurs out of the historically disadvantaged group.</p> <p>These companies, who are not always acquainted with the practice of business, sometimes experience execution problems and are left in breach of contract.</p> <p>When delivery cannot be effected, commodities necessary for example for daily rations of inmates have to be purchased per price quotation in order to ensure continuity. The value to procure the requirement often exceeds R500 000-00 per case, especially at larger Area Commissioners/ Correctional Centres.</p> <p>In view of the above-mentioned, specific powers are an absolute necessity to purchase perishable provisions and other commodities per price quotations to an unlimited value in cases where a buy-out transaction is in process and a new contract has not been finalised yet.</p>
2.4	<p><u>Purchases per price quotation when transversal contracts general period contracts have not been arranged timeously</u></p>	
2.4.1	<p>Purchases per price quotation up to a value of R1 000 000-00 per case outside contract when a transversal contract/general period contract has not been renewed timeously, for the amounts exceeding R500 000-00 per case.</p>	<p>It happens continuously that transversal contracts/general period contracts are not renewed timeously, whether by the National Treasury or other institutions. As a result, for the interim, specific commodities (foodstuff, animal feed, fertilizer, etc.) must be purchased accordingly within delegated powers (R500 000-00 per case) in accordance with price quotations.</p> <p>Seeing that R500 000-00 is not in all cases sufficient to satisfy the need, it is not practical and cost-effective to handle these needs for goods, works or services within the R500 000-00 limit.</p>
2.5	<p><u>Repair of technical equipment of which the defect is not known</u></p>	
2.5.1	<p>Repair of technical equipment of which the defect is unknown up to the value of R250 000-00 per case by inviting price quotations only from the manufacturer, his agent or a qualified institution on the list of prospective suppliers.</p>	<p>Various problems are experienced in practice when price quotations need to be invited for the repair of technical equipment such as television sets, water pumps, large machinery, etc. Should the normal procedures be followed, the following problems will be experienced:</p> <ul style="list-style-type: none"> When equipment is defective, full particulars of the defect are normally not known and competitive price quotations/bids cannot be invited. As a result it is necessary to take the item to various possible suppliers, who need to take the item apart in order to determine the defect, put the item back together, after which the repair cost can be determined. All these actions normally take place at a cost. <p>In order to ensure competitiveness, and to remain within the parameters of the prescripts, the item also needs to be taken to other possible suppliers, with the involved transport cost, where the process needs to be repeated.</p> <p>After the afore-mentioned process has been completed, a lot of time will have lapsed and cost incurred.</p>

		In view of the afore-mentioned, it is evident that this is a cumbersome process and definitely not cost-effective and at time impractical to execute. It is also impractical to invite competitive bids.
2.6	<i>Purchasing of dogs and breeding animals up to a financial limit of R200 000-00 per case</i>	
2.6.1	Production Auctions	It happens from time to time that the Departmental Agriculturist request to procure especial breeding animals on production auctions. As a result, a Departmental Agriculturist is delegated to bid on identified breeding animals on behalf of the Department. It is therefore impossible to invite bids in accordance with the prescribed bidding process.
2.6.2	Dogs and breeding animals that are not available at production auctions	The requirement sometimes exists to procure breeding animals and dogs (patrol dogs) that need to comply with certain requirements. Seeing that it is impractical to invite competitive price quotations/bids, the Agriculturist will beforehand make a survey of the available breeding animals/dogs that comply with the requirements. After making a decision on which supplier the animals will be procured from, the transaction is formatted by means of a price quotation in which the supplier commits himself to the General Conditions of Contract.
2.7	<i>Purchasing of medicament from wholesalers</i>	
2.7.1	Purchasing of medicament up to R500 000-00 per month (each month must be viewed as a case) from wholesalers registered on the list of prospective suppliers without the invitation of price quotations where prescriptions from doctors are received, other identified urgent cases and where no stock is available.	Notwithstanding the fact that the department procure medicine in accordance with transversal contracts at the larger Area Commissioners and take this medicine into stock (departmental pharmacies for issuance to inmates), it sometimes happens that an inmate urgently needs medicament that is normally not kept in stock or is not in stock at that specific moment. Seeing that immediate dispensing is necessary, there is not sufficient time to invite price quotations and is it also impractical and not cost-effective to issue an order for a single item. In order not to favour one supplier, to avoid prejudice against other suppliers and to receive maximum advantage, suppliers are used on a rotation basis without the invitation of price quotations.
2.8	<i>Purchasing of medicament for inmates per prescription</i>	
2.8.1	Purchasing of medicament for inmates per prescription without inviting price quotations (each month must be viewed as a case)	No departmental pharmacies are situated at the smaller Correctional Centres. With the result that should a doctor issue the inmate with a prescription, such medicine needs to be obtained from another source. Seeing that this department is not aware of what will be prescribed, price quotations cannot be invited prescriptively beforehand, and medicine needs to be issued to the inmates immediately. It is therefore impractical to invite price quotations and not cost-effective to issue an order for each prescription. The pharmacies within the area that are listed on the list of prospective suppliers will be used on a rotation basis in order not to favour any pharmacy.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 619 of 29 May 2009: Rate of interest on Government loans (Government Gazette No. 32253)

GN 619 of 29 May 2009: Rate of interest on Government loans (Government Gazette No. 32253)

NATIONAL TREASURY

19 MAY 2009

It is hereby notified that the Minister of Finance has, in terms of [Section 80 \(1\) \(a\)](#) and [\(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), fixed the Standard Interest Rate applicable, from **1 June 2009** and until further notice, to loans granted by the State out of the State Revenue Fund, and/or to all other debts which must be paid into the State Revenue Fund, at eleven and a half percent (**11.50%**) per annum.

The above-mentioned Standard Interest Rate is applicable from **1 June 2009** and until further notice, to all drawings of loans from State money, except loans in respect of which other rates of interest are specifically authorized by legislation or the Minister of Finance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 453 of 15 May 2009: Rate on the interest on government loans (Government Gazette No. 32212)

**GN 453 of 15 May 2009: Rate on the interest on government loans
(Government Gazette No. 32212)**

NATIONAL TREASURY

29 APRIL 2009

NB: This is the correction of the previous advertisement that was published in the Government Gazette No. 32135, Notice No. 392 dated 24 April 2009.

It is hereby notified that the Minister of Finance has, in terms of [Section 80 \(1\) \(a\)](#) and [\(b\)](#) of the Public Finance Management Act, fixed the Standard Interest Rate applicable from **1 May 2009** and until further notice, to loans granted by the State out of the State Revenue Fund, and/or to all other debts which must be paid into the State Revenue Fund, at twelve and a half percent (**12.50%**) per annum.

The above-mentioned Standard Interest Rate is applicable from **1 May 2009** and until further notice to all drawings of loans from State money, except loans in respect of which other rates of interest are specifically authorized by legislation or the Minister of Finance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 935 of 3 July 2009: Rate of interest on Government loans (Government Gazette No. 32349)

**GN 935 of 3 July 2009: Rate of interest on Government loans
(Government Gazette No. 32349)**

NATIONAL TREASURY

15 JUNE 2009

It is hereby notified that the Minister of Finance has, in terms of [Section 80 \(1\) \(a\)](#) and [\(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), fixed the Standard Interest Rate applicable, from **1 July 2009** and until further notice, to loans granted by the State out of the State Revenue Fund, and/or to all other debts which must be paid into the State Revenue Fund, at ten and a half percent (**10.50%**) per annum.

The above-mentioned Standard Interest Rate is applicable from **1 July 2009** and until further notice, to all drawings of loans from State money, except loans in respect of which other rates of interest are specifically authorized by legislation or the Minister of Finance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 1197 of 18 December 2009: Borrowing limits (Government Gazette No. 32805)

**GN 1197 of 18 December 2009: Borrowing limits
(Government Gazette No. 32805)**

NATIONAL TREASURY

I, PRAVIN JAMNADAS GORDHAN, MINISTER OF FINANCE, acting in terms of [Section 66 \(3\) \(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#) (the "Act")), approve the annual limits of the Council for Scientific and Industrial Research (CSIR) to issue performance bonds, local and foreign advance payment guarantees and carnets. The schedule of total annual limits is-

CSIR ANNUAL LIMITS

<i>Financial Year Ended</i>	<i>Carnets</i>	<i>Bid Bonds</i>	<i>Performance Bonds</i>	<i>Payment Guarantee</i>	<i>Advance Payment Guarantee</i>	<i>Total Annual Limits</i>
Amounts in R'000						
31 March 2010	1,500	4,000	15,000	20,000	40,000	80,500

31 March 2011	2,000	4,500	15,000	25,000	45,000	91,500
31 March 2012	2,000	5,000	17,000	30,000	53,000	107,000

(Signed)

MINISTER OF FINANCE

Date: 23-11-2009

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 345 of 7 May 2010: Borrowing powers of state owned entities listed under Schedule 3 Part B of the Act (Government Gazette No. 33151)

GN 345 of 7 May 2010: Borrowing powers of state owned entities listed under Schedule 3 Part B of the Act (Government Gazette No. 33151)

NATIONAL TREASURY

I, PRAVIN J GORDHAN, MINISTER OF FINANCE, acting in terms of [Section 66 \(3\) \(c\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#) (the "Act")), hereby authorize the accounting authority of Autopax Passenger Services (Pty) Ltd the subsidiary of Passenger Rail Agency of South Africa (PRASA) to borrow money up to the limit as stipulated and subject to the conditions set out below:

AUTOPAX PASSENGER SERVICES (PTY) LTD (SUBSIDIARY OF PRASA)	
Years	Amount
6 years	R1.4 billion

The approval of Autopax borrowing is made subject to:

- . The limit reducing by the quantum of capital injections, provided by the Government as the sole shareholder of PRASA.

(Signed)

MINISTER OF FINANCE

Date: 16-4-2010

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 365 of 7 May 2010: Rate of interest on Government loans (Government Gazette No. 33151)

GN 365 of 7 May 2010: Rate of interest on Government loans (Government Gazette No. 33151)

NATIONAL TREASURY

15 JUNE 2010

It is hereby notified that the Minister of Finance has, in terms of [Section 80 \(1\) \(a\)](#) and [\(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), fixed the Standard Interest Rate applicable, from **1 May 2010** and until further notice, to loans granted by the State out of the State Revenue Fund, and/or to all other debts which must be paid into the State Revenue Fund, at nine and a half percent (**9.50%**) per annum.

The above-mentioned Standard Interest Rate is applicable from **1 May 2010** and until further notice, to all drawings of loans from State money, except loans in respect of which other rates of interest are specifically authorized by legislation or the Minister of Finance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 472 of 4 June 2010: Borrowing powers of water boards listed under Schedule 3 Part B of the Act (Government Gazette No. 33241)

GN 472 of 4 June 2010: Borrowing powers of water boards listed under [Schedule 3](#) Part B of the Act (Government Gazette No. 33241)

NATIONAL TREASURY

I, PRAVIN J GORDHAN, MINISTER OF FINANCE, acting in terms of [Section 66 \(3\) \(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#) (the "Act")), hereby authorise the accounting authority of Rand Water to borrow money up to the limits as stipulated and subject to the conditions set out below:

RAND WATER	
FINANCIAL YEAR	AMOUNT
2010/11	R1 078.0 million
2011/12	R2 199.3 million
2012/13	R3 973.7 million

(Signed)
MINISTER OF FINANCE
Date: 18-5-2010

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 473 of 4 June 2010: Borrowing powers of water boards listed under Schedule 3 Part B of the Act (Government Gazette No. 33241)

GN 473 of 4 June 2010: Borrowing powers of water boards listed under [Schedule 3](#) Part B of the Act (Government Gazette No. 33241)

NATIONAL TREASURY

I, PRAVIN J GORDHAN, MINISTER OF FINANCE, acting in terms of [Section 66 \(3\) \(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#) (the "Act")), hereby authorise the accounting authority of Mhlathuze Water to borrow money up to the limits as stipulated and subject to the conditions set out below:

MHLATHUZE WATER	
FINANCIAL YEAR	AMOUNT
2009/10	R333.0 million
2010/11	R329.7 million
2011/12	R335.4 million

(Signed)
MINISTER OF FINANCE
Date: 18-5-2010

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 1202 of 17 December 2010: Exemptions (Government Gazette No. 33859)

GN 1202 of 17 December 2010: Exemptions (Government Gazette No. 33859)

NATIONAL TREASURY

I, PRAVIN GORDHAN acting in terms of [Section 92](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#) (the "Act")), exempt the institution specified in the first column of the schedule below from the provisions of the Act as specified in the second column of the schedule for the duration specified in the third column of the schedule.

(Signed)
MINISTER OF FINANCE
DATE: 17-11-2010

SCHEDULE

INSTITUTIONS EXEMPTED	PROVISIONS OF THE ACT	DURATION OF EXEMPTION
TELKOM SA LIMITED and its subsidiaries and any entity under its ownership control	Sections 6 (2) (e), 6 (2) (f), 7 (2), 7 (4), 49, 50 (1) (c), 50 (1) (d), 51 (1) (b) (ii), 51 (1) (f), 51 (1) (g), 52, 54 (1), 54 (2), 54 (4), 55, 56, 58, 59, 60, 61, 62, 66 (1), 66 (3), 66 (6), 66 (7), 68, 76 (4), 83, 86 of the PFMA and all provisions of the Treasury Regulations issued in terms of the Act on 15 March 2005 (regulation <i>Gazette</i> 27388) to which such institutions are subject.	For a three-year period commencing on 26 October 2010 and expiring on 26 October 2013.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 3 of 7 January 2011: Rate of interest on Government loans (Government Gazette No. 33915)

GN 3 of 7 January 2011: Rate of interest on Government loans (Government Gazette No. 33915)

NATIONAL TREASURY

21 DECEMBER 2010

It is hereby notified that the Minister of Finance has, in terms of [Section 80 \(1\) \(a\)](#) and [\(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), fixed the Standard Interest Rate applicable, from **1 January 2011** and until further notice, to loans granted by the State out of the State Revenue Fund, and/or to all other debts which must be paid into the State Revenue Fund, at eight and a half percent (**8.50%**) per annum.

The above-mentioned Standard Interest Rate is applicable from **1 January 2011** and until further notice, to all drawings of loans from State money, except loans in respect of which other rates of interest are specifically authorized by legislation or the Minister of Finance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 80 of 2 February 2011: Prescribing standards of Generally Recognised Accounting Practice (GRAP) in terms of section 91 (Government Gazette No. 33991)

GN 80 of 2 February 2011: Prescribing standards of Generally Recognised Accounting Practice (GRAP) in terms of [section 91](#) (Government Gazette No. 33991)

DEPARTMENT OF NATIONAL TREASURY

The Minister of Finance has, in terms of [Section 91](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), prescribed the following Standards as set by the Accounting Standards Board in terms of [Section 89](#):

<i>Reference</i>	<i>Topic</i>
GRAP 21	Impairment of Non-Cash-Generating Assets
GRAP 23	Revenue from Non-Exchange Transactions
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 26	Impairment of Cash-Generating Assets
GRAP 103	Heritage Assets

All Constitutional Institutions, Public Entities listed in schedule 3a and 3c of the PFMA, Municipalities and Municipal Entities (unless determined otherwise) shall apply these standards for financial statements covering periods beginning on or after 1 April 2012. Earlier application is encouraged.

For entities not applying the accrual basis of accounting, namely National and Provincial Departments as well as the RDP Fund and the National/Provincial Revenue Funds, the implementation of these Standards will be phased in through the annual financial reporting requirements issued by the Office of the Accountant-General (National

Treasury).

The implementation of these Standards for Parliament and the Provincial Legislatures is subject to the provisions in their own financial management legislation.

The application of this *Gazette* may be regulated through other information supporting this *Gazette*.

The above mentioned accounting standards can be found on the website of the ASB (www.asb.co.za) and the OAG (oag.treasury.gov.za).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 81 of 2 February 2011: Prescribing standards of Generally Recognised Accounting Practice (GRAP) in terms of section 91 (Government Gazette No. 33991)

GN 81 of 2 February 2011: Prescribing standards of Generally Recognised Accounting Practice (GRAP) in terms of [section 91](#) (Government Gazette No. 33991)

DEPARTMENT OF NATIONAL TREASURY

The Minister of Finance has, in terms of [Section 91](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), prescribed the following Standards as set by the Accounting Standards Board in terms of [Section 89](#) for Parliament and the Provincial Legislatures subject to the provisions in their own financial management legislation:

<i>Reference</i>	<i>Topic</i>
GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 6	Consolidated & Separate Financial Statements
GRAP 7	Investments in Associates
GRAP 8	Interests in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economies
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after the Reporting Date
GRAP 16	Investment Properties
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets

The application of this *Gazette* may be regulated through other information supporting this *Gazette*.

The above mentioned accounting standards can be found on the website of the ASB (www.asb.co.za) and the OAG (oag.treasury.gov.za).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 114 of 18 February 2011: Borrowing powers of Water Boards listed under Schedule 3 Part B of the Act (Government Gazette No. 34019)

GN 114 of 18 February 2011: Borrowing powers of Water Boards listed under Schedule 3 Part B of the Act (Government Gazette No. 34019)

NATIONAL TREASURY

I, PRAVIN J GORDHAN, MINISTER OF FINANCE, acting in terms of [Section 66 \(3\) \(b\)](#) of the Public Finance Management Act, 1999 ([Act No. 1 of 1999](#) (the "Act")), hereby authorise the Accounting Authority of Bloem Water to borrow

money up to the limits as stipulated out below-

BLOEMWATER	
FINANCIAL YEAR	AMOUNT
2010/11	R321.2 million
2011/12	R383.5 million
2012/13	R426.9 million
2013/14	R390.0 million
2014/15	R418.0 million

(Signed)

MINISTER OF FINANCE

Date: 23-11-2010

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 218 of 11 March 2011: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) (Government Gazette No. 34112)

GN 218 of 11 March 2011: Prescribing Standards of Generally Recognised Accounting Practice (GRAP) (Government Gazette No. 34112)

NATIONAL TREASURY

The Minister of Finance has, in terms of [Section 91](#) of the Public Finance Management Act, 1999 ([Act No. 1 of 1999](#)), prescribed the following Standards as set by the Accounting Standards Board in terms of [Section 89](#) for Parliament and the Provincial Legislatures subject to the provisions in their own financial management legislation:

<i>Reference</i>	<i>Topic</i>
GRAP 5	Borrowing Costs
GRAP 100	Non-current Assets held for Sale and Discontinued Operations
GRAP 101	Agriculture
GRAP 102	Intangible Assets

The application of this *gazette* may be regulated through other information supporting this *Gazette*.

The above mentioned accounting standards can be found on the website of the ASB (www.asb.co.za) and the OAG (oag.treasury.gov.za).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 601 of 22 July 2011: Borrowing powers of water boards listed under Schedule 3 Part B of the Act (Government Gazette No. 34462)

GN 601 of 22 July 2011: Borrowing powers of water boards listed under Schedule 3 Part B of the Act (Government Gazette No. 34462)

NATIONAL TREASURY

I, PRAVIN J GORDHAN, MINISTER OF FINANCE, acting in terms of Section 66 (3) (b) of the Public Finance Management Act, 1999 ([Act No. 1 of 1999](#)), hereby authorise the accounting authority of Umgeni Water to borrow money up to the limits as stipulated below:

UMGENI WATER	
<i>Financial year</i>	<i>Amount</i>
2011/12	R1 950 million
2012/13	R1 800 million
2013/14	R1 750 million

(Signed)

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 615 of 29 July 2011: State Security Agency: Notice in terms of section 92 (Government Gazette No. 34478)

GN 615 of 29 July 2011: State Security Agency: Notice in terms of section 92 (Government Gazette No. 34478)

NATIONAL TREASURY

I, Pravin J Gordhan, Minister of Finance, acting in terms of [Section 92](#) of the Public Finance Management Act, 1999 ([Act No. 1 of 1999](#)), hereby-

1. Approve that the State Security Agency produce only one set of annual financial statements and annual report for the 2010/11 financial year pending the promulgation of the State Security Agency Bill and transformation of the government components into programmes or divisions of the Agency.

(Signed)

Pravin J Gordhan
MINISTER OF FINANCE

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 719 of 14 October 2011: Prescribing standards of Generally Recognised Accounting Practice (GRAP) in terms of section 91 (Government Gazette No. 34670)

GN 719 of 14 October 2011: Prescribing standards of Generally Recognised Accounting Practice (GRAP) in terms of [section 91](#) (Government Gazette No. 34670)

NATIONAL TREASURY

The Minister of Finance has, in terms of [Section 91](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), prescribed the following Standards as set by die Accounting Standards Board in terms of [Section 89](#):

Reference	Topic
GRAP 104	Financial Instruments

(Editorial Note: Wording as per original *Government Gazette*. It is suggested that the phrase "as set by die" is intended to be "as set by the".)

All Constitutional Institutions, Public Entities listed in schedule 3a and 3c of the PFMA, Municipalities and Municipal Entities (unless determined otherwise) shall apply these standards for financial statements covering periods beginning on or after 1 April 2012. Earlier application is encouraged.

For entities not applying the accrual basis of accounting, namely National and Provincial Departments as well as the RDP Fund and the National/Provincial Revenue Funds, the implementation of these Standards will be phased in through the annual financial reporting requirements issued by the Office of the Accountant-General (National Treasury).

The implementation of the Standard for Parliament and the Provincial Legislatures is subject to the provisions in their own financial management legislation.

The application of this *gazette* may be regulated through other information supporting this *Gazette*.

The above mentioned accounting standards can be found on the website of the ASB (www.asb.co.za) and the OAG (oag.treasury.gov.za).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 115 of 17 February 2012: Exemptions (Government Gazette No. 35031)

**GN 115 of 17 February 2012: Exemptions
(Government Gazette No. 35031)**

NATIONAL TREASURY

I, PRAVIN J GORDHAN, MINISTER OF FINANCE, acting in terms of [Section 92](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), hereby exempt the institutions specified in the first column below from the provisions of that Act specified in the second column to the extent and duration specified in the third and fourth columns of [the Schedule](#).

(Signed)

MINISTER OF FINANCE

Date:

SCHEDULE

INSTITUTION EXEMPTED	SECTION OF ACT	EXTENT OF EXEMPTION	DURATION OF EXEMPTION
Operating subsidiary of the IDC: Foskor Limited.	Whole Act		Until 31 October 2014
Debt Restructuring subsidiaries of the IDC: African Chrome (Pty) Ltd, Prilla 2000 (Pty) Ltd, South African Fibre Yarn Rugs Ltd, Herdmans SA (Pty) Ltd, Sustainable Fibre Solutions (Pty) Ltd, WM Eachus (Pty) Ltd, EC Biomass Fuel Pelletes (Pty) Ltd, Crossley Holdings (Pty) Ltd, Lodox (Pty) Ltd	Whole Act	The exemption lapses when the IDC gains control over the entity to the extent that it requires consolidation on IDC's balance sheet. A list of Debt Restructuring subsidiaries must be submitted to National Treasury annually.	Until 31 October 2014

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 300 of 13 April 2012: Notice in terms of section 92 of the Act (Government Gazette No. 35246)

**GN 300 of 13 April 2012: Notice in terms of [section 92](#) of the Act
(Government Gazette No. 35246)**

NATIONAL TREASURY

I, Pravin J Gordhan, Minister of Finance, acting in terms of [Section 92](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), hereby-

1. Approve that the State Security Agency produce only one set of annual financial statements and annual report for the 2011/12 financial year pending the promulgation of the State Security Agency Bill and transformation of the government components into programmes or divisions of the Agency.

(Signed)

Pravin J Gordhan

MINISTER OF FINANCE

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 314 of 20 April 2012: Prescribing standards of Generally Recognised Accounting Practice (GRAP) in terms of section 91 (Government Gazette No. 35258)

GN 314 of 20 April 2012: Prescribing standards of Generally Recognised Accounting Practice (GRAP) in terms

**of [section 91](#)
(Government Gazette No. 35258)**

NATIONAL TREASURY

The Minister of Finance has, in terms of [Section 91](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), prescribed the following Standard as set by the Accounting Standards Board in terms of [Section 89](#):

<i>Reference</i>	<i>Topic</i>
GRAP 25	Employee Benefits

All Constitutional Institutions, Public Entities listed in schedule 3a and 3c of the PFMA, Municipalities and Municipal Entities (unless determined otherwise) shall apply these standards for financial statements covering periods beginning on or after 1 April 2013. Earlier application is encouraged.

For entities not applying the accrual basis of accounting, namely National and Provincial Departments as well as the RDP Fund and the National/Provincial Revenue Funds, the implementation of these Standards will be phased in through the annual financial reporting requirements issued by the Office of the Accountant-General (National Treasury).

The implementation date for Parliament and the Provincial Legislatures is the later of the provisions in their own applicable legislation or 1 April 2013.

The application of this *Gazette* may be regulated through other information supporting this *Gazette*.

The above mentioned accounting standards can be found on the website of the ASB (www.asb.co.za) and the OAG (oag.treasury.gov.za).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 408 of 25 May 2012: Limits on the issuance of guarantees, indemnities and securities (Government Gazette No. 35368)

**GN 408 of 25 May 2012: Limits on the issuance of guarantees, indemnities and securities
(Government Gazette No. 35368)**

NATIONAL TREASURY

I, PRAVIN JAMNADAS GORDHAN, MINISTER OF FINANCE, acting in terms of [Section 66 \(3\) \(b\)](#) of the Public Finance Management Act, 1999 ([Act No. 1 of 1999](#), the "Act"), approve the annual limits for the Council for Scientific and Industrial Research (CSIR) to issue performance bonds, local and foreign advance payment guarantees and carnets. The schedule of total annual limits is:

CSIR ANNUAL LIMITS

<i>Financial Year Ended</i>	<i>Carnets</i>	<i>Bid Bonds</i>	<i>Performance Bonds</i>	<i>Payment Guarantees</i>	<i>Advance Payment Guarantees</i>	<i>Total Annual Limits</i>
Amounts in R'000						
31 March 2013	2 000	3 000	10 000	10 000	50 000	75 000
31 March 2014	2 500	3 000	12 000	10 000	55 000	82 500
31 March 2015	3 000	3 000	15 000	10 000	60 000	91 000

(Signed)

MINISTER OF FINANCE

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 563 of 23 July 2012: National Treasury: Exemption in terms of section 92 - Special Defence account (Government Gazette No. 35533)

**GN 563 of 23 July 2012: National Treasury: Exemption in terms of [section 92](#) - Special Defence account
(Government Gazette No. 35533)**

NATIONAL TREASURY

In terms of [section 92](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), read with [section 2 \(1\) \(a\)](#) of the Defence Special Account Act, 1974 (Act [No. 6 of 1974](#)), I, Pravin J Gordhan, Minister of Finance, hereby exempt the Special Defence Account, established by [section 1](#) of the Defence Special Account Act, from the provisions of the Public Finance Management Act, and regulations made in terms thereof, specified in the first column to the extent and for the period specified in the second and third column respectively.

<i>Specific provision of Public Finance Management Act and regulations in terms thereof</i>	<i>Extent of exemption</i>	<i>Period of exemption</i>
Section 55 (1) (b) , read with Government Notice 516 of 9 May 2008, made in terms of section 91 of the Public Finance Management Act	Application of GRAP 6 (Consolidated and Separate Financial Statements)	Financial years 2010/11, 2011/12 and 2012/13

(Signed)

Pravin J Gordhan
MINISTER OF FINANCE

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GNR.668 of 23 August 2012: Authorisation for Rand Water to issue a guarantee to Eskom and to enter into finance lease transaction with Eskom (Government Gazette No. 35602)

**GNR.668 of 23 August 2012: Authorisation for Rand Water to issue a guarantee to Eskom and to enter into finance lease transaction with Eskom
(Government Gazette No. 35602)**

NATIONAL TREASURY

1. I, Pravin J Gordhan, Minister of Finance, hereby, in terms of-

- (a) [section 66 \(3\) \(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), as amended, authorise the accounting authority of Rand Water to issue a bank guarantee in the amount of R26 million to Eskom Holdings SOC Limited (herein referred to as "Eskom"); and
- (b) [regulation 32.2.5 \(c\)](#) of the Treasury Regulations, published under [Government Notice R.225 of 15 March 2005](#), as amended, authorise the accounting authority of Rand Water to enter into a finance lease transaction with Eskom for purposes of a power supply upgrade project.

2. The authorisation in-

- (a) paragraph 1 (a) is granted on condition that Rand Water in writing informs the Minister of Finance before any change in the financial structure or nature of the guarantee is made; and
- (b) paragraph 1 (b) is granted on condition that-
 - (i) Rand Water in writing informs the Minister of Finance before any change in the financial structure or nature of the finance lease transaction is made;
 - (ii) the finance lease transaction is subject to the conditions in the technical accounting report for Eskom's premium supply assets; and
 - (iii) the financial lease transaction conforms to IFRIC interpretation 4 (Determining whether an Arrangement contains a Lease) of the International Financial Reporting Standard (IFRS) Interpretations Committee, approved by the International Accounting Standards Board.

(Signed)

MINISTER OF FINANCE

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 256 of 5 April 2013: Borrowing powers of water boards listed under

**GN 256 of 5 April 2013: Borrowing powers of water boards listed under Schedule 3, Part B of the Act:
Mhlathuze Water
(Government Gazette No. 36307)**

NATIONAL TREASURY

I, PRAVIN J GORDHAN, MINISTER OF FINANCE, acting in terms of [section 66 \(3\) \(b\)](#) of the Public Finance Management Act, 1999 ([Act No. 1 of 1999](#) (the "Act")), hereby authorise the accounting authority of Mhlathuze Water to borrow money up to the limits as stipulated and subject to the conditions set out below:

MHLATHUZE WATER	
FINANCIAL YEAR	AMOUNT
2012/13	R232.8 million
2012/14	R208.5 million
2012/15	R239.1 million

(Signed)
MINISTER OF FINANCE
Date:

**National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/
Rules and Regulations/ Notices/ GN 362 of 24 May 2013: Approval that one set of annual financial
statements and annual report for 2012/13 was produced (Government Gazette No. 36472)**

**GN 362 of 24 May 2013: Approval that one set of annual financial statements and annual report for 2012/13
was produced
(Government Gazette No. 36472)**

NATIONAL TREASURY

I, Pravin J Gordhan, Minister of Finance, acting in terms of [section 92](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), hereby-

1. Approve that the State Security Agency produce only one set of annual financial statements and annual report for the 2012/13 financial year pending the promulgation of the State Security Agency Bill and transformation of the government components into programmes or divisions of the Agency.

(Signed)
Pravin J Gordhan
MINISTER OF FINANCE

**National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/
Rules and Regulations/ Notices/ GN 450 of 28 June 2013: Exemption: Industrial Development Corporation
of South Africa Limited (Government Gazette No. 36592)**

**GN 450 of 28 June 2013: Exemption: Industrial Development Corporation of South Africa Limited
(Government Gazette No. 36592)**

NATIONAL TREASURY

I, PRAVIN J GORDHAN, MINISTER OF FINANCE, acting in terms of [section 92](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#) (the "Act")), exempt the institution specified in the first column of the schedule below from the provisions of the Act as specified in the second column of the schedule for the duration specified in the third column of the schedule.

(Signed)
MINISTER OF FINANCE
Date:

SCHEDULE

<i>INSTITUTIONS EXEMPTED</i>	<i>PROVISIONS OF ACT</i>	<i>DURATION OF EXEMPTION</i>
Industrial Development Corporation of South Africa Limited (IDC)	Section 51 (1) (g) and section 54 (2) of the Public Finance Management Act i.e. any domestic transaction below a rand value of R250 million	For a three-year period commencing from the date on which exemption is approved

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 911 of 29 November 2013: Exemption in terms of section 92: Special Defence Account (Government Gazette No. 37062)

GN 911 of 29 November 2013: Exemption in terms of [section 92](#): Special Defence Account (Government Gazette No. 37062)

NATIONAL TREASURY

In terms of [section 92](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), read with [section 2 \(1\) \(a\)](#) of the Defence Special Account Act, 1974 (Act [No. 6 of 1974](#)), I, Pravin J Gordhan, Minister of Finance, hereby exempt the Special Defence Account, established by [section 1](#) of the Defence Special Account Act, from the provisions of the Public Finance Management Act, and regulations made in terms thereof, specified in the first column to the extent and for the period specified in the second and third column respectively.

Specific provision of Public Finance Management Act and regulations in terms thereof	Extent of exemption	Period of exemption
Section 55 (1) (b) , read with Government Notice 516 of 9 May 2008, made in terms of section 91 of the Public Finance Management Act	Application of GRAP 6 (Consolidated and Separate Financial Statements)	Financial years 2013/2014, 2014/2015 and 2015/2016

(Signed)
Pravin J Gordhan
MINISTER OF FINANCE

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 756 of 11 October 2013: Borrowing powers of water boards listed under Schedule 3, Part B of the Act: Sedibeng Water (Government Gazette No. 36904)

GN 756 of 11 October 2013: Borrowing powers of water boards listed under Schedule 3, Part B of the Act: Sedibeng Water (Government Gazette No. 36904)

NATIONAL TREASURY

I, PRAVIN J GORDHAN, MINISTER OF FINANCE, acting in terms of [section 66 \(3\) \(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#) (the "Act")), hereby authorise the accounting authority of Sedibeng Water to borrow money to the limits as stipulated below:

SEDIBENG WATER

FINANCIAL YEAR	AMOUNT
2013/14	R90.0 million
2014/15	R88.3 million
2015/16	R74.1 million
2016/17	R66.3 million

The approval of Sedibeng Water medium term borrowing limits is made subject to:

Sedibeng Water submitting quarterly reports to the Asset and Liability Management Division on the utilisation of the borrowing limit.

(Signed)

PRAVIN J GORDHAN
MINISTER OF FINANCE

Date:

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 757 of 11 October 2013: Borrowing powers of water boards listed under Schedule 3, Part B of the Act: Pelladrift Water (Government Gazette No. 36904)

GN 757 of 11 October 2013: Borrowing powers of water boards listed under Schedule 3, Part B of the Act: Pelladrift Water (Government Gazette No. 36904)

NATIONAL TREASURY

I, PRAVIN J GORDHAN, MINISTER OF FINANCE, acting in terms of [section 66 \(3\) \(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#) (the "Act")), hereby authorise the accounting authority of Pelladrift Water to borrow money to the limits as stipulated below:

PELLADRIFT WATER	
FINANCIAL YEAR	AMOUNT
2013/14	R10.1 million to June 2014
2014/15	R8.5 million to June 2015
2015/16	R6.5 million to June 2016
2016/17	R4.2 million to June 2017
2017/18	R1.8 million to June 2017

The approval of Pelladrift Water medium term borrowing limits is made subject to:

The BMM loan be paid in full at the end of the review period and the Pelladrift Water Board submits quarterly reports to the Asset and Liability Management Division on the utilisation of the borrowing limit.

(Signed)

Pravin J Gordhan
MINISTER OF FINANCE

Date: 9-9-2013

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 802 of 18 October 2013: Exemption in terms of Section 92 - Consolidated Financial Statements (Government Gazette No. 36956)

GN 802 of 18 October 2013: Exemption in terms of [Section 92](#) - Consolidated Financial Statements (Government Gazette No. 36956)

NATIONAL TREASURY

In terms of [section 92](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), I, Pravin J Gordhan, Minister of Finance, hereby, for the 2012/13, 2013/14, 2014/15, 2015/16 and 2016/17 financial years, exempt-

- (a) the National Treasury from the provisions of [section 8 \(1\)](#) of the Public Finance Management Act, to the extent that it requires consolidated financial statements in respect of the institutions mentioned in that section; and
- (b) a provincial treasury from the provisions of [section 19 \(1\)](#) of the Public Finance Management Act, 1999, to the extent that it requires consolidated financial statements in respect of the institutions mentioned in that section.

(Signed)
Pravin J Gordhan
MINISTER OF FINANCE

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 502 of 19 July 2013: Borrowing powers of Water Boards listed under Schedule 3, Part B of the Act (Government Gazette No. 36666)

GN 502 of 19 July 2013: Borrowing powers of Water Boards listed under Schedule 3, Part B of the Act (Government Gazette No. 36666)

NATIONAL TREASURY

I, PRAVIN J GORDHAN, MINISTER OF FINANCE, acting in terms of [section 66 \(3\) \(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#) (the "Act")), hereby authorise the accounting authority of Rand Water to borrow money to the limits as stipulated and subject to the conditions set out below:

RAND WATER	
FINANCIAL YEAR	AMOUNT
2013/14	R2 498 million
2014/15	R2 523 million
2015/16	R1 778 million
2016/17	R1 156 million
2017/18	R338 million

The approval of Rand Water medium term borrowing limits is made subject to:

Rand Water may utilise up to an amount of R1 629 million in the financial year 2013/14, R1 555 million in the financial year 2014/15, R1 373 million in the financial year 2015/16, R1 025 million for the financial year 2016/17, and R245 million in the financial year 2017/18. However, with regard to the remaining R876 million, R968 million, R405 million, R131 million, and R93 million for the respective financial years, approvals have to be obtained from the National Treasury, subject to full motivation and provision of enforceable off take agreements.

(Signed)
MINISTER OF FINANCE
Date:

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 985 of 13 December 2013: Exemption of Telkom SA SOC Limited from provisions of the Act (Government Gazette No. 37123)

GN 985 of 13 December 2013: Exemption of Telkom SA SOC Limited from provisions of the Act (Government Gazette No. 37123)

NATIONAL TREASURY

I, PRAVIN J GORDHAN, MINISTER OF FINANCE, acting in terms of [section 92](#) of the Public Finance Management Act, 1999 ([Act No. 1 of 1999](#) (the Act)), exempt the institution specified in the first column of the schedule below from the provisions of the Act as specified in the second column of the Schedule for the duration specified in the third column of the Schedule.

(Signed)
MINISTER OF FINANCE
DATE:

SCHEDULE

INSTITUTIONS EXEMPTED	PROVISIONS OF ACT	DURATION OF EXEMPTION
	Sections 6 (2) (e), 6 (2) (f),	

TELKOM SA SOC LIMITED and its subsidiaries and any entities under its ownership control.	7 (2), 7 (4), 49, 50 (1) (c), 50 (1) (d), 51 (1) (a) (ii), 51 (1) (b) (i), 51 (1) (b) (ii), 51 (1) (f), 51 (1) (g), 52, 54 (1), 54 (2), 55, 56, 66 (1), 66 (3), 66 (6), 66 (7), 68, 76 (4), 83, 86 and all provisions of the Treasury Regulations issued in terms of the Act on 15 March 2005 (regulation <i>Gazette</i> 27388) to which such institutions are subject.	For a period commencing 27 October 2013 until the Government becomes entitled to exercise, or control the exercise of, the majority of the general voting rights associated with the issued securities in Telkom SA SOC Limited or the date that Telkom SA SOC Limited is delisted from the Johannesburg Securities Exchange.
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National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 150 of 7 March 2014: Rate of interest on government loans (Government Gazette No. 37392)

GN 150 of 7 March 2014: Rate of interest on government loans (Government Gazette No. 37392)

NATIONAL TREASURY

14 FEBRUARY 2014

It is hereby notified that the Minister of Finance has, in terms of [section 80 \(1\) \(a\)](#) and [\(b\)](#) of the Public Finance Management Act, 1999 ([Act No. 1 of 1999](#)), fixed the Standard Interest Rate applicable, from **1 March 2014** and until further notice, to loans granted by the State out of the State Revenue Fund, and/or to all other debts which must be paid into the State Revenue Fund, at Nine percent (**9.00%**) per annum.

The above-mentioned Standard Interest Rate is applicable from **1 March 2014** and until further notice, to all drawings of loans from State money, except loans in respect of which other rates of interest are specifically authorized by legislation or the Minister of Finance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 304 of 17 April 2014: Authority in terms of section 66 (3) (b) in respect of PRASA's Rolling Stock Fleet Renewal Programme (Government Gazette No. 37575)

GN 304 of 17 April 2014: Authority in terms of [section 66 \(3\) \(b\)](#) in respect of PRASA's Rolling Stock Fleet Renewal Programme (Government Gazette No. 37575)

NATIONAL TREASURY

I, PRAVIN JAMNADAS GORDHAN, MINISTER OF FINANCE, acting in terms of [section 66 \(3\) \(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#) - "the Act"), and having considered the contents of the Manufacture and Supply Agreement and the Technical Support and Spares Supply Agreement ("the Project Agreements") to be entered into between the Passenger Rail Agency of South Africa ("PRASA") and a private party, hereby authorise the accounting authority of PRASA to issue indemnities and enter into other transactions that bind or may bind PRASA to future financial commitments as contemplated in the Project Agreements, subject to the following conditions-

1. The financial commitment of PRASA shall not exceed R53 billion in 2014 prices for the duration of the Manufacture and Supply Agreement, subject to price adjustments due to CPI and forex exchange escalations as contemplated in the Manufacture and Supply Agreement; and
2. The Technical Support and Spares Supply Agreement will be funded through PRASA's baseline budget.

(Signed)

PRAVIN J GORDHAN
MINISTER OF FINANCE

DATE: 17-4-2014

GN 424 of 30 May 2014: Borrowing powers of Water Boards listed under Schedule 3, Part B of the Act (Government Gazette No. 37682)

NATIONAL TREASURY

I, PRAVIN J GORDHAN, MINISTER OF FINANCE, acting in terms of [section 66 \(3\) \(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), hereby authorise the accounting authority of Umgeni Water to borrow money up to the limits as stipulated below:

UMGENI WATER	
FINANCIAL YEAR	AMOUNT
2014/15	R2 500 million
2015/16	R2 400 million
2016/17	R2 350 million
2017/18	R2 250 million
2018/19	R2 200 million

The approvals of Umgeni Water's borrowing limits are made subject to-

- Umgeni Water may utilise up to R2 200 million (2014/15); R2 100 million (2015/16); R2 050 million (2016/17); R1 950 million (2017/18) and R1 900 million (2018/19); and
- National Treasury's approval be obtained for the utilisation of the remaining R300 million over the five year period.

(Signed)

MINISTER OF FINANCE

Date: 30-04-2014

GN 636 of 22 August 2014: Exemption: Zastrovect Investment Proprietary Limited (Government Gazette No. 37915)

NATIONAL TREASURY

I, NHLANHLA NENE, MINISTER OF FINANCE, acting in terms of [section 92](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#) (the "Act")), exempt the institution specified in the first column of the schedule below from the provisions of the Act as specified in the second column of the schedule for the duration specified in the third column of the schedule.

(Signed)

MINISTER OF FINANCE

Date: 30/7/14

SCHEDULE

INSTITUTIONS EXEMPTED	PROVISIONS OF ACT	DURATION OF EXEMPTION
Zastrovect Investment Proprietary Limited	All Sections of the PFMA.	For a three-year period commencing from the date on which exemption is published in the <i>Government Gazette</i> .

GN 707 of 12 September 2014: Exemption in terms of [section 92](#): Centre for Public Service Innovation (Government Gazette No. 37979)

NATIONAL TREASURY

I, Nhlanhla Nene, Minister of Finance, in terms of [section 92](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), hereby

1. Exempt the Centre for Public Service Innovation, listed under Schedule 3 of the Public Service Act, from the provisions of the Public Finance Management Act, and regulations made in terms thereof, specified in the first column to the extent and for the period specified in the second and third column respectively.

<i>Specific provision of Public Finance Management Act and regulations in terms thereof</i>	<i>Extent of exemption</i>	<i>Period of exemption</i>
Section 40 (1) , read with Government Notice 516 of 9 May 2008, made in terms of section 91 of the Public Finance Management Act	Section 40 (1)	Financial years 2008/09-2014/15

(Signed)
Nhlanhla Nene
MINISTER OF FINANCE

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 708 of 12 September 2014: Exemption in terms of section 92: Municipal Infrastructure Support Agency (Government Gazette No. 37979)

GN 708 of 12 September 2014: Exemption in terms of [section 92](#): Municipal Infrastructure Support Agency (Government Gazette No. 37979)

NATIONAL TREASURY

I, Nhlanhla Nene, Minister of Finance, in terms of [section 92](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), hereby

1. Exempt the Municipal Infrastructure Support Agency, listed under Schedule 3 of the Public Service Act, from the provisions of the Public Finance Management Act, and regulations made in terms thereof, specified in the first column to the extent and for the period specified in the second and third column respectively.

<i>Specific provision of Public Finance Management Act and regulations in terms thereof</i>	<i>Extent of exemption</i>	<i>Period of exemption</i>
Section 40 (1) , read with Government Notice 516 of 9 May 2008, made in terms of section 91 of the Public Finance Management Act	Section 40 (1)	Financial years 2012/13

(Signed)
Nhlanhla Nene
MINISTER OF FINANCE

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 805 of 19 September 2014: Rate of interest on government loans (Government Gazette No. 37999)

GN 805 of 19 September 2014: Rate of interest on government loans (Government Gazette No. 37999)

NATIONAL TREASURY

It is hereby notified that the Minister of Finance has, in terms of [section 80 \(1\) \(a\)](#) and [\(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), fixed the Standard Interest Rate applicable, from **1 September 2014** and until further notice, to loans granted by the State out of a Revenue Fund, and/or to all other debts which must be paid into a Revenue Fund, at Nine, two five percent (**9.25%**) per annum.

The above-mentioned Standard Interest Rate is applicable from **1 September 2014** and until further notice, to all drawings of loans from State money, except loans in respect of which other rates of interest are specifically authorized by legislation or the Minister of Finance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 91 of 13 February 2015: Authority in terms of section 66 (3) (d) for Ithala Development Finance Corporation to borrow money (Government Gazette No. 38458)

GN 91 of 13 February 2015: Authority in terms of [section 66 \(3\) \(d\)](#) for Ithala Development Finance Corporation to borrow money (Government Gazette No. 38458)

NATIONAL TREASURY

I, Nhlanhla M Nene, Minister of Finance, acting in terms of [section 66 \(3\) \(d\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), hereby authorise Ithala Development Finance Corporation through the Member of the Executive Council for finance in KwaZulu-Natal to borrow an amount not exceeding R50 million to be repaid over a 10-year period.

(Signed)

**NHLANHLA M NENE, MP
MINISTER OF FINANCE**

DATE: 28/1/15

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 92 of 13 February 2015: Authority in terms of section 66 (3) (d) for Ithala Development Finance Corporation to issue guarantee (Government Gazette No. 38458)

GN 92 of 13 February 2015: Authority in terms of [section 66 \(3\) \(d\)](#) for Ithala Development Finance Corporation to issue guarantee (Government Gazette No. 38458)

NATIONAL TREASURY

I, Nhlanhla M Nene, Minister of Finance, acting in terms of [section 66 \(3\) \(d\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), hereby authorise Ithala Development Finance Corporation through the Member of the Executive Council for finance in KwaZulu-Natal to issue an irrecoverable guarantee against a development loan for the KwaZulu-Natal Trade Centre.

(Signed)

**NHLANHLA M NENE, MP
MINISTER OF FINANCE**

DATE: 28/1/15

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 484 of 12 June 2015: Guarantee powers of public entities listed under Schedule 3, Part B of the Act (Government Gazette No. 38863)

GN 484 of 12 June 2015: Guarantee powers of public entities listed under Schedule 3, Part B of the Act (Government Gazette No. 38863)

NATIONAL TREASURY

I, NHLANHLA NENE, MINISTER OF FINANCE, acting in terms of [section 66 \(3\) \(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), hereby authorise the accounting authority of the Council for Scientific and Industrial Research to guarantee money up to the limits as stipulated below:

COUNCIL FOR SCIENTIFIC AND INDUSTRIAL RESEARCH	
FINANCIAL YEAR	AMOUNT
2015/16	R59 million
2016/17	R66 million
2017/18	R76 million
2018/19	R89 million
2019/20	R100 million

The approvals of the Council for Scientific and Industrial Research's guarantee limits are made subject to:

- The Council for Scientific and Industrial Research utilising the limits stipulated above for each respective financial year; and
- The Council for Scientific and Industrial Research reporting to the National Treasury on the utilisation of the guarantee limits for each financial year and progress reports on the implementation of projects secured through the guarantees.

MINISTER OF FINANCE

Date:

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 906 of 11 September 2015: Rate of interest on government loans (Government Gazette No. 39201)

**GN 906 of 11 September 2015: Rate of interest on government loans
(Government Gazette No. 39201)**

DEPARTMENT OF NATIONAL TREASURY

It is hereby notified that the Minister of Finance has, in terms of [Section 80 \(1\) \(a\)](#) and [\(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), fixed the Standard Interest Rate applicable, from **1 September 2015** and until further notice, to loans granted by the State out of a Revenue Fund, and/or to all other debts which must be paid into a Revenue Fund, at Nine, five percent (**9.50%**) per annum.

The above-mentioned Standard Interest Rate is applicable from **1 September 2015** and until further notice, to all drawings of loans from State money, except loans in respect of which other rates of interest are specifically authorized by legislation or the Minister of Finance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 1014 of 23 October 2015: Exemptions (Government Gazette No. 39324)

**GN 1014 of 23 October 2015: Exemptions
(Government Gazette No. 39324)**

DEPARTMENT OF NATIONAL TREASURY

I, NHLANHLA NENE, MP, MINISTER OF FINANCE, acting in terms of [Section 92](#) of the Public Finance Management Act, 1999 (Act [No 1 of 1999](#)), hereby exempt the institutions specified in the first column below from the provisions of that Act specified in the second column to the extent and duration specified in the third and fourth columns of [the Schedule](#).

(Signed)

MINISTER OF FINANCE

Date:

SCHEDULE

<i>Institution exempted</i>	<i>Section of act</i>	<i>Extent of exemption</i>	<i>Duration of exemption</i>
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IDC	Section 52	Submit a Corporate Plan with consolidated financial projections of the IDC's internal subsidiaries (mini-group) and any subsidiary with total asset above the significance level of R500 million.	5 years
<p>IDC's subsidiaries</p> <p>African Wire Ropes (Pty) Ltd, Afrope Zambia Ltd, Blue Mountain Berries (Pty) Ltd, Arengo 316 (Pty) Ltd, Colibri T o w e l l i n g (P t y) L t d , Consolidated Wire Industries (Pty) Ltd, EC Biomass fuel Pellets (Pty) Ltd, Foskor (Pty) Ltd; Green Valley Nuts (Pty) Ltd, Haggie North America Inc, Haggie Reid (Pty) Ltd, Herdmans SA (Pty) Ltd, Lodox Systems (Pty) Ltd, Omega Refrigeration (Pty) Ltd, Prilla 2000 (Pty) Ltd, Rotondo Walnuts (Pty) Ltd, Scaw Metals (Pty) Ltd, Scaw South Africa (Pty) Ltd; Sheraton Textiles Holdings (Pty) Ltd (WM Eachus), South African Fibre Yarn Rugs (Pty) Ltd, Sunrise Energy (Pty) Ltd, Sustainable Fibre Solutions (Pty) Ltd, Swellensharon Property (Pty) Ltd, Thelo Rolling Stock Leasing (Pty) Ltd; Tinga Private Game Lodge (Pty) Ltd, African Chrome (Pty) Ltd.</p>	Whole Act	<p>Within six (6) months of this exemption, provide to the Department of Economic Development and National Treasury with exit strategies for these subsidiaries.</p> <p>Report quarterly to the Department of Economic Development and National Treasury:</p> <p>(1) On alignment of the m a n d a t e s a n d performance of the IDC's subsidiaries with government development policies such as the National Development Plan (NDP), New Growth Path (NGP), Industrial Policy Action Plan (IPAP); and (2) on the progress made in exiting subsidiaries.</p>	5 years

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 1244 of 31 December 2015: Rate of interest on government loans (Government Gazette No. 39568)

GN 1244 of 31 December 2015: Rate of interest on government loans (Government Gazette No. 39568)

DEPARTMENT OF NATIONAL TREASURY

It is hereby notified that the Minister of Finance has, in terms of [Section 80 \(1\) \(a\)](#) and [\(b\)](#) of the Public Finance Management Act, 1999 ([Act No. 1 of 1999](#)), fixed the Standard Interest Rate applicable, from **1 January 2016** and until further notice, to loans granted by the State out of a Revenue Fund, and/or to all other debts which must be paid into a Revenue Fund, at Nine, five percent (**9.75%**) per annum.

The above-mentioned Standard Interest Rate is applicable from **1 January 2016** and until further notice, to all drawings of loans from State money, except loans in respect of which other rates of interest are specifically authorized by legislation or the Minister of Finance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 97 of 4 March 2016: Exemption in terms of section 92 - Arts and Culture Public Entities (Government Gazette No. 39777)

GN 97 of 4 March 2016: Exemption in terms of section 92 - Arts and Culture Public Entities (Government Gazette No. 39777)

DEPARTMENT OF NATIONAL TREASURY

I, Nhlanhla M Nene, Minister of Finance, in terms of [section 92](#) of the Public Finance Management Act, 1999 ([Act No. 1 of 1999](#)), hereby exempt all public entities listed in Schedule 3 to that Act for which the Minister of Arts and

Culture is the executive authority, as set out below:

<i>Specific provision of Public Finance Management Act</i>	<i>Extent of exemption</i>	<i>Period of exemption</i>
Section 55 (1) (b)	GRAP 103 in respect of initial measurement and subsequent measurement	Financial years 2015/16, 2016/17

(Signed)

NHLANHLA M NENE
MINISTER OF FINANCE

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 104 of 11 March 2016: Rate of interest on government loans (Government Gazette No. 39802)

**GN 104 of 11 March 2016: Rate of interest on government loans
(Government Gazette No. 39802)**

DEPARTMENT OF NATIONAL TREASURY

It is hereby notified that the Minister of Finance has, in terms of [Section 80 \(1\) \(a\)](#) and [\(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), fixed the Standard Interest Rate applicable, from **1 March 2016** and until further notice, to loans granted by the State out of a Revenue Fund, and/or to all other debts which must be paid into a Revenue Fund, at Ten, Two Five percent (**10.25%**) per annum.

The above-mentioned Standard Interest Rate is applicable from **1 March 2016** and until further notice, to all drawings of loans from State money, except loans in respect of which other rates of interest are specifically authorized by legislation or the Minister of Finance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 259 of 29 April 2016: Rate of interest on government loans (Government Gazette No. 39960)

**GN 259 of 29 April 2016: Rate of interest on government loans
(Government Gazette No. 39960)**

DEPARTMENT OF NATIONAL TREASURY

It is hereby notified that the Minister of Finance has, in terms of [section 80 \(1\) \(a\)](#) and [\(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), fixed the Standard Interest Rate applicable, from **1 May 2016** and until further notice, to loans granted by the State out of a Revenue Fund, and /or to all other debts which must be paid into a Revenue Fund, at Ten, Five Zero percent (**10.50%**) per annum.

The above-mentioned Standard Interest Rate is applicable from **1 May 2016** and until further notice, to all drawings of loans from State money, except loans in respect of which other rates of interest are specifically authorized by legislation or the Minister of Finance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 822 of 8 July 2016: Exemption in terms of section 92 - Telkom SA SOC (Government Gazette No. 40129)

**GN 822 of 8 July 2016: Exemption in terms of [section 92](#) - Telkom SA SOC
(Government Gazette No. 40129)**

DEPARTMENT OF NATIONAL TREASURY

In terms of [section 92](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#) - "the Act"), I, Pravin J Gordhan, Minister of Finance, hereby, in addition to the exemptions published under Government Notice 985 of 13 December 2013, exempt Telkom SA SOC Limited and its subsidiaries and entities under its ownership control, from the provisions of the Act, and the regulations made or instructions issued in terms thereof, as specified in the first

column, and for the period specified in the second column, below.

Specific provisions of Act and regulations and instructions in terms thereof	Period of exemption
Section 6 (1) (g), 6 (2) (c), 50, 51, 54 and 57 of the Act.	With effect from the date of this notice until-
Any regulation made or instruction issued in terms of section 76 (4) of the Act applicable to public entities listed in Schedule 2 to the Act.	(a) the date immediately before the date Telkom SA SOC Limited comes under the ownership control of the national executive, as defined in section 1 of the Act; or
	(b) Telkom SA SOC Limited is delisted from the Johannesburg Securities Exchange.

(Signed)

PRAVIN J GORDHAN, MP
MINISTER OF FINANCE

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 824 of 11 July 2016: Exemption in terms of Section 92 - Telkom SA SOC (Government Gazette No. 40132)

GN 824 of 11 July 2016: Exemption in terms of Section 92 - Telkom SA SOC (Government Gazette No. 40132)

DEPARTMENT OF NATIONAL TREASURY

In terms of [section 92](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#) - "the Act"), I, Pravin J Gordhan, Minister of Finance, hereby, in addition to the exemptions published under Government Notice 985 of 13 December 2013, exempt Telkom SA SOC Limited and its subsidiaries and entities under its ownership control, from the provisions of the Act, and the regulations made or instructions issued in terms thereof, as specified in the first column, and for the period specified in the second column, below.

<i>Specific provisions of Act and regulations and instructions in terms thereof</i>	<i>Period of exemption</i>
Section 6 (1) (g), 6 (2) (c), 50, 51, 54 and 57 of the Act.	With effect from the date of this notice until-
Any regulation made or instruction issued in terms of section 76 (4) of the Act applicable to public entities listed in Schedule 2 to the Act.	(a) the date immediately before the date Telkom SA SOC Limited comes under the ownership control of the national executive, as defined in section 1 of the Act; or
	(b) Telkom SA SOC Limited is delisted from the Johannesburg Securities Exchange.

(Signed)

PRAVIN J GORDHAN, MP
MINISTER OF FINANCE
DATE:26/06/2016

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 886 of 2 August 2016: Exemption (Government Gazette No. 40183)

GN 886 of 2 August 2016: Exemption (Government Gazette No. 40183)

DEPARTMENT OF NATIONAL TREASURY

I, PRAVIN J GORDHAN, MINISTER OF FINANCE, acting in terms of [section 92](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#) (the "Act")), exempt the institution specified in the first column of the schedule below from the provisions of the Act as specified in the second column of the schedule for the duration specified in the third column of the schedule.

SCHEDULE

INSTITUTIONS EXEMPTED	PROVISIONS OF ACT	DURATION OF EXEMPTION
Delswa (Proprietary) Limited	All Sections of the PFMA.	For a three-year period commencing from the date on which exemption is published in the <i>Government Gazette</i> .

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 1028 of 16 September 2016: Borrowing powers of Water Boards listed under Schedule 3 Part B of the Act (Government Gazette No. 40279)

GN 1028 of 16 September 2016: Borrowing powers of Water Boards listed under Schedule 3 Part B of the Act (Government Gazette No. 40279)

DEPARTMENT OF NATIONAL TREASURY

I, PRAVIN J GORDHAN, MINISTER OF FINANCE, acting in terms of [section 66 \(3\) \(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), hereby authorise the accounting authority of Mhlathuze Water to borrow money up to the limits as stipulated below:

<i>MHLATHUZE WATER</i>	
<i>FINANCIAL YEAR</i>	<i>AMOUNT</i>
2016/17	R331.9 million
2017/18	R430.0 million
2018/19	R478.0 million

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 1029 of 16 September 2016: Borrowing powers of Water Boards listed under Schedule 3 Part B of the Act (Government Gazette No. 40279)

GN 1029 of 16 September 2016: Borrowing powers of Water Boards listed under Schedule 3 Part B of the Act (Government Gazette No. 40279)

DEPARTMENT OF NATIONAL TREASURY

I, PRAVIN J GORDHAN, MINISTER OF FINANCE, acting in terms of [section 66 \(3\) \(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), hereby authorise the accounting authority of Umgeni Water to borrow money up to the limits as stipulated below:

<i>UMGENI WATER</i>	
<i>FINANCIAL YEAR</i>	<i>AMOUNT</i>
2016/17	R2 850 million
2017/18	R2 750 million
2018/19	R2 700 million

The approvals of Umgeni Water's borrowing limits are made subject to-

- Umgeni Water utilising up to R2 550 million for 2016/17 financial year; R2 450 million for the 2017/18 financial year; and R2 400 million for the 2018/19 financial year; and
- Umgeni Water obtaining National Treasury's approval for the utilisation of the remaining R300 million borrowing limit over the three year period mentioned above.

(Signed)
PRAVIN J GORDHAN, MP
MINISTER OF FINANCE
DATE: 29/08/2016

**National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/
Rules and Regulations/ Notices/ GN 46 of 26 January 2017: Exemption (Government Gazette No. 40574)**

**GN 46 of 26 January 2017: Exemption
(Government Gazette No. 40574)**

DEPARTMENT OF NATIONAL TREASURY

I, PRAVIN J GORDHAN, MINISTER OF FINANCE, acting in terms of [Section 92](#) of the Public Finance Management Act, 1999 (Act [No 1 of 1999](#) (the "Act")), exempt the institution specified in the first column of the schedule below from the provisions of the Act as specified in the second column of the schedule for the duration specified in the third column of the schedule.

(Signed)
MINISTER OF FINANCE
DATE: 23/09/2016

SCHEDULE

<i>INSTITUTIONS EXEMPTED</i>	<i>PROVISIONS OF ACT</i>	<i>DURATION OF EXEMPTION</i>
Industrial Development Corporation of South Africa Limited (IDC)	Section 51 (1) (g) and Section 54 (2) of the Public Finance and Management Act i.e. any domestic transaction below a rand value of R250 million.	For a three-year period commencing from the date on which exemption is published in the <i>Gazette</i> .

**National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/
Rules and Regulations/ Notices/ GN 469 of 23 June 2017: Different categories of debt for interest rate applicable to debts owing to state (Government Gazette No. 40930)**

**GN 469 of 23 June 2017: Different categories of debt for interest rate applicable to debts owing to state
(Government Gazette No. 40930)**

as amended by

Notice
499

Government Gazette
41632

Date
18 May 2018

DEPARTMENT OF NATIONAL TREASURY

In terms of [section 80 \(2\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#) - "the Act"), I Malusi KN Gigaba, the Minister of Finance, hereby repeal General Notices Nos. 4653 of 15 December 2000 and 1410 of 8 August 2002 and determine that for debt which is payable into a Revenue Fund and owed by a person to an institution to which the Act applies and which-

- (a) results from the employment relationship between the person and a department or constitutional institution, no interest shall be payable at the rate determined in terms of section 80 (1) (b) of the Act, except that such interest shall be payable for-
 - (i) wrongly granted remuneration as provided for in the prescripts applicable to the department or constitutional institution, where-
 - (aa) the person has left the employ of the department or constitutional institution; or
 - (bb) the monetary advantage resulted from the person's fraudulent action;
 - (ii) loss or damage resulting from wilful (or grossly negligent act of an employee or former employee

of the institution; or

(iii) breach of contract or any delictual claim relating to the contractual relationship between the person and the institution; or

(b) is a debt other than a debt resulting from the employment relationship between the person and the institution, referred to in [paragraph \(a\)](#), the interest shall be payable at the rate determined in terms of section 80 (1) (b) of the Act, except that no such interest shall be payable for-

(i) a health service by a public health establishment provided to the person who is patient classified as H1, H2 or H3 by the Minister of Health; or

[[Sub-para. \(i\)](#) amended by GN 499 of 18 May 2018.]

(ii) an overpayment made to the person for a social or unemployment benefit.

(Signed)

Malusi KN Gigaba
Minister of Finance

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 502 of 7 July 2017: Ministerial Oversight Committee on Transformation in the South African Public Universities (Government Gazette No. 40965)

**GN 502 of 7 July 2017: Ministerial Oversight Committee on Transformation in the South African Public Universities
(Government Gazette No. 40965)**

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

I, Bonginkosi Emmanuel Nzimande, MP, Minister of Higher Education and Training, in accordance with Treasury Regulation 20 (issued in terms of Public Financial Management Act, 1999 (Act No. 1 of 1999)) hereby a) appoint members into the Ministerial Committee (known as the Transformation Oversight Committee, TOC) set out in the schedule hereto to oversee transformation in South African universities for a three year term of office with effect from the date of the publication; and b) repeal the previous publication on the establishment of the above stated committee.

(Signed)

DR BE NZIMANDE, MP
MINISTER OF HIGHER EDUCATION AND TRAINING
DATE: 24/05/2017

SCHEDULE
THE TERMS OF REFERENCE OF THE TRANSFORMATION OVERSIGHT COMMITTEE IN THE SOUTH AFRICAN UNIVERSITIES

TABLE OF CONTENTS

1.	Background
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National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 502 of 7 July 2017: Ministerial Oversight Committee on Transformation in the South African Public Universities (Government Gazette No. 40965)/ 1. Background

1. Background

Post 1994, a range of initiatives seeking to effect institutional change were introduced into the higher education system, which include the restructuring of the higher education landscape and institutions; new

policies including legislation; new funding formula; and remodelling of institutional governance. These various initiatives may have brought forth the limitations of the state and higher education institutions to address all the aspects of transformation, and have affected the pace, nature and outcomes of change.

One of the policy initiatives was the *White Paper 3: A Framework for the Transformation of Higher Education (1997)*. It was developed with the aim to guide programmes and processes aimed at transforming the post-apartheid education system. It was an initiative to transform the higher education sector into a democratic, non-racial and non-sexist system of higher education that will promote equity of access and fair chances of success to all who are seeking to realise their potential through higher education, while eradicating all forms of unfair discrimination and advancing redress for past inequalities.

Almost a decade after the development of the White Paper, the then Minister of Education, Ms Naledi Pandor, appointed a *Ministerial Committee on Transformation and Social Cohesion and Elimination of Discrimination in Public Higher Education*, following the Reitz hostel incident of racism at the University of Free State in March 2008. The Committee was to "investigate discrimination in public higher education institutions, with a focus on racism and to make appropriate recommendations to combat discrimination and to promote social cohesion".

The Committee set out and had to report to the Minister on the following-

- . An overview of the state of anti-discrimination in higher education;
- . An indication of the most unacceptable forms of discrimination that are taking place within the system;
- . The nature and extent of racism and racial discrimination in public higher education, and in particular university residence, and other forms of discrimination based on gender, ethnicity and disability;
- . An insight into models of good, anti-discriminatory practices that were emerging within the system;
- . An agenda for the areas of higher education most urgently in need of anti-discriminatory work, and steps that have to be taken by institutions to combat discrimination, including an assessment of good practice as well as short comings of existing interventions;
- . An identification of the most critical areas for further investigation and research; and
- . The Committee was to advise the Minister and the key constituencies in higher education on policies, strategies and interventions needed to combat discrimination and to promote institutional culture for staff and students, which are based on the values and principles enshrined in the Constitution.

The Committee reported on the state of transformation in higher education and observed that in particular, racism and sexism is pervasive, and that the pace of redress is *painfully* slow. It noted serious disjunction between policy and real-life experiences of both students and staff, particular in learning, teaching, curriculum, languages, residence-life and governance.

In its report, the Committee recommended, as one of the key interventions, that "The Minister should consider establishing a permanent *Oversight Committee* to monitor the transformation of higher education."

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 502 of 7 July 2017: Ministerial Oversight Committee on Transformation in the South African Public Universities (Government Gazette No. 40965)/ 2. Purpose of the Transformation Oversight Committee

2. Purpose of the Transformation Oversight Committee

The purpose of the Transformation Oversight Committee (TOC) is to-

- (a) monitor and progress on transformation in public universities;
- (b) serve as an expert advisory body and provide independent and external advice to the Minister and the Department in fulfilling their oversight role; and
- (c) assist in strengthening the accountability of universities in matters of transformation.

It is recognized here that transformation is an imprecise concept, and that the understanding outlined here, focusing on the elimination of discrimination and promotion of social cohesion, is a rather restricted one. This is intentional as the full transformation of the university system cannot be tackled by the TOC. Such transformation involves the improvement of the quality of teaching and learning; the elimination of weak administrative systems, especially at historically disadvantaged universities; the elimination of discriminatory practices based on gender, race, class and historical imbalances; the provision of adequate infrastructure so that all universities can adequately meet their fundamental mandates of teaching, learning, research and community engagement in the context of social cohesion; the expansion and improvement of research throughout the system; the expansion of access to university education to many more students; and so on. Transformation in this broader sense must perforce be the aim of the entire system of governance and management at national and institutional levels, and is beyond the scope of the TOC. The word 'transformation' as used in this document refers to the narrower meaning of the word.

3. Responsibilities

The TOC must-

- (a) Study and evaluate the transformation plans and charters of all universities. The TOC should use this exercise as a basis for the development of a sectorial transformation charter.
- (b) Conduct an assessment of the impact of language policies on institutional cultures and social integration.
- (c) Initiate enquiries and or public hearings on any transformation matters or as requested by the Minister.
- (d) Assist DHET to provide adequate oversight to ensure that facilities are progressively made accessible to those with disabilities, within the available means of relevant universities.
- (e) Develop guidelines or best practices to assist universities in implementing language policies with a view to promote integration and access.
- (f) Identify performance indicators, with a view of measuring transformation progress of institutions.
- (g) Develop reporting mechanisms to evaluate both the relevance of institutional transformation targets and plans, as well as the relative progress made by institutions on an annual basis.
- (h) Review the annual reports of institutions on transformation and produce an annual report on the state of transformation in the higher education sector.
- (i) Advise the Minister on policy and strategies for the acceleration of transformation.
- (j) Advise the Minister on any other matter it may deem necessary, important and relevant for development and transformation of the sector.
- (k) Bring to the attention of the Minister any major problem areas or incidences affecting universities' transformation.

In undertaking its work, the TOC may commission various research undertakings within the confines of its budget and will take into account other research findings undertaken by independent parties to assist its functioning.

4. Composition of the TOC

Members of the TOC are appointed by the Minister for a period of not more than three years and may, individually, be reappointed for additional terms at the discretion of the Minister. The TOC members must be persons with relevant knowledge and expertise.

The members of the TOC as appointed by the Minister are as follows-

- (a) Professor Andre Keet (Chairperson)
- (b) Dr Mvuyo Tom
- (c) Professor Christine Winberg
- (d) Professor Crain Soudien
- (e) Mr Zola Saphetha
- (f) Ms Fundisile Nzimande
- (g) Ms Sebenzile Matsebula
- (h) Professor Pamela Maseko
- (i) Professor Kopano Ratele
- (j) Dr Pearl Sithole

A member of the TOC may resign his/her membership by giving notice in writing to the Minister.

An appointment to the TOC may only be revoked by the Minister.

5. Meetings

- . The TOC shall meet at least quarterly, and may meet more frequently as circumstances require. In addition to its meetings, the TOC shall meet at least once a year with the Minister.
- . A quorum shall be 50% of the members.
- . In absence of the Committee Chairperson, the remaining members present shall elect one of themselves to chair the meeting.
- . The TOC's deliberations shall be through group discussion.
- . The deliberations and the minutes of its meetings are confidential.
- . All documents and information submitted to or obtained by the members shall be used solely for the purposes of the deliberations and shall be treated as confidential.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 502 of 7 July 2017: Ministerial Oversight Committee on Transformation in the South African Public Universities (Government Gazette No. 40965)/ 6. Independence

6. Independence

The TOC is not an autonomous body - it is appointed by the Minister to advise on issues of transformation and to work with the Department to inform it, in its role of policy development and oversight of the system. However, it must act independently and objectively outside the views of the Department, in so far as its role of research, evaluation, and advising the Minister on transformation matters.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 502 of 7 July 2017: Ministerial Oversight Committee on Transformation in the South African Public Universities (Government Gazette No. 40965)/ 7. Cooperation

7. Cooperation

The TOC must work cooperatively with the Department in monitoring transformation, subject to the policies and priorities set by the Minister.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 502 of 7 July 2017: Ministerial Oversight Committee on Transformation in the South African Public Universities (Government Gazette No. 40965)/ 8. Integrity

8. Integrity

The TOC must demonstrate professional integrity in all aspects of its work. The outputs of the TOC must be based on sound, objective and professional analysis and high standards of research.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 502 of 7 July 2017: Ministerial Oversight Committee on Transformation in the South African Public Universities (Government Gazette No. 40965)/ 9. Confidentiality

9. Confidentiality

The principle of confidentiality imposes an obligation on TOC members to refrain from disclosing institutional and confidential information acquired by virtue of being a member of the TOC unless there is a legal duty to disclose.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 502 of 7 July 2017: Ministerial Oversight Committee on Transformation in the South African Public Universities (Government Gazette No. 40965)/ 10. Administrative arrangements

10. Administrative arrangements

The Department through the Transformation Unit will provide secretariat and administrative support to the

Committee. The Committee must be served with efficiency, and the Department must ensure timely compilation and circulation of quality agendas and minutes.

Members of the Committee shall, in accordance with Treasury Regulation 20.2.2, only receive remuneration for periods of attendance at Committee meetings.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 502 of 7 July 2017: Ministerial Oversight Committee on Transformation in the South African Public Universities (Government Gazette No. 40965)/ 11. Communication

11. Communication

On the basis that this is a Ministerial Committee, every pronouncement of recommendations or findings must be communicated to stakeholders through the Office of the Minister via the Transformation Unit which will act as a Secretariat.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 502 of 7 July 2017: Ministerial Oversight Committee on Transformation in the South African Public Universities (Government Gazette No. 40965)/ 12. Accountability and Reporting

12. Accountability and Reporting

The TOC is accountable to the Minister. The Committee will agree on its results-based work plan, which emanates from the Terms of Reference, and must provide accurate and timely reports of its activities to the Minister.

The Committee, as a collective or through its Chair, will brief the Minister as necessary.

The TOC Chairperson shall present the annual report containing observations and recommendations as appropriate to the Minister. Interim reports addressing key findings and matters of importance may be submitted to the Minister at the discretion of the Committee or request of the Minister, at any time.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 651 of 1 September 2017: Rate of interest on Government Loans (Government Gazette No. 39568)

**GN 651 of 1 September 2017: Rate of interest on Government Loans
(Government Gazette No. 39568)**

DEPARTMENT OF NATIONAL TREASURY

It is hereby notified that the Minister of Finance has, in terms of [Section 80 \(1\) \(a\)](#) and [\(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), fixed the Standard Interest Rate applicable, from **1 September 2017** and until further notice, to loans granted by the State out of a Revenue Fund, and/or to all other debts which must be paid into a Revenue Fund, at Ten, Two Five percent (**10.25%**) per annum.

The above-mentioned Standard Interest Rate is applicable from **1 September 2017** and until further notice, to all drawings of loans from State money, except loans in respect of which other rates of interest are specifically authorized by legislation or the Minister of Finance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 208 of 26 April 2018: Rate of interest on government loans (Government Gazette No. 41593)

**GN 208 of 26 April 2018: Rate of interest on government loans
(Government Gazette No. 41593)**

DEPARTMENT OF NATIONAL TREASURY

It is hereby notified that the Minister of Finance has, in terms of [Section 80 \(1\) \(a\)](#) and [\(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), fixed the Standard Interest Rate applicable, from **1 May 2018** and until further notice, to loans granted by the State out of a Revenue Fund, and/or to all other debts which must be paid

into a Revenue Fund, at Ten, percent **(10%)** per annum.

The above-mentioned Standard Interest Rate is applicable from **1 May 2018** and until further notice, to all drawings of loans from State money, except loans in respect of which other rates of interest are specifically authorized by legislation or the Minister of Finance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 817 of 28 December 2018: Rate of interest on Government Loans (Government Gazette No. 42139)

**GN 817 of 28 December 2018: Rate of interest on Government Loans
(Government Gazette No. 42139)**

DEPARTMENT OF NATIONAL TREASURY

It is hereby notified that the Minister of Finance has, in terms of [Section 80 \(1\) \(a\)](#) and [\(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), fixed the Standard Interest Rate applicable, from **1 January 2019** and until further notice, to loans granted by the State out of a Revenue Fund, and/or to all other debts which must be paid into a Revenue Fund, at Ten, two five percent **(10.25%)** per annum.

The above-mentioned Standard Interest Rate is applicable from **1 January 2019** and until further notice, to all drawings of loans from State money, except loans in respect of which other rates of interest are specifically authorized by legislation or the Minister of Finance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 231 of 12 April 2019: Exemption in terms of section 92 (Government Gazette No. 42397)

**GN 231 of 12 April 2019: Exemption in terms of section 92
(Government Gazette No. 42397)**

DEPARTMENT OF NATIONAL TREASURY

In terms of [section 92](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), read with section 2 (1) of the South African National Roads Agency Limited and National Roads Act, 1998 (Act [No. 7 of 1999](#)), I, Tito Titus Mboweni, Minister of Finance, hereby exempt the South African National Roads Agency Soc Ltd, established by section 2 of the South African National Roads Agency Limited and National Roads Act, from the provisions of the Public Finance Management Act, and Regulations made in terms thereof, specified in the first column to the extent and for the period specified in the second and third column respectively.

SCHEDULE

<i>Specific provision of Public Finance Management Act and Regulations in terms thereof</i>	<i>Extent of Exemption</i>	<i>Period of Exemption</i>
Section 55 (1) (b)	To exempt SANRAL from using the Generally Recognised Accounting Practice (GRAP) as the reporting framework and to allow the continuance of the International Financial Reporting Standards (IFRS) reporting framework	Financial years 2018/2019, 2019/2020 and 2020/2021

(Signed)

TT MBOWENI
MINISTER OF FINANCE

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 232 of 12 April 2019: Exemption in terms of section 92 (Government Gazette No. 42398)

**GN 232 of 12 April 2019: Exemption in terms of section 92
(Government Gazette No. 42398)**

DEPARTMENT OF NATIONAL TREASURY

In terms of [section 92](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), read with [section 102](#) and [103](#) of the National Water Act, 1998 (Act [No. 36 of 1998](#)), I, Tito Titus Mboweni, Minister of Finance, hereby exempt the Trans-Caledon Tunnel Authority, established by Notice 2631 in *Government Gazette* No. 10545, dated 12 December 1986, as revised by Notice 277 in *Government Gazette* No. 21017, dated 24 March 2000, from the provisions of the Public Finance Management Act, and Regulations made in terms thereof, specified in the first column to the extent and for the period specified in the second and third column respectively.

SCHEDULE

<i>Specific provision of Public Finance Management Act and Regulations in terms thereof</i>	<i>Extent of Exemption</i>	<i>Period of Exemption</i>
Section 55 (1) (b)	To exempt TCTA from using the Generally Recognised Accounting Practice (GRAP) as the reporting framework and to allow the continuance of the International Financial Reporting Standards (IFRS) Reporting Framework	Financial years 2018/2019, 2019/2020, 2020/2021, 2021/2022 and 2022/2023

(Signed)

TT MBOWENI
MINISTER OF FINANCE

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 437 of 23 August 2019: Rate of interest on government loans (Government Gazette No. 42657)

Superseded by [GN 119](#) published in *Government Gazette* 43050 of 28 February 2020

**GN 437 of 23 August 2019: Rate of interest on government loans
(Government Gazette No. 42657)**

DEPARTMENT OF NATIONAL TREASURY

It is hereby notified that the Minister of Finance has, in terms of [Section 80 \(1\) \(a\)](#) and [\(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), fixed the Standard Interest Rate applicable, from **1 September 2019** and until further notice, to loans granted by the State out of a Revenue Fund, and/or to all other debts which must be paid into a Revenue Fund, at Ten percent (**10%**) per annum.

The above-mentioned Standard Interest Rate is applicable from **1 September 2019** and until further notice, to all drawings of loans from State money, except loans in respect of which other rates of interest are specifically authorized by legislation or the Minister of Finance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 1097 of 23 August 2019: Borrowing powers of water boards listed under Schedule 3 Part B of the Act (Government Gazette No. 42657)

**GN 1097 of 23 August 2019: Borrowing powers of water boards listed under Schedule 3 Part B of the Act
(Government Gazette No. 42657)**

DEPARTMENT OF NATIONAL TREASURY

I, TITO MBOWENI, MINISTER OF FINANCE, acting in terms of [Section 66 \(3\) \(b\)](#) of the Public Finance Management Act, 1999 (Act [No 1 of 1999](#)), hereby authorise the accounting authority of Umgeni Water to borrow money up to the limits as stipulated below:

UMGENI WATER	
FINANCIAL YEAR	INTEREST-BEARING DEBT AMOUNT
Ending 30 June 2020	R2.0 billion
Ending 30 June 2021	R1.4 billion
Ending 30 June 2022	R1.4 billion

These amounts reflect the maximum balance of interest-bearing debt the entity may have as at the end of the relevant financial years and takes into account Umgeni Water's existing outstanding interest-bearing debt. This means that for as long as Umgeni Water has interest-bearing debt on its statement of financial position (or balance sheet), it is not allowed to exceed these limits. The authorisation expires on 30 June 2022 and a new authorisation will be considered upon expiry, provided Umgeni Water has borrowings recorded in its statement of financial position.

The borrowing authority is subject to the following conditions that have to be adhered to by Umgeni Water-

- A gearing limit of 50% calculated as follows: interest-bearing debt relative to total equity;
- A minimum cash interest cover (CIC) ratio of three (3) times, calculated as follows: cash generated from operations (before changes in working capital) relative to finance costs;
- A minimum debt service cover ratio (DSCR) of one (1) time, calculated as follows: cash generated from operations (before changes in working capital) relative to the sum of finance costs and debt/capital repayments;
- Umgeni Water submits quarterly progress reports to the Asset and Liability Management division on the Borrowing Programme and Funding Plan, including utilisation of the borrowing authority; and
- Umgeni Water submits bi-annual reports to National Treasury's Asset and Liability Management division on the progress of major capital expenditure projects and project plans for the upcoming 6 months. If there are any delays in the projects, the entity should provide reasons for such delays.

(Signed)

TT MBOWENI, MP
MINISTER OF FINANCE
DATE: 27/06/2019

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 1098 of 23 August 2019: Borrowing powers of water boards listed under Schedule 3 Part B of the Act (Government Gazette No. 42657)

GN 1098 of 23 August 2019: Borrowing powers of water boards listed under Schedule 3 Part B of the Act (Government Gazette No. 42657)

DEPARTMENT OF NATIONAL TREASURY

I, TITO MBOWENI, MINISTER OF FINANCE, acting in terms of [Section 66 \(3\) \(b\)](#) of the Public Finance Management Act, 1999 (Act [No 1 of 1999](#)), hereby authorise the accounting authority of Rand Water to borrow money and issue bank guarantees up to the limits as stipulated below.

RAND WATER		
FINANCIAL YEAR	INTEREST-BEARING DEBT AMOUNT	BANK GUARANTEE AMOUNT
Ending 30 June 2019	R6 345 million	R15 million
Ending 30 June 2020	R8 265 million	R15 million
Ending 30 June 2021	R11 605 million	R15 million

The proposed limits on borrowings reflect the maximum balance of interest-bearing debt at any point in time for the relevant period and takes into account Rand Water's existing outstanding interest-bearing debt. This means that for as long as Rand Water has interest-bearing debt on its statement of financial position (or balance sheet), it will need to adhere to the limits above. The proposed authorisation is set to expire on 30 June 2021 and a new authorisation will have to be considered upon expiry, provided Rand Water has borrowings recorded in its statement of financial position.

The bank guarantee amount above reflects the maximum bank guarantee Rand Water may source in favour of Eskom for its Electricity Supply Agreement. Rand Water is required to have a non-cash secured bank guarantee and should at any point in time have liquid investments to the equivalent of R15 million in relation to the financial years highlighted above. The bank guarantee is granted only in favour of Eskom and is limited to Eskom providing electricity to Rand Water's 3 key accounts. These are Zuikerbosch, Zwartkopjes and Palmiet pumping stations. The cumulative amount of the bank guarantee should not in any of the 3 financial years exceed R15 million.

The approval of the authorisation are subject to the following conditions that have to be adhered to by Rand

Water-

- . A gearing limit of 50% calculated as follows: interest-bearing debt relative to total equity;
- . A minimum cash interest cover (CIC) ratio of 3, calculated as follows: cash generated from operations (before changes in working capital) relative to finance costs;
- . A minimum debt service cover ratio (DSCR) of 1, calculated as follows: cash generated from operations (before changes in working capital) relative to the sum of finance costs and debt/capital repayments;
- . Rand Water submits quarterly progress reports to the Asset and Liability Management division on the Borrowing Programme and Funding Plan, including utilisation of the borrowing limit; and
- . Rand Water submits bi-annual reports to National Treasury's Asset and Liability Management division on the progress of major capital expenditure projects and project plans for the upcoming 6 months. If there are any delays in the projects, the entity should provide reasons for such delays.

(Signed)

TT MBOWENI, MP
MINISTER OF FINANCE
DATE: 27/06/2019

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 119 of 28 February 2020: Rate of interest on government loans (Government Gazette No. 43050)

**GN 119 of 28 February 2020: Rate of interest on government loans
(Government Gazette No. 43050)**

Superseded by GN 407 published in Government Gazette 43571 of 31 July 2020

DEPARTMENT OF NATIONAL TREASURY

It is hereby notified that the Minister of Finance has, in terms of [Section 80 \(1\) \(a\)](#) and [\(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), fixed the Standard Interest Rate applicable, from **1 March 2020** and until further notice, to loans granted by the State out of a Revenue Fund, and/or to all other debts which must be paid into a Revenue Fund, at Nine, seven five percent (**9.75%**) per annum.

The above-mentioned Standard Interest Rate is applicable from **1 March 2020** and until further notice, to all drawings of loans from State money, except loans in respect of which other rates of interest are specifically authorized by legislation or the Minister of Finance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 437 of 31 March 2020: Exemption from Act and Regulations (Government Gazette No. 43188)

**GN 437 of 31 March 2020: Exemption from Act and Regulations
(Government Gazette No. 43188)**

(Editorial Note: In terms of paragraph (a) of GN 665 of 11 June 2020, this Notice is amended by excluding an institution listed in a Schedule to that Act with a financial year ending 30 June, from the application of that Notice.)

	as amended by	
Notice 665	Government Gazette 43430	Date 11 June 2020

NATIONAL TREASURY

I, TT Mboweni, hereby in terms of [section 92](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), exempt institutions to which that Act applies as set out in [the Schedule](#).

TT MBOWENI
MINISTER OF FINANCE

SCHEDULE

1. Definitions.-In this Schedule-

"national state of disaster"

[Definition of "national state of disaster" deleted by GN 665 of 11 June 2020.]

"the Act" means the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), or any regulation made thereunder.

2. Exemption.-(1) Subject to subparagraph (2), the relevant functionary or institution is exempted, for the 2019/2020 financial year, from complying with the deadlines in-

- (a) sections 8 (1) (b), 8 (5), 19 (1) (b), 19 (5), 40 (1) (c), 40 (1) (d), 55 (1) (c), 55 (1) (d) and 65 (2) of the Act;
- (b) a regulation made or instruction issued in terms of section 76 of the Act which is associated with the provisions referred to in [paragraph \(a\)](#).

(2) The relevant functionary or institution must comply with a provision referred to in subparagraph (1) within two months after the deadline in the applicable provision.

[Sub-para. (2) substituted by GN 665 of 11 June 2020.]

(3)

[Sub-para. (3) deleted by GN 665 of 11 June 2020.]

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 406 of 31 July 2020: Rate of interest on government loans (Government Gazette No. 43571)

Superseded by [GN 456](#) published in *Government Gazette 43660* of 28 August 2020

GN 406 of 31 July 2020: Rate of interest on government loans (Government Gazette No. 43571)

NATIONAL TREASURY

It is hereby notified that the Minister of Finance has, in terms of [section 80 \(1\) \(a\)](#) and [\(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), fixed the Standard Interest Rate applicable, from **1 July 2020** and until further notice, to loans granted by the State out of a Revenue Fund, and/or to all other debts which must be paid into a Revenue Fund, at Seven, seven five percent (**7.25%**) per annum.

(Editorial Note: Wording as per original *Government Gazette*.)

The above-mentioned Standard Interest Rate is applicable from **1 July 2020** and until further notice, to all drawings of loans from State money, except loans in respect of which other rates of interest are specifically authorized by legislation or the Minister of Finance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 407 of 31 July 2020: Rate of interest on government loans (Government Gazette No. 43571)

Superseded by GN 406 published in *Government Gazette 43571* of 31 July 2020

GN 407 of 31 July 2020: Rate of interest on government loans (Government Gazette No. 43571)

NATIONAL TREASURY

It is hereby notified that the Minister of Finance has, in terms of [section 80 \(1\) \(a\)](#) and [\(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), fixed the Standard Interest Rate applicable, from **1 May 2020** and until further notice, to loans granted by the State out of a Revenue Fund, and/or to all other debts which must be paid into a Revenue Fund, at Seven, seven five percent (**7.75%**) per annum.

The above-mentioned Standard Interest Rate is applicable from **1 May 2020** and until further notice, to all drawings of loans from State money, except loans in respect of which other rates of interest are specifically authorized by legislation or the Minister of Finance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Notices/ GN 456 of 28 August 2020: Rate of interest on government loans (Government Gazette No. 43660)

**GN 456 of 28 August 2020: Rate of interest on government loans
(Government Gazette No. 43660)**

NATIONAL TREASURY

It is hereby notified that the Minister of Finance has, in terms of [section 80 \(1\) \(a\)](#) and [\(b\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), fixed the Standard Interest Rate applicable, from **1 September 2020** and until further notice, to loans granted by the State out of a Revenue Fund, and/or to all other debts which must be paid into a Revenue Fund, at Seven percent (**7.00%**) per annum.

The above-mentioned Standard Interest Rate is applicable from **1 September 2020** and until further notice, to all drawings of loans from State money, except loans in respect of which other rates of interest are specifically authorized by legislation or the Minister of Finance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76

GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76

	as amended by	
Notice	Government Gazette	Date
R.740	23463	25 May 2002
GN 2012	25229	28 July 2003
GN 37	25915	16 January 2004

NATIONAL TREASURY

The Minister of Finance has in terms of [Section 76](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)), made the Regulations as set out in [the Schedule](#).

SCHEDULE

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- [1.](#) General definitions, application and date of commencement

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PART 1
DEFINITIONS, APPLICATION AND DATE OF COMMENCEMENT

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 1. General definitions, application and date of commencement

1. General definitions, application and date of commencement

1.1 General definitions

In these Treasury Regulations, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act, has the same meaning, and-

"Act" means the Public Finance Management Act (Act No. 1 of 1999), as amended;

"debt" means an amount owing to the state;

"division of revenue grants" mean allocations from the national government to provinces and local government as listed in the schedules to the annual Division of Revenue Act, including transfers in terms of that Act;

"executive authority" in relation to a constitutional institution consisting of a body of persons, means the chairperson of the constitutional institution, and in relation to a constitutional institution with a single office bearer, means the incumbent of that office;

"finance lease" refers to a contract that transfers the risks, rewards, rights and obligations incident to ownership to the lessee and is recorded as a purchase of equipment by means of long-term borrowing;

"head official of the treasury" means the administrative head of the department responsible for financial and fiscal matters which forms part of the relevant treasury;

"institution" means a department or a constitutional institution;

"official" means a person in the employ of a department or constitutional institution;

"operating lease" refers to a contract where the lessor retains the risks and obligations incident to ownership and payments by the lessee are recorded as rental expenses.

1.2 Application

1.2.1 These Treasury Regulations apply-

- (a) to all departments, but only to the extent as indicated in [regulations 1 to 24](#) and [26](#);
- (b) to all constitutional institutions, but only to the extent as indicated in [regulations 1 to 22](#);
- (c) to all public entities listed in [Schedule 2](#), but only to the extent as indicated in paragraph 6.1.2 and [regulations 24, 25, 27 to 29](#) and [31 to 33](#);
- (d) to all public entities listed in [Schedules 3A and 3C](#), but only to the extent as indicated in paragraph 6.1.2 and [regulations 16, 24 to 28](#) and [30 to 33](#);
- (e) to all public entities listed in [Schedules 3B and 3D](#), but only to the extent as indicated in paragraph 6.1.2 and [regulations 16, 24, 25, 27 to 29](#) and [31 to 33](#); and
- (f) to the South African Revenue Service as a [Schedule 3A](#) public entity but only to the extent as indicated in paragraphs 6.1.2, [regulations 24 to 28](#) and [30 to 33](#).

1.2.2 These Treasury regulations, read in context, also apply to the South African Revenue Service as a department, but only to the extent that it collects and administers state revenue and as indicated in [regulations 6.1.2, 7.1, 7.2, 11.1, 11.2.1 \(a\), 11.3, 11.4, 12.1.1, 12.2.1 \(a\) to \(d\), 12.5.1, 12.6, 12.7.1 to 12.7.3, 15.4, 15.7, 15.10.2, 15.11, 17.2, and 22.1](#).

1.2.3 For purposes of [regulation 1.2.2](#), the Treasury Regulations that do apply to the South African Revenue Service, apply as though it were a department with its Commissioner as its accounting officer.

1.3 Date of commencement

1.3.1 These Treasury Regulations take effect from 27 May 2002, unless otherwise indicated in the text.

PART 2 MANAGEMENT ARRANGEMENTS

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 2. Corporate management

2. Corporate management

2.1 Chief financial officer

2.1.1 Unless directed otherwise by the relevant treasury, each institution must have a chief financial officer serving on the senior management team.

2.1.2 The chief financial officer is directly accountable to the accounting officer.

2.1.3 Without limiting the right of the accounting officer to assign specific responsibilities, the general responsibility of the chief financial officer is to assist the accounting officer in discharging the duties prescribed in [Part 2](#) of Chapter 5 of the Act and the annual Division of Revenue Act. These duties relate to the effective financial management of the institution including the exercise of sound budgeting and budgetary control practices, the operation of internal controls and the timely production of financial reports.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 3. Internal control

3. Internal control

3.1 Audit committees [Sections 76 (4) (d) and 77 of the PFMA]

3.1.1 If considered feasible, the relevant treasury may direct that institutions share audit committees. If such a determination is made, the Auditor-General must be informed within 30 days of the determination.

3.1.2 In the case of a non-shared audit committee, the accounting officer of an institution must appoint

audit committee members in consultation with the relevant executive authority.

3.1.3 In the case of a shared audit committee, the head of the relevant treasury must appoint audit committee members after consultation with the relevant executive authorities.

3.1.4 The chairperson of an audit committee must be independent, be knowledgeable of the status of the position, have the requisite business, financial and leadership skills and may not be a political office bearer.

3.1.5 Audit committees must be constituted so as to ensure their independence and their membership must be disclosed in the annual report of the institution.

3.1.6 Members of an audit committee who have been appointed from outside the public service pursuant to section 77 (a) (i) of the Act must have appropriate experience, be appointed on contract and be remunerated in accordance with paragraph 20.2.2 of these regulations. Should it be deemed necessary, such members may be remunerated taking into account tariffs determined by the South African Institute of Chartered Accountants in consultation with the Auditor-General as provided for in paragraph 20.2.3.

3.1.7 The relevant executive authority must concur with any premature termination of the services of a person serving on an audit committee.

3.1.8 An audit committee must operate in terms of a written terms of reference, which must deal adequately with its membership, authority and responsibilities. The terms of reference must be reviewed at least annually to ensure its relevance.

3.1.9 It must be disclosed in the institution's annual report whether or not the audit committee has adopted a formal terms of reference and if so, whether the committee satisfied its responsibilities for the year, in compliance with its terms of reference.

3.1.10 The audit committee must, amongst others review the following-

- (a) the effectiveness of the internal control systems;
- (b) the effectiveness of the internal audit function;
- (c) the risk areas of the institution's operations to be covered in the scope of internal and external audits;
- (d) the adequacy, reliability and accuracy of the financial information provided to management and other users of such information;
- (e) any accounting and auditing concerns identified as a result of internal and external audits;
- (f) the institution's compliance with legal and regulatory provisions; and
- (g) the activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations.

3.1.11 The audit committee must have explicit authority to investigate matters within its powers, as identified in the written terms of reference. The audit committee must be provided with the resources it needs to investigate such matters and shall have full access to information. The audit committee must safeguard all the information supplied to it within the ambit of the law.

3.1.12 An audit committee must report and make recommendations to the accounting officer, but the accounting officer retains responsibility for implementing such recommendations.

3.1.13 In addition to the above, an audit committee must, in the annual report of the institution, comment on-

- (a) the effectiveness of internal control;
- (b) the quality of in year management and monthly/quarterly reports submitted in terms of the Act and the Division of Revenue Act; and
- (c) its evaluation of the annual financial statements.

3.1.14 Should a report to an audit committee, whether from the internal audit function or any other source, implicate the accounting officer in fraud, corruption or gross negligence, the chairperson of the audit committee must promptly report this to the relevant executive authority.

3.1.15 An audit committee may communicate any concerns it deems necessary to the executive authority, the relevant treasury and the Auditor-General.

3.1.16 The audit committee must meet at least annually with the Auditor-General to ensure that there are no unresolved issues of concern.

3.2 Internal controls and internal audit [Sections 38 (1) (a) (i) and 76 (4) (e) of the PFMA]

3.2.1 The accounting officer must ensure that a risk assessment is conducted regularly to identify emerging risks of the institution. A risk management strategy, which must include a fraud prevention plan, must be used to

direct internal audit effort and priority, and to determine the skills required of managers and staff to improve controls and to manage these risks. The strategy must be clearly communicated to all officials to ensure that the risk management strategy is incorporated into the language and culture of the institution.

3.2.2 Each institution to which these Regulations apply must have an internal audit function.

3.2.3 If considered feasible, the relevant treasury may direct that institutions share internal audit functions. If such a determination is made, the Auditor-General must be informed within 30 days of the determination.

3.2.4 An internal audit function may be partly or wholly contracted to an external organisation with specialist audit expertise, provided that its selection is in accordance with the relevant government's competitive tendering procedures.

3.2.5 The purpose, authority and responsibility of the internal audit function must, in consultation with the audit committee, be formally defined in an audit charter and be consistent with the Institute of Internal Auditors ("IIA") definition of internal auditing.

3.2.6 Internal audit must be conducted in accordance with the standards set by the Institute of Internal Auditors.

3.2.7 An internal audit function must prepare, in consultation with and for approval by the audit committee-

- (a) a rolling three-year strategic internal audit plan based on its assessment of key areas of risk for the institution, having regard to its current operations, those proposed in its strategic plan and its risk management strategy;
- (b) an annual internal audit plan for the first year of the rolling three year strategic internal audit plan;
- (c) plans indicating the proposed scope of each audit in the annual internal audit plan; and
- (d) a quarterly report to the audit committee detailing its performance. against the annual internal audit plan, to allow effective monitoring and possible intervention.

3.2.8 An internal audit function must assess the operational procedure and monitoring mechanisms over all transfers made and received, including transfers in terms of the annual Division of Revenue Act.

3.2.9 An internal audit function must report directly to the accounting officer and shall report at all audit committee meetings. The function must be independent of activities that are audited, with no limitation on its access to information.

3.2.10 The internal audit function must co-ordinate with other internal and external providers of assurance to ensure proper coverage and to minimise duplication of effort.

3.2.11 The internal audit function must assist the accounting officer in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. The controls subject to evaluation should encompass the following-

- (a) the information systems environment;
- (b) the reliability and integrity of financial and operational information;
- (c) the effectiveness of operations;
- (d) safeguarding of assets; and
- (e) compliance with laws, regulations and controls.

3.2.12 The internal audit function must assist the accounting officer in achieving the objectives of the institution by evaluating and developing recommendations for the enhancement or improvement of the processes through which-

- (a) objectives and values are established and communicated;
- (b) the accomplishment of objectives is monitored;
- (c) accountability is ensured; and
- (d) corporate values are preserved.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 4. Financial misconduct

4. Financial misconduct

4.1 Investigation of alleged financial misconduct [Sections 85 (1) (b), (c) and (d) of the PFMA]

4.1.1 If an official is alleged to have committed financial misconduct, the accounting officer of the institution must ensure that an investigation is conducted into the matter and if confirmed, must ensure that a disciplinary hearing is held in accordance with the relevant prescripts and agreements applicable in the public service.

4.1.2 The accounting officer must ensure that such an investigation is instituted within 30 days from the date of discovery of the alleged financial misconduct.

4.1.3 If an accounting officer is alleged to have committed financial misconduct, the relevant treasury, as soon as it becomes aware of the alleged misconduct, must ensure that the relevant executive authority initiates an investigation into the matter and if the allegations are confirmed, holds a disciplinary hearing in accordance with the prescripts applicable and agreements applicable in the public service.

4.1.4 A relevant treasury may-

- (a) direct that an official other than an employee of the institution conducts the investigation; or
- (b) issue any reasonable requirement regarding the way in which the investigation should be performed.

4.2 Criminal proceedings [Section 86 of the PFMA]

4.2.1 The accounting officer must advise the executive authority, relevant treasury and the Auditor-General of any criminal charges it has laid against any person in terms of section 86 of the Act.

4.2.2 The relevant treasury may direct an institution to lay criminal charges against any person should an accounting officer fail to take appropriate action.

4.3 Reporting [Section 85 (1) (a) and (e) of the PFMA]

4.3.1 The accounting officer must, as soon as the disciplinary proceedings are completed, report to the executive authority, the Department of Public Service and Administration and the Public Service Commission on the outcome, including-

- (a) the name and rank of the official against whom the proceedings were instituted;
- (b) the charges, indicating the financial misconduct the official is alleged to have committed;
- (c) the findings;
- (d) any sanction imposed on the official; and
- (e) any further action to be taken against the official, including criminal charges or civil proceedings.

4.3.2 The institution must inform the executive authority, the relevant treasury, the Department of Public Service and Administration and the Public Service Commission of the outcome of any criminal proceedings instituted against any person for financial misconduct in terms of section 86 of the Act.

4.3.3 The accounting officer must, on an annual basis, submit to the provincial treasury (if applicable), National Treasury and Auditor-General a schedule of-

- (a) the outcome of any disciplinary proceedings and/or criminal charges;
- (b) the names and ranks of officials involved; and
- (c) the sanctions and any further actions taken against these officials.

4.3.4 The schedule mentioned in paragraph 4.3.3 must be accompanied by a report which refers to any changes made to the institution's systems of financial and risk management as a result of any investigation.

PART 3 PLANNING AND BUDGETING

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 5. Strategic planning

5. Strategic planning

5.1 Annual preparation of strategic plans

5.1.1 Each year, the accounting officer of an institution must prepare a strategic plan for the forthcoming MTEF period for approval by the relevant executive authority.

5.2 Submission and contents of strategic plans

5.2.1 In order to facilitate the discussion of individual votes, the approved strategic plan must be tabled in Parliament or the relevant legislature at least 7 days prior to the discussion of the department's budget vote.

5.2.2 The strategic plan must-

- (a) cover a period of three years and be consistent with the institution's published medium term expenditure estimates;
- (b) include specific Constitutional and other legislative, functional and policy mandates that indicate the output deliverables for which the institution is responsible;
- (c) include policy developments and legislative changes that influence programme spending plans over the three-year period;
- (d) include the measurable objectives, expected outcomes, programme outputs, indicators (measures) and targets of the institution's programmes;
- (e) include details of proposed acquisitions of fixed or movable capital assets, planned capital investments and rehabilitation and maintenance of physical assets;
- (f) include details of proposed acquisitions of financial assets or capital transfers and plans for the management of financial assets and liabilities;
- (g) include multi-year projections of income and projected receipts from the sale of assets;
- (h) include details of the Service Delivery Improvement Programme;
- (i) include details of proposed information technology acquisition or expansion in reference to an information technology plan; and
- (j) for departments, include the requirements of Chapter 1, Part III B of the Public Service Regulations, 2001.

5.2.3 The strategic plan must form the basis for the annual reports of accounting officers as required by sections 40 (1)(d) and (e) of the Act.

5.3 Evaluation of performance [Section 27 (4) read with 36 (5) of the PFMA]

5.3.1 The accounting officer of an institution must establish procedures for quarterly reporting to the executive authority to facilitate effective performance monitoring, evaluation and corrective action.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 6. Budgeting and related matters

6. Budgeting and related matters

6.1 Annual budget circular

6.1.1 The accounting officer of a department must comply with any annual budget circulars issued by the relevant treasury. Budget circulars issued by provincial treasuries must be consistent with any budget circular issued by the National Treasury to provincial treasuries.

6.1.2 The accounting officer of a constitutional institution or the accounting authority of a public entity who receives transfer payments appropriated by vote must provide such information as may be required by the accounting officer responsible for the vote for the purposes of complying with a budget circular. A budget submission by such a constitutional institution or public entity must be made through the accounting officer of the department responsible for transfer payments to that constitutional institution or public entity.

6.1.3 An accounting officer of a budget vote must ensure that the budget submission for that vote includes appropriate supporting information in respect of constitutional institutions and public entities receiving transfer payments on that vote.

6.2 Formats of the annual budget [Section 27 (3) of the PFMA]

6.2.1 The annual budget documentation, as presented to Parliament or a provincial legislature, must conform to the formats as determined by the National Treasury.

6.3 Virement [Section 43 of the PFMA]

6.3.1 For purposes of section 43 (1) of the Act-

- (a) personnel expenditure and transfers to other institutions may not be increased without approval of the relevant treasury;
- (b) new transfers may not be introduced without the approval of the relevant treasury; and
- (c) allocations earmarked by the relevant treasury for a specific purpose (excluding personnel expenditure) may not be used for other purposes, except with its approval.

6.4 Rollovers [Sections 30 (2) (g) and 31 (2) (g) of the PFMA]

6.4.1 Funds appropriated but not spent in a particular financial year may be rolled over to a subsequent year subject to approval of the relevant treasury. Such approval will be guided by the following limitations:

- (a) Capital expenditure: Unspent funds on capital expenditure may only be rolled over to finalise projects or asset acquisitions still in progress.
- (b) Transfer payments: Savings on transfer payments may not be rolled over for purposes other than originally voted for.
- (c) Current expenditure: Savings on personnel expenditure may not be rolled over. A maximum of five per cent of a department's non-personnel current expenditure may be rolled over.

6.4.2 Requests for rollovers must be submitted to the relevant treasury on or before the last working day of April, in a format determined by the National Treasury and must include-

- (a) the purpose for which the funds were appropriated;
- (b) the reasons why the funds were not spent;
- (c) proposed changes to the use of the funds, if any; and
- (d) a disbursement schedule indicating the month(s) in which the expenditure is expected to be incurred.

6.4.3 Funds for a specific purpose may not be rolled over for more than one financial year, unless approved in advance by the relevant treasury.

6.5 Transfer of functions [Section 42 of the PFMA]

6.5.1 Where a function is to be transferred between votes during a financial year, the relevant treasury must be consulted in advance, to facilitate any request for the resulting transfer of funds voted for that function in terms of section 33 of the Act. In the absence of agreement between the affected departments on the amount of funds to be transferred, the relevant treasury will determine the funds to be shifted.

6.5.2 Should the Minister of Public Service and Administration or a Premier of a province make a determination regarding the transfer of a function between departments in terms of the Public Service Act, 1994, that determination must accompany a request for the transfer of funds as per paragraph 6.5.1. Should the Minister of Public Service and Administration or a Premier approve a function transfer after the finalisation of the adjustments estimates, it must be dealt with on a recoverable basis.

6.5.3 Before seeking formal approval from the Minister of Public Service and Administration or the Premier of a province for any transfer of functions to another sphere of government, the transferring accounting officer must first seek the approval of the relevant treasury or treasuries on any funding arrangements.

6.5.4 The transfer of functions to provinces and municipalities must be dealt with in terms of the annual Division of Revenue Act.

6.6 Additional funds through an adjustments budget [Sections 30 (2) (b) and 31 (2) (b) of the PFMA]

6.6.1 For purposes of an adjustments budget, the following will not be considered unforeseeable and unavoidable expenditure-

- (a) expenditure that, although known when finalising the estimates of expenditure, could not be accommodated within allocations;
- (b) tariff adjustments and price increases; and
- (c) extensions of existing services and the creation of new services that are not unforeseeable and unavoidable.

6.6.2 The department requesting additional funds through an adjustments budget must submit a memorandum to the relevant treasury, the Cabinet/EXCO Secretariat and any treasury committee of the Cabinet/EXCO, on a date determined by the relevant treasury.

6.6.3 Where a national adjustments budget allocates funds to a province, the relevant provincial treasury must table an adjustments budget within 30 days of the tabling of the national adjustments budget, or within such longer period as the National Treasury may approve.

PART 4 REVENUE AND EXPENDITURE MANAGEMENT

7. Revenue management

7.1 Application

7.1.1 This regulation applies to the identification, collection, recording and safeguarding of all revenue for which an institution is responsible.

7.2 Responsibility for revenue management

7.2.1 The accounting officer of an institution must manage revenue efficiently and effectively by developing and implementing appropriate processes that provide for the identification, collection, recording, reconciliation and safeguarding of information about revenue.

7.3 Services rendered by the state

7.3.1 The accounting officer of an institution must review, at least annually when finalising the budget, all fees, charges or the rates, scales or tariffs of fees and charges that are not or cannot be fixed by any law and that relate to revenue accruing to a revenue fund. The accounting officer must obtain approval from the relevant treasury for the proposed tariff structure.

7.3.2 Information on the tariff structure must be disclosed in the annual report, including information on exemptions, discounts, free services and any other aspect of material influence on the revenue yield.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 8. Expenditure management

8. Expenditure management

8.1 Responsibility of the accounting officer [Section 76 (4) (b) of the PFMA]

8.1.1 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 controls should provide reasonable assurance that all expenditure is necessary, appropriate, paid promptly and is adequately recorded and reported.

8.2 Approval of expenditure [Section 38 (1) (f) and 76 (4) (b) of the PFMA]

8.2.1 An official of an institution may not spend or commit public money except with the approval (either in writing or by duly authorised electronic means) of the accounting officer or a properly delegated or authorised officer.

8.2.2 Before approving expenditure or incurring a commitment to spend, the delegated or authorised official must ensure compliance with any limitations or conditions attached to the delegation or authorisation.

8.2.3 Unless determined otherwise in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgement.

8.3 Personnel costs [Section 76 (4) (b) of the PFMA]

8.3.1 Activities relating to the authorisation of appointments, the authorisation of payments and the recording of those payments may not be performed by the same person.

8.3.2 The accounting officer of an institution must ensure that the personnel cost of all appointees, as well as promotion and salary increases, can be met within the budgetary allocation of the institution.

8.3.3 Unless otherwise determined by the National Treasury, personnel are divided into the following groups for the payment of salaries-

- (a) Group A: Persons who must be paid on the 15th day of the month, or if it is not a working day, on the last working day preceding the 15th. These include-
 - (i) persons appointed permanently on the fixed establishment and employed in terms of the Public Service Act, 1994; and
 - (ii) persons appointed on contract.
- (b) Group B: This group represents personnel paid on the last working day of the month and includes temporary and part-time staff, and persons appointed on probation.

8.3.4 For all employees, the person in charge at the respective pay-points must certify on the date of payment that all persons listed on the payroll report are entitled to payment. Employees paid by cheque must sign the payroll report when collecting their cheques.

8.3.5 Within ten days of being certified, the payroll report must be returned to the chief financial officer. The accounting officer must ensure that all pay-point certificates have been received on a monthly basis.

8.4 Transfer payments (excluding Division of Revenue grants and other allocations to municipalities) [Section 38 (1) (j) of the PFMA]

8.4.1 An accounting officer must maintain appropriate measures to ensure that transfer payments to entities are applied for their intended purposes. Such measures may include-

- (a) regular reporting procedures;
- (b) internal and external audit requirements and, where appropriate, submission of audited statements;
- (c) regular monitoring procedures;
- (d) scheduled or unscheduled inspection visits or reviews of performance; and
- (e) any other control measures deemed necessary.

8.4.2 An accounting officer may withhold a transfer payment to an entity if he or she is satisfied that-

- (a) conditions attached to the transfer payment have not been complied with;
- (b) financial assistance is no longer required;
- (c) the agreed objectives have not been attained; and
- (d) the transfer payment does not provide value for money in relation to its purpose or objectives.

8.4.3 Treasury [Regulations 8.4.1](#) and [8.4.2](#) do not apply to transfers to other countries, international bodies and other bodies in terms of economic and financial agreements.

8.4.4 Transfers to other countries, international bodies and other bodies in terms of economic and financial agreements are exempt from the written assurance, as required by section 38 (1) (j) of the Act.

8.5 Division of Revenue Grants [Section 38 (1) (i) of the PFMA]

8.5.1 Accounting officers of departments transferring funds to other spheres of government in terms of the annual Division of Revenue Act must comply with the provisions of that Act.

8.6 Other allocations to municipalities

8.6.1 A provincial accounting officer transferring a grant from the provincial revenue fund to a municipality in accordance with an assignment in terms of [section 156 \(4\)](#) of The Constitution, 1996 (Act [No. 108 of 1996](#)) or a delegation in terms of [section 238](#) of The Constitution, 1996 other than an agency payment in terms of [section 238](#) of The Constitution, 1996 must comply with the relevant provisions of the annual Division of Revenue Act, [sections 9](#) and [10](#) of the Municipal Systems Act, 2000 (Act [No. 32 of 2000](#)) and other relevant legislation.

8.7 Charging of expenditure against a particular vote or main division of a vote [Section 76 (2) (b) of the PFMA]

8.7.1 Should a dispute arise over which vote or main division of a vote should be charged with any particular expenditure, the relevant treasury must settle the dispute and determine the vote or main division against which the expenditure must be charged.

8.8 Recovery, disallowance and adjustment of payments

8.8.1 Amounts charged to voted funds which are recovered in the financial year in which payment was made shall, on or before the closing of books of that financial year, be allocated to the main division that was originally debited.

8.8.2 Such amounts which are recovered after the closing of books of a financial year shall be paid to the relevant revenue fund, provided that such amounts have not been allocated to a clearing or suspense account during the financial year in which payment was made.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 9. Unauthorised, irregular, fruitless and wasteful expenditure

9. Unauthorised, irregular, fruitless and wasteful expenditure

9.1 General [Sections 38 (1) (g) and 76 (2) (e) of the PFMA]

9.1.1 The accounting officer of an institution must exercise all reasonable care to prevent and detect unauthorised, irregular, fruitless and wasteful expenditure, and must for this purpose implement effective, efficient and transparent processes of financial and risk management.

9.1.2 When an official of an institution discovers unauthorised, irregular or fruitless and wasteful expenditure, that official must immediately report such expenditure to the accounting officer. In the case of a

department, such expenditure must also be reported in the monthly report, as required by section 40 (4) (b) of the Act. Irregular expenditure incurred by a department in contravention of tender procedures must also be brought to the notice of the relevant tender board or procurement authority, whichever is applicable.

9.1.3 When an accounting officer determines the appropriateness of disciplinary steps against an official in terms of section 38 (l) (g) of the Act, the accounting officer must take into account-

- (a) the circumstances of the transgression;
- (b) the extent of the expenditure involved; and
- (c) the nature and seriousness of the transgression.

9.1.4 The recovery of losses or damages resulting from unauthorised, irregular or fruitless and wasteful expenditure must be dealt with in accordance with [regulation 12](#).

9.1.5 The amount of the unauthorised, irregular, fruitless and wasteful expenditure must be disclosed as a note to the annual financial statements of the institution.

PART 5 ASSET AND LIABILITY MANAGEMENT

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 10. Asset management

10. Asset management

10.1 Responsibility for asset management [Section 38 (1) (d) of the PFMA]

10.1.1 The accounting officer of an institution must take full responsibility and ensure that proper control systems exist for assets and that-

- (a) preventative mechanisms are in place to eliminate theft, losses, wastage and misuse; and
- (b) stock levels are at an optimum and economical level.

10.1.2 The accounting officer must ensure that processes (whether manual or electronic) and procedures are in place for the effective, efficient, economical and transparent use of the institution's assets.

10.2 Disposal and letting of assets [Section 76 (1) (k) of the PFMA]

10.2.1 Disposal of movable assets must be at market-related value or by tender or auction, whichever is most advantageous to the state, unless determined otherwise by the relevant treasury.

10.2.2 Any sale of immovable state property must be at market-related value, unless the relevant treasury approves otherwise.

10.2.3 The letting of immovable state property (excluding state housing for officials and political office bearers) must be at market-related tariffs, unless the relevant treasury approves otherwise. No state property may be let free of charge without the prior approval of the relevant treasury.

10.2.4 The accounting officer must review, at least annually when finalising the budget, all fees, charges, rates, tariffs or scales of fees or other charges relating to the letting of state property to ensure sound financial planning and management.

10.3 Assets accruing to the State by operation of any law [Section 76 (2) (i) of the PFMA]

10.3.1 Where any money, property or right accrues to the State by operation of law (*bona vacantia*), the relevant treasury may exercise all powers, authority and prerogatives, and fulfil any obligation on behalf of the state.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 11. Management of debtors

11. Management of debtors

11.1 Application

11.1.1 This regulation applies to all debts accruing to an institution and includes any amount owing to or receivable by the institution, such as invoices for charges for goods or services, fees or fines outstanding.

11.2 Responsibility for the management of debtors [Section 38 (1) (c) (i) and (d) of the PFMA]

11.2.1 The accounting officer of an institution must take effective and appropriate steps to timeously collect all money due to the institution including, as necessary-

- (a) maintenance of proper accounts and records for all debtors, including amounts received in part payment; and
- (b) referral of a matter to the State Attorney, where economical, to consider a legal demand and possible legal proceedings in a court of law.

11.3 Recovery of debts by instalments

11.3.1 Unless otherwise determined by law or agreement, debts owing to the State may, at the discretion of the accounting officer of the institution, be recovered in instalments.

11.4 Writing off of debts owing to the State [Sections 76 (1) (e) and 76 (4) (a) of the PFMA]

11.4.1 An accounting officer may only write off debts owed to the State if he or she is satisfied that-

- (a) all reasonable steps have been taken to recover the debt and the debt is irrecoverable; or,
- (b) he or she is convinced that-
 - (i) recovery of the debt would be uneconomical;
 - (ii) recovery would cause undue hardship to the debtor or his or her dependants; or
 - (iii) it would be to the advantage of the State to effect a settlement of its claim or to waive the claim.

11.4.2 An accounting officer must ensure that all debts written off are done in accordance with a write off policy determined by the accounting officer.

11.4.3 All debts written off must be disclosed in the annual financial statements, indicating the policy in terms of which the debt was written off.

11.5 Interest payable on debts to the State [Section 80 of the PFMA]

11.5.1 Interest must be charged on debts to the State at the interest rate determined by the Minister of Finance in terms of section 80 of the Act.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 12. Management of losses and claims

12. Management of losses and claims

12.1 General

12.1.1 Subject to the provisions of this regulation, or any other legislation or agreement, the State will bear its own damages and accident risks and be responsible for all claims and losses of state property where these arise from state activities by an official who is liable in law and who is or was employed by an institution.

12.1.2 Notwithstanding paragraph 12.1.1, the accounting officer of an institution may (if deemed economical and based on a risk assessment) insure motor vehicles, including hired vehicles, or such other movable assets determined by the relevant treasury, but the insurance premium cost may not exceed R250 000 a year on that vote, unless otherwise approved by the relevant treasury.

12.2 Claims against the State through acts or omissions [Section 76 (1) (h) of the PFMA]

12.2.1 An institution must accept liability for any loss or damage suffered by another person, which arose from an act or omission of an official as a claim against the State and does not recover compensation from an official, provided the official shall forfeit this cover if he or she, with regard to the act or omission, is liable in law and-

- (a) intentionally exceeded his or her powers;
- (b) made use of alcohol or drugs;
- (c) did not act in the course and scope of his or her employment;
- (d) acted recklessly or intentionally;
- (e) without prior consultation with the State Attorney, made an admission that was detrimental to the state; or
- (f) failed to comply with or ignored standing instructions, of which he or she was aware or could

reasonably have been aware, which led to the loss, damage or reason for the claim, excluding damage arising from the use of a state vehicle; and

- (g) in the case of a loss, damage or claim arising from the use of a state vehicle, the official-
 - (i) used the vehicle without authorisation;
 - (ii) did not possess a valid driver's licence or other appropriate licence;
 - (iii) did not use the vehicle in the interest of the state;
 - (iv) allowed unauthorised persons to handle the vehicle; or
 - (v) deviated materially from the official journey or route without prior authorisation;

12.2.2 If in doubt, the accounting officer of the institution must consult the State Attorney on questions of law on the implementation of paragraph 12.2.1.

12.2.3 Where an official has forfeited his or her cover in terms of paragraph 12.2.1, the amount paid by the institution for the loss, damage or claim arising from an act or omission must be recovered from the official concerned.

12.2.4 The State Attorney may only obligate the funds of an institution with the prior written approval of the accounting officer.

12.3 Claims by the State against other persons

12.3.1 If the State suffers a loss or damage and the other person denies liability, the accounting officer must, if deemed economical, refer the matter to the State Attorney for legal action, including the recovery of the value of the loss or damage.

12.4 Claims by officials against the state

12.4.1 If an official sustains a loss or damage in the execution of official duties and is not compensated, the accounting officer may make good the loss or damage provided that the official can prove such loss or damage.

12.5 Losses or damages through criminal acts or omissions [Section 76 (1) (f) of the PFMA]

12.5.1 When it appears that the State has suffered losses or damages through criminal acts or possible criminal acts or omissions, the matter must be reported, in writing, to the accounting officer and the South African Police Service. If liability can be determined, the accounting officer must recover the value of the loss or damage from the person responsible.

12.5.2 The accounting officer may write off losses or damages arising from criminal acts or omissions if, after a thorough investigation, it is found that the loss or damage is irrecoverable.

12.5.3 When movable assets are written off, this must be noted in the asset register.

12.6 Losses and damages through *vis major* and other unavoidable causes [Section 76 (1) (e) of the PFMA]

12.6.1 The accounting officer may write off losses and damages that result from *vis major* and other unavoidable causes.

12.7 Losses or damages through acts committed or omitted by officials [Sections 76 (1) (b) and 76 (4) (a) of the PFMA]

12.7.1 Losses or damages suffered by an institution because of an act committed or omitted by an official, must be recovered from such an official if that official is liable in law.

12.7.2 The accounting officer must determine the amount of the loss or damage and, in writing, request that official to pay the amount within 30 days or in reasonable instalments. If the official fails to comply with the request, the matter must be handed to the State Attorney for the recovery of the loss or damage.

12.7.3 A claim against an official must be waived if the conditions in paragraph 12.2.1 (a) to (g) are not applicable.

12.7.4 If in doubt, the accounting officer of the institution must consult the State Attorney on questions of law in the implementation of paragraphs 12.7.1 and 12.7.3.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 13. Loans, guarantees, leases and other commitments

13. Loans, guarantees, leases and other commitments

13.1 General [Section 66 of the PFMA]

13.1.1 The executive authority of a provincial department may not issue a guarantee, security or indemnity that may bind the provincial revenue fund, except with the prior written approval of the MEC for finance in the province.

13.1.2 The accounting officer of a department must ensure that no official in that department or any other person borrows money on behalf of that department, or issues an unauthorised guarantee, security or indemnity. The accounting officer must ensure that appropriate misconduct or criminal proceedings are instituted against any person responsible for transgressions with regard to borrowings, guarantees, securities or indemnities.

13.1.3 Should the accounting officer be responsible for transgressions with regard to borrowings, guarantees, securities or indemnities, the relevant treasury must, as soon as it becomes aware of the transgression, initiate appropriate misconduct or criminal proceedings against the accounting officer.

13.1.4 The accounting officer must report on all known contingent liabilities of the department in its annual report.

13.1.5 This regulation does not preclude the use of credit cards, fleet management cards or other credit facilities repayable within 30 days from the date of statement.

13.2 Lease transactions

13.2.1 For the purpose of this regulation, a lease is regarded as a contract that gives the lessee (the renter) the right to the use of property, plant or equipment for a fixed period of time with a fixed schedule of payments to the lessor (the owner).

13.2.2 The accounting officer of an institution may, for the purpose of conducting the institution's business, enter into lease transactions provided that such transactions are limited to operating leases.

13.2.3 The accounting officer may under no circumstances enter into finance leases. For the purpose of this regulation, a lease is considered to be a finance lease if-

- (a) the lease transfers ownership of the asset to the lessee by the end of the lease period;
- (b) the lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than the fair value at the date the option becomes exercisable, so that at the inception of the lease it is reasonably certain that the option will be exercised;
- (c) the lease term is for the economic life of the asset even if the title is not transferred;
- (d) at the inception of the lease, the present value of the minimum lease payments amount to at least 90% of the fair value of the leased asset;
- (e) the leased asset is of a specialised nature such that only the institution can use the asset without major modifications being made;
- (f) the lessor's losses associated with cancellation of the lease by the lessee is borne by the lessee; or
- (g) the leased asset cannot be easily replaced by another asset.

13.3 Provinces

13.3.1 The MEC for finance may raise funds during a financial year for bridging purposes. All bridging finance raised during a financial year must be repaid within 30 days after the end of the financial year.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 14. Money and property held in trust

14. Money and property held in trust

14.1 General

14.1.1 [Regulation 15](#) is not applicable to the management of trust money.

14.2 Responsibility for trust money and property [Section 76 (1) (c) of the PFMA]

14.2.1 For purposes of this regulation, trust money or property is money or property that does not belong to the State and that is held by an institution on behalf of other persons or entities in terms of a deed of trust or equivalent instrument that details the specific purposes for which it may be used.

14.2.2 The accounting officer, through the chief financial officer or a duly authorised agent, is responsible for the safekeeping and proper use of trust money and property, in accordance with the relevant deed of trust or equivalent instrument.

14.2.3 The institution, or its duly authorised agent, may charge a fee for the administration of a trust

account at rates approved by the board of trustees or, in its absence, as agreed with the trustee. Such fees are payable from the trust account and are revenue accruing to the relevant revenue fund.

14.3 Trust money must be kept in a trust account

14.3.1 The accounting officer must, for each separate portion of trust money-

- (a) open and maintain a separate bank account, called a trust account;
- (b) assign to the trust account a name or title that clearly identifies the account;
- (c) maintain separate accounting records for each trust account, of the transactions, including investment transactions, undertaken; and
- (d) annually prepare separate annual financial statements that comply with generally accepted accounting practice.

14.4 Investment of trust money

14.4.1 The accounting officer may, provided that it does not conflict with the terms of the trust arrangement, invest any trust money on such terms and conditions as may be appropriate-

- (a) on deposit with any bank within or outside South Africa as approved by the National Treasury;
- (b) in public securities issued by the government; or
- (c) in other securities approved by the National Treasury.

14.4.2 The proceeds of an investment, including interest and realised capital gains, and all money received from the realisation, sale or conversion of securities, must be treated as money of the trust on whose behalf the money was invested.

PART 6 FRAMEWORKS

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 15. Banking, cash management and investment

15. Banking, cash management and investment

15.1 Control of the national and provincial revenue funds [Sections 11 and 21 of the PFMA]

15.1.1 Each treasury is responsible for the effective and efficient management of its revenue fund.

15.1.2 Each treasury must ensure that its revenue fund always has sufficient money for appropriated expenditure and direct charges to meet the progressive cash flow requirements.

15.1.3 Each revenue fund consists, at any point in time, of all cash balances of the fund, derived from the relevant treasury's operating, investing and financing activities.

15.2 Bank account configuration [Sections 7 and 21 of the PFMA]

15.2.1 The bank account configuration for the National Revenue Fund comprises an Exchequer bank account, a Paymaster-General bank account with the South African Reserve Bank, the four tax and loan accounts with commercial banks, and any other bank account opened to facilitate the management of the National Revenue Fund. The National Treasury may open additional accounts on such terms and conditions as it may determine.

15.2.2 Each provincial revenue fund must have a bank account configuration that consists of at least an Exchequer bank account and a Paymaster-General bank account, opened with a commercial bank.

15.2.3 Each head of a provincial treasury must nominate one bank account, which is under the control of the provincial treasury and is part of the provincial revenue fund, as the accredited account into which all transfers from national departments must be deposited.

15.2.4 If the accounting for a department necessitates a separate bank account, the relevant treasury may approve one subaccount within the Paymaster-General account of the relevant revenue fund. Such sub-accounts remain an integral part of the bank account configuration of the relevant revenue fund.

15.3 Deposits into the revenue funds [Sections 13 and 22 of the PFMA]

15.3.1 In terms of sections 11 (3) and 21 (2) of the Act, money is paid into a revenue fund by depositing it into a bank account in accordance with the configuration requirements prescribed above.

15.3.2 Money deposited into the Paymaster-General account must immediately be available to the relevant

treasury for funding expenditure or investment according to its central cash management responsibilities.

15.4 Responsibilities of the South African Revenue Service [Section 12 of the PFMA]

15.4.1 The South African Revenue Service must supply the relevant treasury with an annual revenue projection no later than the tenth working day of March preceding the start of the financial year. It must also submit the actual collection for the preceding month and an updated monthly revenue projection for the remainder of the year, no later than the 15th working day of each month.

15.4.2 For purposes of section 12 of the Act, the South African Revenue Service must implement measures to ensure that all taxes, levies, duties, fees and other money due to and collected by it for a revenue fund are accounted for and deposited daily into the relevant fund. The relevant treasury must be informed daily of such revenue and its standard revenue classifications.

15.5 Responsibilities of departments [Sections 13 and 22 of the PFMA]

15.5.1 All revenue received by a department must be paid daily into its Paymaster-General account or, for amounts less than R500, as soon as practicable, but at least by the last working day of the month.

15.5.2 No provincial department may receive a transfer payment from a national department or public entity directly; such funds must be deposited into the nominated banking account of the province as required by paragraph 15.2.3.

15.5.3 Money collected by a department, which is not classified as revenue, must be paid into the department's Paymaster-General account and accounted for in its ledger. This includes money received for agency services provided to another department.

15.6 Withdrawals from and investments in revenue funds [Sections 7 (4) and 24 (3) of the PFMA]

15.6.1 Provincial treasuries may, in accordance with section 24 of the Act, temporarily invest surplus money in the provincial revenue fund in an account in South Africa, approved as part of the bank account configuration of the fund.

15.7 Requisitioning of funds by departments

15.7.1 When requesting the transfer of appropriated funds, accounting officers of national departments must submit such requisitions to the National Treasury, in accordance with approved cash flow estimates, at least four full working days before the end of the month preceding the month in which the funds are required. Provincial treasuries may determine their own time-scales in this regard.

15.7.2 Provincial treasuries will receive their grants from the National Revenue Fund in accordance with the payment schedule determined in terms of the annual Division of Revenue Act.

15.8 Surrender of voted surplus funds

15.8.1 At the end of each financial year, and after the books of account of a department have been closed, the accounting officer must surrender to the relevant treasury any unexpended voted money, for re-depositing into the Exchequer bank account of the relevant revenue fund.

15.9 Accounting and reporting

15.9.1 Each treasury must account daily for the cash movements of all bank accounts in the books of its revenue fund.

15.10 Banking and cash management

15.10.1 General [Sections 7 and 21 of the PFMA]

15.10.1.1 The accounting officer is responsible for establishing systems, procedures, processes and training and awareness programmes to ensure efficient and effective banking and cash management.

15.10.1.2 For purposes of this regulation, sound cash management includes-

- (a) collecting revenue when it is due and banking it promptly;
- (b) making payments, including transfers to other levels of government and non government entities, no earlier than necessary, with due regard for efficient, effective and economical programme delivery and the government's normal terms for account payments;
- (c) avoiding prepayments for goods or services (i.e. payments in advance of the receipt of the goods or services), unless required by the contractual arrangements with the supplier;
- (d) accepting discounts to effect early payment only when the payment has been included in the monthly cash flow estimates provided to the relevant treasury;
- (e) pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable by the government are collected and banked promptly;

- (f) accurately forecasting the institution's cash flow requirements so that the National Treasury can optimise its central cash management responsibilities on behalf of the government;
- (g) timing the in and outflow of cash;
- (h) recognising the time value of money, i.e. economically, efficiently and effectively managing cash;
- (i) taking any other action that avoids locking up money unnecessarily and inefficiently, such as managing inventories to the minimum level necessary for efficient and effective programme delivery, and selling surplus or underutilised assets;
- (j) performing bank reconciliations on a daily basis to detect any unauthorised entries;
- (k) ensuring that dishonoured warrant vouchers and cheques are followed up immediately; and
- (l) the separation of duties to minimise the incidence of fraud.

15.10.2 Cash flow

15.10.2.1 The accounting officer must annually submit to the relevant treasury a breakdown of anticipated revenue and expenditure in the format determined by the National Treasury, no later than the last working day of February preceding the financial year to which it relates.

15.10.2.2 Provincial treasuries must submit to the National Treasury, by the 15th working day of March, projections of their expenditure, revenue and borrowings, in a format determined by the National Treasury.

15.10.2.3 Once such amounts have been approved, modified as necessary after consultation with the relevant treasury, the accounting officer may not draw from the revenue fund more than the amount approved for a month, without prior written approval from the relevant treasury.

15.10.2.4 Should the accounting officer need to adjust the approved projections, the proposed adjustments must be motivated to the relevant treasury for evaluation against the availability of funds in the Exchequer.

15.10.3 Banking arrangements [Section 7 (2) of the PFMA]

15.10.3.1 Institutions may not open a bank account without the written approval of the relevant treasury. Only bank accounts approved after 1 April 2001 shall be considered as valid.

15.10.3.2 The National Treasury will negotiate with the approved clearing banks for appropriate banking services on a regular basis for national departments and constitutional institutions.

15.11 Private money, private bank accounts and cashing private cheques

15.11.1 Private money may not be deposited into an official bank account, except in accordance with the provisions relating to money held in trust for other persons or bodies, nor may state money be paid into a private bank account.

15.11.2 The safekeeping of private money or personal possessions in a state safe or strongroom is prohibited. However, an accounting officer or an official authorised by the accounting officer may approve arrangements for safeguarding personal effects reasonably held on official premises in the course of official duty (e.g. by providing lockable rooms for staff).

15.11.3 state money may not be used to cash private cheques.

15.12 Warrant vouchers, cheques and electronic payments [Section 76 (2) (h) of the PFMA]

15.12.1 Accounting officers of departments must assign authority in writing to officials to approve warrant vouchers, cheques or electronic payments.

15.12.2 Only authorised officials may sign hand-drawn vouchers or cheques and must initial the counterfoils.

15.12.3 All payments in excess of R2 000 must be effected electronically unless otherwise approved by the relevant treasury. Payments may not be split to circumvent this regulation and any non-compliance with this regulation constitutes financial misconduct.

15.12.4 All warrant vouchers and cheques must be crossed "NOT NEGOTIABLE" and should also preferably be crossed "NOT TRANSFERABLE" between parallel lines. The cancellation of crossings is not permitted.

15.12.5 When an issued warrant voucher or cheque is lost, stolen or damaged, an instruction to stop payment must immediately be issued to the responsible bank. Once confirmation has been received that the cheque was stopped, the transaction must be reversed and a new warrant voucher or cheque issued and accounted for.

15.12.6 All cashed warrant vouchers of national departments that have not been captured on the respective financial systems will be returned as unpaid.

16. Public-private partnerships

16.1 Definitions

In this regulation, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act, has the same meaning, and-

"affordability" means that the financial commitments to be incurred by an institution in terms of the PPP agreement can be met by funds-

- (a) designated within the institution's existing budget for the institutional function to which the agreement relates; and/or
- (b) destined for the institution in accordance with the relevant treasury's future budgetary projections for the institution;

"institution" means a department, a constitutional institution, a public entity listed, or required to be listed in Schedules 3A, 3B, 3C and 3D to the Act, or any such subsidiary of any such public entity.

"institutional function" means-

- (a) a service, task, assignment or other function that an institution is entitled or obliged to perform-
 - (i) in the public interest; or
 - (ii) on behalf of the public service generally; or
- (b) any part or component of or any service, task, assignment or other function performed or to be performed in support of such a service, task, assignment or other function;

[Definition of ["institutional function"](#) amended by GN 2012 of 2003 and by GN 37 of 2004.]

"private party" means a party to a PPP agreement, other than-

- (a) an institution to which the Act applies;
- (b) a municipality or a municipal entity under the ownership control of one or more municipalities; or
- (c) the accounting officer, accounting authority or other person or body acting on behalf of an institution, municipality or municipal entity referred to in [paragraph \(a\)](#) or [\(b\)](#);

"project officer" means a person identified by the accounting officer or accounting authority of an institution, who is capable and appropriately qualified to manage a PPP to which that institution is party from its inception to its expiration or termination;

"public-private partnership" or **"PPP"** means a commercial transaction between an institution and a private party in terms of which the private party-

- (a) performs an institutional function on behalf of the institution; and/or
- (b) acquires the use of state property for its own commercial purposes; and
- (c) assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property; and
- (d) receives a benefit for performing the institutional function or from utilising the state property, either by way of:
 - (i) consideration to be paid by the institution which derives from a revenue fund or, where the institution is a national government business enterprise or a provincial government business enterprise, from the revenues of such institution; or
 - (ii) charges or fees to be collected by the private party from users or customers of a service provided to them; or
 - (iii) a combination of such consideration and such charges or fees;

"preferred bidder" means the bidder, including any bidding consortium, to be appointed as preferred bidder in terms of [regulation 16.5.4](#);

"PPP agreement" means a written contract recording the terms of a PPP concluded between an institution and a private party;

"state property" includes all movable and immovable property belonging to the state as well as intellectual property rights vested in the state;

"transaction advisor" means a person or persons appointed in writing by an accounting officer or accounting authority of an institution, who has or have appropriate skills and experience to assist and advise the institution

in connection with a PPP, including the preparation and conclusion of a PPP agreement; and

"value for money" means that the provision of the institutional function or the use of state property by a private party in terms of the PPP agreement results in a net benefit to the institution defined in terms of cost, price, quality, quantity, risk transfer or a combination thereof.

16.2 Exclusive competency of accounting officers and accounting authorities

16.2.1 Only the accounting officer or the accounting authority of an institution may enter into a PPP agreement on behalf of that institution.

16.3 Project inception

16.3.1 As soon as the institution identifies a project that may be concluded as a PPP, the accounting officer or accounting authority must in writing-

- (a) register the PPP with the relevant treasury;
- (b) inform the relevant treasury of the expertise within that institution to proceed with a PPP;
- (c) appoint a project officer from within or outside the institution; and
- (d) appoint a transaction advisor if the relevant treasury so requests.

16.4 Feasibility study-Treasury Approval: I

16.4.1 To determine whether the proposed PPP is in the best interests of an institution, the accounting officer or the accounting authority of that institution must undertake a feasibility study that-

- (a) explains the strategic and operational benefits of the proposed PPP for the institution in terms of its strategic objectives and government policy;
- (b) describes in specific terms-
 - (i) in the case of a PPP involving the performance of an institutional function, the nature of the institutional function concerned and the extent to which this institutional function, both legally and by nature, may be performed by a private party; and
 - (ii) in the case of a PPP involving the use of state property, a description of the state property concerned, the uses, if any, to which such state property has been subject prior to the registration of the proposed PPP and a description of the types of use that a private party may legally subject such state property to;
- (c) in relation to a PPP pursuant to which an institution will incur any financial commitments, demonstrates the affordability of the PPP for the institution;
- (d) sets out the proposed allocation of financial, technical and operational risks between the institution and the private party;
- (e) demonstrates the anticipated value-for-money to be achieved by the PPP; and
- (f) explains the capacity of the institution to procure, implement, manage, enforce, monitor and report on the PPP;

16.4.2 An institution may not proceed with the procurement phase of a PPP without prior written approval of the relevant treasury for the feasibility study.

16.4.3 The treasury approval referred to in [regulation 16.4.2](#) shall be regarded as Treasury Approval I.

16.4.4 If at any time after Treasury Approval I has been granted in respect of the feasibility study of a PPP, but before the grant of Treasury Approval III in respect of the PPP agreement recording that PPP, any assumptions in such feasibility study are materially revised, including any assumptions concerning affordability, value for money and substantial technical, operational and financial risk transfer, then the accounting officer or accounting authority of the institution must immediately-

- (a) provide the relevant treasury with details of the intended revision, including a statement regarding the purpose and impact of the intended revision on the affordability, value for money and risk transfer evaluation contained in the feasibility study; and
- (b) ensure that the relevant treasury is provided with a revised feasibility study after which the relevant treasury may grant a revised Treasury Approval I.

16.5 Procurement-Treasury approvals: IIA and IIB [Section 76 (4) of the PFMA]

16.5.1 Prior to the issuing of any procurement documentation for a PPP to any prospective bidders, the institution must obtain approval from the relevant treasury for the procurement documentation, including the draft PPP agreement.

16.5.2 The treasury approval referred to in [regulation 16.5.1](#) shall be regarded as Treasury Approval IIA.

16.5.3 The procurement procedure-

- (a) must be in accordance with a system that is fair, equitable, transparent, competitive and cost-effective; and
- (b) must include a preference for the protection or advancement of persons, or categories of persons, disadvantaged by unfair discrimination in compliance with relevant legislation.

16.5.4 After the evaluation of the bids, but prior to appointing the preferred bidder, the institution must submit a report for approval by the relevant treasury, demonstrating how the criteria of affordability, value for money and substantial technical, operational and financial risk transfer were applied in the evaluation of the bids, demonstrating how these criteria were satisfied in the preferred bid and including any other information as required by the relevant treasury.

16.5.5 The treasury approval referred to in [regulation 16.5.4](#) shall be regarded as Treasury Approval IIB.

16.6 Contracting PPP agreements-Treasury Approval: III

16.6.1 After the procurement procedure has been concluded but before the accounting officer or accounting authority of an institution concludes a PPP agreement, that accounting officer or accounting authority must obtain approval from the relevant treasury-

- (a) that the PPP agreement meets the requirements of affordability, value for money and substantial technical, operational and financial risk transfer as approved in terms of [regulation 16.4.2](#) or revised in terms of [regulation 16.4.4](#);
- (b) for a management plan that explains the capacity of the institution, and its proposed mechanisms and procedures, to effectively implement, manage, enforce, monitor and report on the PPP; and
- (c) that a satisfactory due diligence including a legal due diligence has been completed in respect of the accounting officer's or accounting authority and the proposed private party in relation to matters of their respective competence and capacity to enter into the PPP agreement.

16.6.2 The treasury approval referred to in [regulation 16.6.1](#) shall be referred to as Treasury Approval III.

16.7 Management of PPP agreements

16.7.1 The accounting officer or accounting authority of the institution that is party to a PPP agreement is responsible for ensuring that the PPP agreement is properly implemented, managed, enforced, monitored and reported on, and must maintain such mechanisms and procedures as approved in Treasury Approval III for-

- (a) measuring the outputs of the PPP agreement;
- (b) monitoring the implementation of and performances under the PPP agreement;
- (c) liaising with the private party;
- (d) resolving disputes and differences with the private party;
- (e) generally overseeing the day-to-day management of the PPP agreement; and
- (f) reporting on the PPP agreement in the institution's annual report.

16.7.2 A PPP agreement involving the performance of an institutional function does not divest the accounting officer or accounting authority of the institution concerned of the responsibility for ensuring that such institutional function is effectively and efficiently performed in the public interest or on behalf of the public service.

16.7.3 A PPP agreement involving the use of state property by a private party does not divest the accounting officer or accounting authority of the institution concerned of the responsibility for ensuring that such state property is appropriately protected against forfeiture, theft, loss, wastage and misuse.

16.8 Amendment and variation of PPP agreements

16.8.1 The prior written approval of the relevant treasury is required for any material amendments to a PPP agreement including any material variations to the outputs therein or any waivers contemplated or provide for in the PPP agreement.

16.8.2 The relevant treasury will approve a material amendment only if it is satisfied that the PPP agreement, if so amended, will continue to provide-

- (a) value for money;
- (b) affordability; and
- (c) substantial technical, operational and financial risk transfer to the private party.

16.8.3 The accounting officer or accounting authority must substantially follow the procedure prescribed by [regulations 16.4](#) and [16.6](#) for obtaining such treasury approval.

16.9 Agreements binding on the state

16.9.1 A PPP agreement or an agreement amending a PPP agreement, binds the state only if the agreement was entered into on behalf of an institution-

- (a) by the accounting officer or accounting authority of that institution; and
- (b) if all treasury approvals required in terms of this [regulation 16](#) have been granted by the relevant treasury in respect of the PPP.

16.10 Exemptions

16.10.1 The relevant treasury may, subject to any terms and conditions that it considers appropriate and upon written application from an institution, exempt that institution whether in relation to a specific PPP or in general, from complying with any or all of the provisions of this [regulation 16](#).

[R. 16 substituted by GN 37 of 2004.]

PART 7 ACCOUNTING AND REPORTING REQUIREMENTS

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 17. Basic accounting records and related issues

17. Basic accounting records and related issues

17.1 Use of clearing and suspense accounts [Section 40 (1) (a) of the PFMA]

17.1.1 All the transactions of an institution must be supported by authentic and verifiable source documents, clearly indicating the approved accounting allocation.

17.1.2 Should it be necessary, in exceptional cases, to account for revenue and expenditure transactions in a clearing or suspense account because the classification has not been resolved, the accounting officer must ensure that-

- (a) the sources of the transactions are readily identifiable;
- (b) amounts included in clearing or suspense accounts are cleared and correctly allocated to the relevant cost centres on a monthly basis;
- (c) monthly reconciliation's are performed to confirm the balance of each account; and
- (d) reports are provided to the accounting officer about uncleared items on a monthly basis.

17.1.3 In each month's section 40 (4) report, the accounting officer must certify that the forecast/projection for the remainder of the financial year adequately makes provision for all amounts not yet cleared from clearing and suspense accounts.

17.2 Availability of financial information [Section 40 (1) (a) of the PFMA]

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 years to which the information relates.

17.2.2 After the expiry of the above retention periods, the information may, if required, be secured in an alternative form 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.

17.2.3 Irrespective of paragraph 17.2.1, the following standards apply to the retention of certain types of record-

<i>Type of Record</i>	<i>Years after which records can be disposed of</i>
General ledger and cash books or similar records	15
Main transaction summary records, including general journals and transaction summaries	10
Internal audit reports	10
System appraisals	

Primary evidentiary records, including copies of forms issued for value, vouchers to support payments made, pay sheets, returned warrant vouchers or cheques, invoices and similar records associated with the receipt or payment of money	5
Subsidiary ledgers, including inventory cards and records relating to assets no longer held or liabilities that have been discharged	
Supplementary accounting records, including, for example, cash register strips, bank statements and time sheets	5
General and incidental source documents not included above, including stock issue and receivable notes, copies of official orders (other than copies for substantiating payments or for unperformed contracts), bank deposit books and post registers	5

17.2.4 When financial information is required as evidence in proceedings before a court, Parliament, a provincial legislature, an official inquiry or otherwise, or for purposes of an audit, it must be secured in its then current form until no longer required, even if the National Archivist has authorised its disposal.

17.3 Changes to financial systems

17.3.1 Institutions may not amend existing or institute new computerised systems that will affect financial administration without the prior written approval of the National Treasury.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 18. Monthly and annual reports

18. Monthly and annual reports

18.1 Monthly reports [Sections 32 (2) and 40 (4) (b) and (c) of the PFMA]

18.1.1 In addition to the reporting requirements of sections 40 (4) (b) and (c) of the Act, the accounting officer must also comply with the reporting requirements of the annual Division of Revenue Act.

18.1.2 A provincial treasury must submit a statement to the National Treasury on actual revenue and expenditure with regard to its revenue fund before the 22nd day of each month in the format determined by the National Treasury. Such a statement must include a certificate to the effect that the information supplied has been verified by the head official of the provincial treasury. The information supplied must be based on information submitted to the provincial treasury by provincial accounting officers in terms of section 40 (4) (c) of the Act.

18.2 Annual financial statements [Section 40 (1) (b) of the PFMA]

For the financial year ending 31 March 2003, the following reporting standards must be adhered to, unless otherwise approved by the National Treasury:

<i>Reporting entity</i>	<i>Generally recognised accounting practice</i>
National and provincial revenue funds	<p>Annual financial statements must consist of-</p> <ul style="list-style-type: none"> (a) a statement of liabilities and financially related assets; (b) a statement of financial performance; (c) a cash flow statement; (d) notes to the annual financial statements; (e) a report on the financial position of and performance by the Treasury; and (f) such other statements as may be determined by the Accounting Standards Board. <p>The annual financial statements must be prepared on a modified cash basis in accordance with the formats prescribed by the National Treasury and must be accompanied by the audit opinion of the Auditor-General.</p> <p>The annual financial statements must, by means of figures and a descriptive report, explain any other matters and information material to the affairs of the relevant revenue fund.</p>
Departments	<p>Annual financial statements must consist of-</p> <ul style="list-style-type: none"> (a) a statement of financial position; (b) a statement of changes in equity; (c) a statement of financial performance; (d) a cash flow statement; (e) notes to the annual financial statements; and

(f) such other statements as may be determined by the Accounting Standards Board.

The statements must be prepared on a modified cash basis in accordance with the formats prescribed by the National Treasury and must be accompanied by the audit opinion of the Auditor-General.

The annual financial statements must, by means of figures and a descriptive report, explain any other matters and information material to the affairs of the institution.

Trading entities

Constitutional institutions

Annual financial statements must consist of-

- (a) a statement of financial position;
- (b) a statement of financial performance;
- (c) a cash flow statement;
- (d) notes to the annual financial statements; and
- (e) such other statements as may be determined by the Accounting Standards Board.

The annual financial statements must be accompanied by the audit opinion of the Auditor-General.

The annual financial statements must conform with generally accepted accounting practice. These statements must fairly represent the financial position at the end of the financial year concerned and cash flows of the institution for the year then ended.

Should these statements materially depart from the Statements of GAAP, the financial statements must provide a disclosure of the departure, the particulars thereof, the reasons therefore and the effect of such a departure on the financial statements.

The annual financial statements must, by means of figures and a descriptive report, explain any other matters and information material to the affairs of the institution.

18.3 Contents of annual reports for the financial year ending 31 March 2003 [Section 40 (1) (d) of the PFMA]

18.3.1 In preparing the annual report of an institution, the accounting officer must-

- (a) in the case of a department or trading entity, comply with the requirements prescribed in Chapter 1, Part III J of the Public Service Regulations, 2001;
- (b) include information about the institution's efficiency, economy and effectiveness in delivering programmes and achieving its objectives and outcomes against the measures and indicators set out in any strategic plan for the year under consideration;
- (c) include information on transfer payments per organisation for the entire financial year as well as a report on compliance with section 38 (1) (j) of the Act;
- (d) include all information required in terms of the annual Division of Revenue Act;
- (e) include any additional information required by Parliament or the provincial legislature;
- (f) report on the use of foreign aid assistance, detailing the source and intended use of the assistance (including the value of any aid-in-kind in rand), performance information on the institution's use of the assistance, and any pending applications for assistance;
- (g) a report from the audit committee as required by paragraph 3.1.13; and
- (h) include information on the management of PPP agreements as required by paragraph 16.8.1 (e).

18.4 Additional annual reporting requirements for departments controlling trading entities, and public entities

18.4.1 A department's annual report must include a list of trading and/or public entities, controlled by or reporting to the department or responsible executive authority, together with-

- (a) an indication of the legislation under which the trading and/or public entity was established;
- (b) a statement of the functions of each trading and/or public entity; and
- (c) the accountability arrangements established between the accounting officer or executive authority and the management of the trading and/or public entity.

19. Trading entities

19.1 Definitions [Section 76 (4) (b) of the PFMA]

In this regulation, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act, has the same meaning, and-

"**head of the trading entity**" refers to either-

- (a) the accounting officer appointed in terms of section 36 (3) (b) of the Act; or
- (b) an official assigned to head the trading entity in terms of section 44 (1) (a) of the Act.

19.2 General

19.2.1 For purposes of this regulation, a trading entity is regarded as an entity operating within the administration of a department. All obligations on departments in these regulations apply to trading entities, unless the context indicates otherwise.

19.2.2 The accounting officer of the department operating a trading entity must ensure that the head of the trading entity complies with the Act and these Treasury Regulations.

19.2.3 Trading entities allowed to open bank accounts may not borrow for bridging purposes and may not run overdrafts on their banking accounts.

19.3 Policy and reporting framework

19.3.1 The accounting officer of a department operating a trading entity must formulate a policy and reporting framework for the head of the trading entity.

19.3.2 The head of the trading entity is accountable to the accounting officer of the department operating that trading entity and must forward all reports or approvals required in the Act via the accounting officer of the department.

19.4 Establishment

19.4.1 Provincial treasuries may only establish a trading entity after consultation with the National Treasury.

19.5 Capital requirements and user charges

19.5.1 The capital requirements of the trading entity must be determined in consultation with the relevant treasury, and increases in such requirements are also subject to treasury approval.

19.5.2 In determining charges for goods or services, the head of the trading entity must aim to recover the full cost of providing the goods or services, unless the relevant treasury approves lower charges.

19.5.3 The head must review rates for user charges at least annually before the budget, and any tariff increases are subject to approval by the relevant treasury.

19.6 Disposal of assets

19.6.1 When assets are disposed of other than in the ordinary course of the business of the trading entity, the relevant treasury must approve the transaction.

19.7 Surrender of surplus funds

19.7.1 An accounting officer of a department operating a trading entity must, at the end of each financial year and after books of account have been closed, declare any surplus or deficit to the relevant treasury. The relevant treasury may apply such surplus to reduce any proposed allocation to the trading entity, or require that all or part of it be redeposited in the Exchequer bank account.

19.7.2 Where a trading entity suffers a deficit in trading, the accounting officer of the department operating the trading entity must investigate whether-

- (a) the head of the trading entity reported any foreseeable potential overexpenditure in the monthly reports;
- (b) appropriate steps were taken to address the deficit; and
- (c) financial misconduct sanctions should be instituted if paragraphs (a) and (b) were not adhered to.

19.7.3 In the event of a trading entity incurring a deficit, the accounting officer of the department controlling the trading entity must disclose the financial impact of such a deficit on the department in its annual report.

19.8 Monthly and annual reporting

19.8.1 The accounting officer of a department controlling a trading entity must provide the monthly information as required by section 40 (4) (b) and (c) of the Act in respect of such a trading entity in the monthly report of the department.

19.8.2 In the event of the accounting officer of the trading entity not being the accounting officer of the department, then such an accounting officer must provide the information required in Treasury [Regulation 19.8.1](#) to the accounting officer of the department for inclusion in the department's monthly report.

19.8.3 The relevant treasury may direct that the annual report and financial statements of the trading entity be incorporated into those of the department responsible for that trading entity.

19.8.4 The annual financial statements in respect of a trading entity must be compiled in accordance with paragraph 18.2.

19.9 Closure of a trading entity

19.9.1 Upon closure of a trading entity, all assets of the trading entity shall be transferred to the controlling department and taken on record.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 20. Commissions and Committees of Inquiry

20. Commissions and Committees of Inquiry

20.1 Definitions

In this regulation, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act, has the same meaning, and-

"commission" means a commission of inquiry appointed by the President or the Premier of a province to investigate a matter of public concern, and does not include any permanent commission, board, council, committee or similar body, whether appointed pursuant to any law or otherwise.

"committee" means a committee of inquiry appointed by the executive authority and includes an interdepartmental committee of inquiry, but does not include any permanent commission, board, council, committee or similar body, whether appointed pursuant to any law or otherwise.

"non-official member" means a person who is not an official member.

"official member" means a person as defined in section 8 (1) of the Public Service Act, 1994 (Proclamation No. R.103 of 1994), a member of Parliament or a judge, as well as a person employed by a body that was established by an Act of Parliament and that receives its funds wholly, or in part, from the National Revenue Fund, where such a person represents the department or body where he or she is employed as a member of a commission or committee.

20.2 Remuneration of members

20.2.1 An official member may not receive additional remuneration. Subsistence and other allowances may be paid to the official member by the institution that employs the official member in accordance with his or her conditions of service.

20.2.2 A non-official member must be remunerated according to scales approved by the National Treasury.

20.2.3 Should the accounting officer deem it necessary, he or she can, in consultation with the executive authority, determine other remuneration, provided that-

- (a) the terms of reference are properly defined in terms of time and cost; and
- (b) if applicable, the remuneration is considered taking into account the tariffs as determined by the institute that regulates the profession that the non-official member belongs to.

20.2.4 The remuneration of all members of a commission or committee must be disclosed as notes to the financial statements of the institution.

20.3 Services rendered by members during private time

20.3.1 Should the chairperson request a non-official member of a commission or committee to render services in his or her private time, other than the normal preparations for meetings, the person may be paid an honorarium (within the budget), as determined by the accounting officer and the executive authority. In the case of

official members, section 30 of the Public Service Act of 1994 must be complied with.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 21. Gifts, donations and sponsorships

21. Gifts, donations and sponsorships

21.1 Granting of gifts, donations and sponsorships by the State [Section 76 (1) (l) of the PFMA]

21.1.1 The accounting officer may approve gifts, donations and sponsorships of state money and other movable property in the interest of the state. When such cash amounts exceed R100 000 per case, the approval of the relevant legislature must be sought by including the item separately in the appropriation bill.

21.2 Acceptance of gifts, donations and sponsorships to the state

21.2.1 The accounting officer may approve the acceptance of any gift, donation or sponsorship to the state, whether such gifts, donations or sponsorships are in cash or kind.

21.2.2 All cash gifts, donations or sponsorships must be paid into the relevant revenue fund, except those donations received in terms of paragraph 21.2.5.

21.2.3 Where it is not apparent for what purpose a gift, donation or sponsorship should be applied, the relevant executive authority may decide how it must be utilised.

21.2.4 All gifts, donations or sponsorships received during the course of the financial year must be disclosed as a note to the annual financial statements of the institution.

21.2.5 Donor funding received in terms of the Reconstruction and Development Fund Act (Act [No. 7 of 1994](#), as amended by Act [No. 79 of 1998](#)), must be dealt with as determined by the National Treasury from time to time.

21.3 Gifts or donations of immovable property by or to the State [Sections 76 (1) (k) and (l) of the PFMA]

21.3.1 The relevant treasury's approval must be obtained before institutions offer or accept any gifts or donations of immovable property.

21.3.2 Institutions must submit to the relevant treasury the reasons for and the conditions under which the gift or donation of immovable property is offered or accepted.

21.4 Identity of donors and sponsors

21.4.1 When a donor or sponsor requests to remain anonymous, the accounting officer must submit to the relevant treasury a certificate from both the Public Protector and the Auditor-General, which states that the identity of the donor or sponsor has been revealed to them, that they have noted it and have no objection.

21.4.2 The above provision in no way limits the Auditor-General or the Public Protector from supplying this information to their staff, and where they deem it in the public interest, to report on this.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 22. Payments and remissions as an act of grace

22. Payments and remissions as an act of grace

22.1 General [Section 76 (1) (j) of the PFMA]

22.1.1 Where no legislative authority exists, the accounting officer may approve as an act of grace or favour-

- (a) the remission of money due to a revenue fund; and
- (b) payments from a vote.

22.1.2 Where such payments from a vote exceed R100 000, Parliament or provincial legislature approval must be sought by including the item separately in the appropriation bill.

22.1.3 Where there is doubt as to whether an amount may be written off in terms of [clause 11.4](#) of these Regulations, or should be treated as a remission as an act of grace, the relevant treasury must make the decision.

22.1.4 All remissions or payments made as an act of grace during the financial year must be disclosed as a note to the annual financial statements of the institution.

23. Government payroll deductions

23.1 Definitions

In this regulation, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act, has the same meaning, and-

"Accountant-General" means the officer of the National Treasury designated as the Accountant General;

"basic salary" means the annual notch that an official is employed on divided by 12. It excludes additional remuneration from overtime or other allowances;

"benefit deduction" means a deduction on Persal against an official's salary for a debt arising from employment benefits, including home owner's allowances and the motor finance scheme for senior officials;

"collective agreement deduction" means a deduction on Persal against an official's salary arising from a collective agreement between the State and a union registered with the Public Service Coordinating Bargaining Council or similar body, in accordance with applicable law;

"debt" means an amount of money owed and already payable by an official to any person and for the purposes of these regulations, includes insurance premiums deducted in terms of policies with long and short-term insurers;

"deduction code" means a code issued by the Accountant-General to enable a person to deduct money from an individual paid via the Persal system;

"Director-General" means the Director-General: National Treasury;

"discretionary deduction" means a deduction on Persal against an official's salary, other than benefit, collective agreement, state or statutory deductions;

"official" means a person in the employ of a department or a person in the employ of a constitutional institution who receives his or her salary via Persal, but excludes persons employed in terms of [section 1](#) of the Magistrates Act, 1993 (Act [No. 90 of 1993](#)) and [section 3](#) of the Intelligence Services Act, 1994 (Act [No. 38 of 1994](#));

"Persal" means the personnel salary system of national and provincial government, and includes the Persol system;

"person" depending on the context, includes reference to the State or any other legal entity;

"state deduction" means a deduction on Persal against an official's salary for a debt to a department that is subject to [section 34](#) of the Basic Conditions of Employment Act (Act [No. 75 of 1997](#));

"statutory deduction" means a deduction on Persal against an official's salary, which is required or permitted in terms of a law, court order or arbitration award.

23.2 Persal deductions

23.2.1 No official or employee of an entity contracted to operate Persal may, whether for paying a debt or any other purpose, process a discretionary deduction except in accordance with the provisions of these regulations and the agreement as contemplated in paragraph 23.3.

23.2.2 Before a benefit, collective agreement, state or statutory deduction is processed on Persal, the accounting officer must certify that the deduction is due and that no portion of it is a discretionary deduction.

23.2.3 Where such certification is for an emoluments attachment order issued against an official in terms of [section 65J](#) of the Magistrates' Court Act (Act [No. 32 of 1944](#)), the accounting officer must be satisfied that-

- (a) the documentation presented by the judgement creditor or his or her attorney *inter alia* reflects, as contemplated in this Act-
 - (i) that the official has given written consent to the issuing of the order or that a court has authorised it (on application or otherwise), and that this authorisation has not been suspended; or
 - (ii) that the official has first been sent a registered letter advising him or her of the amount of the judgement debt and costs, and warning that an emoluments attachment order will be issued if this amount is not paid within ten days of the date of its posting;
- (b) after the deduction, the official will have sufficient means for maintenance for him or herself and any dependants.

23.2.4 Should the deduction not leave the official with sufficient means for maintenance or for that of his or her dependants, the accounting officer must advise the official of his or her right to approach the court to either rescind the order or amend it to affect only the balance of the salary after provision for such maintenance.

23.3 Deduction codes

23.3.1 Any person may apply for a deduction code for a discretionary deduction, subject to the requirements as laid down by the Accountant-General.

23.3.2 Only the Accountant-General may approve the issuing of deduction codes, in terms of an agreement between the Accountant-General and a person qualifying for such a code.

23.3.3 A person applying for a deduction code must certify in the application that-

- (a) the code is required by-
 - (i) a department;
 - (ii) an insurance company (for insurance deduction codes) approved by the Financial Services Board;
 - (iii) a company (for loan deduction codes) that is registered under the Banks Act (Act [No. 94 of 1990](#)) or with the Micro Finance Regulatory Council (MFRC);
 - (iv) a public higher education institution; or
 - (v) a private higher education institution approved by the national Department of Education.
- (b) third parties, including brokers, will not be allowed access to the code;
- (c) the person consents to-
 - (i) entering into an agreement with the Accountant-General, which is subject to annual review;
 - (ii) the oversight of the Financial Services Board and the National Treasury to monitor compliance with the agreement and this regulation; and
 - (iii) an audit, at own expense, by parties determined by the Accountant-General;
- (d) the person is in good standing with the South African Revenue Services and will annually provide the Accountant-General with proof of such good standing.

23.3.4 The Accountant-General may levy a fee of up to 5 per cent of deductions for emolument attachment orders, except orders specifically for child maintenance.

23.3.5 The National Treasury may, for a discretionary loan deduction, determine the maximum loan period, the maximum loan amount and the interest rate (this will form part of the agreement with the Accountant-General)-

- (a) for loans over R10 000, the Usury Act limit is the maximum, all inclusive interest rate;
- (b) for loans below R10 000, the maximum is 27 per cent plus an administrative cost subject to a limit set out in the agreement with the Accountant-General.

23.3.6 Discretionary deductions may not exceed 40 per cent of the official's basic salary, provided that-

- (a) deductions for insurance premiums do not exceed 15 per cent;
- (b) other discretionary deductions do not exceed 25 per cent; and
- (c) the minimum take-home pay is as specified in the agreement with the Accountant General.

23.3.7 Notwithstanding the provisions of paragraph 23.3.6, discretionary deductions in excess of the limits prescribed by that paragraph may be deducted; provided that the Accountant-General is satisfied that not allowing such deductions will substantially prejudice the interests of the employee and that such deductions shall be limited in duration to a period as determined by the Accountant-General.

23.3.8 The Minister of Finance may determine the future of the discretionary deductions system and the number of deduction codes on the Persal system.

23.3.9 Insurance companies to whom deduction codes are allocated may vary premiums periodically, provided that the annual increase does not exceed 15 per cent of the premium or ten rand (R10), whichever is greater.

23.4 Contravention of regulations and penalties

23.4.1 Any serious or persistent material non-compliance with this regulation or the terms of the agreement with the Accountant-General constitutes misconduct.

23.4.2 It is a serious contravention for any person to knowingly exceed the deduction limits described above.

23.4.3 The Accountant-General may penalise a person for contravening this regulation by-

- (a) withdrawing or suspending the use of a deduction code;
- (b) refusing access to the Persal system for a specific period;

- (c) publishing the identity of the person and the details of the contravention;
- (d) laying criminal charges; and
- (e) if the person is an official, direct that the contravention be dealt with in terms of the Act.

23.4.4 Any person aggrieved by a decision of or penalty imposed by the Accountant-General may appeal to the Minister of Finance, whose decision will be final.

23.5 Transitional arrangements

23.5.1 As from 31 May 2002, all deductions that do not comply with these regulations will be terminated, in the following order-

- (a) deductions to parties that do not have access to Persal codes;
- (b) loan deductions that do not meet the interest rate and pricing limits set out in this regulation;
- (c) deductions where payments in a specific category exceed the limits outlined above; and
- (d) a "last in-first out" basis will be used, unless determined otherwise by the Accountant-General.

PART 9 PUBLIC ENTITIES

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 24. General definitions

24. General definitions

24.1 General definitions

In this regulation, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act, has the same meaning, and-

"designated accounting officer" means the accounting officer of a designated department;

"designated department", in relation to a public entity, means a department designated by its executive authority as the department responsible for the public entity;

"employee" means a person in the employ of a public entity;

"finance lease" refers to a contract that transfers the risks, rewards, rights and obligations incident to ownership to the lessee and is recorded as a purchase of equipment by means of long-term borrowing;

"operating lease" refers to a contract where the lessor retains the risks and obligations incident to ownership and payments by the lessee are recorded as rental expenses.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 25. Application and listing

25. Application and listing

25.1 Application [Sections 47 and 76 (4) of the PFMA]

25.1.1 These regulations apply to all public entities listed in Schedule 2 or 3 of the Act, unless the context indicates otherwise.

25.1.2 Public entities that should have been listed in terms of the Act but which are not listed, must deposit all money received into the relevant revenue fund.

25.1.3 Public entities must submit all information required by the National Treasury in terms of the Act and these regulations to the Registrar of Public Entities in the National Treasury.

25.2 Listing [Section 47 (2) of the PFMA]

25.2.1 An accounting authority of a public entity not listed in terms of the Act must submit the following information to the executive authority and the Registrar of Public Entities in support of its application for listing-

- (a) name of the public entity;

- (b) its main function;
- (c) executive authority responsible for the public entity;
- (d) legislation in terms of which the entity was established;
- (e) dates of its incorporation and financial year end;
- (f) names of members of the board or body controlling the public entity;
- (g) its registered address and telephone numbers;
- (h) name of the chief executive officer;
- (i) name of the chief financial officer;
- (j) name of the company secretary;
- (k) authority responsible for appointing the chief executive officer;
- (l) authority responsible for appointing the board of directors or controlling body;
- (m) subsidiaries under the ownership control of the entity;
- (n) latest audit financial statements;
- (o) amount of budgetary transfers received over the past three financial years; and
- (p) most recent corporate/strategic plan of the public entity.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 26. Responsibilities of designated accounting officers

26. Responsibilities of designated accounting officers

26.1 Responsibilities over Schedule 3A and 3C public entities

26.1.1 The designated accounting officer must ensure that within thirty days of the end of each quarter, the public entity submits information on its actual revenue and expenditure up to the end of that quarter as well as a projection of expected expenditure and revenue for the remainder of the current financial year. The information on actual revenue and expenditure shall be determined after taking accruals in account.

26.1.2 The accounting authority must quarterly report to the executive authority through the designated accounting officer on the extent of compliance on the Public Finance Management Act, 1999 and regulations. Any non-compliance must be reported together with reasons for the non-compliance.

26.1.3 The designated accounting officer may, after consultation with the relevant public entity, approve the sharing of services where it is economical, including the services of the audit committee and internal audit function.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 27. Internal control and corporate management

27. Internal control and corporate management

27.1 Audit committees [Sections 51 (1) (a) (ii) and 76 (4) (d) of the PFMA]

27.1.1 The accounting authority of a public entity must establish an audit committee as a subcommittee of the accounting authority.

27.1.2 A shared audit committee may be established for a public entity and any subsidiaries under the ownership and control of that entity.

27.1.3 The chairperson of the audit committee must be independent, be knowledgeable of the status of the position, have the requisite business, financial and leadership skills and may not be the chairperson of the accounting authority or a person who fulfils an executive function in the public entity.

27.1.4 The majority of the members of an audit committee shall consist of non-executive members appointed by the accounting authority, although committee members need not all be members of the accounting authority. The majority of persons serving on an audit committee must be financially literate.

27.1.5 The relevant executive authority must concur with any premature termination of services of a member of the audit committee.

27.1.6 The audit committee must operate in terms of a written terms of reference, which must deal adequately with its membership, authority and responsibilities. The terms of reference must be reviewed at least annually to ensure its relevance.

27.1.7 It must be disclosed in the entity's annual report whether or not the audit committee has adopted a formal terms of reference and if so, whether the committee satisfied its responsibilities for the year, in compliance with its terms of reference.

27.1.8 The audit committee must, amongst others, review the following-

- (a) the effectiveness of the internal control systems;
- (b) the effectiveness of internal audit;
- (c) the risk areas of the entity's operations to be covered in the scope of internal and external audits;
- (d) the adequacy, reliability and accuracy of financial information provided to management and other users of such information;
- (e) any accounting and auditing concerns identified as a result of internal and external audits;
- (f) the entity's compliance with legal and regulatory provisions;
- (g) the activities of the internal audit function, including its annual work programme, co-ordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations; and
- (h) where relevant, the independence and objectivity of the external auditors.

27.1.9 The audit committee must have explicit authority to investigate matters within its powers, as identified in the written terms of reference. The audit committee must be provided with the resources it needs to investigate such matters and shall have full access to information. The audit committee must safeguard all information supplied to it within the ambit of the law.

27.1.10 The audit committee must-

- (a) report and make recommendations to the accounting authority;
- (b) report on the effectiveness of internal controls in the annual report of the institution; and
- (c) comment on its evaluation of the financial statements in the annual report.

27.1.11 Should a report from internal audit (or any other source) to the audit committee implicate any member(s) of the accounting authority in fraud, corruption or gross negligence, the chairperson of the audit committee must promptly report this to the relevant executive authority and the Auditor-General.

27.1.12 The audit committee must communicate any concerns it deems necessary to the executive authority, the Auditor-General and if appropriate, to the external auditor.

27.1.13 The audit committee must meet at least annually with the Auditor-General or the external auditor, whichever applicable, to ensure that there are no unresolved issues of concern.

27.2 Internal controls and internal audit [Sections 51 (1) (a) (ii) and 76 (4) (b) and (e) of the PFMA]

27.2.1 The accounting authority must ensure that a risk assessment is conducted regularly so as to identify emerging risks of the public entity. A risk management strategy, which must include a fraud prevention plan, must be used to direct internal audit effort and priority and to determine the skills required of managers and staff to improve controls and to manage these risks. The strategy must be clearly communicated to all employees to ensure that the risk management strategy is incorporated into the language and culture of the public entity.

27.2.2 All public entities to which these regulations apply must have an internal audit function.

27.2.3 A public entity and subsidiaries under the ownership control of the entity may have a shared internal audit function.

27.2.4 The internal audit function may, in accordance with preferred tendering procedures, be contracted out to an external institution with specialist audit expertise, provided that the external auditors may not perform the internal audit function.

27.2.5 The purpose, authority and responsibility of the internal audit function must, in consultation with the Board, be formally defined in an audit charter and be consistent with the Institute of Internal Auditors ("IIA") definition of internal auditing.

27.2.6 Internal audit must be conducted in accordance with the standards set by the Institute of Internal Auditors.

27.2.7 The internal audit function must, in consultation with the audit committee, prepare-

- (a) a rolling three-year strategic internal audit plan based on its assessment of key areas of risk for the public entity, having regard to its current operations, the operations proposed in its corporate or strategic plan and its risk management strategy;

- (b) an internal audit plan for the first year of the rolling plan;
- (c) plans indicating the scope of each audit in the annual internal audit plan; and
- (d) reports to the audit committee detailing its performance against the plan, to allow effective monitoring and intervention when necessary.

27.2.8 The internal audit function must report directly to the accounting authority and shall report at all audit committee meetings. The function must be independent of activities that are audited, with no limitation on its access to information.

27.2.9 The internal audit function must co-ordinate with other internal and external providers of assurance to ensure proper coverage and to minimise duplication of effort.

27.2.10 The internal audit function must assist the accounting authority in maintaining effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. The controls subject to evaluation should encompass the following-

- (a) the information systems environment;
- (b) the reliability and integrity of financial and operational information;
- (c) the effectiveness of operations;
- (d) safeguarding of assets; and
- (e) compliance with laws, regulations and controls.

27.2.11 The internal audit function must assist the accounting authority in achieving the objectives of the institution by evaluating and developing recommendations for the enhancement or improvement of the processes through which-

- (a) objectives and values are established and communicated;
- (b) the accomplishment of objectives is monitored;
- (c) accountability is ensured; and
- (d) corporate values are preserved.

27.3 Chief financial officers

27.3.1 Unless directed otherwise by the relevant treasury, each public entity listed in Schedule 3A or 3C of the Act shall have a chief financial officer as the head of the finance division.

27.3.2 Without limiting the right of the accounting authority to assign specific responsibilities, the general responsibility of the chief financial officer is to assist the accounting authority in discharging the duties prescribed in [Part 2](#) of Chapter 6 of the Act.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 28. Annual financial statements and annual reports

28. Annual financial statements and annual reports

28.1 Financial statements [Section 55 of the PFMA]

28.1.1 The annual financial statements must, include a report by the accounting authority which must also include a disclosure of emoluments of all directors and executive members of the holding entity and its subsidiaries. Emoluments paid or receivable by directors and executive members shall be disclosed in aggregate and per director and executive member in respect of the last financial period. Such disclosure is required whether such payment is receivable in the director's or executive member's capacity as director or executive member or in any other capacity. Disclosure in respect of executive directors, non-executive directors and executive members must be made separately.

28.1.2 The disclosure requirement in Treasury [Regulation 28.1.1](#) shall include:

- (a) fees for services as a director or executive member;
- (b) basic salary;
- (c) bonuses and performance related payments;
- (d) sums paid by way of expense allowances;
- (e) contributions made to any pension fund, medical aid, insurance scheme, etc;
- (f) any commission, gain or profit sharing arrangements;

- (g) any share options, including their strike price and period; and
- (h) any other material benefits received.

28.1.3 Public entities listed in Schedule 3A or 3C of the Act must adjust their financial years in accordance with the following table:

<i>Existing year end</i>	<i>New year end</i>	<i>Period of financial statements and audit</i>
30 September 2001	31 March 2003	18 months
31 October 2001	31 March 2003	17 months
30 November 2001	31 March 2003	16 months
31 December 2001	31 March 2003	15 months
31 January 2002	31 March 2003	14 months
28 February 2002	31 March 2003	13 months

28.1.4 Public entities listed in Schedule 3A or 3C of the Act may, after consultation with the designated accounting officer, submit their annual financial statements and any other information required in terms of the Act to the designated accounting officer for inclusion in the relevant department's annual report.

28.1.5 For purposes of material [sections 50 (1), 55 (2) and 66 (1) of the Act] and significant [section 54 (2) of the Act], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority in consultation with the external auditors.

28.1.6 In terms of section 55 (1) (b) of the Act, public entities shall prepare financial statements in accordance with generally accepted accounting practice. Should these statements materially depart from Statements of GAAP, the financial statements must provide disclosure of the departure, the particulars thereof, the reasons therefore and the effect of such departure on the financial statements.

28.2 Annual reports [Section 55 (1) (d) (i) of the PFMA]

28.2.1 The annual report of public entities shall detail the materiality/significant framework applied during the financial year.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 29. Corporate planning, shareholder's compacts and annual budgets

29. Corporate planning, shareholder's compacts and annual budgets

29.1 Corporate plans [Section 52 of the PFMA]

29.1.1 The corporate plan must cover a period of three years and must include-

- (a) strategic objectives and outcomes identified and agreed on by the executive authority in the shareholder's compact;
- (b) strategic and business initiatives as embodied in business function strategies;
- (c) key performance measures and indicators for assessing the entity's performance in delivering the desired outcomes and objectives;
- (d) a risk management plan;
- (e) a fraud prevention plan;
- (f) a materiality/significant framework, referred to in Treasury [Regulation 28.1.5](#);
- (g) a financial plan addressing-
 - (i) projections of revenue, expenditure and borrowings;
 - (ii) asset and liability management;
 - (iii) cash flow projections;
 - (iv) capital expenditure programmes; and
 - (v) dividend policies.

29.1.2 The executive authority of a public entity may request additional information to be included in the corporate plan.

29.1.3 Public entities listed in Schedule 2 or 3B must-

- (a) submit a three-year borrowing programme (beginning with the first financial year of the corporate

plan) with their corporate plan to the National Treasury; and

- (b) submit quarterly reports on the borrowing programme to the National Treasury, reflecting actual borrowing for that quarter and any update of the borrowing programme.

29.1.4 Provincial government business enterprises listed in Schedule 3D and authorised to borrow by the Minister of Finance must-

- (a) submit to the relevant treasury, with their corporate plans, a three-year borrowing programme beginning with the first financial year of the corporate plan. The programme must be in terms of approvals and limits determined by the Minister, and in terms of the Borrowing Powers of Provincial Governments Act; and
- (b) submit to the relevant treasury, quarterly reports on the approved borrowing programme, reflecting actual borrowing for that quarter and any update of the borrowing programme.

29.1.5 The relevant treasury must forward to the National Treasury-

- (a) a copy of the corporate plan and approved borrowing plan;
- (b) quarterly updates reflecting actual borrowing for that quarter; and
- (c) any update in the borrowing programme of Schedule 3D provincial government business enterprises that are authorised to borrow.

29.1.6 The borrowing programme referred to in paragraphs 29.1.3 and 29.1.4 must include-

- (a) the terms and conditions on which the money is borrowed;
- (b) information on proposed domestic borrowing;
- (c) for national public entities, information on proposed foreign borrowing within the prescribed limit, where applicable;
- (d) short and long-term borrowing;
- (e) borrowing in relation to a pre-approved corporate plan;
- (f) the maturity profile of the debt;
- (g) the confirmation of compliance with existing and proposed loan covenants;
- (h) debts guaranteed by the government;
- (i) motivations for government guarantees, if required, and
- (j) the executive authority's approval of the borrowing programme, if required by the legislation in terms of which the public entity was established.

29.2 Shareholder's compact

29.2.1 The accounting authority for a public entity listed in Schedule 2, 3B or 3D must, in consultation with its executive authority, annually conclude a shareholder's compact.

29.2.2 The shareholder's compact must document the mandated key performance measures and indicators to be attained by the public entity as agreed between the accounting authority and the executive authority.

29.3 Evaluation of performance

29.3.1 The accounting authority of a public entity must establish procedures for quarterly reporting to the executive authority in order to facilitate effective performance monitoring, evaluation and corrective action.

29.4 Annual budgets [Section 52 (a) of the PFMA]

29.4.1 For purposes of section 52 (a) of the Act, the projection of revenue, expenditure and borrowings must be in the same format as submitted for the accounting authority's approval.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 30. Strategic planning

30. Strategic planning

30.1 Strategic plan

30.1.1 The accounting authority for a public entity listed in Schedule 3A or 3C must annually submit a proposed strategic plan for approval by the relevant executive authority. Such a plan must be submitted at least six months before the start of the financial year of the designated department or another time period as agreed to

between the executive authority and the public entity.

30.1.2 The strategic plan must be finalised and submitted to the relevant executive authority no later than 1 April of each year.

30.1.3 The strategic plan must-

- (a) cover a period of three years;
- (b) include objectives and outcomes as identified by the executive authority;
- (c) include multi-year projections of revenue and expenditure;
- (d) include key performance measures and indicators for assessing the public entity's performance in delivering the desired outcomes and objectives;
- (e) include the materiality/significant framework, referred to Treasury [Regulation 28.1.5](#);
- (f) be updated annually on a rolling basis; and
- (g) form the basis for the annual reports of accounting authorities in terms of section 55 of the Act.

30.1.4 The executive authority may request additional information to be included in the strategic plan.

30.2 Evaluation of performance

30.2.1 The accounting authority of a public entity must establish procedures for quarterly reporting to the executive authority in order to facilitate effective performance monitoring, evaluation and corrective action.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 31. Cash, banking and investment management

31. Cash, banking and investment management

31.1 Cash management [Section 7 (1) of the PFMA]

31.1.1 The accounting authority of a public entity listed in Schedule 3 is responsible for establishing systems, procedures, processes and training and awareness programmes to ensure efficient and effective banking and cash management.

31.1.2 For the purposes of this regulation, sound cash management includes:

- (a) collecting revenue when it is due and banking it promptly;
- (b) making payments no earlier than necessary, with due regard for efficient, effective and economical programme delivery and the public entity's normal terms of account payments;
- (c) avoiding pre-payments for goods or services (i.e. payment in advance of the receipt of goods or services, unless required by the contractual arrangements with the supplier);
- (d) accepting discounts to effect early settlement when the payment has been included in the monthly cash flow estimates provided to the chief financial officer;
- (e) pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable by the public entity are collected and banked promptly;
- (f) accurately forecasting the public entity's cash flow in order to optimise its central cash management responsibilities;
- (g) timing the in and outflow of cash;
- (h) recognising the time value of money, i.e. economically, efficiently and effectively managing cash;
- (i) taking any other action that avoids locking up money unnecessarily and inefficiently, such as managing inventories to the optimum level necessary for efficient and effective programme delivery, and selling surplus or under utilised assets;
- (j) conducting bank reconciliations at least weekly;
- (k) making regular cash forecasts;
- (l) alignment of the approved budget with monthly cash flows;
- (m) variance analyses of actual cash flow with the approved budget; and
- (n) sweeping bank accounts to effectively utilise surplus cash.

31.1.3 The accounting authority must ensure that the public entity's cash management performance is

reported regularly, but at least on a monthly basis.

31.2 Banking framework [Sections 7 (2) and (3) of the PFMA]

31.2.1 When a public entity listed in Schedule 3 of the Act intends to open a new bank account, the National Treasury must approve of the bank. For purposes of section 7 (2) (a) of the Act, existing banking arrangements can be regarded as approved by the National Treasury, but the accounting authority must, by 31 May of each year, submit to the National Treasury, a list of all such banking accounts of the public entity.

31.2.2 When going to tender, and if the National Treasury has not proposed a bank, the public entity must take into account-

- (a) that the bank is registered with the South African Registrar of Banks;
- (b) that the bank is a member or sponsored by a member of the Payments Association of South Africa;
- (c) the bank's contracting with persons, or categories of persons historically disadvantaged by unfair discrimination on the basis of race, gender or disability;
- (d) the cost effectiveness; and
- (e) the ability of the bank to provide the required services which through adequate systems, infrastructure and branch networks.

31.2.3 The adjudication and awarding of tenders must be done in accordance with the public entity's own internal tendering procedures.

31.2.4 Only the accounting authority or the person to whom such authorisation has been delegated may open a bank account.

31.3 Investment policy [Sections 7 (4) and 53 (3) of the PFMA]

31.3.1 A public entity or a government business enterprise with funds under management must have an investment policy approved by the accounting authority.

31.3.2 The investment policy referred to in paragraph 31.3.1 must include-

- (a) selection of counter-parties through credit risk analyses;
- (b) establishment of investment limits per institution;
- (c) establishment of investment limits per investment instrument;
- (d) monitoring of investments against limits;
- (e) reassessment of investment policies on a regular basis;
- (f) reassessment of counter-party credit risk based on credit ratings; and
- (g) assessment of investment instruments based on liquidity requirements.

31.3.3 Unless exempted by the National Treasury, public entities that are listed in Schedule 3A or 3C of the Act must invest surplus funds with the Corporation for Public Deposits.

31.3.4 For purposes of paragraph 31.3.3, surplus funds refer to all money in excess of a given day's projected cash flow requirements plus a liquidity buffer needed to cover unforeseen expenditure on that day.

31.3.5 Public entities exempted by the National Treasury in terms of paragraph 31.3.3 must invest surplus funds in an institution with an investment grade rating and in line with an investment policy.

31.4 Disclosure of information

31.4.1 A public entity listed in Schedule 3 of the Act must promptly disclose information regarding cash, banking and investment management when so requested by the National Treasury.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 32. Borrowings and leases

32. Borrowings and leases

32.1 Borrowing [Section 66 of the PFMA]

32.1.1 For purposes of section 66 (5) of the Act, public entities listed in Schedule 3A or 3D of the Act may borrow money for bridging purposes with the approval of the Minister of Finance, subject to the following conditions-

- (a) the debt must be repaid within 30 days of the end of the financial year;

- (b) borrowing may not exceed a limit determined in advance by the Minister of Finance, in consultation with the national executive authority or provincial MEC for finance, whichever appropriate;
- (c) foreign borrowing may not be undertaken;
- (d) a request for borrowing for bridging purposes must be submitted to the Minister of Finance at least 30 days before the borrowing. The following must be submitted together with the request-
 - (i) detailed cash flow and income and expenditure statements indicating how the debt will be repaid during the prescribed period; and
 - (ii) the terms and conditions on which the money is borrowed.

32.1.2 This regulation does not preclude the use of credit cards, fleet management cards or other credit facility repayable within 30 days of the date of statement.

32.2 Leases

32.2.1 For the purpose of this regulation, a lease is regarded as a contract that gives the lessee (the renter) the right to the use of property, plant or equipment for a fixed period of time with a fixed schedule of payments to the lessor (the owner).

32.2.2 The accounting authority of a public entity may, for the purpose of conducting the public entity's business, enter into operating lease transactions without any limitations.

32.2.3 Public entities listed in Schedules 2, 3A, 3B and 3D of the Act may, only through the following functionaries, enter into finance lease transactions:

- (a) A public entity listed in Schedule 2: the accounting authority for that Schedule 2 public entity;
- (b) A national public entity listed in Schedule 3A: the Minister of Finance;
- (c) A national government business enterprise listed in Schedule 3B and authorised by the Minister by notice in the national *Government Gazette*: the accounting authority of that Schedule 3B government business enterprise, subject to conditions that the Minister may impose; and
- (d) A provincial business enterprise listed in Schedule 3D and authorised by the Minister by notice in the national *Government Gazette*: the MEC for finance in the province, acting with the concurrence of the Minister, subject to any conditions that the Minister may impose.

32.2.4 For the purpose of this regulation, a lease is considered to be a finance lease if:

- (a) the lease transfers ownership of the asset to the lessee by the end of the lease period;
- (b) the lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than the fair value at the date the option becomes exercisable, so that at the inception of the lease it is reasonably certain that the option will be exercised;
- (c) the lease term is for the economic life of the asset even if the title is not transferred;
- (d) at the inception of the lease, the present value of the minimum lease payments amount to at least 90% of the fair value of the leased asset;
- (e) the leased asset is of a specialised nature such that only the public entity can use the asset without major modifications being made;
- (f) the lessor's losses associated with the cancellation of the lease by the lessee is borne by the lessee; or
- (g) the leased asset cannot be easily replaced by another asset.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.345 of 9 April 2001: Treasury Regulations in terms of Section 76/ 33. Financial misconduct

33. Financial misconduct

33.1 Investigation of alleged financial misconduct [Sections 85 (1) (b), (c) and (d) of the PFMA]

33.1.1 If an employee is alleged to have committed financial misconduct, the accounting authority of the public entity must ensure that an investigation is conducted into the matter and if confirmed, must ensure that a disciplinary hearing is held in accordance with the relevant prescripts.

33.1.2 The accounting authority must ensure that the investigation is instituted within 30 days from the date of discovery of the alleged financial misconduct.

33.1.3 If an accounting authority or any of its members is alleged to have committed financial misconduct, the relevant executive authority must initiate an investigation into the matter and if the allegations are confirmed,

must ensure that appropriate disciplinary proceedings are initiated immediately.

33.1.4 The relevant treasury may, after consultation with the executive authority-

- (a) direct that a person other than an employee of the public entity conducts the investigation;
- (b) issue any reasonable requirement regarding the way in which the investigation should be performed.

33.2 Criminal proceedings [Section 86 of the PFMA]

33.2.1 The accounting authority must advise the Auditor-General and the relevant executive authority and treasury of any criminal charges it has laid against any person in terms of section 86 of the Act.

33.2.2 The executive authority or relevant treasury may direct a public entity to lay charges of criminal financial misconduct against any person should an accounting authority fail to take appropriate action.

33.3 Reporting [Section 85 (1) (a) and (e) of the PFMA]

33.3.1 The accounting authority must, on an annual basis, submit to the executive authority, the relevant treasury and Auditor-General a schedule of-

- (a) the outcome of any disciplinary hearings and/or criminal charges;
- (b) the names and ranks of employees involved; and
- (c) the sanctions and any further actions taken against these employees.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.1734 of 5 December 2003: Regulations in respect of Framework for Supply Chain Management

GNR.1734 of 5 December 2003: Regulations in respect of Framework for Supply Chain Management

The Minister of Finance has, in terms of [section 76 \(4\) \(c\)](#) of the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#) as amended by Act [29 of 1999](#)) approved the Regulations in respect of the Framework for Supply Chain Management as set out in [the Schedule](#).

SCHEDULE

ARRANGEMENT OF REGULATIONS

- [1.](#) Definitions
- [2.](#) Application
- [3.](#) Supply chain management system
- [4.](#) Establishment of supply chain management units
- [5.](#) Training of supply chain management officials
- [6.](#) Procurement of goods and services
- [7.](#) Disposal and letting of state assets
- [8.](#) All role players to comply to ethical standards
- [9.](#) Avoiding abuse of supply chain management system
- [10.](#) National Industrial Participation Program
- [11.](#) Reporting of supply chain management information
- [12.](#) Interim arrangements
- [13.](#) Date of commencement

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.1734 of 5 December 2003: Regulations in respect of Framework for Supply Chain Management/ 1. Definitions.-In these Regulations, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Public Finance Management Act, 1999, has the same meaning as in that Act.

1. Definitions.-In these Regulations, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Public Finance Management Act, 1999, has the same meaning as in that Act.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.1734 of 5 December 2003: Regulations in respect of Framework for Supply Chain Management/ 2. Application.-This framework

2. Application.-This framework applies to all-

- (a) national and provincial departments and trading entities;
- (b) constitutional institutions; and
- (c) public entities listed in Schedules 3A and 3C to the Public Finance Management Act, 1999 (Act [No. 1 of 1999](#)).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.1734 of 5 December 2003: Regulations in respect of Framework for Supply Chain Management/ 3. Supply chain management system.-(1) The accounting officer or accounting authority of an institution to which these regulations apply must develop and implement in that institution an effective and efficient supply chain management system for-

3. Supply chain management system.-(1) The accounting officer or accounting authority of an institution to which these regulations apply must develop and implement in that institution an effective and efficient supply chain management system for-

- (a) the acquisition of goods and services; and
 - (b) the disposal and letting of state assets, including the disposal of goods no longer required.
- (2) A supply chain management system referred to in [subregulation \(1\)](#) must-
- (a) be fair, equitable, transparent, competitive and cost effective;
 - (b) be consistent with the Preferential Procurement Policy Framework Act, 2000 (Act [No. 5 of 2000](#)); and
 - (c) provide for at least the following-
 - (i) demand management;
 - (ii) acquisition management;
 - (iii) logistics management;
 - (iv) disposal management;
 - (v) risk management; and
 - (vi) regular assessment of supply chain performance.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.1734 of 5 December 2003: Regulations in respect of Framework for Supply Chain Management/ 4. Establishment of supply chain management units.-(1) The accounting officer or accounting authority of an institution to which these regulations apply must establish a separate supply chain management unit within the office of that institution's chief

4. Establishment of supply chain management units.-(1) The accounting officer or accounting authority of an institution to which these regulations apply must establish a separate supply chain management unit within the office of that institution's chief financial officer, to implement the institution's supply chain management system.

(2) An official in the supply chain management unit who becomes aware of a breach of or failure to comply with any aspect of the supply chain management system must immediately report the breach or failure to the accounting officer or accounting authority, in writing.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.1734 of 5 December 2003: Regulations in respect of Framework for Supply Chain Management/ 5. Training of supply chain management officials.-The accounting officer or accounting authority of an institution to which these regulations apply must ensure that officials implementing the institution's supply chain management system are trained and

5. Training of supply chain management officials.-The accounting officer or accounting authority of an institution to which these regulations apply must ensure that officials implementing the institution's supply chain management system are trained and deployed in accordance with the requirements of the Framework for Minimum

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.1734 of 5 December 2003: Regulations in respect of Framework for Supply Chain Management/ 6. Procurement of goods and services.-(1) Procurement of goods and services, either by way of quotations or through a bidding process, must be within the threshold values as determined by the National Treasury from time to time.

6. Procurement of goods and services.-(1) Procurement of goods and services, either by way of quotations or through a bidding process, must be within the threshold values as determined by the National Treasury from time to time.

(2) A supply chain management system must, in the case of procurement through a bidding process, provide for-

- (a) the adjudication of bids through a bid committee;
- (b) for the establishment, composition and functioning of bid committees;
- (c) the selection of bid committee members;
- (d) bidding procedures; and
- (e) the approval of bid committee recommendations.

(3) The accounting officer or accounting authority must ensure that-

- (a) bid documentation and the general conditions of a contract are in accordance with-
 - (i) the instructions of the National Treasury, or
 - (ii) the prescripts of the Construction Industry Development Board, in the case of a bid relating to the construction industry;
- (b) bid documentation include evaluation and adjudication criteria, including the criteria prescribed in terms of the Preferential Procurement Policy Framework Act, 2000 (Act [No. 5 of 2000](#));
- (c) bids are advertised in at least the Government Tender Bulletin for at least 30 days before closure, except in urgent cases when bids may be advertised for such shorter period as the accounting officer or accounting authority may determine;
- (d) awards are published in the Government Tender Bulletin and other media by means of which the bids were advertised;
- (e) contracts relating to information technology are prepared in accordance with the State Information Technology Act, 1998 (Act [No. 88 of 1998](#)) and any regulations made in terms of that Act;
- (f) Treasury Regulation 16 is complied with when goods or services are procured through public private partnerships or as part of a public private partnership; and
- (g) instructions issued by the National Treasury in respect of the appointment of consultants are complied with.

(4) If in a specific case it is impractical to invite competitive bids, the accounting officer or accounting authority may procure the required goods or services by other means, provided that the reasons for deviating from inviting competitive bids must be recorded and approved by the accounting officer or accounting authority.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.1734 of 5 December 2003: Regulations in respect of Framework for Supply Chain Management/ 7. Disposal and letting of state assets.-The accounting officer or accounting authority of an institution to which these regulations apply must-

7. Disposal and letting of state assets.-The accounting officer or accounting authority of an institution to which these regulations apply must-

- (a) in relation to the sale or other disposal of state assets, ensure that-
 - (i) immovable property is sold at market related prices, unless the relevant treasury determines otherwise;
 - (ii) movable assets are sold either by way of tender process, auction or at market related prices, whichever is the most advantageous to the state;
 - (iii) in the case of the disposal of computer equipment, the relevant department of education must first be approached to indicate whether any educational institutions are interested in the equipment, and, if so, to arrange for the transport of such equipment at its own cost to any such

interested educational institutions;

(iv) in the case of the disposal of firearms, the National Conventional Arms Control Committee approves of any sale or donation of firearms to any person or institution within or outside the Republic; and

(b) in relation to the letting of state assets-

(i) ensure that all immovable property, excluding state housing for state officials and political office bearers, is let at market related rates, unless the relevant treasury determines otherwise or approves the letting of property free of charge; and

(ii) annually review all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of state property.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.1734 of 5 December 2003: Regulations in respect of Framework for Supply Chain Management/ 8. All role players to comply to ethical standards.-(1) All officials and other role players in a supply chain management system must comply with the highest ethical standards in order to promote-

8. All role players to comply to ethical standards.-(1) All officials and other role players in a supply chain management system must comply with the highest ethical standards in order to promote-

(a) mutual trust and respect; and

(b) an environment where business can be conducted with integrity and in a fair and reasonable manner.

(2) The National Treasury's Code of Conduct for Supply Chain Management Practitioners must be adhered to by all officials and other role players involved in supply chain management.

(3) A supply chain management official or other role player-

(a) must recognise and disclose any conflict of interest that may arise;

(b) must treat all suppliers and potential suppliers equitably;

(c) may not use their position for private gain or to improperly benefit another person;

(d) must ensure that they do not compromise the credibility or integrity of the supply chain management system through the acceptance of gifts or hospitality or any other act;

(e) must be scrupulous in their use of public property; and

(f) must assist accounting officers or accounting authorities in combating corruption and fraud in the supply chain management system.

(4) If a supply chain management official or other role player, or any close family member, partner or associate of such official or other role player, has any private or business interest in any contract to be awarded, that official or other role player must-

(a) disclose that interest; and

(b) withdraw from participating in any manner whatsoever in the process relating to that contract.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.1734 of 5 December 2003: Regulations in respect of Framework for Supply Chain Management/ 9. Avoiding abuse of supply chain management system.-(1) The accounting officer or accounting authority of an institution to which these regulations apply must-

9. Avoiding abuse of supply chain management system.-(1) The accounting officer or accounting authority of an institution to which these regulations apply must-

(a) take all reasonable steps to prevent abuse of the supply chain management system;

(b) investigate any allegations against an official or other role player of corruption, improper conduct or failure to comply with the supply chain management system, and when justified-

(i) take steps against such official or other role player and inform the relevant treasury of such steps; and

(ii) report any conduct that may constitute an offence to the South African Police Service;

(c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, nor any of its directors, are listed as companies or persons prohibited from

doing business with the public sector;

- (d) reject any bid from a supplier who fails to provide written proof from the South African Revenue Service that that supplier either has no outstanding tax obligations or has made arrangements to meet outstanding tax obligations;
- (e) reject a proposal for the award of a contract if the recommended bidder has committed a corrupt or fraudulent act in competing for the particular contract; or
- (f) cancel a contract awarded to a supplier of goods or services-
 - (i) if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract; or
 - (ii) if any official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of that contract that benefited that supplier.

(2) The accounting officer or accounting authority-

- (a) may disregard the bid of any bidder if that bidder, or any of its directors
 - (i) has abused the institution's supply chain management system
 - (ii) has committed fraud or any other improper conduct in relation to such system; or
 - (iii) has failed to perform on any previous contract; and
- (b) must inform the relevant treasury of any action taken in terms of [paragraph \(a\)](#).

(3) The National Treasury and each provincial treasury must establish a mechanism:

- (a) to receive and consider complaints regarding alleged non-compliance with the prescribed minimum norms and standards; and
- (b) to make recommendations for remedial actions to be taken if non-compliance of any norms and standards is established, including recommendations of criminal steps to be taken in the case of corruption, fraud or other criminal offences.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.1734 of 5 December 2003: Regulations in respect of Framework for Supply Chain Management/ 10. National Industrial Participation Program.-(1) An accounting officer or accounting authority must obtain clearance for a recommended bidder from the Department of Trade and Industry, in respect of contracts which are subject to the National Industr

10. National Industrial Participation Program.-(1) An accounting officer or accounting authority must obtain clearance for a recommended bidder from the Department of Trade and Industry, in respect of contracts which are subject to the National Industrial Participation Program of that Department.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.1734 of 5 December 2003: Regulations in respect of Framework for Supply Chain Management/ 11. Reporting of supply chain management information.-(1) The accounting officer or accounting authority of an institution to which these regulations apply must submit to the relevant treasury such supply chain management information as that treasury m

11. Reporting of supply chain management information.-(1) The accounting officer or accounting authority of an institution to which these regulations apply must submit to the relevant treasury such supply chain management information as that treasury may require.

(2) A provincial treasury must submit to the National Treasury such supply chain management information as the National Treasury may require.

(3) Information referred to in [subregulation \(1\)](#) or [\(2\)](#) must be submitted to a relevant treasury in such format and at such intervals as that treasury may require.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.1734 of 5 December 2003: Regulations in respect of Framework for Supply Chain Management/ 12. Interim arrangements.-If an institution to which these regulations apply lacks the capacity to fully comply with these regulations, that institution may continue to make use of existing procurement processes through the relevant Tender Boards or oth

12. Interim arrangements.-If an institution to which these regulations apply lacks the capacity to fully comply with these regulations, that institution may continue to make use of existing procurement processes through the relevant Tender Boards or other provincial procurement authorities, subject to any instructions of the relevant treasury.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Rules and Regulations/ Repealed Rules and Regulations/ Regulations/ GNR.1734 of 5 December 2003: Regulations in respect of Framework for Supply Chain Management/ 13. Date of commencement.- These Regulations take effect from 5 December 2003.

13. Date of commencement.-These Regulations take effect from 5 December 2003.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections

PUBLIC FINANCE MANAGEMENT ACT NO. 1 OF 1999

(Prior to amendment by Government Notice No. 693 in Government Gazette 42474 of 24 May, 2019)

Schedule 3, Part A

Part A: National Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under Government Notice No. 504 in *Government Gazette* 22337 of 8 June, 2001 with effect from 8 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No. 1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005; under General Notice No. 1114 in *Government Gazette* 27773 of 15 July, 2005 with effect from 15 July, 2005; under General Notices Nos. 1263, 1264, 1265, 1268, 1269 and 1271 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notice No. 230 in *Government Gazette* 28519 of 24 February, 2006 with effect from 24 February, 2006, under General Notice No. 396 in *Government Gazette* No. 28605 of 17 March, 2006 with effect from 17 March, 2006, under General Notices Nos. 436 and 441 in *Government Gazette* 28651 of 31 March, 2006 with effect from 31 March, 2006, under General Notice No. 602 in *Government Gazette* 28798 of 12 May, 2006 with effect from 12 May, 2006, under General Notice No. 667 in *Government Gazette* 28847 of 26 May, 2006 with effect from 26 May, 2006, under General Notice No. 972 in *Government Gazette* 29033 of 21 July, 2006 with effect from 21 July, 2006 and subject to Rand Water not exceeding their debt limit, as provided in the *Government Gazette* Notice 23450 of 31 May, 2002, under General Notice Nos. 1010 and 1011 in *Government Gazette* 29050 of 28 July, 2006 with effect from 28 July, 2006, under General Notices Nos. 1476 and 1477 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006, under Government Notice No. 187 in *Government Gazette* 29669 of 9 March, 2007 with effect from 9 March, 2007, under Government Notice No. 1000 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice No. 1003 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008; under Government Notice No. 311 in *Government Gazette* 32013 of 20 March, 2009 with effect from 20 March, 2009, under Government Notice No. 240 in *Government Gazette* 33059 of 1 April, 2010 with effect retrospectively from 1 July, 2005, under Government Notices Nos. 241 and 242 in *Government Gazette* 33059 of 1 April, 2010 with effect from 1 April, 2010, under Government Notice No. 1250 in *Government Gazette* 33900 of 31 December, 2010, under Government Notices Nos. 1253 and 1254 in *Government Gazette* 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010, under Government Notice No. 363 in *Government Gazette* 34233 of 29 April, 2011, with effect retrospectively from 1 April, 2011, under Government Notice Nos. 796, 797 (with effect retrospectively from 1 April, 2011) and 800 in *Government Gazette* 34631 of 30 September, 2011, under Government Notice No. 821 in *Government Gazette* 35759 of 12 October, 2012, with effect from 1 April, 2012, under Government Notice No. 824 in *Government Gazette* 35759 of 12 October, 2012, with effect from 1 April, 2011, under Government Notice No. 187 in *Government Gazette* 36225 of 15 March, 2013, with effect retrospectively from 16 February, 2001, under Government Notice No. 190 in *Government Gazette* 36225 of 15 March, 2013 with effect from 15 March, 2013, under Government Notice No. 392 in *Government Gazette* 37653 of 23 May, 2014, under Government Notice No. 393 in *Government Gazette* 37653 of 23 May, 2014 and s. 8 of Act No. 12 of 2013 with effect

from 1 April, 2014, under Government Notice No. 353 in *Government Gazette* 38735 of 30 April 2015 with effect from 30 April 2015, under Government Notice No. 354 in *Government Gazette* 38735 of 30 April, 2015 with effect from 1 April, 2015, under Government Notice No. 358 in *Government Gazette* 38735 of 30 April, 2015 w.e.f 31 March, 2015, under Government Notice Nos. 159 and 161 in *Government Gazette* 40637 of 24 February, 2017 w.e.f 24 February, 2017 and under Government Notice No. 388 in *Government Gazette* 41534 of 29 March, 2018 w.e.f. 29 March, 2018.]

Accounting Standards Board

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["Africa Institute of South Africa, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 388 in GG 41534 of 29 March, 2018.]

African Renaissance and International Cooperation Fund

["African Renaissance and International Cooperation Fund" added by GN 1139 in GG 26477 of 25 June, 2004.]

Afrikaanse Taalmuseum, Paarl

["Afrikaanse Taalmuseum, Paarl" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Agricultural Credit Board" deleted by GN 1863 in GG 22577 of 24 August, 2001.]

Agrément South Africa

["Agrément South Africa" added and classified by GN 159 in GG 40637 of 24 February, 2017.]

Agricultural Research Council

AGRISETA

["AGRISETA" added by GN 1010 in GG 29050 of 28 July, 2006.]

.....

["Air Services Licensing Council" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

Artscape

["Cape Performing Arts Board (CAPAB), Cape Town" added by GN 402 in GG 22047 of 16 February, 2001.]

["Artscape" previously "Cape Performing Arts Board (CAPAB), Cape Town" amended by GN 1283 in GG 23619 of 19 July, 2002.]

Banking Sector Education and Training Authority

["Banking Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Board on Tariffs and Trade" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Boxing South Africa

["Boxing South Africa" added by GN 3366 in GG 25778 of 5 December, 2003.]

Brand SA

["South African International Marketing Council Trust/Brand South Africa" previously "International Marketing Council" added by GN 1476 in GG 29293 of 20 October, 2006 and amended by GN 800 in GG 34631 of 30 September, 2011.]

["Brand SA" previously "South African International Marketing Council Trust/Brand South Africa" amended by GN 190 in GG 36225 of 15 March, 2013 with effect from 15 March, 2013.]

Breede-Gouritz Catchment Management Agency

["Breede-Gouritz Catchment Management Agency", previously "Breede River Catchment Management Agency", added and classified by GN 1000 in GG 31417 of 19 September, 2008 and amended by GN 353 in GG 38735 of 30 April, 2015.]

.....

["Business and Arts South Africa (BASA)" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 441 in GG 28651 of 31 March, 2006.]

Castle Control Board

["Castle Control Board" previously "Castle Management Board" added by GN 1397 in GG 22321 of 1 June, 2001 and amended by GN 1863 in GG 22577 of 24 August, 2001 and by GN 2302 in GG 22860 of 30 November, 2001.]

.....

["Certification Council for Technikon Education" deleted by GN 683 in GG 23407 of 17 May, 2002.]

Chemical Industries Education and Training Authority

["Chemical Industries Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

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["Clothing, Textiles, Footwear and Leather Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 797 in GG 34631 of 30 September, 2011.]

Commission for Conciliation, Mediation & Arbitration

Community Schemes Ombud Service

["Community Schemes Ombud Service" added by GN 821 in GG 35759 of 12 October, 2012 with effect from 1 April, 2012.]

Companies and Intellectual Property Commission

["Companies and Intellectual Property Commission" added by GN 1254 in GG 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010.]

Companies Tribunal

["Companies Tribunal" added by GN 363 in GG 34233 of 29 April, 2011 with effect retrospectively from 1 April, 2011.]

.....

["Compensation Board" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Compensation Fund, including Reserve Fund

["Compensation Fund, including Reserve Fund" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Competition Board" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Competition Commission

["Competition Commission" added by GN 402 in GG 22047 of 16 February, 2001.]

Competition Tribunal

["Competition Tribunal" added by GN 402 in GG 22047 of 16 February, 2001.]

Construction Education and Training Authority

["Construction Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Construction Industry Development Board

["Construction Industry Development Board" added by GN 2302 in GG 22860 of 30 November, 2001.]

Council for Built Environment (CBE)

["Council for Built Environment (CBE)" added by GN 765 in GG 27599 of 27 May, 2005.]

Council for Geoscience

Council for Medical Schemes

["Council for Medical Schemes" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Council for Mineral Technology (Mintek)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001.]

.....

["Council for Nuclear Safety" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["Council for Scientific and Industrial Research (CSIR)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001.]

Council on Higher Education

["Council on Higher Education" added by GN 402 in GG 22047 of 16 February, 2001.]

Cross-Border Road Transport Agency

["Cross-Border Road Transport Agency" added by GN 1397 in GG 22321 of 1 June, 2001.]

Culture, Arts, Tourism, Hospitality and Sports Education and Training Authority (CATHSSETA)
["Culture, Arts, Tourism, Hospitality and Sports Education and Training Authority (CATHSSETA)" added and classified by GN 796 in GG 34631 of 30 September, 2011.]

.....

["Diplomacy, Intelligence, Defence and Trade & Industry Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["Education and Labour Relations Council" added by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 358 in GG 38735 of 30 April, 2015 w.e.f 31 March, 2015 (Editorial Note: GN 358 in GG 38735 made reference to "Education Labour Relations Council (ELRC)". We suggest "Education and Labour Relations Council" was intended).]

Education, Training and Development Practices SETA (ETDP)

["Education, Training and Development Practices SETA (ETDP)" previously "Education, Training and Development Practices Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

Electricity Distribution Industry Holdings (Pty) Ltd

["Electricity Distribution Industry Holdings (Pty) Ltd" added by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["Electronic Communications Security (Pty) Ltd" added and classified by GN 311 in GG 32013 of 20 March, 2009 deleted by GN 1253 in GG 33900 of 31 December, 2010.]

.....

["Employment's Condition Commission" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 765 in GG 27599 of 27 May, 2005.]

Energy and Water Sector Education and Training Authority (EWSETA)

["Energy and Water Sector Education and Training Authority (EWSETA)" previously "Energy Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

.....

["Engelenburg House Art Collection, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["English Dictionary Unit of South Africa, Grahamstown" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Estate Agency Affairs Board

["Estate Agency Affairs Board" added by GN 1397 in GG 22321 of 1 June, 2001.]

.....

["Export Credit Reinsurance Fund" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 683 in GG 23407 of 17 May, 2002.]

Fibre Processing Manufacturing Sector Education and Training Authority (FPMSETA)

["Fibre Processing Manufacturing Sector Education and Training Authority (FPMSETA)" added and classified by GN 796 in GG 34631 of 30 September, 2011.]

Film and Publication Board

["Film and Publication Board" added by GN 1397 in GG 22321 of 1 June, 2001.]

.....

["Film & Publications Review Board" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Financial and Accounting Services SETA (FASSET)

["Financial and Accounting Services SETA (FASSET)" previously "Financial and Accounting Services Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

Financial Intelligence Centre

["Financial Intelligence Centre" added by GN 3366 in GG 25778 of 5 December, 2003.]

Financial Services Board

Food and Beverages Manufacturing Industry (FOODBEV)

["Food and Beverages Manufacturing Industry (FOODBEV)" previously "Food and Beverages Manufacturing Industry Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

.....

["Forest Industries Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 797 in GG 34631 of 30 September, 2011.]

.....

["Foundation for Education, Science and Technology, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1139 in GG 26477 of 25 June, 2004.]

.....

["Foundation for Research and Development" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Freedom Park Trust

["Freedom Park Trust" added by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Godisa Trust" added by GN 1139 in GG 26477 of 25 June, 2004 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

Health and Welfare Sector Education and Training Authority

["Health and Welfare Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Housing Development Agency

["Housing Development Agency" added and classified by GN 311 in GG 32013 of 20 March, 2009.]

Human Sciences Research Council

.....

["Immigrants Selection Board" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["Independent Communications Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1863 in GG 22577 of 24 August, 2001.]

Independent Regulatory Board for Auditors

["Independent Regulatory Board for Auditors" added by GN 1011 in GG 29050 of 28 July, 2006.]

Information Systems, Electronics and Telecommunications Technologies Training Authority

["Information Systems, Electronics and Telecommunications Technologies Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Ingonyama Trust Board

["Ingonyama Trust Board" added by GN 402 in GG 22047 of 16 February, 2001.]

Inkomati-Usuthu Catchment Management Agency

["Inkomati-Usuthu Catchment Management Agency", previously "Inkomati Catchment Management Agency", added by GN 396 in GG 28605 of 17 March, 2006 and amended by GN 353 in GG 38735 of 30 April, 2015.]

Insurance Sector Education and Training Authority

["Insurance Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

International Trade Administration Commission

["International Trade Administration" added by GN 1139 in GG 26477 of 25 June, 2004 and amended by GN 765 in GG 27599 of 27 May, 2005.]

.....

["Investment South Africa" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1863 in GG 22577 of 24 August, 2001.]

iSimangaliso Wetland Park

["iSimangaliso Wetland Park" previously "Greater St. Lucia Wetland Park Authority" added by GN 1283 in GG 23619 of 19 July, 2002 and amended by GN 1003 in GG 31417 of 19 September, 2008.]

Iziko Museums of South Africa

["Iziko Museums of South Africa" previously "Iziko Museums of Cape Town" previously "Southern Flagship Institution, Cape Town" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1283 in GG 23619 of 19 July, 2002 and by GN 392 of GG 37653 of 23 May, 2014.]

.....

["JLB Institute of Itchyology" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

(Editorial Note: Wording as per original *Government Gazette*. It is suggested that the word "Itchyology" is intended to be "Ichthyology".)

.....

["Johannesburg World Summit" previously "Johannesburg Earth Summit" added by GN 1397 in GG 22321 of 1 June, 2001 and amended by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1139 in GG 26477 of 25 June, 2004.]

.....

["Judicial Services Commission" deleted by GN 683 in GG 23407 of 17 May, 2002.]

KwaZulu-Natal Museum

["KwaZulu-Natal Museum" previously "Natal Museum, Pietermaritzburg" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

.....

["KwaZulu Ingonyama Trust" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Legal Aid South Africa

["Legal Aid South Africa" previously "Legal Aid Board" amended by GN 1250 in GG 33900 of 31 December, 2010.]

Local Government Education and Training Authority (LGSETA)

["Local Government Education and Training Authority (LGSETA)" previously "Local Government, Water and Related Services Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

Luthuli Museum

["Luthuli Museum" added by GN 1269 in GG 28237 of 25 November, 2005.]

.....

["Manufacturing Advisory Council" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["Manufacturing Development Board" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Manufacturing, Engineering and Related Services Education and Training Authority

["Manufacturing, Engineering and Related Services Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Marine Living Resources Fund

["Marine Living Resources Fund" added by GN 402 in GG 22047 of 16 February, 2001.]

Market Theatre Foundation

["Market Theatre Foundation" added by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Market Theatre, Johannesburg" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["Media, Advertising, Publishing, Printing and Packaging Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 797 in GG 34631 of 30 September, 2011.]

Media Development and Diversity Agency

["Media Development and Diversity Agency" added by GN 1261 in GG 24731 of 17 April, 2003.]

Media, Information and Communication Technologies Sector Education and Training Authority (MICTSA)

["Media, Information and Communication Technologies Sector Education and Training Authority (MICTSA)" added and classified by GN 796 in GG 34631 of 30 September, 2011.]

Mine Health & Safety Council

["Mine Health & Safety Council" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Mines and Works Compensation Fund" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Mining Qualifications Authority

["Mining Qualifications Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Municipal Infrastructure Investment Unit" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 388 in GG 41534 of 29 March, 2018.]

National Agricultural Marketing Council

["National Agricultural Marketing Council" previously "National Agriculture Marketing Council" amended by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["National Archives Commission" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

National Arts Council

["National Arts Council" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["National Botanical Institute" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 765 in GG 27599 of 27 May, 2005.]

National Consumer Commission

["National Consumer Commission" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

National Consumer Tribunal

["National Consumer Tribunal" added by GN 602 in GG 28798 of 12 May, 2006.]

.....

["National Coordination Office of the Manufacturing Advisory Centre Programme-NAMAC" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GNs 1263, 1264 and 1265 in GG 28237 of 25 November, 2005.]

National Credit Regulator

["National Credit Regulator" added by GN 602 in GG 28798 of 12 May, 2006.]

National Development Agency

["National Development Agency" added by GN 402 in GG 22047 of 16 February, 2001.]

National Economic, Development and Labour Council

.....

["National Electricity Regulator" deleted by GN 1271 in GG 28237 of 25 November, 2005.]

National Electronic Media Institute of SA

["National Electronic Media Institute of SA" added by GN 1397 in GG 22321 of 1 June, 2001.]

National Empowerment Fund

["National Empowerment Fund" added by GN 402 in GG 22047 of 16 February, 2001.]

National Energy Regulator of South Africa

["National Energy Regulator of South Africa" added by GN 1271 in GG 28237 of 25 November, 2005.]

National Film and Video Foundation

["National Film and Video Foundation" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["National Film Board" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

National Gambling Board of SA

["National Gambling Board of SA" added by GN 402 in GG 22047 of 16 February, 2001.]

National Health Laboratory Service

["National Health Laboratory Service" added by GN 683 in GG 23407 of 17 May, 2002.]

National Heritage Council (NHC)

["National Heritage Council (NHC)" added by GN 765 in GG 27599 of 27 May, 2005.]

National Home Builders Registration Council-NHBRC

["National Home Builders Registration Council-NHBRC" added by GN 402 in GG 22047 of 16 February, 2001.]

National Housing Finance Corporation

National Library, Pretoria/Cape Town

["National Library, Pretoria/Cape Town" added by GN 402 in GG 22047 of 16 February, 2001.]

National Lotteries Commission

["National Lotteries Commission", previously "National Lotteries Board", added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 353 in GG 38735 of 30 April, 2015.]

National Metrology Institute of South Africa

["National Metrology Institute of South Africa" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["National Monuments Council" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

National Museum, Bloemfontein

["National Museum, Bloemfontein" added by GN 402 in GG 22047 of 16 February, 2001.]

National Nuclear Regulator

["National Nuclear Regulator" added by GN 402 in GG 22047 of 16 February, 2001.]

National Regulator for Compulsory Specifications

["National Regulator for Compulsory Specifications" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

National Research Foundation

["National Research Foundation" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["National Small Business Council" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

National Student Financial Aid Scheme

["National Student Financial Aid Scheme" added by GN 402 in GG 22047 of 16 February, 2001.]

National Urban Reconstruction and Housing Agency-NURCHA

["National Urban Reconstruction and Housing Agency-NURCHA" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["National Year 2000 Decision Support Centre" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["National Youth Commission" deleted by GN 1253 in GG 33900 of 31 December, 2010 with effect from 1 April, 2010.]

National Youth Development Agency

["National Youth Development Agency" added and classified by GN 311 in GG 32013 of 20 March, 2009.]

.....

["National Zoological Gardens of SA" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1477

in GG 29293 of 20 October, 2006 (Editorial Note: GN 1477 in GG 29293 made reference to "National Zoological Gardens". We suggest "National Zoological Gardens of SA" was intended).]

Nelson Mandela Museum, Umtata

["Nelson Mandela Museum, Umtata" added by GN 402 in GG 22047 of 16 February, 2001.]

Ditsong: Museums of South Africa

["Ditsong: Museums of South Africa" previously "Northern Flagship Institution, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1250 in GG 33900 of 31 December, 2010.]

Office of Health Standards Compliance

["Office of Health Standards Compliance" added and classified by GN 393 in GG 37653 of 23 May, 2014 w.e.f 1 April, 2014 and by [s. 8 of Act No. 12 of 2013](#).]

(Editorial Note: Please note that both GN 393 in GG 37653 of 23 May, 2014 and [section 8](#) of the National Health Amendment Act, [No. 12 of 2013](#) add/insert the expression "Office of Health Standards Compliance" in [Schedule 3](#), Part A with effect from 1 April, 2014.)

Office of the Ombudsman for Financial Services Providers

["Office of the Ombudsman for Financial Services Providers" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

Office of the Pension Funds Adjudicator

["Office of the Pension Funds Adjudicator" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

Performing Arts Council of the Free State

["Performing Arts Council Orange Free State (PACOFs), Bloemfontein" added by GN 402 in GG 22047 of 16 February, 2001.]

["Performing Arts Council of the Free State" previously "Performing Arts Council Orange Free State (PACOFs), Bloemfontein" amended by GN 1283 in GG 23619 of 19 July, 2002.]

Perishable Products Export Control Board

["Perishable Products Export Control Board" added by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Police, Private Security, Legal and Correctional Services" added by GN 402 in GG 22047 of 16 February, 2001.]

["Police, Private Security, Legal and Correctional Services Training Authority" previously "Police, Private Security, Legal and Correctional Services" amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

Ports Regulator of South Africa

["Ports Regulator of South Africa" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["Primary Agricultural Education and Training Authority (PAETA)" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1010 in GG 29050 of 28 July, 2006.]

Private Security Industry Regulatory Authority

["Private Security Industry Regulatory Authority" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

Productivity SA

["Productivity SA" previously "National Productivity Institute" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1003 in GG 31417 of 19 September, 2008.]

.....

["Public Investment Commissioners" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 1114 in GG 27773 of 15 July, 2005.]

.....

["Public Protector" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1863 in GG 22577 of 24 August, 2001.]

Public Service Sector Education and Training Authority (PSETA)

["Public Service Sector Education and Training Authority (PSETA)" previously "Public Sector Education and Training Authority" added by GN 667 in GG 28847 of 26 May, 2006 and amended by GN 800 in GG 34631 of 30 September, 2011.]

.....

["Public Services Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 2302 in GG 22860 of 30 November, 2001.]

Quality Council for Trades and Occupations (QCTO)

["Quality Council for Trades and Occupations (QCTO)" added by GN 1254 in GG 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010.]

Railway Safety Regulator

["Railway Safety Regulator" added by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["Rent Control Board" added by GN 1283 in GG 23619 of 19 July, 2002 and deleted by GN 765 in GG 27599 of 27 May, 2005.]

Road Accident Fund

Road Traffic Infringement Agency (RTIA)

["Road Traffic Infringement Agency (RTIA)" added by GN 1254 in GG 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010.]

Road Traffic Management Corporation

["Road Traffic Management Corporation" added by GN 1396 in GG 24042 of 15 November, 2002.]

Robben Island Museum, Cape Town

["Robben Island Museum, Cape Town" added by GN 402 in GG 22047 of 16 February, 2001.]

Rural Housing Loan Fund

["Rural Housing Loan Fund" added by GN 3366 in GG 25778 of 5 December, 2003.]

Safety and Security Sector Education and Training Authority (SASSETA)

["Safety and Security Sector Education and Training Authority (SASSETA)" previously "Safety and Security Sector Education and Training" added by GN 240 in GG 33059 of 1 April, 2010 with effect retrospectively from 1 July, 2005 and amended by GN 800 in GG 34631 of 30 September, 2011.]

.....

["South African Blind Workers Organization (SABWO)" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 441 in GG 28651 of 31 March, 2006 (Editorial Note: GN 441 in GG 28651 made reference to "South African Blind Workers Association (SABWO)". We suggest "South African Blind Workers Organization (SABWO)" was intended).]

.....

["SA Bureau of Standards (SABS)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001.]

SA Civil Aviation Authority

.....

["SA Communications Regulatory Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1863 in GG 22577 of 24 August, 2001.]

.....

["SA Council for Architects" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 1139 in GG 26477 of 25 June, 2004.]

SA Council for Educators

["SA Council for Educators" added by GN 402 in GG 22047 of 16 February, 2001.]

South African Diamond and Precious Metals Regulator

["SA Diamond and Precious Metals Regulator" added by GN 187 in GG 29669 of 9 March, 2007.]

.....

["SA Diamond Board" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 187 in GG 29669 of 9 March, 2007.]

.....

["SA Excellence Foundation" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1268 in GG 28237 of 25 November, 2005.]

.....

["SA Geographical Names Commission" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

SA Heritage Resources Agency

["SA Heritage Resources Agency" previously "National Heritage Council" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 683 in GG 23407 of 17 May, 2002.]

.....

["SA Housing Development Board" previously "National Housing Board" amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["SA Housing Fund" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["SA Housing Trust Limited" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

SA Institute for Drug-free Sport

["SA Institute for Drug-free Sport" added by GN 402 in GG 22047 of 16 February, 2001.]

SA Library for the Blind, Grahamstown

["SA Library for the Blind, Grahamstown" added by GN 402 in GG 22047 of 16 February, 2001.]

SA Local Government Association

["SA Local Government Association" added by GN 1283 in GG 23619 of 19 July, 2002.]

SA Maritime Safety Authority

["SA Maritime Safety Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

SA Medical Research Council

SA National Accreditation System

["SA National Accreditation System" added by GN 402 in GG 22047 of 16 February, 2001.]

South African Health Products Regulatory Authority (SAHPRA)

["South African Health Products Regulatory Authority (SAHPRA)" added and classified by GN 159 in GG 40637 of 24 February, 2017.]

South African National Biodiversity Institute (SANBI)

["South African National Biodiversity Institute (SANBI)" added by GN 765 in GG 27599 of 27 May, 2005.]

South African National Energy Development Institute (SANEDI)

["South African National Energy Development Institute (SANEDI)" added by GN 1254 in GG 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010.]

South African National Parks

["South African National Parks" previously "National Parks Board" amended by GN 683 in GG 23407 of 17 May, 2002.]

SA National Roads Agency

["SA National Roads Agency" previously "National Road Fund" amended by GN 1863 in GG 22577 of 24 August, 2001.]

South African National Space Agency

["South African National Space Agency" added and classified by GN 311 in GG 32013 of 20 March, 2009.]

.....

["SA Nuclear Energy Corporation" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 187 in GG36225 of 15 March, 2013 with effect retrospectively from 16 February, 2001.]

SA Qualifications Authority

.....

["SA Quality Institute" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

SA Revenue Service

.....
["SA Road Board" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....
["SA Road Safety Council" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

South African Social Security Agency

["South African Social Assistance Agency" inserted by GN 230 in GG 28519 of 24 February, 2006 and corrected to read "South African Social Security Agency" by GN 436 in GG 28651 of 31 March, 2006.]

.....
["SA Sport Commission" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

.....
["SA Telecommunications Regulatory Authority" deleted by GN 1863 in GG 22577 of 24 August, 2001.]

SA Tourism Board

South African Weather Service

["South African Weather Service" added by GN 2302 in GG 22860 of 30 November, 2001.]

.....
["Secondary Agricultural Sector Education and Training Authority (SETSA)" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1010 in GG 29050 of 28 July, 2006.]

Servcon

["Servcon" added by GN 402 in GG 22047 of 16 February, 2001.]

Services Sector Education and Training Authority

["Services Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Small Enterprise Development Agency (SEDA)

["Small Enterprise Development Agency (SEDA)" added by GNs 1263, 1264 and 1265 in GG 28237 of 25 November, 2005.]

.....
["Social Housing Foundation" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 161 in GG 40637 of 24 February, 2017.]

Special Investigation Unit

["Special Investigation Unit" added by GN 402 in GG 22047 of 16 February, 2001.]

State Information Technology Agency

State Theatre, Pretoria

["State Theatre, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001.]

Technology Innovation Agency

["Technology Innovation Agency" added and classified by GN 311 in GG 32013 of 20 March, 2009.]

The Co-Operative Banks Development Agency

["The Co-Operative Banks Development Agency" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

The National English Literary Museum, Grahamstown

["The National English Literary Museum, Grahamstown" added by GN 402 in GG 22047 of 16 February, 2001.]

The National Radioactive Waste Disposal Institute (NRWDI)

["The National Radioactive Waste Disposal Institute (NRWDI)" added and classified by GN 796 in GG 34631 of 30 September, 2011.]

The National Skills Fund (NSF)

["The National Skills Fund (NSF)" added by GN 821 in GG 35759 of 12 October, 2012 with effect from 1 April, 2012.]

The Playhouse Company, Durban

["The Playhouse Company, Durban" added by GN 402 in GG 22047 of 16 February, 2001.]

The Social Housing Regulatory Authority (SHRA)

["The Social Housing Regulatory Authority (SHRA)" added by GN 1254 in GG 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010.]

Thubelisha Homes

["Thubelisha Homes" added by GN 402 in GG 22047 of 16 February, 2001.]

Tourism and Hospitality Education and Training Authority

["Tourism and Hospitality Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Tourism, Hospitality & Sport Education and Training Authority" deleted by GN 824 in GG 35759 of 12 October, 2012 with effect retrospectively from 1 April, 2011.]

.....

["Investment South Africa" added by GN 402 in GG 22047 of 16 February, 2001.]

["Trade and Investment South Africa" previously "Investment South Africa" amended by GN 1863 in GG 22577 of 24 August, 2001.]

["Trade and Investment South Africa" moved from Schedule 3B to Schedule 3A by GN 2302 in GG 22860 of 30 November, 2001.]

["Trade and Investment South Africa" deleted by GN 1000 in GG 31417 of 19 September, 2008.]

Transport Education and Training Authority

["Transport Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

uMalusi Council for Quality Assurance in General and Further Education and Training

["Umalusi Council for Quality Assurance in General and Further Education and Training" previously "SA Certification Council" amended by GN 1396 in GG 24042 of 15 November, 2002.]

uMsunduzi Museum

["Voortrekker Museum, Pietermaritzburg" added by GN 402 in GG 22047 of 16 February, 2001.]

["uMsunduzi Museum" previously "Voortrekker Museum, Pietermaritzburg" amended by GN 190 in GG 36225 of 15 March, 2013 with effect from 15 March, 2013.]

Unemployment Insurance Fund

Universal Service and Access Agency of South Africa

["Universal Services Agency" added by GN 402 in GG 22047 of 16 February, 2001.]

["Universal Service Agency" previously "Universal Services Agency" amended by GN 1863 in GG 22577 of 24 August, 2001.]

["Universal Service and Access Agency of South Africa" previously "Universal Service Agency" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Universal Service and Access Fund

["Universal Services Fund" added by GN 402 in GG 22047 of 16 February, 2001.]

["Universal Service Fund" previously "Universal Services Fund" amended by GN 2302 in GG 22860 of 30 November, 2001.]

["Universal Service and Access Fund" previously "Universal Service Fund" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Urban Transport Fund

["Urban Transport Fund" added by GN 1397 in GG 22321 of 1 June, 2001.]

Valuer-General, Office of the

["Valuer-General, Office of the" added by GN 388 in GG 41534 of 29 March, 2018.]

Vredefort Dome World Heritage Site

["Vredefort Dome World Heritage Site" added and classified by GN 354 in GG 38735 of 30 April, 2015 w.e.f 1 April, 2015.]

.....

["Wage Board" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

War Museum of the Boer Republics, Bloemfontein

["War Museum of the Boer Republics, Bloemfontein" added by GN 402 in GG 22047 of 16 February, 2001.]

Water Research Commission

Wholesale and Retail Sector Education and Training Authority

["Wholesale and Retail Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

William Humphreys Art Gallery

["William Humphreys Art Gallery" added by GN 402 in GG 22047 of 16 February, 2001 and by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Windybrow Centre" added by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 161 in GG 40637 of 24 February, 2017.]

.....

["Woordeboek van die Afrikaanse Taal (WAT), Paarl" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 693 in Government Gazette 42474 of 24 May, 2019)/ Schedule 3, Part B

Schedule 3, Part B

Part B: National Government Business Enterprises

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under Government Notice No. 504 in *Government Gazette* 22337 of 8 June, 2001 with effect from 8 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1114 in *Government Gazette* 27773 of 15 July, 2005 with effect from 15 July, 2005 and under General Notices Nos. 1263, 1264 and 1265 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notice No. 431 in *Government Gazette* 28630 of 24 March, 2006, under Government Notice No. 647 in *Government Gazette* 30074 of 20 July, 2007 with effect from 20 July, 2007, under Government Notice No. 242 in *Government Gazette* 33059 of 1 April, 2010 with effect from 1 April, 2010, under Government Notice No. 1251 in *Government Gazette* 33900 of 31 December, 2010, under Government Notice No. 1252 in *Government Gazette* 33900 of 31 December, 2010 with effect from 1 April, 2010, under Government Notice No. 352 in *Government Gazette* 38735 of 30 April, 2015 with effect from 30 April, 2015, under Government Notice No. 357 in *Government Gazette* 38735 of 30 April, 2015 with effect from 31 March, 2015 and under Government Notice No. 164 in *Government Gazette* 40637 of 24 February, 2017 with effect from 24 February, 2017.]

.....

["Albany Coast Water Board" previously "Albaniekus Waterraad" amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by by GN 1252 in GG 33900 of 31 December, 2010 with effect from 1 April, 2010.]

Amatola Water Board

["Amatola Water Board" previously "Amatola Water" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1863 in GG 22577 of 24 August, 2001.]

Aventura

["Aventura" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Bala Farms (Pty) Ltd" previously "Bala-Bala Farms (Pty) Ltd" amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 431 in GG 28630 of 24 March, 2006.]

Bloem Water

.....

["Bosveld Waterraad" substituted by "Lepelle Northern Water"]

.....

["Botshelo Water" previously "North West Water Supply Authority Board" added by GN 1863 in GG 22577 of 24 August, 2001, amended by GN 3366 in GG 25778 of 5 December, 2003 and deleted by GN 357 in GG 38735 of 30 April, 2015 w.e.f 31 March, 2015 (Editorial Note: GN 357 in GG 38735 made reference to "Botshelo Water Board". We suggest "Botshelo Water" was intended).]

.....

["Bushbuckridge Water Board" previously "Bushbuckridge Water" added by GN 402 in GG 22047 of 16 February, 2001, amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 357 in GG 38735 of 30 April, 2015 w.e.f 31 March, 2015.]

Council for Scientific and Industrial Research (CSIR)

["Council for Scientific and Industrial Research (CSIR)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001.]

Export Credit Insurance Corporation of South Africa Limited

["Export Credit Insurance Corporation of South Africa Limited" added by GN 2302 in GG 22860 of 30 November, 2001 and " amended by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Ikangala Water" added by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 1252 in GG 33900 of 31 December, 2010 with effect from 1 April, 2010.]

Inala Farms (Pty) Ltd

["Inala Farms (Pty) Ltd" previously "Iniala Farms (Pty) Ltd" amended by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Kalahari East Water Board" previously "Kalahari-Oos Waterraad" amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["Kalahari West Water Board" previously "Kalahari-Wes Waterraad" amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["Karos-Geelkoppes Waterraad" deleted by GN 1863 in GG 22577 of 24 August, 2001.]

.....

["Khula Enterprises" deleted by GN 164 in GG 40637 of 24 February, 2017.]

Lepelle Northern Water

["Lepelle Northern Water" inserted by GN 1863 in GG 22577 of 24 August, 2001.]

Magalies Water

Mhlathuze Water

Mintek

["Mintek", previously "Council for Mineral Technology (Mintek)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001 and amended by GN 352 in GG 38735 of 30 April, 2015.]

.....

["Mjindi Farming (Pty) Ltd" deleted from Schedule 3B and moved to Schedule 3D by GN 1863 in GG 22577 of 24 August, 2001.]

.....

["Mpendle-Ntambanana Agricultural Company (Pty) Ltd" deleted from Schedule 3B and moved to Schedule 3D by GN 1863 in GG 22577 of 24 August, 2001.]

.....

["Namakwa Water" deleted by GN 357 in GG 38735 of 30 April, 2015 w.e.f 31 March, 2015 (Editorial Note: GN 357 in GG 38735 made reference to "Namakwa Water Board". We suggest "Namakwa Water" was intended).]

Ncera Farms (Pty) Ltd

.....

["Noord Transvaal Water/Meetse" substituted by "Lepelle Northern Water".]

.....

["Ntsika Enterprises" deleted by GNs 1263, 1264 and 1265 in GG 28237 of 25 November, 2005.]

Onderstepoort Biological Products

["Onderstepoort Biological Products" added by GN 402 in GG 22047 of 16 February, 2001.]

Overberg Water

Passenger Rail Agency of South Africa

["Passenger Rail Agency of South Africa" previously "SA Rail Commuter Corporation Limited" amended by GN 242 in GG 33059 of 1 April, 2010.]

.....

["Pelladriфт Water Board" previously "Pelladriфт Water" amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 357 in GG 38735 of 30 April, 2015 w.e.f 31 March, 2015.]

.....

["Phalaborwa Water" substituted by "Lepelle Northern Water".]

Public Investment Corporation Limited

["Public Investment Corporation Limited" added by GN 1114 in GG 27773 of 15 July, 2005.]

Rand Water

["Rand Water" previously "Rand Water Board" amended by GN 1863 in GG 22577 of 24 August, 2001.]

SA Bureau of Standards (SABS)

["SA Bureau of Standards (SABS)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001.]

Sasria Limited

["Sasria Limited" previously "Sasria" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1251 in GG 33900 of 31 December, 2010.]

Sedibeng Water

["Sedibeng Water" previously "Goudveld Water" amended by GN 1863 in GG 22577 of 24 August, 2001.]

Sentech

["Sentech" added by GN 402 in GG 22047 of 16 February, 2001.]

State Diamond Trader

["State Diamond Trader" included by GN 647 in GG 30074 of 20 July, 2007.]

.....

["Trade and Investment South Africa" previously "Investment South Africa" amended by GN 1863 in GG 22577 of 24 August, 2001 and moved from Schedule 3B to Schedule 3A by GN 2302 in GG 22860 of 30 November, 2001.]

Umgeni Water

["Umgeni Water" previously "Umgeni Water Board" amended by GN 1863 in GG 22577 of 24 August, 2001.]

.....

["Umsobomvu Youth Fund" previously "Umsombomvu Fund" added by GN 1261 in GG 24731 of 17 April, 2003, amended by GN 3366 in GG 25778 of 5 December, 2003 and deleted by GN 1252 in GG 33900 of 31 December, 2010 with effect from 1 April, 2010.]

Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 693 in Government Gazette 42474 of 24 May, 2019)/ Schedule 3, Part C

Schedule 3, Part C

Part C: Provincial Public Entities

[Part C added by [s. 45](#) of [Act No. 29 of 1999](#).]

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577

of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005, under General Notices Nos. 1266, 1267 and 1270 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notices Nos. 462 and 476 in *Government Gazette* 28679 of 7 April, 2006 with effect from 7 April, 2006, under General Notice No. 797 in *Government Gazette* 28937 of 23 June, 2006 with effect from 23 June, 2006, under General Notice No. 1475 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006, under Government Notice No. 7 in *Government Gazette* 30637 of 4 January, 2008 with effect from 4 January, 2008, under Government Notice No. 1001 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice No. 1003 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice Nos. 309 and 310 in *Government Gazette* 32013 of 20 March, 2009 with effect from 20 March 2009, under Government Notice No. 241 in *Government Gazette* 33059 of 1 April, 2010 with effect from 1 April, 2010, under Government Notices Nos. 1247, 1248 and 1249 in *Government Gazette* 33900 of 31 December, 2010, with effect from 1 April, 2004, 1 July 2010 and 8 June 2010 respectively, under Government Notice No. 364 in *Government Gazette* 34233 of 29 April, 2011 with effect retrospectively from 1 April, 2010, under Government Notice No. 798 in *Government Gazette* 34631 of 30 September, 2011, under Government Notice No. 822 in *Government Gazette* 35759 of 12 October, 2012, with effect from 14 November, 2007, under Government Notice No. 188 in *Government Gazette* 36225 of 15 March, 2013 with effect retrospectively from 1 December, 2012, under Government Notice Nos. 189 and 191 in *Government Gazette* 36225 of 15 March, 2013 with effect from 15 March, 2013, under Government Notice No. 391 in *Government Gazette* 37653 of 23 May, 2014, under Government Notice Nos. 394 and 395 in *Government Gazette* 37653 of 23 May, 2014 with effect from 1 April, 2014, under Government Notice No. 355 in *Government Gazette* 38735 of 30 April, 2015 with effect from 1 April, 2013, under Government Notice No. 356 in *Government Gazette* 38735 of 30 April, 2015 with effect from 31 March, 2015, under Government Notice No. 523 in *Government Gazette* 39985 of 13 May, 2016 with effect from 13 May, 2016, under Government Notice Nos. 160 and 162 in *Government Gazette* 40637 of 24 February, 2017 with effect from 24 February, 2017, under Government Notice No. 165 in *Government Gazette* 40637 of 24 February, 2017 with effect from 7 April, 2006 and under Government Notice No. 388 in *Government Gazette* 41534 of 29 March, 2018 w.e.f. 29 March, 2018.]

Commissioner for the Environment

["Commissioner for the Environment" added by GN 765 in GG 27599 of 27 May, 2005 (Editorial Note: No Province indicated).]

.....

["Destination Marketing Organisation" previously "Destinations Marketing Organisation" added by GN 7 in GG 30637 of 4 January, 2008, amended by GN 1003 in GG 31417 of 19 September, 2008 and deleted by GN 395 in GG 37653 of 23 May, 2014 w.e.f 1 April, 2014 (Editorial Note: No Province indicated).]

Dube TradePort Corporation (DTPC)

["Dube TradePort Corporation (DTPC)" added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f from 1 April 2011 (Editorial Note: No Province indicated).]

Royal Household Trust

["Royal Household Trust" added and classified by GN 822 in GG 35759 of 12 October, 2012 w.e.f 14 November, 2007 (Editorial Note: No Province indicated).]

XHASA ATC Agency

["XHASA ATC Agency" added and classified by GN 1001 in GG 31417 of 19 September, 2008 (Editorial Note: No Province indicated).]

Eastern Cape:

.....

["Centre for Investment and Marketing in the Eastern Cape" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Eastern Cape Appropriate Technology Unit" deleted by GN 356 in GG 38735 of 30 April, 2015 w.e.f 31 March, 2015 (Editorial Note: GN 356 in GG 38735 made reference to "Eastern Cape Appropriate Technology Unit (ECATU)". We suggest "Eastern Cape Appropriate Technology Unit" was intended).]

Eastern Cape Provincial Arts and Culture Council

["Eastern Cape Provincial Arts and Culture Council", previously "Eastern Cape Arts Council" amended by GN 388 in GG 41534 of 29 March, 2018.]

.....

["Eastern Cape Consumer Affairs Court" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

-
["Eastern Cape Development Corporation" moved from Schedule 3C to Schedule 3D.]
-
["Eastern Cape Development Tribunal" deleted by GN 1396 in GG 24042 of 15 November, 2002.]
- Eastern Cape Gambling and Betting Board
- Eastern Cape Liquor Board
-
["Eastern Cape Local Road Transport Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]
-
["Eastern Cape Museums" deleted by GN 1001 in GG 31417 of 19 September, 2008.]
- Eastern Cape Parks and Tourism Agency (ECPTA)
["Eastern Cape Parks and Tourism Agency (ECPTA)" added by GN 1248 in GG 33900 of 31 December, 2010 with effect from 1 July, 2010.]
-
["Eastern Cape Parks Board" added by GN 1270 in GG 28237 of 25 November, 2005 and deleted by GN 1249 in GG 33900 of 31 December, 2010.]
-
["Eastern Cape Provincial Housing Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]
- Eastern Cape Provincially Aided Libraries
-
["Eastern Cape Regional Authorities" deleted by GN 1001 in GG 31417 of 19 September, 2008.]
- Eastern Cape Rural Development Agency
["Eastern Cape Rural Finance Corporation Limited" previously "Eastern Cape Agricultural Bank" amended by GN 1283 in GG 23619 of 19 July, 2002.]
["Eastern Cape Rural Development Agency" previously "Eastern Cape Rural Finance Corporation Limited" amended by GN 191 in GG 36225 of 15 March, 2013 with effect from 15 March, 2013.]
- Eastern Cape Socio-Economic Consultative Council
-
["Eastern Cape Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]
-
["Eastern Cape Tourism Board" deleted by GN 1249 in GG 33900 of 31 December, 2010.]
-
["Eastern Cape Township Board" deleted by GN 1396 in GG 24042 of 15 November, 2002.]
-
["Eastern Cape Youth Commission" added by GN 1261 in GG 24731 of 17 April, 2003 and deleted by GN 523 in GG 39985 of 13 May, 2016.]
-
["East London Industrial Development Zone Corporation" added by GN 3366 in GG 25778 of 5 December, 2003 moved from Schedule 3C to Schedule 3D by GN 1267 in GG 28237 of 25 November, 2005.]
2005.]

Free State:

-
["Free State Consumer Affairs" added by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 462 in GG 28679 of 7 April, 2006.]
-
["Free State Council for Citizenship, Education and Conflict Resolution" added by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Free State Gambling, Liquor and Tourism Authority

["Free State Gambling, Liquor and Tourism Authority", previously "Free State Gambling and Liquor Authority (FSGLA)" added by GN 1248 in GG 33900 of 31 December, 2010 with effect from 8 June, 2010 and amended by GN 388 in GG 41534 of 29 March, 2018.]

.....

["Free State Gambling and Racing Board" previously "Free State Gambling and Gaming Board" amended by GN 765 in GG 27599 of 27 May, 2005 and deleted by GN 1249 in GG 33900 of 31 December, 2010.]

.....

["Free State Investment Agency" added by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 462 in GG 28679 of 7 April, 2006.]

.....

["Free State Investment Promotion Agency" added and classified by GN 310 in GG 32013 of 20 March, 2009 and deleted by GN 356 in GG 38735 of 30 April, 2015 w.e.f 31 March, 2015.]

.....

["Free State Liquor Board" deleted by GN 462 in GG 28679 of 7 April, 2006.]

.....

["Free State Mangaung Nursing College" added by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 462 in GG 28679 of 7 April, 2006.]

.....

["Free State Rural Foundation" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["Free State Rural Strategy Unit" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["Free State Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Free State Tourism Authority" added by GN 797 in GG 28937 of 23 June, 2006 and deleted by GN 388 in GG 41534 of 29 March, 2018.]

.....

["Free State Tourism Board" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["Free State Youth Commission" deleted by GN 241 in GG 33059 of 1 April, 2010.]

.....

["Phakisa Major Sport and Development Corporation" added by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 356 in GG 38735 of 30 April, 2015 w.e.f 31 March, 2015.]

Gauteng:

.....

["Gauteng Agriculture and Farming Development Trust" added by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 1475 in GG 29293 of 20 October, 2006 (Editorial Note: GN 1475 in GG 29293 made reference to "Gauteng Agriculture and Farming Trust". We suggest "Gauteng Agriculture and Farming Development Trust" was intended).]

.....

["Gauteng Consumer Affairs Court" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Gauteng Development Tribunal" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Gauteng Economic Development Agency" deleted by GN 395 in GG 37653 of 23 May, 2014 w.e.f 1 April, 2014.]

.....

["Gauteng Education and Training Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Gauteng Enterprise Propeller

["Gauteng Enterprise Propeller" added and classified by GN 1001 in GG 31417 of 19 September, 2008.]

Gauteng Gambling Board

.....

["Gauteng Housing Fund" previously "Gauteng Provincial Housing Board" amended by GN 2302 in GG 22860 of 30 November, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Gauteng Growth and Development Agency (GGDA)

["Gauteng Growth and Development Agency (GGDA)" previously "Blue IQ Investment Holdings (Pty) Ltd" added by GN 1139 in GG 26477 of 25 June, 2004 and amended by GN 391 in GG 37653 of 23 May, 2014.]

.....

["Gauteng Municipal Demarcation Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Gauteng Partnership Fund (GPF)

["Gauteng Partnership Fund (GPF)" added by GN 1266 in GG 28237 of 25 November, 2005.]

.....

["Gauteng Rental Housing Tribunal" added by GN 1283 in GG 23619 of 19 July, 2002 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["Gauteng Services Appeal Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Gauteng Tourism Authority

.....

["Gauteng Townships Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Gautrain Management Agency

["Gautrain Management Agency" added by GN 1001 in GG 31417 of 19 September, 2008.]

KwaZulu-Natal:

Amafa Akwazulu Natali

["Amafa Akwazulu Natali" previously "KwaZulu-Natal Monuments Council" amended by GN 1261 in GG 24731 of 17 April, 2003.]

Ezemvelo KwaZulu-Natal Wildlife

["Ezemvelo KwaZulu-Natal Wildlife" previously "KwaZulu-Natal Conservation Services" amended by GN 1261 in GG 24731 of 17 April, 2003.]

Agri-Business Development Agency

["Agri-Business Development Agency" previously "KwaZulu-Natal Agricultural Development Trust" added by GN 1139 in GG 26477 of 25 June, 2004 and amended by GN 1247 in GG 33900 of 31 December, 2010.]

.....

["KwaZulu-Natal Appeals Tribunal" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Development Tribunal" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Economic Council" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

KwaZulu-Natal Film Commission

["KwaZulu-Natal Film Commission" added and classified by GN 355 in GG 38735 of 30 April, 2015 w.e.f 1 April, 2013.]

.....

["KwaZulu-Natal Gambling Board" deleted by GN 395 in GG 37653 of 23 May, 2014 w.e.f 1 April, 2014.]

KwaZulu-Natal Gaming and Betting Board

["KwaZulu-Natal Gaming and Betting Board" added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f 1 April, 2011.]

KwaZulu-Natal House of Traditional Leaders

.....

["KwaZulu-Natal International Airport Development Initiative" deleted by GN 1261 in GG 24731 of 17 April 2003.]

KwaZulu-Natal Liquor Authority

["KwaZulu-Natal Liquor Authority" added and classified by GN 189 in GG 36225 of 15 March, 2013 w.e.f 15 March, 2013.]

.....

["KwaZulu-Natal Liquor Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Local Roads Transportation Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["KwaZulu-Natal Marketing Initiative" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Private Townships Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Provincial Peace Committee" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

KwaZulu-Natal Provincial Planning and Development Commission

["KwaZulu-Natal Provincial Planning and Development Commission" previously "KwaZulu-Natal Town and Regional Planning Commission" amended by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Kwazulu-Natal Taxi Council" re-listed by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["KwaZulu-Natal Taxi Task Team" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["KwaZulu-Natal Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

KwaZulu-Natal Tourism Authority

.....

["KwaZulu-Natal Townships Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Youth Commission" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Natal Arts Trust" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Natal Sharks Board

.....

["Natal Trust Fund" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["S.A. Life Saving" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Trade and Investment KwaZulu-Natal

["Trade and Investment KwaZulu-Natal" added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f 1 April, 2011.]

.....

["uMsekeli Municipal Support Services" previously "KwaZulu-Natal Development & Services Board" amended by GN 2302 in GG 22860 of 30 November, 2001 and deleted by GN 160 in GG 40637 of 24 February, 2017.]

Mpumalanga:

.....

(Editorial Note: "Mpumalanga Agricultural Development Corporation" deleted by GN 395 in GG 37653 of 23 May,

2014 w.e.f 1 April, 2014. Please note that this entity did not previously exist in [Schedule 3](#), Part C, instead it was added to [Schedule 3](#), Part D by GN 1283 in GG 23619 of 19 July, 2002.)

Mpumalanga Economic Empowerment Corporation

["Mpumalanga Economic Empowerment Corporation" added by GN 683 in GG 23407 of 17 May, 2002.]

Mpumalanga Economic Regulator

["Mpumalanga Economic Regulator" added by GN 388 in GG 41534 of 29 March, 2018.]

.....

[Mpumalanga Gaming Board previously "Mpumalanga Gambing Board" added by GN 683 in GG 23407 of 17 May, 2002, amended by GN 1283 in GG 23619 of 19 July, 2002.]

["Mpumalanga Gambling Board" previously "Mpumalanga Gaming Board" deleted by GN 1001 in GG 31417 of 19 September, 2008, corrected by GN 309 in GG 32013 of 20 March, 2009 and deleted by GN 388 in GG 41534 of 29 March, 2018.]

(Editorial Note: Please note that GN 1001 in GG 31417 of 19 September, 2008 removes the entity "Mpumalanga Gambling Board" from this list. However, the name of this entity prior to removal is "Mpumalanga Gaming Board". This entity is later corrected, after removal from the list, to "Mpumalanga Gambling Board" by GN 309 in GG 32013 of 20 March, 2009.)

.....

["Mpumalanga Housing Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

(Editorial Note: "Mpumalanga Housing Finance Company" deleted by GN 395 in GG 37653 of 23 May, 2014 w.e.f 1 April, 2014. Please note that this entity did not previously exist in [Schedule 3](#), Part C, instead it was added to [Schedule 3](#), Part D by GN 1283 in GG 23619 of 19 July, 2002.)

.....

["Mpumalanga Investment Initiative" added by GN 1397 in GG 22321 of 1 June, 2001 and by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

[Mpumalanga Gaming Board previously "Mpumalanga Gambing Board" added by GN 683 in GG 23407 of 17 May, 2002, amended by GN 1283 in GG 23619 of 19 July, 2002.]

["Mpumalanga Gambling Board" previously "Mpumalanga Gaming Board" deleted by GN 1001 in GG 31417 of 19 September, 2008, corrected by GN 309 in GG 32013 of 20 March, 2009 and deleted by GN 388 in GG 41534 of 29 March, 2018.]

(Editorial Note: Please note that GN 1001 in GG 31417 of 19 September, 2008 removes the entity "Mpumalanga Gambling Board" from this list. However, the name of this entity prior to removal is "Mpumalanga Gaming Board". This entity is later corrected, after removal from the list, to "Mpumalanga Gambling Board" by GN 309 in GG 32013 of 20 March, 2009.)

.....

["Mpumalanga Housing Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

(Editorial Note: "Mpumalanga Housing Finance Company" deleted by GN 395 in GG 37653 of 23 May, 2014 w.e.f 1 April, 2014. Please note that this entity did not previously exist in [Schedule 3](#), Part C, instead it was added to [Schedule 3](#), Part D by GN 1283 in GG 23619 of 19 July, 2002.)

.....

["Mpumalanga Investment Initiative" added by GN 1397 in GG 22321 of 1 June, 2001 and by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Mpumalanga Liquor Authority" added and classified by GN 355 in GG 38735 of 30 April, 2015 w.e.f 1 April, 2012 and deleted by GN 388 in GG 41534 of 29 March, 2018.]

.....

["Mpumalanga Parks Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Mpumalanga Regional Training Trust

["Mpumalanga Regional Training Trust" added by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Mpumalanga Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Mpumalanga Tourism and Parks Board

["Mpumalanga Tourism and Parks Board" added and classified by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Mpumalanga Tourism Authority" added by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Northern Cape:

Kalahari Kid Corporation (KKC)

["Kalahari Kid Corporation (KKC)" added by GN 1248 in GG 33900 of 31 December, 2010 with effect from 1 April, 2004.]

McGregor Museum (Kimberley)

["McGregor Museum (Kimberley)" added and classified by GN 394 in GG 37653 of 23 May, 2014 w.e.f 1 April, 2014.]

Northern Cape Economic Development, Trade and Investment Promotion Agency (NCEDA)

["Northern Cape Economic Development, Trade and Investment Promotion Agency (NCEDA)" added by GN 364 in GG 34233 of 29 April, 2011 with effect retrospectively from 1 April, 2010.]

.....

["Northern Cape Economic Development Unit" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Northern Cape Gambling and Racing Board" previously "Northern Cape Gambling Board" amended by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Northern Cape Gambling Board

["Northern Cape Gambling Board" added and classified by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Northern Cape Housing Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Northern Cape Liquor Board

["Northern Cape Liquor Board" deleted by GN 1261 in GG 24731 of 17 April, 2003 and re-added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f 1 April, 2010.]

.....

["Northern Cape Local Transportation Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Northern Cape Provincial Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Northern Cape Tourism Authority

.....

["Northern Cape Youth Commission" deleted by GN 1139 in GG 26477 of 25 June, 2004.]

Limpopo:

.....

["Gateway International Airport" deleted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Limpopo Agribusiness Development Corporation" added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f 1 April, 2009 and deleted by GN 188 in GG 36225 of 15 March, 2013 with effect retrospectively from 1 December, 2012.]

.....

["Limpopo Appeal Tribunals" previously "Northern Province Appeal Tribunals" amended by GN 1003 in GG 31417 of 19 September, 2008 and deleted by GN 388 in GG 41534 of 29 March, 2018.]

.....

["Limpopo Development Enterprise" inserted by GN 476 in GG 28679 of 7 April, 2006 and deleted by GN 165 in GG 40637 of 24 February, 2017 with effect from 7 April, 2006.]

.....

["Limpopo Development Tribunals" previously "Northern Province Development Tribunals" amended by GN 1003 in GG 31417 of 19 September, 2008 and deleted by GN 388 in GG 41534 of 29 March, 2018.]

.....

(Editorial Note: We have been instructed by GN 191 in GG 36225, to change the entity "Limpopo Economic Development Enterprise (LimDev)" to "Limpopo Economic Development Agency (Leda)", however this entity does not exist in the Act.)

Limpopo Gambling Board

["Limpopo Gambling Board" inserted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Limpopo Housing Board" previously "Northern Province Housing Board" amended by GN 1003 in GG 31417 of 19 September, 2008 and deleted by GN 388 in GG 41534 of 29 March, 2018.]

Limpopo Liquor Board

["Limpopo Liquor Board" previously "Northern Province Liquor Board" amended by GN 1003 in GG 31417 of 19 September, 2008.]

.....

["Limpopo Local Business Centres" previously "Northern Province Local Business Centres" amended by GN 1003 in GG 31417 of 19 September, 2008 and deleted by GN 388 in GG 41534 of 29 March, 2018.]

.....

["Limpopo Panel of Mediators" previously "Northern Province Panel of Mediators" amended by GN 1003 in GG 31417 of 19 September, 2008 and deleted by GN 388 in GG 41534 of 29 March, 2018.]

.....

["Limpopo Planning Commission" previously "Northern Province Planning Commission" amended by GN 1003 in GG 31417 of 19 September, 2008 and deleted by GN 388 in GG 41534 of 29 March, 2018.]

Limpopo Roads Agency

["Limpopo Roads Agency" previously "Northern Province Roads Agency" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1003 in GG 31417 of 19 September, 2008.]

Limpopo Tourism and Parks Board

["Limpopo Tourism and Parks Board" inserted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Northern Province Agricultural and Rural Development Corporation" deleted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Northern Province Gaming Board" deleted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Northern Province Investment Initiative" deleted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Northern Province Provincial Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Northern Province Tourism Board" deleted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Trade and Investment Limpopo" inserted by GN 476 in GG 28679 of 7 April, 2006 and deleted by GN 188 in GG 36225 of 15 March, 2013 with effect retrospectively from 1 December, 2012.]

North West:

.....

["Eastern Region Entrepreneurial Support Centre" added by GN 1283 in GG 23619 of 19 July, 2002, deleted by GN 1001 in GG 31417 of 19 September, 2008 and by GN 160 in GG 40637 of 24 February, 2017.]

.....

["Invest North West" added by GN 1283 in GG 23619 of 19 July, 2002 and deleted by GN 160 in GG 40637 of 24 February, 2017.]

Mmabana Arts, Culture and Sport Foundation

["Mmabana Arts, Culture and Sport Foundation" previously "NW Arts Council" and "NW Mmabana Cultural Foundation" amended by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["NW Agricultural Services Corporation" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["NW Arts Council" renamed by GN 1283 in GG 23619 of 19 July, 2002.]

NW Parks Board

["NW Parks Board" added and classified by GN 162 in GG 40637 of 24 February, 2017.]

.....

["NW Communication Service" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

NW Gambling Board

NW Housing Corporation

.....

["NW Mmabana Cultural Foundation" renamed by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["NW Ombudsman" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["NW Parks and Tourism Board" deleted by GN 160 in GG 40637 of 24 February, 2017.]

.....

["NW Provincial Aids Council" added by GN 1283 in GG 23619 of 19 July, 2002 and deleted by GN 160 in GG 40637 of 24 February, 2017.]

.....

["North West Provincial Heritage Resources Authority" added and classified by GN 1001 in GG 31417 of 19 September, 2008 and deleted by GN 388 in GG 41534 of 29 March, 2018.]

NW Tourism Board

["NW Tourism Board" added and classified by GN 162 in GG 40637 of 24 February, 2017.]

North West Youth Entrepreneurship Services Fund

["North West Youth Entrepreneurship Services Fund" added by GN 388 in GG 41534 of 29 March, 2018.]

Provincial Arts and Culture Council

["Provincial Arts and Culture Council" added by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["NW Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["NW Youth Development Trust" added by GN 1283 in GG 23619 of 19 July, 2002 and deleted by GN 160 in GG 40637 of 24 February, 2017.]

Western Cape:

Western Cape Cultural Commission

["Western Cape Cultural Commission" added by GN 1397 in GG 22321 of 1 June, 2001.]

WC Gambling and Racing Board

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["WC Housing Development Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Western Cape Language Committee

["Western Cape Language Committee" added by GN 1397 in GG 22321 of 1 June, 2001.]

Western Cape Nature Conservation Board

["Western Cape Nature Conservation Board" added by GN 402 in GG 22047 of 16 February, 2001.]

Western Cape Liquor Authority

["Western Cape Liquor Authority" previously "WC Liquor Board" amended by GN 191 in GG 36225 of 15 March, 2013 with effect from 15 March, 2013.]

.....

["WC Provincial Development Council" deleted by GN 523 in GG 39985 of 13 May, 2016.]

.....
["WC Provincial Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Western Cape Tourism, Trade and Investment Promotion Agency

["Western Cape Tourism, Trade and Investment Promotion Agency", previously "WC Investment and Trade Promotion Agency", amended by GN 391 in GG 37653 of 23 May, 2014.]

.....
["WC Tourism Board" deleted by GN 7 in GG 30637 of 4 January, 2008.]

.....
["Western Cape Provincial Youth Commission" added by GN 765 in GG 27599 of 27 May, 2005 and deleted by GN 241 in GG 33059 of 1 April, 2010.]

Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 388 in Government Gazette 41534 of 29 March 2018)

(Prior to amendment by Government Notice No. 388 in Government Gazette 41534 of 29 March 2018)

Schedule 3, Part A

Part A: National Public Entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 388 in Government Gazette 41534 of 29 March 2018)/ [General Note: Amended public entities have been published under General Notice No. 402 in Government Gazette 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in Government Gazette 22321 of 1 June, 2001 with effect

[General Note: Amended public entities have been published under General Notice No. 402 in Government Gazette 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in Government Gazette 22321 of 1 June, 2001 with effect from 1 June, 2001; under Government Notice No. 504 in Government Gazette 22337 of 8 June, 2001 with effect from 8 June, 2001; under General Notice No. 1863 in Government Gazette 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in Government Gazette 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in Government Gazette 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in Government Gazette 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No. 1396 in Government Gazette 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in Government Gazette 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in Government Gazette 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in Government Gazette 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in Government Gazette 27599 of 27 May, 2005 with effect from 27 May, 2005; under General Notice No. 1114 in Government Gazette 27773 of 15 July, 2005 with effect from 15 July, 2005; under General Notices Nos. 1263, 1264, 1265, 1268, 1269 and 1271 in Government Gazette 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notice No. 230 in Government Gazette 28519 of 24 February, 2006 with effect from 24 February, 2006, under General Notice No. 396 in Government Gazette No. 28605 of 17 March, 2006 with effect from 17 March, 2006, under General Notices Nos. 436 and 441 in Government Gazette 28651 of 31 March, 2006 with effect from 31 March, 2006, under General Notice No. 602 in Government Gazette 28798 of 12 May, 2006 with effect from 12 May, 2006, under General Notice No. 667 in Government Gazette 28847 of 26 May, 2006 with effect from 26 May, 2006, under General Notice No. 972 in Government Gazette 29033 of 21 July, 2006 with effect from 21 July, 2006 and subject to Rand Water not exceeding their debt limit, as provided in the Government Gazette Notice 23450 of 31 May, 2002, under General Notice Nos. 1010 and 1011 in Government Gazette 29050 of 28 July, 2006 with effect from 28 July, 2006, under General Notices Nos. 1476 and 1477 in Government Gazette 29293 of 20 October, 2006 with effect from 20 October, 2006, under Government Notice No. 187 in Government Gazette 29669 of 9 March, 2007 with effect from 9 March, 2007, under Government Notice No. 1000 in Government Gazette 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice No. 1003 in Government Gazette 31417 of 19 September, 2008 with effect from 19 September, 2008; under Government Notice No. 311 in Government Gazette 32013 of 20 March, 2009 with effect from 20 March, 2009, under Government Notice No. 240 in Government Gazette 33059 of 1 April, 2010 with effect retrospectively from 1 July, 2005, under Government Notices Nos. 241 and 242 in Government Gazette 33059 of 1 April, 2010 with effect from 1 April, 2010, under Government Notice No. 1250 in Government Gazette 33900 of 31 December,

2010, under Government Notices Nos. 1253 and 1254 in *Government Gazette* 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010, under Government Notice No. 363 in *Government Gazette* 34233 of 29 April, 2011, with effect retrospectively from 1 April, 2011, under Government Notice Nos. 796, 797 (with effect retrospectively from 1 April, 2011) and 800 in *Government Gazette* 34631 of 30 September, 2011, under Government Notice No. 821 in *Government Gazette* 35759 of 12 October, 2012, with effect from 1 April, 2012, under Government Notice No. 824 in *Government Gazette* 35759 of 12 October, 2012, with effect from 1 April, 2011, under Government Notice No. 187 in *Government Gazette* 36225 of 15 March, 2013, with effect retrospectively from 16 February, 2001, under Government Notice No. 190 in *Government Gazette* 36225 of 15 March, 2013 with effect from 15 March, 2013, under Government Notice No. 392 in *Government Gazette* 37653 of 23 May, 2014, under Government Notice No. 393 in *Government Gazette* 37653 of 23 May, 2014 and s. 8 of Act No. 12 of 2013 with effect from 1 April, 2014, under Government Notice No. 353 in *Government Gazette* 38735 of 30 April 2015 with effect from 30 April 2015, under Government Notice No. 354 in *Government Gazette* 38735 of 30 April, 2015 with effect from 1 April, 2015, under Government Notice No. 358 in *Government Gazette* 38735 of 30 April, 2015 w.e.f 31 March, 2015 and under Government Notice Nos. 159 and 161 in *Government Gazette* 40637 of 24 February, 2017 w.e.f 24 February, 2017.]

Accounting Standards Board

Africa Institute of South Africa, Pretoria

African Renaissance and International Cooperation Fund

Afrikaanse Taalmuseum, Paarl

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Agrément South Africa

Agricultural Research Council

AGRISETA

.....

Artscape

Banking Sector Education and Training Authority

.....

Boxing South Africa

Brand SA

Breede-Gouritz Catchment Management Agency

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Castle Control Board

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Chemical Industries Education and Training Authority

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Commission for Conciliation, Mediation & Arbitration

Community Schemes Ombud Service

Companies and Intellectual Property Commission

Companies Tribunal

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Compensation Fund, including Reserve Fund

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Competition Commission

Competition Tribunal

Construction Education and Training Authority

Construction Industry Development Board

Council for Built Environment (CBE)

Council for Geoscience

Council for Medical Schemes

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Council on Higher Education

Cross-Border Road Transport Agency

Culture, Arts, Tourism, Hospitality and Sports Education and Training Authority (CATHSSETA)

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Education, Training and Development Practices SETA (ETDP)

Electricity Distribution Industry Holdings (Pty) Ltd

Electronic Communications Security (Pty) Ltd

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Energy and Water Sector Education and Training Authority (EWSETA)

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Estate Agency Affairs Board

.....

Fibre Processing Manufacturing Sector Education and Training Authority (FPMSETA)

Film and Publication Board

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Financial and Accounting Services SETA (FASSET)

Financial Intelligence Centre

Financial Services Board

Food and Beverages Manufacturing Industry (FOODBEV)

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Freedom Park Trust

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Health and Welfare Sector Education and Training Authority

Housing Development Agency

Human Sciences Research Council

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Independent Regulatory Board for Auditors

Information Systems, Electronics and Telecommunications Technologies Training Authority

Ingonyama Trust Board

Inkomati-Usuthu Catchment Management Agency

Insurance Sector Education and Training Authority

International Trade Administration Commission

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iSimangaliso Wetland Park

Iziko Museums of South Africa

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(Editorial Note: Wording as per original *Government Gazette*. It is suggested that the word "Itchyology" is intended to be "Ichthyology".)

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KwaZulu-Natal Museum

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Legal Aid South Africa

Local Government Education and Training Authority (LGSETA)

Luthuli Museum

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Manufacturing, Engineering and Related Services Education and Training Authority

Marine Living Resources Fund

Market Theatre Foundation

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Media Development and Diversity Agency

Media, Information and Communication Technologies Sector Education and Training Authority (MICTS)

Mine Health & Safety Council

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Mining Qualifications Authority

Municipal Infrastructure Investment Unit

National Agricultural Marketing Council

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National Arts Council

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National Consumer Commission

National Consumer Tribunal

.....

National Credit Regulator

National Development Agency

National Economic, Development and Labour Council

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National Electronic Media Institute of SA

National Empowerment Fund

National Energy Regulator of South Africa

National Film and Video Foundation

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National Gambling Board of SA
National Health Laboratory Service
National Heritage Council (NHC)
National Home Builders Registration Council-NHBRC
National Housing Finance Corporation
National Library, Pretoria/Cape Town
National Lotteries Commission
National Metrology Institute of South Africa

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National Museum, Bloemfontein
National Nuclear Regulator
National Regulator for Compulsory Specifications
National Research Foundation

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National Student Financial Aid Scheme
National Urban Reconstruction and Housing Agency-NURCHA

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National Youth Development Agency

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Nelson Mandela Museum, Umtata
Ditsong: Museums of South Africa
Office of Health Standards Compliance

(Editorial Note: Please note that both GN 393 in GG 37653 of 23 May, 2014 and section 8 of the National Health Amendment Act, No. 12 of 2013 add/insert the expression "Office of Health Standards Compliance" in Schedule 3, Part A with effect from 1 April, 2014.)

Office of the Ombudsman for Financial Services Providers
Office of the Pension Funds Adjudicator
Performing Arts Council of the Free State
Perishable Products Export Control Board

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Ports Regulator of South Africa

.....

Private Security Industry Regulatory Authority

Productivity SA

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Public Service Sector Education and Training Authority (PSETA)

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Quality Council for Trades and Occupations (QCTO)

Railway Safety Regulator

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Road Accident Fund

Road Traffic Infringement Agency (RTIA)

Road Traffic Management Corporation

Robben Island Museum, Cape Town

Rural Housing Loan Fund

Safety and Security Sector Education and Training Authority (SASSETA)

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SA Civil Aviation Authority

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SA Council for Educators

South African Diamond and Precious Metals Regulator

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SA Heritage Resources Agency

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SA Institute for Drug-free Sport

SA Library for the Blind, Grahamstown

SA Local Government Association

SA Maritime Safety Authority

SA Medical Research Council

SA National Accreditation System

South African Health Products Regulatory Authority (SAHPRA)

South African National Biodiversity Institute (SANBI)

South African National Energy Development Institute (SANEDI)

South African National Parks

SA National Roads Agency

South African National Space Agency

.....

SA Qualifications Authority

.....

SA Revenue Service

.....

.....

South African Social Security Agency

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SA Tourism Board

South African Weather Service

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Servcon

Services Sector Education and Training Authority

Small Enterprise Development Agency (SEDA)

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Special Investigation Unit

State Information Technology Agency

State Theatre, Pretoria

Technology Innovation Agency

The Co-Operative Banks Development Agency

The National English Literary Museum, Grahamstown

The National Radioactive Waste Disposal Institute (NRWDI)

The National Skills Fund (NSF)

The Playhouse Company, Durban

The Social Housing Regulatory Authority (SHRA)

Thubelisha Homes

Tourism and Hospitality Education and Training Authority

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Transport Education and Training Authority

uMalusi Council for Quality Assurance in General and Further Education and Training

uMsunduzi Museum

Unemployment Insurance Fund

Universal Service and Access Agency of South Africa

Universal Service and Access Fund

Urban Transport Fund

Vredefort Dome World Heritage Site

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War Museum of the Boer Republics, Bloemfontein

Water Research Commission

Wholesale and Retail Sector Education and Training Authority

William Humphreys Art Gallery

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Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 388 in Government Gazette 41534 of 29 March 2018)/ Schedule 3, Part C

Part C: Provincial Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005, under General Notices Nos. 1266, 1267 and 1270 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notices Nos. 462 and 476 in *Government Gazette* 28679 of 7 April, 2006 with effect from 7 April, 2006, under General Notice No. 797 in *Government Gazette* 28937 of 23 June, 2006 with effect from 23 June, 2006, under General Notice No. 1475 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006, under Government Notice No. 7 in *Government Gazette* 30637 of 4 January, 2008 with effect from 4 January, 2008, under Government Notice No. 1001 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice No. 1003 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice Nos. 309 and 310 in *Government Gazette* 32013 of 20 March, 2009 with effect from 20 March 2009, under Government Notice No. 241 in *Government Gazette* 33059 of 1 April, 2010 with effect from 1 April, 2010, under Government Notices Nos. 1247, 1248 and 1249 in *Government Gazette* 33900 of 31 December, 2010, with effect from 1 April, 2004, 1 July 2010 and 8 June 2010 respectively, under Government Notice No. 364 in *Government Gazette* 34233 of 29 April, 2011 with effect retrospectively from 1 April, 2010, under Government Notice No. 798 in *Government Gazette* 34631 of 30 September, 2011, under Government Notice No. 822 in *Government Gazette* 35759 of 12 October, 2012, with effect from 14 November, 2007, under Government Notice No. 188 in *Government Gazette* 36225 of 15 March, 2013 with effect retrospectively from 1 December, 2012, under Government Notice Nos. 189 and 191 in *Government Gazette* 36225 of 15 March, 2013 with effect from 15 March, 2013, under Government Notice No. 391 in *Government Gazette* 37653 of 23 May, 2014, under Government Notice Nos. 394 and 395 in *Government Gazette* 37653 of 23 May, 2014 with effect from 1 April, 2014, under Government Notice No. 355 in *Government Gazette* 38735 of 30 April, 2015 with effect from 1 April, 2013, under Government Notice No. 356 in *Government Gazette* 38735 of 30 April, 2015 with effect from 31 March, 2015, under Government Notice No. 523 in *Government Gazette* 39985 of 13 May, 2016 with effect from 13 May, 2016, under Government Notice Nos. 160 and 162 in *Government Gazette* 40637 of 24 February, 2017 with effect from 24 February, 2017 and under Government Notice No. 165 in *Government Gazette* 40637 of 24 February, 2017 with effect from 7 April, 2006.]

Commissioner for the Environment

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Dube TradePort Corporation (DTPC)

Royal Household Trust

XHASA ATC Agency

Eastern Cape:

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Eastern Cape Arts Council

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Eastern Cape Gambling and Betting Board

Eastern Cape Liquor Board

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Eastern Cape Parks and Tourism Agency (ECPTA)

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Eastern Cape Provincially Aided Libraries

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Eastern Cape Rural Development Agency
Eastern Cape Socio-Economic Consultative Council

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Free State:

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Free State Gambling and Liquor Authority (FSGLA)

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Free State Tourism Authority

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Gauteng:

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Gauteng Enterprise Propeller

Gauteng Gambling Board

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Gauteng Growth and Development Agency (GGDA)

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Gauteng Partnership Fund (GPF)

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Gauteng Tourism Authority

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Gautrain Management Agency

KwaZulu-Natal:

Amafa Akwazulu Natali

Ezemvelo KwaZulu-Natal Wildlife

Agri-Business Development Agency

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KwaZulu-Natal Film Commission

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KwaZulu-Natal Gaming and Betting Board

KwaZulu-Natal House of Traditional Leaders

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KwaZulu-Natal Liquor Authority

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KwaZulu-Natal Provincial Planning and Development Commission

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KwaZulu-Natal Tourism Authority

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Natal Sharks Board

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Trade and Investment KwaZulu-Natal

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Mpumalanga:

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Mpumalanga Economic Empowerment Corporation

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(Editorial Note: Please note that GN 1001 in GG 31417 of 19 September, 2008 removes the entity "Mpumalanga Gambling Board" from this list. However, the name of this entity prior to removal is "Mpumalanga Gaming Board". This entity is later corrected, after removal from the list, to "Mpumalanga Gambling Board" by GN 309 in GG 32013 of 20 March, 2009.)

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Mpumalanga Liquor Authority

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Mpumalanga Regional Training Trust

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Mpumalanga Tourism and Parks Board

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Northern Cape:

Kalahari Kid Corporation (KKC)

McGregor Museum (Kimberley)

Northern Cape Economic Development, Trade and Investment Promotion Agency (NCEDA)

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Northern Cape Gambling Board

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Northern Cape Liquor Board

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Northern Cape Tourism Authority

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Northern Province:

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Limpopo Appeal Tribunals

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Limpopo Development Tribunals

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(Editorial Note: We have been instructed by GN 191 in GG 36225, to change the entity "Limpopo Economic Development Enterprise (LimDev)" to "Limpopo Economic Development Agency (Leda)", however this entity does not exist in the Act.)

Limpopo Gambling Board

Limpopo Housing Board

Limpopo Liquor Board

Limpopo Local Business Centres

Limpopo Panel of Mediators

Limpopo Planning Commission

Limpopo Roads Agency

Limpopo Tourism and Parks Board

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North West:

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Mmabana Arts, Culture and Sport Foundation

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NW Parks Board

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NW Gambling Board

NW Housing Corporation

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North West Provincial Heritage Resources Authority

NW Tourism Board

Provincial Arts and Culture Council

.....

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Western Cape:

Western Cape Cultural Commission

WC Gambling and Racing Board

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Western Cape Language Committee

Western Cape Nature Conservation Board

Western Cape Liquor Authority

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Western Cape Tourism, Trade and Investment Promotion Agency

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Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 388 in Government Gazette 41534 of 29 March 2018)/ Schedule 3, Part D

Schedule 3, Part D

Part D: Provincial Government Business Enterprises

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001. Authorisation of public entities have been published under General Notice No. 318 in *Government Gazette* 23204 of 7 March, 2002. Amended public entities have been published under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under General Notice No. 1315 in *Government Gazette* 23661 of 2 August, 2002 with effect from 2 August, 2002; under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect

from 17 April, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004, under General Notice No. 1267 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notice No. 476 in *Government Gazette* 28679 of 7 April, 2006, under General Notice No. 1002 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under General Notice No. 799 in *Government Gazette* 34631 of 30 September, 2011 with effect retrospectively from 1 April, 2000, under Government Notice No. 823 in *Government Gazette* 35759 of 12 October, 2012, with effect from 1 April 2012, under General Notice No. 395 in *Government Gazette* 37653 of 23 May, 2014 with effect from 1 April, 2014, under Government Notice No. 524 in *Government Gazette* 39985 of 13 May, 2016 with effect from 13 May, 2016, under Government Notice No. 163 in *Government Gazette* 40637 of 24 February, 2017 with effect from 24 February, 2017 and under Government Notice No. 165 in *Government Gazette* 40637 of 24 February, 2017 with effect from 15 March, 2013.]

Entity:

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Casidra (Pty) Ltd

Cowslip Investments (Pty) Ltd

Eastern Cape Development Corporation

East London Industrial Development Zone

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Free State Development Corporation

Gateway Airport Authority Limited

Ithala Development Finance Corporation

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.....

Mayibuye Transport Corporation

Mjindi Farming (Pty) Ltd

Mpendle Ntambanana Agricultural Company (Pty) Ltd

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.....

.....

Mpumalanga Economic Growth Agency

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Limpopo Economic Development Agency

Northwest Transport Investments (Pty) Ltd

NW Development Corporation

Richards Bay Industrial Development Zone

Saldanha Bay IDZ Licencing Company SOC Ltd

Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 523 in Government Gazette 39985 of 13 May, 2016)

(Prior to amendment by Government Notice No. 523 in Government Gazette 39985 of 13 May, 2016)

Schedule 3, Part C

Part C: Provincial Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005, under General Notices Nos. 1266, 1267 and 1270 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notices Nos. 462 and 476 in *Government Gazette* 28679 of 7 April, 2006 with effect from 7 April, 2006, under General Notice No. 797 in *Government Gazette* 28937 of 23 June, 2006 with effect from 23 June, 2006, under General Notice No. 1475 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006, under Government Notice No. 7 in *Government Gazette* 30637 of 4 January, 2008 with effect from 4 January, 2008, under Government Notice No. 1001 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice No. 1003 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice Nos. 309 and 310 in *Government Gazette* 32013 of 20 March, 2009 with effect from 20 March 2009, under Government Notice No. 241 in *Government Gazette* 33059 of 1 April, 2010 with effect from 1 April, 2010, under Government Notices Nos. 1247, 1248 and 1249 in *Government Gazette* 33900 of 31 December, 2010, with effect from 1 April, 2004, 1 July 2010 and 8 June 2010 respectively, under Government Notice No. 364 in *Government Gazette* 34233 of 29 April, 2011 with effect retrospectively from 1 April, 2010, under Government Notice No. 798 in *Government Gazette* 34631 of 30 September, 2011, under Government Notice No. 822 in *Government Gazette* 35759 of 12 October, 2012, with effect from 14 November, 2007, under Government Notice No. 188 in *Government Gazette* 36225 of 15 March, 2013 with effect retrospectively from 1 December, 2012, under Government Notice Nos. 189 and 191 in *Government Gazette* 36225 of 15 March, 2013 with effect from 15 March, 2013, under Government Notice No. 391 in *Government Gazette* 37653 of 23 May, 2014, under Government Notice Nos. 394 and 395 in *Government Gazette* 37653 of 23 May, 2014 with effect from 1 April, 2014, under Government Notice No. 355 in *Government Gazette* 38735 of 30 April, 2015 with effect from 1 April, 2013 and under Government Notice No. 356 in *Government Gazette* 38735 of 30 April, 2015 with effect from 31 March, 2015.]

Commissioner for the Environment

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Dube TradePort Corporation (DTPC)

Royal Household Trust

XHASA ATC Agency

Eastern Cape:

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Eastern Cape Arts Council

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Eastern Cape Gambling and Betting Board

Eastern Cape Liquor Board

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Eastern Cape Parks and Tourism Agency (ECPTA)

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Eastern Cape Provincially Aided Libraries

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Eastern Cape Rural Development Agency

Eastern Cape Socio-Economic Consultative Council

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Eastern Cape Youth Commission

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Free State:

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Free State Gambling and Liquor Authority (FSGLA)

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Free State Tourism Authority

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Gauteng:

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Gauteng Enterprise Propeller

Gauteng Gambling Board

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Gauteng Growth and Development Agency (GGDA)

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Gauteng Partnership Fund (GPF)

.....

.....

Gauteng Tourism Authority

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Gautrain Management Agency

KwaZulu-Natal:

Amafa Akwazulu Natali

Ezemvelo KwaZulu-Natal Wildlife
Agri-Business Development Agency

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KwaZulu-Natal Film Commission

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KwaZulu-Natal Gaming and Betting Board

KwaZulu-Natal House of Traditional Leaders

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KwaZulu-Natal Liquor Authority

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KwaZulu-Natal Provincial Planning and Development Commission

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KwaZulu-Natal Tourism Authority

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Natal Sharks Board

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Trade and Investment KwaZulu-Natal

uMsekeli Municipal Support Services

Mpumalanga:

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(Editorial Note: "Mpumalanga Agricultural Development Corporation" deleted by GN 395 in GG 37653 of 23 May, 2014 w.e.f 1 April, 2014. Please note that this entity did not previously exist in [Schedule 3, Part C](#), instead it was added to [Schedule 3](#), Part D by GN 1283 in GG 23619 of 19 July, 2002.)

Mpumalanga Economic Empowerment Corporation

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(Editorial Note: Please note that GN 1001 in GG 31417 of 19 September, 2008 removes the entity "Mpumalanga Gambling Board" from this list. However, the name of this entity prior to removal is "Mpumalanga Gaming Board". This entity is later corrected, after removal from the list, to "Mpumalanga Gambling Board" by GN 309 in GG 32013 of 20 March, 2009.)

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Mpumalanga Liquor Authority

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Mpumalanga Regional Training Trust

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Mpumalanga Tourism and Parks Board

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Northern Cape:

Kalahari Kid Corporation (KKC)

McGregor Museum (Kimberley)

Northern Cape Economic Development, Trade and Investment Promotion Agency (NCEDA)

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Northern Cape Gambling Board

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Northern Cape Liquor Board

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Northern Cape Tourism Authority

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Northern Province:

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Limpopo Appeal Tribunals

Limpopo Development Enterprise

Limpopo Development Tribunals

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(Editorial Note: We have been instructed by GN 191 in GG 36225, to change the entity "Limpopo Economic Development Enterprise (LimDev)" to "Limpopo Economic Development Agency (Leda)", however this entity does not exist in the Act.)

Limpopo Gambling Board

Limpopo Housing Board

Limpopo Liquor Board

Limpopo Local Business Centres

Limpopo Panel of Mediators

Limpopo Planning Commission

Limpopo Roads Agency

Limpopo Tourism and Parks Board

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North West:

Invest North West

Mmabana Arts, Culture and Sport Foundation

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NW Eastern Region Entrepreneurial Support Centre

NW Gambling Board

NW Housing Corporation

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NW Parks and Tourism Board

NW Provincial Aids Council

North West Provincial Heritage Resources Authority

Provincial Arts and Culture Council

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NW Youth Development Trust

Western Cape:

Western Cape Cultural Commission

WC Gambling and Racing Board

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Western Cape Language Committee

Western Cape Nature Conservation Board

Western Cape Liquor Authority

WC Provincial Development Council

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Western Cape Tourism, Trade and Investment Promotion Agency

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Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 524 in Government Gazette 39985 of 13 May, 2016)

(Prior to amendment by Government Notice No. 524 in Government Gazette 39985 of 13 May, 2016)

Schedule 3, Part D

Part D: Provincial Government Business Enterprises

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001. Authorisation of public entities have been published under General Notice No. 318 in *Government Gazette* 23204 of 7 March, 2002. Amended public entities have been published under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under General Notice No. 1315 in *Government Gazette* 23661 of 2 August, 2002 with effect from 2

August, 2002; under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004, under General Notice No. 1267 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notice No. 476 in *Government Gazette* 28679 of 7 April, 2006, under General Notice No. 1002 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under General Notice No. 799 in *Government Gazette* 34631 of 30 September, 2011 with effect retrospectively from 1 April, 2000, under Government Notice No. 823 in *Government Gazette* 35759 of 12 October, 2012, with effect from 1 April 2012 and under General Notice No. 395 in *Government Gazette* 37653 of 23 May, 2014 with effect from 1 April, 2014.]

Entity:

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Casidra (Pty) Ltd

Cowslip Investments (Pty) Ltd

Eastern Cape Development Corporation

East London Industrial Development Zone Corporation

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Free State Development Corporation

Gateway Airport Authority Limited

Ithala Development Finance Corporation

.....

Mafikeng Industrial Development Zone (Pty) Ltd

Mayibuye Transport Corporation

Mjindi Farming (Pty) Ltd

Mpendle Ntambanana Agricultural Company (Pty) Ltd

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Mpumalanga Economic Growth Agency

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Northern Province Development Corporation

Northwest Transport Investments (Pty) Ltd

NW Development Corporation

Richards Bay Industrial Development Zone

Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 352 in Government Gazette 38735 of 30 April, 2015)

(Prior to amendment by Government Notice No. 352 in Government Gazette 38735 of 30 April, 2015)

Schedule 3 Schedule 3, Part B

Part B: National Government Business Enterprises

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under Government Notice No. 504 in *Government Gazette*

22337 of 8 June, 2001 with effect from 8 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1114 in *Government Gazette* 27773 of 15 July, 2005 with effect from 15 July, 2005 and under General Notices Nos. 1263, 1264 and 1265 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notice No. 431 in *Government Gazette* 28630 of 24 March, 2006, under Government Notice No. 647 in *Government Gazette* 30074 of 20 July, 2007 with effect from 20 July, 2007, under Government Notice No. 242 in *Government Gazette* 33059 of 1 April, 2010 with effect from 1 April, 2010, under Government Notice No. 1251 in *Government Gazette* 33900 of 31 December, 2010 and under Government Notice No. 1252 in *Government Gazette* 33900 of 31 December, 2010 with effect from 1 April, 2010.]

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Amatola Water Board

Aventura

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Bloem Water

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Botshelo Water

Bushbuckridge Water Board

Council for Mineral Technology (Mintek)

Council for Scientific and Industrial Research (CSIR)

Export Credit Insurance Corporation of South Africa Limited

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Inala Farms (Pty) Ltd

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Khula Enterprises

Lepelle Northern Water

Magalies Water

Mhlathuze Water

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Namakwa Water

Ncera Farms (Pty) Ltd

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Onderstepoort Biological Products

Overberg Water

Passenger Rail Agency of South Africa

Pelladriest Water Board

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Public Investment Corporation Limited

Rand Water

SA Bureau of Standards (SABS)

Sasria Limited
Sedibeng Water
Sentech
State Diamond Trader
.....
Umgeni Water
.....
Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 353 in Government Gazette 38735 of 30 April, 2015)

(Prior to amendment by Government Notice No. 353 in Government Gazette 38735 of 30 April, 2015)

Schedule 3, Part A

Part A: National Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under Government Notice No. 504 in *Government Gazette* 22337 of 8 June, 2001 with effect from 8 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No. 1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005; under General Notice No. 1114 in *Government Gazette* 27773 of 15 July, 2005 with effect from 15 July, 2005; under General Notices Nos. 1263, 1264, 1265, 1268, 1269 and 1271 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notice No. 230 in *Government Gazette* 28519 of 24 February, 2006 with effect from 24 February, 2006, under General Notice No. 396 in *Government Gazette* No. 28605 of 17 March, 2006 with effect from 17 March, 2006, under General Notices Nos. 436 and 441 in *Government Gazette* 28651 of 31 March, 2006 with effect from 31 March, 2006, under General Notice No. 602 in *Government Gazette* 28798 of 12 May, 2006 with effect from 12 May, 2006, under General Notice No. 667 in *Government Gazette* 28847 of 26 May, 2006 with effect from 26 May, 2006, under General Notice No. 972 in *Government Gazette* 29033 of 21 July, 2006 with effect from 21 July, 2006 and subject to Rand Water not exceeding their debt limit, as provided in the *Government Gazette* Notice 23450 of 31 May, 2002, under General Notice Nos. 1010 and 1011 in *Government Gazette* 29050 of 28 July, 2006 with effect from 28 July, 2006, under General Notices Nos. 1476 and 1477 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006, under Government Notice No. 187 in *Government Gazette* 29669 of 9 March, 2007 with effect from 9 March, 2007, under Government Notice No. 1000 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice No. 1003 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008; under Government Notice No. 311 in *Government Gazette* 32013 of 20 March, 2009 with effect from 20 March, 2009, under Government Notice No. 240 in *Government Gazette* 33059 of 1 April, 2010 with effect retrospectively from 1 July, 2005, under Government Notices Nos. 241 and 242 in *Government Gazette* 33059 of 1 April, 2010 with effect from 1 April, 2010, under Government Notice No. 1250 in *Government Gazette* 33900 of 31 December, 2010, under Government Notices Nos. 1253 and 1254 in *Government Gazette* 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010, under Government Notice No. 363 in *Government Gazette* 34233 of 29 April, 2011, with effect retrospectively from 1 April, 2011, under Government Notice Nos. 796, 797 (with effect retrospectively from 1 April, 2011) and 800 in *Government Gazette* 34631 of 30 September, 2011, under Government Notice No. 187 in *Government Gazette* 36225 of 15 March, 2013, with effect retrospectively from 16 February, 2001, under Government Notice No. 190 in *Government Gazette* 36225 of 15 March, 2013 with effect from 15 March, 2013, under Government Notice No. 392 in *Government Gazette* 37653 of 23 May, 2014 and under Government Notice No. 393 in *Government Gazette* 37653 of 23 May, 2014 and s. 8 of Act No. 12 of 2013 with effect from 1 April, 2014.]

Accounting Standards Board
Africa Institute of South Africa, Pretoria
African Renaissance and International Cooperation Fund
Afrikaanse Taalmuseum, Paarl

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Agricultural Research Council

AGRISETA

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Artscape

Banking Sector Education and Training Authority

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Boxing South Africa

Brand SA

Breede River Catchment Management Agency

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Castle Control Board

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Chemical Industries Education and Training Authority

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Commission for Conciliation, Mediation & Arbitration

Companies and Intellectual Property Commission

Companies Tribunal

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Compensation Fund, including Reserve Fund

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Competition Commission

Competition Tribunal

Construction Education and Training Authority

Construction Industry Development Board

Council for Built Environment (CBE)

Council for Geoscience

Council for Medical Schemes

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Council on Higher Education

Cross-Border Road Transport Agency

Culture, Arts, Tourism, Hospitality and Sports Education and Training Authority (CATHSSETA)

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Education and Labour Relations Council

Education, Training and Development Practices SETA (ETDP)

Electricity Distribution Industry Holdings (Pty) Ltd

Electronic Communications Security (Pty) Ltd

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Energy and Water Sector Education and Training Authority (EWSETA)

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Estate Agency Affairs Board

.....

Fibre Processing Manufacturing Sector Education and Training Authority (FPMSETA)

Film and Publication Board

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Financial and Accounting Services SETA (FASSET)

Financial Intelligence Centre

Financial Services Board

Food and Beverages Manufacturing Industry (FOODBEV)

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Freedom Park Trust

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Health and Welfare Sector Education and Training Authority

Housing Development Agency

Human Sciences Research Council

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Independent Regulatory Board for Auditors

Information Systems, Electronics and Telecommunications Technologies Training Authority

Ingonyama Trust Board

Inkomati Catchment Management Agency

Insurance Sector Education and Training Authority

International Trade Administration Commission

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iSimangaliso Wetland Park

Iziko Museums of South Africa

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KwaZulu-Natal Museum

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Legal Aid South Africa

Local Government Education and Training Authority (LGSETA)

Luthuli Museum

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Manufacturing, Engineering and Related Services Education and Training Authority

Marine Living Resources Fund

Market Theatre Foundation

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Media Development and Diversity Agency

Media, Information and Communication Technologies Sector Education and Training Authority (MICTSA)

Mine Health & Safety Council

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Mining Qualifications Authority

Municipal Infrastructure Investment Unit

National Agricultural Marketing Council

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National Arts Council

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National Consumer Commission

National Consumer Tribunal

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National Credit Regulator

National Development Agency

National Economic, Development and Labour Council

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National Electronic Media Institute of SA

National Empowerment Fund

National Energy Regulator of South Africa

National Film and Video Foundation

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National Gambling Board of SA

National Health Laboratory Service

National Heritage Council (NHC)

National Home Builders Registration Council-NHBRC

National Housing Finance Corporation

National Library, Pretoria/Cape Town

National Lotteries Board

National Metrology Institute of South Africa

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National Museum, Bloemfontein

National Nuclear Regulator

National Regulator for Compulsory Specifications

National Research Foundation

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National Student Financial Aid Scheme

National Urban Reconstruction and Housing Agency-NURCHA

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National Youth Development Agency

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Nelson Mandela Museum, Umtata

Ditsong: Museums of South Africa

Office of Health Standards Compliance

(Editorial Note: Please note that both GN 393 in GG 37653 of 23 May, 2014 and [section 8](#) of the National Health Amendment Act, [No. 12 of 2013](#) add/insert the expression "Office of Health Standards Compliance" in Schedule 3, Part A with effect from 1 April, 2014.)

Office of the Ombudsman for Financial Services Providers

Office of the Pension Funds Adjudicator

Performing Arts Council of the Free State

Perishable Products Export Control Board

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Ports Regulator of South Africa

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Private Security Industry Regulatory Authority

Productivity SA

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Public Service Sector Education and Training Authority (PSETA)

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Quality Council for Trades and Occupations (QCTO)

Railway Safety Regulator

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Road Accident Fund

Road Traffic Infringement Agency (RTIA)

Road Traffic Management Corporation

Robben Island Museum, Cape Town

Rural Housing Loan Fund

Safety and Security Sector Education and Training Authority (SASSETA)

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SA Civil Aviation Authority

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SA Council for Educators

South African Diamond and Precious Metals Regulator

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SA Heritage Resources Agency

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SA Institute for Drug-free Sport

SA Library for the Blind, Grahamstown

SA Local Government Association

SA Maritime Safety Authority

SA Medical Research Council

SA National Accreditation System

South African National Biodiversity Institute (SANBI)

South African National Energy Development Institute (SANEDI)

South African National Parks

SA National Roads Agency

South African National Space Agency

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SA Qualifications Authority

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SA Revenue Service

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South African Social Security Agency

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SA Tourism Board

South African Weather Service

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Servcon

Services Sector Education and Training Authority

Small Enterprise Development Agency (SEDA)

Social Housing Foundation

Special Investigation Unit

State Information Technology Agency

State Theatre, Pretoria

Technology Innovation Agency

The Co-Operative Banks Development Agency

The National English Literary Museum, Grahamstown

The National Radioactive Waste Disposal Institute (NRWDI)

The Playhouse Company, Durban

The Social Housing Regulatory Authority (SHRA)

Thubelisha Homes

Tourism and Hospitality Education and Training Authority

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Transport Education and Training Authority

uMalusi Council for Quality Assurance in General and Further Education and Training

uMsunduzi Museum

Unemployment Insurance Fund

Universal Service and Access Agency of South Africa

Universal Service and Access Fund

Urban Transport Fund

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War Museum of the Boer Republics, Bloemfontein

Water Research Commission

Wholesale and Retail Sector Education and Training Authority

William Humphreys Art Gallery

Windybrow Centre

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Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 356 in Government Gazette 38735 of 30 April, 2015)

(Prior to amendment by Government Notice No. 356 in Government Gazette 38735 of 30 April, 2015)

Schedule 3, Part C, Eastern Cape and Free State

Part C: Provincial Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005, under General Notices Nos. 1266, 1267 and 1270 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notices Nos. 462 and 476 in *Government Gazette* 28679 of 7 April, 2006 with effect from 7 April, 2006, under General Notice No. 797 in *Government Gazette* 28937 of 23 June, 2006 with effect from 23 June, 2006, under General Notice No. 1475 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006, under Government Notice No. 7 in *Government Gazette* 30637 of 4 January, 2008 with effect from 4 January, 2008, under Government Notice No. 1001 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice No. 1003 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice Nos. 309 and 310 in *Government Gazette* 32013 of 20 March, 2009 with effect from 20 March 2009, under Government Notice No. 241 in *Government Gazette* 33059 of 1 April, 2010 with effect from 1 April, 2010, under Government Notices Nos. 1247, 1248 and 1249 in *Government Gazette* 33900 of 31 December, 2010, with effect from 1 April, 2004, 1 July 2010 and 8 June 2010 respectively, under Government Notice No. 364 in *Government Gazette* 34233 of 29 April, 2011 with effect retrospectively from 1 April, 2010, under Government Notice No. 798 in *Government Gazette* 34631 of 30 September, 2011, under Government Notice No. 188 in *Government Gazette* 36225 of 15 March, 2013 with effect retrospectively from 1 December, 2012, under Government Notice Nos. 189 and 191 in *Government Gazette* 36225 of 15 March, 2013 with effect from 15 March, 2013, under Government Notice No. 391 in *Government Gazette* 37653 of 23 May, 2014, under Government Notice Nos. 394 and 395 in *Government Gazette* 37653 of 23 May, 2014 with effect from 1 April, 2014 and under Government Notice No. 355 in *Government Gazette* 38735 of 30 April, 2015 with effect from 1 April, 2013 (Editorial Note: We suggest "1 April, 2013 " was intended to be "1 April, 2015").]

Eastern Cape:

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Eastern Cape Appropriate Technology Unit

Eastern Cape Arts Council

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Eastern Cape Gambling and Betting Board

Eastern Cape Liquor Board

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Eastern Cape Parks and Tourism Agency (ECPTA)

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Eastern Cape Provincially Aided Libraries

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Eastern Cape Rural Development Agency

Eastern Cape Socio-Economic Consultative Council

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Eastern Cape Youth Commission

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Free State:

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Free State Gambling and Liquor Authority (FSGLA)

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"Free State Investment Promotion Agency"

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Free State Tourism Authority

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Phakisa Major Sport and Development Corporation

(Prior to amendment by Government Notice No. 357 in Government Gazette 38735 of 30 April, 2015)

Schedule 3, Part B

Part B: National Government Business Enterprises

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under Government Notice No. 504 in *Government Gazette* 22337 of 8 June, 2001 with effect from 8 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1114 in *Government Gazette* 27773 of 15 July, 2005 with effect from 15 July, 2005 and under General Notices Nos. 1263, 1264 and 1265 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notice No. 431 in *Government Gazette* 28630 of 24 March, 2006, under Government Notice No. 647 in *Government Gazette* 30074 of 20 July, 2007 with effect from 20 July, 2007, under Government Notice No. 242 in *Government Gazette* 33059 of 1 April, 2010 with effect from 1 April, 2010, under Government Notice No. 1251 in *Government Gazette* 33900 of 31 December, 2010, under Government Notice No. 1252 in *Government Gazette* 33900 of 31 December, 2010 with effect from 1 April, 2010 and under Government Notice No. 352 in *Government Gazette* 38735 of 30 April, 2015 with effect from 30 April, 2015.]

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Amatola Water Board

Aventura

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Bloem Water

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Botshelo Water

Bushbuckridge Water Board

Council for Scientific and Industrial Research (CSIR)

Export Credit Insurance Corporation of South Africa Limited

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Inala Farms (Pty) Ltd

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Khula Enterprises

Lepelle Northern Water

Magalies Water

Mhlathuze Water

Mintek

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Namakwa Water

Ncera Farms (Pty) Ltd

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Onderstepoort Biological Products

Overberg Water

Passenger Rail Agency of South Africa

Pelladri Water Board

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Public Investment Corporation Limited

Rand Water

SA Bureau of Standards (SABS)

Sasria Limited

Sedibeng Water

Sentech

State Diamond Trader

.....

Umgeni Water

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Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 358 in Government Gazette 38735 of 30 April, 2015)

(Prior to amendment by Government Notice No. 358 in Government Gazette 38735 of 30 April, 2015)

Schedule 3, Part A

Part A: National Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under Government Notice No. 504 in *Government Gazette* 22337 of 8 June, 2001 with effect from 8 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No. 1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005; under General Notice No. 1114 in *Government Gazette* 27773 of 15 July, 2005 with effect from 15 July, 2005; under General Notices Nos. 1263, 1264, 1265, 1268, 1269 and 1271 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notice No. 230 in *Government Gazette* 28519 of 24 February, 2006 with effect from 24 February, 2006, under General Notice No. 396 in *Government Gazette* No. 28605 of 17 March, 2006 with effect from 17 March, 2006, under General Notices Nos. 436 and 441 in *Government Gazette* 28651 of 31 March, 2006 with effect from 31 March, 2006, under General Notice No. 602 in *Government Gazette* 28798 of 12 May, 2006 with effect from 12 May, 2006, under General Notice No. 667 in *Government Gazette* 28847 of 26 May, 2006 with effect from 26 May, 2006, under General Notice No. 972 in *Government Gazette* 29033 of 21 July, 2006 with effect from 21 July, 2006 and subject to Rand Water not exceeding their debt limit, as provided in the *Government Gazette* Notice 23450 of 31 May, 2002, under General Notice Nos. 1010 and 1011 in *Government Gazette* 29050 of 28 July, 2006 with effect from 28 July, 2006, under General Notices Nos. 1476 and 1477 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006, under Government Notice No. 187 in *Government Gazette* 29669 of 9 March, 2007 with effect from 9 March, 2007, under Government Notice No. 1000 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice No. 1003 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008; under Government Notice No. 311 in *Government Gazette* 32013 of 20 March, 2009 with effect from 20 March, 2009, under Government Notice No. 240 in *Government Gazette* 33059 of 1 April, 2010 with effect retrospectively from 1 July, 2005, under Government Notices Nos. 241 and 242 in *Government Gazette* 33059 of 1 April, 2010 with effect from 1 April, 2010, under Government Notice No. 1250 in *Government Gazette* 33900 of 31 December, 2010, under Government Notices Nos. 1253 and 1254 in *Government Gazette* 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010, under Government Notice No. 363 in *Government Gazette* 34233 of 29 April, 2011, with effect retrospectively from 1 April, 2011, under Government Notice Nos. 796,

797 (with effect retrospectively from 1 April, 2011) and 800 in *Government Gazette* 34631 of 30 September, 2011, under Government Notice No. 187 in *Government Gazette* 36225 of 15 March, 2013, with effect retrospectively from 16 February, 2001, under Government Notice No. 190 in *Government Gazette* 36225 of 15 March, 2013 with effect from 15 March, 2013, under Government Notice No. 392 in *Government Gazette* 37653 of 23 May, 2014, under Government Notice No. 393 in *Government Gazette* 37653 of 23 May, 2014 and s. 8 of Act No. 12 of 2013 with effect from 1 April, 2014, under Government Notice No. 353 in *Government Gazette* 38735 of 30 April 2015 with effect from 30 April 2015 and under Government Notice No. 354 in GG 38735 of 30 April, 2015 with effect from 1 April, 2015.]

Accounting Standards Board

Africa Institute of South Africa, Pretoria

African Renaissance and International Cooperation Fund

Afrikaanse Taalmuseum, Paarl

.....

Agricultural Research Council

AGRISETA

.....

Artscape

Banking Sector Education and Training Authority

.....

Boxing South Africa

Brand SA

Breede-Gouritz Catchment Management Agency

.....

Castle Control Board

.....

Chemical Industries Education and Training Authority

.....

Commission for Conciliation, Mediation & Arbitration

Companies and Intellectual Property Commission

Companies Tribunal

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Compensation Fund, including Reserve Fund

.....

Competition Commission

Competition Tribunal

Construction Education and Training Authority

Construction Industry Development Board

Council for Built Environment (CBE)

Council for Geoscience

Council for Medical Schemes

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Council on Higher Education

Cross-Border Road Transport Agency

Culture, Arts, Tourism, Hospitality and Sports Education and Training Authority (CATHSSETA)

.....

Education and Labour Relations Council

Education, Training and Development Practices SETA (ETDP)

Electricity Distribution Industry Holdings (Pty) Ltd

Electronic Communications Security (Pty) Ltd

.....

Energy and Water Sector Education and Training Authority (EWSETA)

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.....

Estate Agency Affairs Board

.....

Fibre Processing Manufacturing Sector Education and Training Authority (FPMSETA)

Film and Publication Board

.....

Financial and Accounting Services SETA (FASSET)

Financial Intelligence Centre

Financial Services Board

Food and Beverages Manufacturing Industry (FOODBEV)

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.....

Freedom Park Trust

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Health and Welfare Sector Education and Training Authority

Housing Development Agency

Human Sciences Research Council

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Independent Regulatory Board for Auditors

Information Systems, Electronics and Telecommunications Technologies Training Authority

Ingonyama Trust Board

Inkomati-Usuthu Catchment Management Agency

Insurance Sector Education and Training Authority

International Trade Administration Commission

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iSimangaliso Wetland Park

Iziko Museums of South Africa

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KwaZulu-Natal Museum

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Legal Aid South Africa

Local Government Education and Training Authority (LGSETA)

Luthuli Museum

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Manufacturing, Engineering and Related Services Education and Training Authority

Marine Living Resources Fund

Market Theatre Foundation

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Media Development and Diversity Agency

Media, Information and Communication Technologies Sector Education and Training Authority (MICTS)

Mine Health & Safety Council

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Mining Qualifications Authority

Municipal Infrastructure Investment Unit

National Agricultural Marketing Council

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National Arts Council

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National Consumer Commission

National Consumer Tribunal

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National Credit Regulator

National Development Agency

National Economic, Development and Labour Council

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National Electronic Media Institute of SA

National Empowerment Fund

National Energy Regulator of South Africa

National Film and Video Foundation

.....

National Gambling Board of SA

National Health Laboratory Service

National Heritage Council (NHC)

National Home Builders Registration Council-NHBRC

National Housing Finance Corporation

National Library, Pretoria/Cape Town

National Lotteries Commission

National Metrology Institute of South Africa

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National Museum, Bloemfontein

National Nuclear Regulator

National Regulator for Compulsory Specifications

National Research Foundation

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National Student Financial Aid Scheme

National Urban Reconstruction and Housing Agency-NURCHA

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National Youth Development Agency

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Nelson Mandela Museum, Umtata

Ditsong: Museums of South Africa

Office of Health Standards Compliance

(Editorial Note: Please note that both GN 393 in GG 37653 of 23 May, 2014 and [section 8](#) of the National Health Amendment Act, [No. 12 of 2013](#) add/insert the expression "Office of Health Standards Compliance" in Schedule 3, Part A with effect from 1 April, 2014.)

Office of the Ombudsman for Financial Services Providers

Office of the Pension Funds Adjudicator

Performing Arts Council of the Free State

Perishable Products Export Control Board

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Ports Regulator of South Africa

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Private Security Industry Regulatory Authority

Productivity SA

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Public Service Sector Education and Training Authority (PSETA)

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Quality Council for Trades and Occupations (QCTO)

Railway Safety Regulator

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Road Accident Fund

Road Traffic Infringement Agency (RTIA)

Road Traffic Management Corporation

Robben Island Museum, Cape Town

Rural Housing Loan Fund

Safety and Security Sector Education and Training Authority (SASSETA)

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SA Civil Aviation Authority

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SA Council for Educators

South African Diamond and Precious Metals Regulator

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SA Heritage Resources Agency

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SA Institute for Drug-free Sport

SA Library for the Blind, Grahamstown

SA Local Government Association

SA Maritime Safety Authority

SA Medical Research Council

SA National Accreditation System

South African National Biodiversity Institute (SANBI)

South African National Energy Development Institute (SANEDI)

South African National Parks

SA National Roads Agency

South African National Space Agency

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SA Qualifications Authority

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SA Revenue Service

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South African Social Security Agency

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SA Tourism Board

South African Weather Service

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Servcon

Services Sector Education and Training Authority

Small Enterprise Development Agency (SEDA)

Social Housing Foundation

Special Investigation Unit

State Information Technology Agency

State Theatre, Pretoria

Technology Innovation Agency
 The Co-Operative Banks Development Agency
 The National English Literary Museum, Grahamstown
 The National Radioactive Waste Disposal Institute (NRWDI)
 The Playhouse Company, Durban
 The Social Housing Regulatory Authority (SHRA)
 Thubelisha Homes
 Tourism and Hospitality Education and Training Authority

 Transport Education and Training Authority
 uMalusi Council for Quality Assurance in General and Further Education and Training
 uMsunduzi Museum
 Unemployment Insurance Fund
 Universal Service and Access Agency of South Africa
 Universal Service and Access Fund
 Urban Transport Fund
 Vredefort Dome World Heritage Site

 War Museum of the Boer Republics, Bloemfontein
 Water Research Commission
 Wholesale and Retail Sector Education and Training Authority
 William Humphreys Art Gallery
 Windybrow Centre

 Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 395 in Government Gazette 37653 of 23 May, 2014)

(Prior to amendment by Government Notice No. 395 in Government Gazette 37653 of 23 May, 2014)

Schedule 3, Part C, General (No Province indicated), Gauteng, Mpumalanga and KwaZulu-Natal

Part C: Provincial Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005, under General Notices Nos. 1266, 1267 and 1270 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notices Nos. 462 and 476 in *Government Gazette* 28679 of 7 April, 2006 with effect from 7 April, 2006, under General Notice No. 797 in *Government Gazette* 28937 of 23 June, 2006 with effect from 23 June, 2006, under General Notice No. 1475 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006, under Government Notice No. 7

in *Government Gazette* 30637 of 4 January, 2008 with effect from 4 January, 2008, under Government Notice No. 1001 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice No. 1003 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice Nos. 309 and 310 in *Government Gazette* 32013 of 20 March, 2009 with effect from 20 March 2009, under Government Notice No. 241 in *Government Gazette* 33059 of 1 April, 2010 with effect from 1 April, 2010, under Government Notices Nos. 1247, 1248 and 1249 in *Government Gazette* 33900 of 31 December, 2010, with effect from 1 April, 2004, 1 July 2010 and 8 June 2010 respectively, under Government Notice No. 364 in *Government Gazette* 34233 of 29 April, 2011 with effect retrospectively from 1 April, 2010, under Government Notice No. 798 in *Government Gazette* 34631 of 30 September, 2011, under Government Notice No. 188 in *Government Gazette* 36225 of 15 March, 2013 with effect retrospectively from 1 December, 2012, under Government Notice Nos. 189 and 191 in *Government Gazette* 36225 of 15 March, 2013 with effect from 15 March, 2013, under Government Notice Nos. 391 and under Government Notice No. 394 in *Government Gazette* 37653 of 23 May, 2014 with effect from 1 April, 2014.]

- Commissioner for the Environment
- Destination Marketing Organisation
- Dube TradePort Corporation (DTPC)
- XHASA ATC Agency

Gauteng:

Gauteng Growth and Development Agency (GGDA)

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Gauteng Economic Development Agency

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Gauteng Enterprise Propeller

Gauteng Gambling Board

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Gauteng Partnership Fund (GPF)

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Gauteng Tourism Authority

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Gautrain Management Agency

Mpumalanga:

Mpumalanga Economic Empowerment Corporation

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(Editorial Note: Please note that GN 1001 in GG 31417 of 19 September, 2008 removes the entity "Mpumalanga Gambling Board" from this list. However, the name of this entity prior to removal is "Mpumalanga Gaming Board". This entity is later corrected, after removal from the list, to "Mpumalanga Gambling Board" by GN 309 in GG 32013 of 20 March, 2009.)

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Mpumalanga Regional Training Trust

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Mpumalanga Tourism and Parks Board

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KwaZulu-Natal:

Amafa Akwazulu Natali

Ezemvelo KwaZulu-Natal Wildlife

Agri-Business Development Agency

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KwaZulu-Natal Gambling Board

KwaZulu-Natal Gaming and Betting Board

KwaZulu-Natal House of Traditional Leaders

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KwaZulu-Natal Liquor Authority

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KwaZulu-Natal Provincial Planning and Development Commission

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KwaZulu-Natal Tourism Authority

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Natal Sharks Board

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Trade and Investment KwaZulu-Natal

uMsekeli Municipal Support Services

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 394 in Government Gazette 37653 of 23 May, 2014)

(Prior to amendment by Government Notice No. 394 in Government Gazette 37653 of 23 May, 2014)

Schedule 3, Part C, Northern Cape

Part C: Provincial Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778

of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005, under General Notices Nos. 1266, 1267 and 1270 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notices Nos. 462 and 476 in *Government Gazette* 28679 of 7 April, 2006 with effect from 7 April, 2006, under General Notice No. 797 in *Government Gazette* 28937 of 23 June, 2006 with effect from 23 June, 2006, under General Notice No. 1475 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006, under Government Notice No. 7 in *Government Gazette* 30637 of 4 January, 2008 with effect from 4 January, 2008, under Government Notice No. 1001 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice No. 1003 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice Nos. 309 and 310 in *Government Gazette* 32013 of 20 March, 2009 with effect from 20 March 2009, under Government Notice No. 241 in *Government Gazette* 33059 of 1 April, 2010 with effect from 1 April, 2010, under Government Notices Nos. 1247, 1248 and 1249 in *Government Gazette* 33900 of 31 December, 2010, with effect from 1 April, 2004, 1 July 2010 and 8 June 2010 respectively, under Government Notice No. 364 in *Government Gazette* 34233 of 29 April, 2011 with effect retrospectively from 1 April, 2010, under Government Notice No. 798 in *Government Gazette* 34631 of 30 September, 2011, under Government Notice No. 188 in *Government Gazette* 36225 of 15 March, 2013 with effect retrospectively from 1 December, 2012, under Government Notice Nos. 189 and 191 in *Government Gazette* 36225 of 15 March, 2013 with effect from 15 March, 2013 and under Government Notice No. 391 in *Government Gazette* 37653 of 23 May, 2014 with effect from 1 April, 2014.]

Northern Cape:

Kalahari Kid Corporation (KKC)

["Kalahari Kid Corporation (KKC)" added by GN 1248 in GG 33900 of 31 December, 2010 with effect from 1 April, 2004.]

Northern Cape Economic Development, Trade and Investment Promotion Agency (NCEDA)

["Northern Cape Economic Development, Trade and Investment Promotion Agency (NCEDA)" added by GN 364 in GG 34233 of 29 April, 2011 with effect retrospectively from 1 April, 2010.]

.....

["Northern Cape Economic Development Unit" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Northern Cape Gambling and Racing Board" previously "Northern Cape Gambling Board" amended by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Northern Cape Gambling Board

["Northern Cape Gambling Board" added and classified by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Northern Cape Housing Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Northern Cape Liquor Board

["Northern Cape Liquor Board" deleted by GN 1261 in GG 24731 of 17 April, 2003 and re-added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f 1 April, 2010.]

.....

["Northern Cape Local Transportation Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Northern Cape Provincial Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Northern Cape Tourism Authority

.....

["Northern Cape Youth Commission" deleted by GN 1139 in GG 26477 of 25 June, 2004.]

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice Nos. 392 and 393 in Government Gazette 37653 of 23 May, 2014)

(Prior to amendment by Government Notice Nos. 392 and 393 in Government Gazette 37653 of 23 May, 2014)

Schedule 3, Part A

Part A: National Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under Government Notice No. 504 in *Government Gazette* 22337 of 8 June, 2001 with effect from 8 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No. 1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005; under General Notice No. 1114 in *Government Gazette* 27773 of 15 July, 2005 with effect from 15 July, 2005; under General Notices Nos. 1263, 1264, 1265, 1268, 1269 and 1271 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notice No. 230 in *Government Gazette* 28519 of 24 February, 2006 with effect from 24 February, 2006, under General Notice No. 396 in *Government Gazette* No. 28605 of 17 March, 2006 with effect from 17 March, 2006, under General Notices Nos. 436 and 441 in *Government Gazette* 28651 of 31 March, 2006 with effect from 31 March, 2006, under General Notice No. 602 in *Government Gazette* 28798 of 12 May, 2006 with effect from 12 May, 2006, under General Notice No. 667 in *Government Gazette* 28847 of 26 May, 2006 with effect from 26 May, 2006, under General Notice No. 972 in *Government Gazette* 29033 of 21 July, 2006 with effect from 21 July, 2006 and subject to Rand Water not exceeding their debt limit, as provided in the *Government Gazette* Notice 23450 of 31 May, 2002, under General Notice Nos. 1010 and 1011 in *Government Gazette* 29050 of 28 July, 2006 with effect from 28 July, 2006, under General Notices Nos. 1476 and 1477 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006, under Government Notice No. 187 in *Government Gazette* 29669 of 9 March, 2007 with effect from 9 March, 2007, under Government Notice No. 1000 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice No. 1003 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008; under Government Notice No. 311 in *Government Gazette* 32013 of 20 March, 2009 with effect from 20 March, 2009, under Government Notice No. 240 in *Government Gazette* 33059 of 1 April, 2010 with effect retrospectively from 1 July, 2005, under Government Notices Nos. 241 and 242 in *Government Gazette* 33059 of 1 April, 2010 with effect from 1 April, 2010, under Government Notice No. 1250 in *Government Gazette* 33900 of 31 December, 2010, under Government Notices Nos. 1253 and 1254 in *Government Gazette* 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010, under Government Notice No. 363 in *Government Gazette* 34233 of 29 April, 2011, with effect retrospectively from 1 April, 2011, under Government Notice Nos. 796, 797 (with effect retrospectively from 1 April, 2011) and 800 in *Government Gazette* 34631 of 30 September, 2011, under Government Notice No. 187 in *Government Gazette* 36225 of 15 March, 2013, with effect retrospectively from 16 February, 2001 and under Government Notice No. 190 in *Government Gazette* 36225 of 15 March, 2013 with effect from 15 March, 2013.]

Accounting Standards Board

Africa Institute of South Africa, Pretoria

["Africa Institute of South Africa, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001.]

African Renaissance and International Cooperation Fund

["African Renaissance and International Cooperation Fund" added by GN 1139 in GG 26477 of 25 June, 2004.]

Afrikaanse Taalmuseum, Paarl

["Afrikaanse Taalmuseum, Paarl" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Agricultural Credit Board" deleted by GN 1863 in GG 22577 of 24 August, 2001.]

Agricultural Research Council

AGRISETA

["AGRISETA" added by GN 1010 in GG 29050 of 28 July, 2006.]

.....

["Air Services Licensing Council" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

Artscape

["Cape Performing Arts Board (CAPAB), Cape Town" added by GN 402 in GG 22047 of 16 February, 2001.]

["Artscape" previously "Cape Performing Arts Board (CAPAB), Cape Town" amended by GN 1283 in GG 23619 of 19 July, 2002.]

Banking Sector Education and Training Authority

["Banking Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Board on Tariffs and Trade" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Boxing South Africa

["Boxing South Africa" added by GN 3366 in GG 25778 of 5 December, 2003.]

Brand SA

["South African International Marketing Council Trust/Brand South Africa" previously "International Marketing Council" added by GN 1476 in GG 29293 of 20 October, 2006 and amended by GN 800 in GG 34631 of 30 September, 2011.]

["Brand SA" previously "South African International Marketing Council Trust/Brand South Africa" amended by GN 190 in GG 36225 of 15 March, 2013 with effect from 15 March, 2013.]

Breede River Catchment Management Agency

["Breede River Catchment Management Agency" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["Business and Arts South Africa (BASA)" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 441 in GG 28651 of 31 March, 2006.]

Castle Control Board

["Castle Control Board" previously "Castle Management Board" added by GN 1397 in GG 22321 of 1 June, 2001 and amended by GN 1863 in GG 22577 of 24 August, 2001 and by GN 2302 in GG 22860 of 30 November, 2001.]

.....

["Certification Council for Technikon Education" deleted by GN 683 in GG 23407 of 17 May, 2002.]

Chemical Industries Education and Training Authority

["Chemical Industries Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Clothing, Textiles, Footwear and Leather Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 797 in GG 34631 of 30 September, 2011.]

Commission for Conciliation, Mediation & Arbitration

Companies and Intellectual Property Commission

["Companies and Intellectual Property Commission" added by GN 1254 in GG 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010.]

Companies Tribunal

["Companies Tribunal" added by GN 363 in GG 34233 of 29 April, 2011 with effect retrospectively from 1 April, 2011.]

.....

["Compensation Board" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Compensation Fund, including Reserve Fund

["Compensation Fund, including Reserve Fund" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Competition Board" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Competition Commission

["Competition Commission" added by GN 402 in GG 22047 of 16 February, 2001.]

Competition Tribunal

["Competition Tribunal" added by GN 402 in GG 22047 of 16 February, 2001.]

Construction Education and Training Authority

["Construction Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Construction Industry Development Board

["Construction Industry Development Board" added by GN 2302 in GG 22860 of 30 November, 2001.]

Council for Built Environment (CBE)

["Council for Built Environment (CBE)" added by GN 765 in GG 27599 of 27 May, 2005.]

Council for Geoscience

Council for Medical Schemes

["Council for Medical Schemes" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Council for Mineral Technology (Mintek)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001.]

.....

["Council for Nuclear Safety" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["Council for Scientific and Industrial Research (CSIR)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001.]

Council on Higher Education

["Council on Higher Education" added by GN 402 in GG 22047 of 16 February, 2001.]

Cross-Border Road Transport Agency

["Cross-Border Road Transport Agency" added by GN 1397 in GG 22321 of 1 June, 2001.]

Culture, Arts, Tourism, Hospitality and Sports Education and Training Authority (CATHSSETA)

["Culture, Arts, Tourism, Hospitality and Sports Education and Training Authority (CATHSSETA)" added and classified by GN 796 in GG 34631 of 30 September, 2011.]

.....

["Diplomacy, Intelligence, Defence and Trade & Industry Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

Education and Labour Relations Council

["Education and Labour Relations Council" added by GN 1396 in GG 24042 of 15 November, 2002.]

Education, Training and Development Practices SETA (ETDP)

["Education, Training and Development Practices SETA (ETDP)" previously "Education, Training and Development Practices Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

Electricity Distribution Industry Holdings (Pty) Ltd

["Electricity Distribution Industry Holdings (Pty) Ltd" added by GN 3366 in GG 25778 of 5 December, 2003.]

Electronic Communications Security (Pty) Ltd

["Electronic Communications Security (Pty) Ltd" added and classified by GN 311 in GG 32013 of 20 March, 2009.]

.....

["Employment's Condition Commission" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 765 in GG 27599 of 27 May, 2005.]

Energy and Water Sector Education and Training Authority (EWSETA)

["Energy and Water Sector Education and Training Authority (EWSETA)" previously "Energy Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

.....

["Engelenburg House Art Collection, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["English Dictionary Unit of South Africa, Grahamstown" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Estate Agency Affairs Board

["Estate Agency Affairs Board" added by GN 1397 in GG 22321 of 1 June, 2001.]

.....

["Export Credit Reinsurance Fund" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 683 in GG 23407 of 17 May, 2002.]

Fibre Processing Manufacturing Sector Education and Training Authority (FPMSETA)

["Fibre Processing Manufacturing Sector Education and Training Authority (FPMSETA)" added and classified by GN

Film and Publication Board

["Film and Publication Board" added by GN 1397 in GG 22321 of 1 June, 2001.]

.....

["Film & Publications Review Board" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Financial and Accounting Services SETA (FASSET)

["Financial and Accounting Services SETA (FASSET)" previously "Financial and Accounting Services Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

Financial Intelligence Centre

["Financial Intelligence Centre" added by GN 3366 in GG 25778 of 5 December, 2003.]

Financial Services Board

Food and Beverages Manufacturing Industry (FOODBEV)

["Food and Beverages Manufacturing Industry (FOODBEV)" previously "Food and Beverages Manufacturing Industry Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

.....

["Forest Industries Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 797 in GG 34631 of 30 September, 2011.]

.....

["Foundation for Education, Science and Technology, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1139 in GG 26477 of 25 June, 2004.]

.....

["Foundation for Research and Development" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Freedom Park Trust

["Freedom Park Trust" added by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Godisa Trust" added by GN 1139 in GG 26477 of 25 June, 2004 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

Health and Welfare Sector Education and Training Authority

["Health and Welfare Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Housing Development Agency

["Housing Development Agency" added and classified by GN 311 in GG 32013 of 20 March, 2009.]

Human Sciences Research Council

.....

["Immigrants Selection Board" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["Independent Communications Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1863 in GG 22577 of 24 August, 2001.]

Independent Regulatory Board for Auditors

["Independent Regulatory Board for Auditors" added by GN 1011 in GG 29050 of 28 July, 2006.]

Information Systems, Electronics and Telecommunications Technologies Training Authority

["Information Systems, Electronics and Telecommunications Technologies Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Ingonyama Trust Board

["Ingonyama Trust Board" added by GN 402 in GG 22047 of 16 February, 2001.]

Inkomati Catchment Management Agency

["Inkomati Catchment Management Agency" added by GN 396 in GG 28605 of 17 March, 2006.]

Insurance Sector Education and Training Authority

["Insurance Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

International Trade Administration Commission

["International Trade Administration" added by GN 1139 in GG 26477 of 25 June, 2004 and amended by GN 765 in GG 27599 of 27 May, 2005.]

.....

["Investment South Africa" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1863 in GG 22577 of 24 August, 2001.]

iSimangaliso Wetland Park

["iSimangaliso Wetland Park" previously "Greater St. Lucia Wetland Park Authority" added by GN 1283 in GG 23619 of 19 July, 2002 and amended by GN 1003 in GG 31417 of 19 September, 2008.]

Iziko Museums of Cape Town

["Iziko Museums of Cape Town" previously "Southern Flagship Institution, Cape Town" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["JLB Institute of Itchyology" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Johannesburg World Summit" previously "Johannesburg Earth Summit" added by GN 1397 in GG 22321 of 1 June, 2001 and amended by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1139 in GG 26477 of 25 June, 2004.]

.....

["Judicial Services Commission" deleted by GN 683 in GG 23407 of 17 May, 2002.]

KwaZulu-Natal Museum

["KwaZulu-Natal Museum" previously "Natal Museum, Pietermaritzburg" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

.....

["KwaZulu Ingonyama Trust" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Legal Aid South Africa

["Legal Aid South Africa" previously "Legal Aid Board" amended by GN 1250 in GG 33900 of 31 December, 2010.]

Local Government Education and Training Authority (LGSETA)

["Local Government Education and Training Authority (LGSETA)" previously "Local Government, Water and Related Services Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

Luthuli Museum

["Luthuli Museum" added by GN 1269 in GG 28237 of 25 November, 2005.]

.....

["Manufacturing Advisory Council" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["Manufacturing Development Board" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Manufacturing, Engineering and Related Services Education and Training Authority

["Manufacturing, Engineering and Related Services Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Marine Living Resources Fund

["Marine Living Resources Fund" added by GN 402 in GG 22047 of 16 February, 2001.]

Market Theatre Foundation

["Market Theatre Foundation" added by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Market Theatre, Johannesburg" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["Media, Advertising, Publishing, Printing and Packaging Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 797 in GG 34631 of 30 September, 2011.]

Media Development and Diversity Agency

["Media Development and Diversity Agency" added by GN 1261 in GG 24731 of 17 April, 2003.]

Media, Information and Communication Technologies Sector Education and Training Authority (MICTTS)

["Media, Information and Communication Technologies Sector Education and Training Authority (MICTTS)" added and classified by GN 796 in GG 34631 of 30 September, 2011.]

Mine Health & Safety Council

["Mine Health & Safety Council" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Mines and Works Compensation Fund" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Mining Qualifications Authority

["Mining Qualifications Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Municipal Infrastructure Investment Unit

["Municipal Infrastructure Investment Unit" added by GN 1397 in GG 22321 of 1 June, 2001.]

National Agricultural Marketing Council

["National Agricultural Marketing Council" previously "National Agriculture Marketing Council" amended by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["National Archives Commission" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

National Arts Council

["National Arts Council" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["National Botanical Institute" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 765 in GG 27599 of 27 May, 2005.]

National Consumer Commission

["National Consumer Commission" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

National Consumer Tribunal

["National Consumer Tribunal" added by GN 602 in GG 28798 of 12 May, 2006.]

.....

["National Coordination Office of the Manufacturing Advisory Centre Programme-NAMAC" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GNs 1263, 1264 and 1265 in GG 28237 of 25 November, 2005.]

National Credit Regulator

["National Credit Regulator" added by GN 602 in GG 28798 of 12 May, 2006.]

National Development Agency

["National Development Agency" added by GN 402 in GG 22047 of 16 February, 2001.]

National Economic, Development and Labour Council

.....

["National Electricity Regulator" deleted by GN 1271 in GG 28237 of 25 November, 2005.]

National Electronic Media Institute of SA
["National Electronic Media Institute of SA" added by GN 1397 in GG 22321 of 1 June, 2001.]

National Empowerment Fund
["National Empowerment Fund" added by GN 402 in GG 22047 of 16 February, 2001.]

National Energy Regulator of South Africa
["National Energy Regulator of South Africa" added by GN 1271 in GG 28237 of 25 November, 2005.]

National Film and Video Foundation
["National Film and Video Foundation" added by GN 402 in GG 22047 of 16 February, 2001.]

.....
["National Film Board" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

National Gambling Board of SA
["National Gambling Board of SA" added by GN 402 in GG 22047 of 16 February, 2001.]

National Health Laboratory Service
["National Health Laboratory Service" added by GN 683 in GG 23407 of 17 May, 2002.]

National Heritage Council (NHC)
["National Heritage Council (NHC)" added by GN 765 in GG 27599 of 27 May, 2005.]

National Home Builders Registration Council-NHBRC
["National Home Builders Registration Council-NHBRC" added by GN 402 in GG 22047 of 16 February, 2001.]

National Housing Finance Corporation

National Library, Pretoria/Cape Town
["National Library, Pretoria/Cape Town" added by GN 402 in GG 22047 of 16 February, 2001.]

National Lotteries Board
["National Lotteries Board" added by GN 402 in GG 22047 of 16 February, 2001.]

National Metrology Institute of South Africa
["National Metrology Institute of South Africa" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

.....
["National Monuments Council" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

National Museum, Bloemfontein
["National Museum, Bloemfontein" added by GN 402 in GG 22047 of 16 February, 2001.]

National Nuclear Regulator
["National Nuclear Regulator" added by GN 402 in GG 22047 of 16 February, 2001.]

National Regulator for Compulsory Specifications
["National Regulator for Compulsory Specifications" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

National Research Foundation
["National Research Foundation" added by GN 402 in GG 22047 of 16 February, 2001.]

.....
["National Small Business Council" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

National Student Financial Aid Scheme
["National Student Financial Aid Scheme" added by GN 402 in GG 22047 of 16 February, 2001.]

National Urban Reconstruction and Housing Agency-NURCHA
["National Urban Reconstruction and Housing Agency-NURCHA" added by GN 402 in GG 22047 of 16 February, 2001.]

.....
["National Year 2000 Decision Support Centre" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by

.....

["National Youth Commission" deleted by GN 1253 in GG 33900 of 31 December, 2010 with effect from 1 April, 2010.]

National Youth Development Agency

["National Youth Development Agency" added and classified by GN 311 in GG 32013 of 20 March, 2009.]

.....

["National Zoological Gardens of SA" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1477 in GG 29293 of 20 October, 2006 (Editorial Note: GN 1477 in GG 29293 made reference to "National Zoological Gardens". We suggest "National Zoological Gardens of SA" was intended).]

Nelson Mandela Museum, Umtata

["Nelson Mandela Museum, Umtata" added by GN 402 in GG 22047 of 16 February, 2001.]

Office of Health Standards Compliance

["Office of Health Standards Compliance" to be added by [s. 8](#) of [Act No. 12 of 2013](#) with effect from the coming into operation of the provisions relating to the Office of Health Standards Compliance.]

Ditsong: Museums of South Africa

["Ditsong: Museums of South Africa" previously "Northern Flagship Institution, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1250 in GG 33900 of 31 December, 2010.]

Office of the Ombudsman for Financial Services Providers

["Office of the Ombudsman for Financial Services Providers" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

Office of the Pension Funds Adjudicator

["Office of the Pension Funds Adjudicator" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

Performing Arts Council of the Free State

["Performing Arts Council Orange Free State (PACOFs), Bloemfontein" added by GN 402 in GG 22047 of 16 February, 2001.]

["Performing Arts Council of the Free State" previously "Performing Arts Council Orange Free State (PACOFs), Bloemfontein" amended by GN 1283 in GG 23619 of 19 July, 2002.]

Perishable Products Export Control Board

["Perishable Products Export Control Board" added by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Police, Private Security, Legal and Correctional Services" added by GN 402 in GG 22047 of 16 February, 2001.]

["Police, Private Security, Legal and Correctional Services Training Authority" previously "Police, Private Security, Legal and Correctional Services" amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

Ports Regulator of South Africa

["Ports Regulator of South Africa" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["Primary Agricultural Education and Training Authority (PAETA)" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1010 in GG 29050 of 28 July, 2006.]

Private Security Industry Regulatory Authority

["Private Security Industry Regulatory Authority" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

Productivity SA

["Productivity SA" previously "National Productivity Institute" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1003 in GG 31417 of 19 September, 2008.]

.....

["Public Investment Commissioners" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 1114 in GG 27773 of 15 July, 2005.]

.....

["Public Protector" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1863 in GG 22577 of 24

August, 2001.]

Public Service Sector Education and Training Authority (PSETA)

["Public Service Sector Education and Training Authority (PSETA)" previously "Public Sector Education and Training Authority" added by GN 667 in GG 28847 of 26 May, 2006 and amended by GN 800 in GG 34631 of 30 September, 2011.]

.....

["Public Services Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 2302 in GG 22860 of 30 November, 2001.]

Quality Council for Trades and Occupations (QCTO)

["Quality Council for Trades and Occupations (QCTO)" added by GN 1254 in GG 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010.]

Railway Safety Regulator

["Railway Safety Regulator" added by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["Rent Control Board" added by GN 1283 in GG 23619 of 19 July, 2002 and deleted by GN 765 in GG 27599 of 27 May, 2005.]

Road Accident Fund

Road Traffic Infringement Agency (RTIA)

["Road Traffic Infringement Agency (RTIA)" added by GN 1254 in GG 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010.]

Road Traffic Management Corporation

["Road Traffic Management Corporation" added by GN 1396 in GG 24042 of 15 November, 2002.]

Robben Island Museum, Cape Town

["Robben Island Museum, Cape Town" added by GN 402 in GG 22047 of 16 February, 2001.]

Rural Housing Loan Fund

["Rural Housing Loan Fund" added by GN 3366 in GG 25778 of 5 December, 2003.]

Safety and Security Sector Education and Training Authority (SASSETA)

["Safety and Security Sector Education and Training Authority (SASSETA)" previously "Safety and Security Sector Education and Training" added by GN 240 in GG 33059 of 1 April, 2010 with effect retrospectively from 1 July, 2005 and amended by GN 800 in GG 34631 of 30 September, 2011.]

.....

["South African Blind Workers Organization (SABWO)" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 441 in GG 28651 of 31 March, 2006 (Editorial Note: GN 441 in GG 28651 made reference to "South African Blind Workers Association (SABWO)". We suggest "South African Blind Workers Organization (SABWO)" was intended).]

.....

["SA Bureau of Standards (SABS)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001.]

SA Civil Aviation Authority

.....

["SA Communications Regulatory Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1863 in GG 22577 of 24 August, 2001.]

.....

["SA Council for Architects" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 1139 in GG 26477 of 25 June, 2004.]

SA Council for Educators

["SA Council for Educators" added by GN 402 in GG 22047 of 16 February, 2001.]

South African Diamond and Precious Metals Regulator

["SA Diamond and Precious Metals Regulator" added by GN 187 in GG 29669 of 9 March, 2007.]

.....

["SA Diamond Board" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 187 in GG 29669 of 9 March, 2007.]

.....

["SA Excellence Foundation" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1268 in GG 28237 of 25 November, 2005.]

.....

["SA Geographical Names Commission" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

SA Heritage Resources Agency

["SA Heritage Resources Agency" previously "National Heritage Council" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 683 in GG 23407 of 17 May, 2002.]

.....

["SA Housing Development Board" previously "National Housing Board" amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["SA Housing Fund" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["SA Housing Trust Limited" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

SA Institute for Drug-free Sport

["SA Institute for Drug-free Sport" added by GN 402 in GG 22047 of 16 February, 2001.]

SA Library for the Blind, Grahamstown

["SA Library for the Blind, Grahamstown" added by GN 402 in GG 22047 of 16 February, 2001.]

SA Local Government Association

["SA Local Government Association" added by GN 1283 in GG 23619 of 19 July, 2002.]

SA Maritime Safety Authority

["SA Maritime Safety Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

SA Medical Research Council

SA National Accreditation System

["SA National Accreditation System" added by GN 402 in GG 22047 of 16 February, 2001.]

South African National Biodiversity Institute (SANBI)

["South African National Biodiversity Institute (SANBI)" added by GN 765 in GG 27599 of 27 May, 2005.]

South African National Energy Development Institute (SANEDI)

["South African National Energy Development Institute (SANEDI)" added by GN 1254 in GG 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010.]

South African National Parks

["South African National Parks" previously "National Parks Board" amended by GN 683 in GG 23407 of 17 May, 2002.]

SA National Roads Agency

["SA National Roads Agency" previously "National Road Fund" amended by GN 1863 in GG 22577 of 24 August, 2001.]

South African National Space Agency

["South African National Space Agency" added and classified by GN 311 in GG 32013 of 20 March, 2009.]

.....

["SA Nuclear Energy Corporation" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 187 in GG36225 of 15 March, 2013 with effect retrospectively from 16 February, 2001.]

SA Qualifications Authority

.....

["SA Quality Institute" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

SA Revenue Service

.....

["SA Road Board" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["SA Road Safety Council" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

South African Social Security Agency

["South African Social Assistance Agency" inserted by GN 230 in GG 28519 of 24 February, 2006 and corrected to read "South African Social Security Agency" by GN 436 in GG 28651 of 31 March, 2006.]

.....

["SA Sport Commission" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["SA Telecommunications Regulatory Authority" deleted by GN 1863 in GG 22577 of 24 August, 2001.]

SA Tourism Board

South African Weather Service

["South African Weather Service" added by GN 2302 in GG 22860 of 30 November, 2001.]

.....

["Secondary Agricultural Sector Education and Training Authority (SETSA)" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1010 in GG 29050 of 28 July, 2006.]

Servcon

["Servcon" added by GN 402 in GG 22047 of 16 February, 2001.]

Services Sector Education and Training Authority

["Services Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Small Enterprise Development Agency (SEDA)

["Small Enterprise Development Agency (SEDA)" added by GNs 1263, 1264 and 1265 in GG 28237 of 25 November, 2005.]

Social Housing Foundation

["Social Housing Foundation" added by GN 1397 in GG 22321 of 1 June, 2001.]

Special Investigation Unit

["Special Investigation Unit" added by GN 402 in GG 22047 of 16 February, 2001.]

State Information Technology Agency

State Theatre, Pretoria

["State Theatre, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001.]

Technology Innovation Agency

["Technology Innovation Agency" added and classified by GN 311 in GG 32013 of 20 March, 2009.]

The Co-Operative Banks Development Agency

["The Co-Operative Banks Development Agency" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

The National English Literary Museum, Grahamstown

["The National English Literary Museum, Grahamstown" added by GN 402 in GG 22047 of 16 February, 2001.]

The National Radioactive Waste Disposal Institute (NRWDI)

["The National Radioactive Waste Disposal Institute (NRWDI)" added and classified by GN 796 in GG 34631 of 30 September, 2011.]

The Playhouse Company, Durban

["The Playhouse Company, Durban" added by GN 402 in GG 22047 of 16 February, 2001.]

The Social Housing Regulatory Authority (SHRA)

["The Social Housing Regulatory Authority (SHRA)" added by GN 1254 in GG 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010.]

Thubelisha Homes

["Thubelisha Homes" added by GN 402 in GG 22047 of 16 February, 2001.]

Tourism and Hospitality Education and Training Authority

["Tourism and Hospitality Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Investment South Africa" added by GN 402 in GG 22047 of 16 February, 2001.]

["Trade and Investment South Africa" previously "Investment South Africa" amended by GN 1863 in GG 22577 of 24 August, 2001.]

["Trade and Investment South Africa" moved from Schedule 3B to Schedule 3A by GN 2302 in GG 22860 of 30 November, 2001.]

["Trade and Investment South Africa" deleted by GN 1000 in GG 31417 of 19 September, 2008.]

Transport Education and Training Authority

["Transport Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

uMalusi Council for Quality Assurance in General and Further Education and Training

["Umalusi Council for Quality Assurance in General and Further Education and Training" previously "SA Certification Council" amended by GN 1396 in GG 24042 of 15 November, 2002.]

uMsunduzi Museum

["Voortrekker Museum, Pietermaritzburg" added by GN 402 in GG 22047 of 16 February, 2001.]

["uMsunduzi Museum" previously "Voortrekker Museum, Pietermaritzburg" amended by GN 190 in GG 36225 of 15 March, 2013 with effect from 15 March, 2013.]

Unemployment Insurance Fund

Universal Service and Access Agency of South Africa

["Universal Services Agency" added by GN 402 in GG 22047 of 16 February, 2001.]

["Universal Service Agency" previously "Universal Services Agency" amended by GN 1863 in GG 22577 of 24 August, 2001.]

["Universal Service and Access Agency of South Africa" previously "Universal Service Agency" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Universal Service and Access Fund

["Universal Services Fund" added by GN 402 in GG 22047 of 16 February, 2001.]

["Universal Service Fund" previously "Universal Services Fund" amended by GN 2302 in GG 22860 of 30 November, 2001.]

["Universal Service and Access Fund" previously "Universal Service Fund" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Urban Transport Fund

["Urban Transport Fund" added by GN 1397 in GG 22321 of 1 June, 2001.]

.....

["Wage Board" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

War Museum of the Boer Republics, Bloemfontein

["War Museum of the Boer Republics, Bloemfontein" added by GN 402 in GG 22047 of 16 February, 2001.]

Water Research Commission

Wholesale and Retail Sector Education and Training Authority

["Wholesale and Retail Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

William Humphreys Art Gallery

["William Humphreys Art Gallery" added by GN 402 in GG 22047 of 16 February, 2001 and by GN 1283 in GG 23619 of 19 July, 2002.]

Windybrow Centre

.....

["Woordeboek van die Afrikaanse Taal (WAT), Paarl" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 391 in Government Gazette 37653 of 23 May, 2014)

(Prior to amendment by Government Notice No. 391 in Government Gazette 37653 of 23 May, 2014)

Schedule 3, Part C, Gauteng and Western Cape

Part C: Provincial Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005, under General Notices Nos. 1266, 1267 and 1270 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notices Nos. 462 and 476 in *Government Gazette* 28679 of 7 April, 2006 with effect from 7 April, 2006, under General Notice No. 797 in *Government Gazette* 28937 of 23 June, 2006 with effect from 23 June, 2006, under General Notice No. 1475 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006, under Government Notice No. 7 in *Government Gazette* 30637 of 4 January, 2008 with effect from 4 January, 2008, under Government Notice No. 1001 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice No. 1003 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice Nos. 309 and 310 in *Government Gazette* 32013 of 20 March, 2009 with effect from 20 March 2009, under Government Notice No. 241 in *Government Gazette* 33059 of 1 April, 2010 with effect from 1 April, 2010, under Government Notices Nos. 1247, 1248 and 1249 in *Government Gazette* 33900 of 31 December, 2010, with effect from 1 April, 2004, 1 July 2010 and 8 June 2010 respectively, under Government Notice No. 364 in *Government Gazette* 34233 of 29 April, 2011 with effect retrospectively from 1 April, 2010, under Government Notice No. 798 in *Government Gazette* 34631 of 30 September, 2011, under Government Notice No. 188 in *Government Gazette* 36225 of 15 March, 2013 with effect retrospectively from 1 December, 2012 and under Government Notice Nos. 189 and 191 in *Government Gazette* 36225 of 15 March, 2013 with effect from 15 March, 2013.]

Gauteng:

Blue IQ Investment Holdings (Pty) Ltd

["Blue IQ Investment Holdings (Pty) Ltd" added by GN 1139 in GG 26477 of 25 June, 2004.]

.....

["Gauteng Agriculture and Farming Development Trust" added by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 1475 in GG 29293 of 20 October, 2006 (Editorial Note: GN 1475 in GG 29293 made reference to "Gauteng Agriculture and Farming Trust". We suggest "Gauteng Agriculture and Farming Development Trust" was intended).]

.....

["Gauteng Consumer Affairs Court" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Gauteng Development Tribunal" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Gauteng Economic Development Agency

.....

["Gauteng Education and Training Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Gauteng Enterprise Propeller

["Gauteng Enterprise Propeller" added and classified by GN 1001 in GG 31417 of 19 September, 2008.]

Gauteng Gambling Board

.....

["Gauteng Housing Fund" previously "Gauteng Provincial Housing Board" amended by GN 2302 in GG 22860 of 30 November, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Gauteng Municipal Demarcation Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Gauteng Partnership Fund (GPF)

["Gauteng Partnership Fund (GPF)" added by GN 1266 in GG 28237 of 25 November, 2005.]

.....

["Gauteng Rental Housing Tribunal" added by GN 1283 in GG 23619 of 19 July, 2002 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["Gauteng Services Appeal Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Gauteng Tourism Authority

.....

["Gauteng Townships Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Gautrain Management Agency

["Gautrain Management Agency" added by GN 1001 in GG 31417 of 19 September, 2008.]

Western Cape:

Western Cape Cultural Commission

["Western Cape Cultural Commission" added by GN 1397 in GG 22321 of 1 June, 2001.]

WC Gambling and Racing Board

.....

["WC Housing Development Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

WC Investment and Trade Promotion Agency

Western Cape Language Committee

["Western Cape Language Committee" added by GN 1397 in GG 22321 of 1 June, 2001.]

Western Cape Nature Conservation Board

["Western Cape Nature Conservation Board" added by GN 402 in GG 22047 of 16 February, 2001.]

Western Cape Liquor Authority

["Western Cape Liquor Authority" previously "WC Liquor Board" amended by GN 191 in GG 36225 of 15 March, 2013 with effect from 15 March, 2013.]

WC Provincial Development Council

.....

["WC Provincial Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["WC Tourism Board" deleted by GN 7 in GG 30637 of 4 January, 2008.]

.....

["Western Cape Provincial Youth Commission" added by GN 765 in GG 27599 of 27 May, 2005 and deleted by GN 241 in GG 33059 of 1 April, 2010.]

Any subsidiary or entity under the ownership control of the above public entities

Schedule 3, Part A

Part A: National Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under Government Notice No. 504 in *Government Gazette* 22337 of 8 June, 2001 with effect from 8 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No. 1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005; under General Notice No. 1114 in *Government Gazette* 27773 of 15 July, 2005 with effect from 15 July, 2005; under General Notices Nos. 1263, 1264, 1265, 1268, 1269 and 1271 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notice No. 230 in *Government Gazette* 28519 of 24 February, 2006 with effect from 24 February, 2006, under General Notice No. 396 in *Government Gazette* No. 28605 of 17 March, 2006 with effect from 17 March, 2006, under General Notices Nos. 436 and 441 in *Government Gazette* 28651 of 31 March, 2006 with effect from 31 March, 2006, under General Notice No. 602 in *Government Gazette* 28798 of 12 May, 2006 with effect from 12 May, 2006, under General Notice No. 667 in *Government Gazette* 28847 of 26 May, 2006 with effect from 26 May, 2006, under General Notice No. 972 in *Government Gazette* 29033 of 21 July, 2006 with effect from 21 July, 2006 and subject to Rand Water not exceeding their debt limit, as provided in the *Government Gazette* Notice 23450 of 31 May, 2002, under General Notice Nos. 1010 and 1011 in *Government Gazette* 29050 of 28 July, 2006 with effect from 28 July, 2006, under General Notices Nos. 1476 and 1477 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006, under Government Notice No. 187 in *Government Gazette* 29669 of 9 March, 2007 with effect from 9 March, 2007, under Government Notice No. 1000 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice No. 1003 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008; under Government Notice No. 240 in *Government Gazette* 33059 of 1 April, 2010 with effect retrospectively from 1 July, 2005, under Government Notices Nos. 241 and 242 in *Government Gazette* 33059 of 1 April, 2010 with effect from 1 April, 2010, under Government Notice No. 1250 in *Government Gazette* 33900 of 31 December, 2010, under Government Notices Nos. 1253 and 1254 in *Government Gazette* 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010, under Government Notice No. 363 in *Government Gazette* 34233 of 29 April, 2011, with effect retrospectively from 1 April, 2011 and under Government Notice Nos. 796, 797 (with effect retrospectively from 1 April, 2011) and 800 in *Government Gazette* 34631 of 30 September, 2011.]

Accounting Standards Board

Africa Institute of South Africa, Pretoria

["Africa Institute of South Africa, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001.]

African Renaissance and International Cooperation Fund

["African Renaissance and International Cooperation Fund" added by GN 1139 in GG 26477 of 25 June, 2004.]

Afrikaanse Taalmuseum, Paarl

["Afrikaanse Taalmuseum, Paarl" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Agricultural Credit Board" deleted by GN 1863 in GG 22577 of 24 August, 2001.]

Agricultural Research Council

AGRISETA

["AGRISETA" added by GN 1010 in GG 29050 of 28 July, 2006.]

.....

["Air Services Licensing Council" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

Artscape

["Cape Performing Arts Board (CAPAB), Cape Town" added by GN 402 in GG 22047 of 16 February, 2001.]

["Artscape" previously "Cape Performing Arts Board (CAPAB), Cape Town" amended by GN 1283 in GG 23619 of 19 July, 2002.]

Banking Sector Education and Training Authority

["Banking Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Board on Tariffs and Trade" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Boxing South Africa

["Boxing South Africa" added by GN 3366 in GG 25778 of 5 December, 2003.]

Breede River Catchment Management Agency

["Breede River Catchment Management Agency" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["Business and Arts South Africa (BASA)" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 441 in GG 28651 of 31 March, 2006.]

Castle Control Board

["Castle Control Board" previously "Castle Management Board" added by GN 1397 in GG 22321 of 1 June, 2001 and amended by GN 1863 in GG 22577 of 24 August, 2001 and by GN 2302 in GG 22860 of 30 November, 2001.]

.....

["Certification Council for Technikon Education" deleted by GN 683 in GG 23407 of 17 May, 2002.]

Chemical Industries Education and Training Authority

["Chemical Industries Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Clothing, Textiles, Footwear and Leather Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 797 in GG 34631 of 30 September, 2011.]

Commission for Conciliation, Mediation & Arbitration

Companies and Intellectual Property Commission

["Companies and Intellectual Property Commission" added by GN 1254 in GG 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010.]

Companies Tribunal

["Companies Tribunal" added by GN 363 in GG 34233 of 29 April, 2011 with effect retrospectively from 1 April, 2011.]

.....

["Compensation Board" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Compensation Fund, including Reserve Fund

["Compensation Fund, including Reserve Fund" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Competition Board" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Competition Commission

["Competition Commission" added by GN 402 in GG 22047 of 16 February, 2001.]

Competition Tribunal

["Competition Tribunal" added by GN 402 in GG 22047 of 16 February, 2001.]

Construction Education and Training Authority

["Construction Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Construction Industry Development Board

["Construction Industry Development Board" added by GN 2302 in GG 22860 of 30 November, 2001.]

Council for Built Environment (CBE)

["Council for Built Environment (CBE)" added by GN 765 in GG 27599 of 27 May, 2005.]

Council for Geoscience

Council for Medical Schemes

["Council for Medical Schemes" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Council for Mineral Technology (Mintek)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001.]

.....

["Council for Nuclear Safety" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["Council for Scientific and Industrial Research (CSIR)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001.]

Council on Higher Education

["Council on Higher Education" added by GN 402 in GG 22047 of 16 February, 2001.]

Cross-Border Road Transport Agency

["Cross-Border Road Transport Agency" added by GN 1397 in GG 22321 of 1 June, 2001.]

Culture, Arts, Tourism, Hospitality and Sports Education and Training Authority (CATHSSETA)

["Culture, Arts, Tourism, Hospitality and Sports Education and Training Authority (CATHSSETA)" added and classified by GN 796 in GG 34631 of 30 September, 2011.]

.....

["Diplomacy, Intelligence, Defence and Trade & Industry Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

Education and Labour Relations Council

["Education and Labour Relations Council" added by GN 1396 in GG 24042 of 15 November, 2002.]

Education, Training and Development Practices SETA (ETDP)

["Education, Training and Development Practices SETA (ETDP)" previously "Education, Training and Development Practices Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

Electricity Distribution Industry Holdings (Pty) Ltd

["Electricity Distribution Industry Holdings (Pty) Ltd" added by GN 3366 in GG 25778 of 5 December, 2003.]

.....

(Editorial Note: We have been instructed by GN 1253 in GG 33900, to remove the entity "Electronic Communications Security (Pty) Ltd", however this entity does not exist in the Act.)

.....

["Employment's Condition Commission" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 765 in GG 27599 of 27 May, 2005.]

Energy and Water Sector Education and Training Authority (EWSETA)

["Energy and Water Sector Education and Training Authority (EWSETA)" previously "Energy Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

.....

["Engelenburg House Art Collection, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["English Dictionary Unit of South Africa, Grahamstown" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Estate Agency Affairs Board

["Estate Agency Affairs Board" added by GN 1397 in GG 22321 of 1 June, 2001.]

.....

["Export Credit Reinsurance Fund" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 683 in GG 23407 of 17 May, 2002.]

Fibre Processing Manufacturing Sector Education and Training Authority (FPMSETA)

["Fibre Processing Manufacturing Sector Education and Training Authority (FPMSETA)" added and classified by GN 796 in GG 34631 of 30 September, 2011.]

Film and Publication Board

["Film and Publication Board" added by GN 1397 in GG 22321 of 1 June, 2001.]

.....

["Film & Publications Review Board" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Financial and Accounting Services SETA (FASSET)

["Financial and Accounting Services SETA (FASSET)" previously "Financial and Accounting Services Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

Financial Intelligence Centre

["Financial Intelligence Centre" added by GN 3366 in GG 25778 of 5 December, 2003.]

Financial Services Board

Food and Beverages Manufacturing Industry (FOODBEV)

["Food and Beverages Manufacturing Industry (FOODBEV)" previously "Food and Beverages Manufacturing Industry Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

.....

["Forest Industries Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 797 in GG 34631 of 30 September, 2011.]

.....

["Foundation for Education, Science and Technology, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1139 in GG 26477 of 25 June, 2004.]

.....

["Foundation for Research and Development" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Freedom Park Trust

["Freedom Park Trust" added by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Godisa Trust" added by GN 1139 in GG 26477 of 25 June, 2004 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

Health and Welfare Sector Education and Training Authority

["Health and Welfare Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Human Sciences Research Council

.....

["Immigrants Selection Board" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["Independent Communications Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1863 in GG 22577 of 24 August, 2001.]

Independent Regulatory Board for Auditors

["Independent Regulatory Board for Auditors" added by GN 1011 in GG 29050 of 28 July, 2006.]

Information Systems, Electronics and Telecommunications Technologies Training Authority

["Information Systems, Electronics and Telecommunications Technologies Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Ingonyama Trust Board

["Ingonyama Trust Board" added by GN 402 in GG 22047 of 16 February, 2001.]

Inkomati Catchment Management Agency

["Inkomati Catchment Management Agency" added by GN 396 in GG 28605 of 17 March, 2006.]

Insurance Sector Education and Training Authority

["Insurance Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

International Trade Administration Commission

["International Trade Administration" added by GN 1139 in GG 26477 of 25 June, 2004 and amended by GN 765 in GG 27599 of 27 May, 2005.]

.....

["Investment South Africa" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1863 in GG 22577 of 24 August, 2001.]

iSimangaliso Wetland Park

["iSimangaliso Wetland Park" previously "Greater St. Lucia Wetland Park Authority" added by GN 1283 in GG 23619 of 19 July, 2002 and amended by GN 1003 in GG 31417 of 19 September, 2008.]

Iziko Museums of Cape Town

["Iziko Museums of Cape Town" previously "Southern Flagship Institution, Cape Town" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["JLB Institute of Itchyology" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Johannesburg World Summit" previously "Johannesburg Earth Summit" added by GN 1397 in GG 22321 of 1 June, 2001 and amended by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1139 in GG 26477 of 25 June, 2004.]

.....

["Judicial Services Commission" deleted by GN 683 in GG 23407 of 17 May, 2002.]

KwaZulu-Natal Museum

["KwaZulu-Natal Museum" previously "Natal Museum, Pietermaritzburg" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

.....

["KwaZulu Ingonyama Trust" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Legal Aid South Africa

["Legal Aid South Africa" previously "Legal Aid Board" amended by GN 1250 in GG 33900 of 31 December, 2010.]

Local Government Education and Training Authority (LGSETA)

["Local Government Education and Training Authority (LGSETA)" previously "Local Government, Water and Related Services Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

Luthuli Museum

["Luthuli Museum" added by GN 1269 in GG 28237 of 25 November, 2005.]

.....

["Manufacturing Advisory Council" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["Manufacturing Development Board" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Manufacturing, Engineering and Related Services Education and Training Authority

["Manufacturing, Engineering and Related Services Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Marine Living Resources Fund

["Marine Living Resources Fund" added by GN 402 in GG 22047 of 16 February, 2001.]

Market Theatre Foundation

["Market Theatre Foundation" added by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Market Theatre, Johannesburg" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["Media, Advertising, Publishing, Printing and Packaging Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 797 in GG 34631 of 30 September, 2011.]

Media Development and Diversity Agency

["Media Development and Diversity Agency" added by GN 1261 in GG 24731 of 17 April, 2003.]

Media, Information and Communication Technologies Sector Education and Training Authority (MICTS)

["Media, Information and Communication Technologies Sector Education and Training Authority (MICTS)" added and classified by GN 796 in GG 34631 of 30 September, 2011.]

Mine Health & Safety Council

["Mine Health & Safety Council" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Mines and Works Compensation Fund" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Mining Qualifications Authority

["Mining Qualifications Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Municipal Infrastructure Investment Unit

["Municipal Infrastructure Investment Unit" added by GN 1397 in GG 22321 of 1 June, 2001.]

National Agricultural Marketing Council

["National Agricultural Marketing Council" previously "National Agriculture Marketing Council" amended by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["National Archives Commission" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

National Arts Council

["National Arts Council" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["National Botanical Institute" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 765 in GG 27599 of 27 May, 2005.]

National Consumer Commission

["National Consumer Commission" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

National Consumer Tribunal

["National Consumer Tribunal" added by GN 602 in GG 28798 of 12 May, 2006.]

.....

["National Coordination Office of the Manufacturing Advisory Centre Programme-NAMAC" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GNs 1263, 1264 and 1265 in GG 28237 of 25 November, 2005.]

National Credit Regulator

["National Credit Regulator" added by GN 602 in GG 28798 of 12 May, 2006.]

National Development Agency

["National Development Agency" added by GN 402 in GG 22047 of 16 February, 2001.]

National Economic, Development and Labour Council

.....

["National Electricity Regulator" deleted by GN 1271 in GG 28237 of 25 November, 2005.]

National Electronic Media Institute of SA

["National Electronic Media Institute of SA" added by GN 1397 in GG 22321 of 1 June, 2001.]

National Empowerment Fund

["National Empowerment Fund" added by GN 402 in GG 22047 of 16 February, 2001.]

National Energy Regulator of South Africa

["National Energy Regulator of South Africa" added by GN 1271 in GG 28237 of 25 November, 2005.]

National Film and Video Foundation

["National Film and Video Foundation" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["National Film Board" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

National Gambling Board of SA

["National Gambling Board of SA" added by GN 402 in GG 22047 of 16 February, 2001.]

National Health Laboratory Service

["National Health Laboratory Service" added by GN 683 in GG 23407 of 17 May, 2002.]

National Heritage Council (NHC)

["National Heritage Council (NHC)" added by GN 765 in GG 27599 of 27 May, 2005.]

National Home Builders Registration Council-NHBRC

["National Home Builders Registration Council-NHBRC" added by GN 402 in GG 22047 of 16 February, 2001.]

National Housing Finance Corporation

National Library, Pretoria/Cape Town

["National Library, Pretoria/Cape Town" added by GN 402 in GG 22047 of 16 February, 2001.]

National Lotteries Board

["National Lotteries Board" added by GN 402 in GG 22047 of 16 February, 2001.]

National Metrology Institute of South Africa

["National Metrology Institute of South Africa" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["National Monuments Council" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

National Museum, Bloemfontein

["National Museum, Bloemfontein" added by GN 402 in GG 22047 of 16 February, 2001.]

National Nuclear Regulator

["National Nuclear Regulator" added by GN 402 in GG 22047 of 16 February, 2001.]

National Regulator for Compulsory Specifications

["National Regulator for Compulsory Specifications" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

National Research Foundation

["National Research Foundation" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["National Small Business Council" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

National Student Financial Aid Scheme

["National Student Financial Aid Scheme" added by GN 402 in GG 22047 of 16 February, 2001.]

National Urban Reconstruction and Housing Agency-NURCHA

["National Urban Reconstruction and Housing Agency-NURCHA" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["National Year 2000 Decision Support Centre" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["National Youth Commission" deleted by GN 1253 in GG 33900 of 31 December, 2010 with effect from 1 April, 2010.]

.....
["National Zoological Gardens of SA" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1477 in GG 29293 of 20 October, 2006 (Editorial Note: GN 1477 in GG 29293 made reference to "National Zoological Gardens". We suggest "National Zoological Gardens of SA" was intended).]

Nelson Mandela Museum, Umtata

["Nelson Mandela Museum, Umtata" added by GN 402 in GG 22047 of 16 February, 2001.]

Ditsong: Museums of South Africa

["Ditsong: Museums of South Africa" previously "Northern Flagship Institution, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1250 in GG 33900 of 31 December, 2010.]

Office of the Ombudsman for Financial Services Providers

["Office of the Ombudsman for Financial Services Providers" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

Office of the Pension Funds Adjudicator

["Office of the Pension Funds Adjudicator" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

Performing Arts Council of the Free State

["Performing Arts Council Orange Free State (PACOFs), Bloemfontein" added by GN 402 in GG 22047 of 16 February, 2001.]

["Performing Arts Council of the Free State" previously "Performing Arts Council Orange Free State (PACOFs), Bloemfontein" amended by GN 1283 in GG 23619 of 19 July, 2002.]

Perishable Products Export Control Board

["Perishable Products Export Control Board" added by GN 1283 in GG 23619 of 19 July, 2002.]

.....
["Police, Private Security, Legal and Correctional Services" added by GN 402 in GG 22047 of 16 February, 2001.]

["Police, Private Security, Legal and Correctional Services Training Authority" previously "Police, Private Security, Legal and Correctional Services" amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

Ports Regulator of South Africa

["Ports Regulator of South Africa" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

.....
["Primary Agricultural Education and Training Authority (PAETA)" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1010 in GG 29050 of 28 July, 2006.]

Private Security Industry Regulatory Authority

["Private Security Industry Regulatory Authority" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

Productivity SA

["Productivity SA" previously "National Productivity Institute" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1003 in GG 31417 of 19 September, 2008.]

.....
["Public Investment Commissioners" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 1114 in GG 27773 of 15 July, 2005.]

.....
["Public Protector" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1863 in GG 22577 of 24 August, 2001.]

Public Service Sector Education and Training Authority (PSETA)

["Public Service Sector Education and Training Authority (PSETA)" previously "Public Sector Education and Training Authority" added by GN 667 in GG 28847 of 26 May, 2006 and amended by GN 800 in GG 34631 of 30 September, 2011.]

.....
["Public Services Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 2302 in GG 22860 of 30 November, 2001.]

Quality Council for Trades and Occupations (QCTO)

["Quality Council for Trades and Occupations (QCTO)" added by GN 1254 in GG 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010.]

Railway Safety Regulator

["Railway Safety Regulator" added by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["Rent Control Board" added by GN 1283 in GG 23619 of 19 July, 2002 and deleted by GN 765 in GG 27599 of 27 May, 2005.]

Road Accident Fund

Road Traffic Infringement Agency (RTIA)

["Road Traffic Infringement Agency (RTIA)" added by GN 1254 in GG 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010.]

Road Traffic Management Corporation

["Road Traffic Management Corporation" added by GN 1396 in GG 24042 of 15 November, 2002.]

Robben Island Museum, Cape Town

["Robben Island Museum, Cape Town" added by GN 402 in GG 22047 of 16 February, 2001.]

Rural Housing Loan Fund

["Rural Housing Loan Fund" added by GN 3366 in GG 25778 of 5 December, 2003.]

Safety and Security Sector Education and Training Authority (SASSETA)

["Safety and Security Sector Education and Training Authority (SASSETA)" previously "Safety and Security Sector Education and Training" added by GN 240 in GG 33059 of 1 April, 2010 with effect retrospectively from 1 July, 2005 and amended by GN 800 in GG 34631 of 30 September, 2011.]

.....

["South African Blind Workers Organization (SABWO)" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 441 in GG 28651 of 31 March, 2006 (Editorial Note: GN 441 in GG 28651 made reference to "South African Blind Workers Association (SABWO)". We suggest "South African Blind Workers Organization (SABWO)" was intended).]

.....

["SA Bureau of Standards (SABS)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001.]

SA Civil Aviation Authority

.....

["SA Communications Regulatory Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1863 in GG 22577 of 24 August, 2001.]

.....

["SA Council for Architects" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 1139 in GG 26477 of 25 June, 2004.]

SA Council for Educators

["SA Council for Educators" added by GN 402 in GG 22047 of 16 February, 2001.]

South African Diamond and Precious Metals Regulator

["SA Diamond and Precious Metals Regulator" added by GN 187 in GG 29669 of 9 March, 2007.]

.....

["SA Diamond Board" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 187 in GG 29669 of 9 March, 2007.]

.....

["SA Excellence Foundation" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1268 in GG 28237 of 25 November, 2005.]

.....

["SA Geographical Names Commission" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

SA Heritage Resources Agency

["SA Heritage Resources Agency" previously "National Heritage Council" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 683 in GG 23407 of 17 May, 2002.]

.....

["SA Housing Development Board" previously "National Housing Board" amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["SA Housing Fund" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["SA Housing Trust Limited" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

South African International Marketing Council Trust/Brand South Africa

["South African International Marketing Council Trust/Brand South Africa" previously "International Marketing Council" added by GN 1476 in GG 29293 of 20 October, 2006 and amended by GN 800 in GG 34631 of 30 September, 2011.]

SA Institute for Drug-free Sport

["SA Institute for Drug-free Sport" added by GN 402 in GG 22047 of 16 February, 2001.]

SA Library for the Blind, Grahamstown

["SA Library for the Blind, Grahamstown" added by GN 402 in GG 22047 of 16 February, 2001.]

SA Local Government Association

["SA Local Government Association" added by GN 1283 in GG 23619 of 19 July, 2002.]

SA Maritime Safety Authority

["SA Maritime Safety Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

SA Medical Research Council

SA National Accreditation System

["SA National Accreditation System" added by GN 402 in GG 22047 of 16 February, 2001.]

South African National Biodiversity Institute (SANBI)

["South African National Biodiversity Institute (SANBI)" added by GN 765 in GG 27599 of 27 May, 2005.]

South African National Energy Development Institute (SANEDI)

["South African National Energy Development Institute (SANEDI)" added by GN 1254 in GG 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010.]

South African National Parks

["South African National Parks" previously "National Parks Board" amended by GN 683 in GG 23407 of 17 May, 2002.]

SA National Roads Agency

["SA National Roads Agency" previously "National Road Fund" amended by GN 1863 in GG 22577 of 24 August, 2001.]

SA Nuclear Energy Corporation

["SA Nuclear Energy Corporation" added by GN 402 in GG 22047 of 16 February, 2001.]

SA Qualifications Authority

.....

["SA Quality Institute" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

SA Revenue Service

.....

["SA Road Board" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["SA Road Safety Council" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

South African Social Security Agency

["South African Social Assistance Agency" inserted by GN 230 in GG 28519 of 24 February, 2006 and corrected to

.....

["SA Sport Commission" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["SA Telecommunications Regulatory Authority" deleted by GN 1863 in GG 22577 of 24 August, 2001.]

SA Tourism Board

South African Weather Service

["South African Weather Service" added by GN 2302 in GG 22860 of 30 November, 2001.]

.....

["Secondary Agricultural Sector Education and Training Authority (SETSA)" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1010 in GG 29050 of 28 July, 2006.]

Servcon

["Servcon" added by GN 402 in GG 22047 of 16 February, 2001.]

Services Sector Education and Training Authority

["Services Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Small Enterprise Development Agency (SEDA)

["Small Enterprise Development Agency (SEDA)" added by GNs 1263, 1264 and 1265 in GG 28237 of 25 November, 2005.]

Social Housing Foundation

["Social Housing Foundation" added by GN 1397 in GG 22321 of 1 June, 2001.]

Special Investigation Unit

["Special Investigation Unit" added by GN 402 in GG 22047 of 16 February, 2001.]

State Information Technology Agency

State Theatre, Pretoria

["State Theatre, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001.]

The Co-Operative Banks Development Agency

["The Co-Operative Banks Development Agency" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

The National English Literary Museum, Grahamstown

["The National English Literary Museum, Grahamstown" added by GN 402 in GG 22047 of 16 February, 2001.]

The National Radioactive Waste Disposal Institute (NRWDI)

["The National Radioactive Waste Disposal Institute (NRWDI)" added and classified by GN 796 in GG 34631 of 30 September, 2011.]

The Playhouse Company, Durban

["The Playhouse Company, Durban" added by GN 402 in GG 22047 of 16 February, 2001.]

The Social Housing Regulatory Authority (SHRA)

["The Social Housing Regulatory Authority (SHRA)" added by GN 1254 in GG 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010.]

Thubelisha Homes

["Thubelisha Homes" added by GN 402 in GG 22047 of 16 February, 2001.]

Tourism and Hospitality Education and Training Authority

["Tourism and Hospitality Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Investment South Africa" added by GN 402 in GG 22047 of 16 February, 2001.]

["Trade and Investment South Africa" previously "Investment South Africa" amended by GN 1863 in GG 22577 of 24 August, 2001.]

["Trade and Investment South Africa" moved from Schedule 3B to Schedule 3A by GN 2302 in GG 22860 of 30 November, 2001.]

["Trade and Investment South Africa" deleted by GN 1000 in GG 31417 of 19 September, 2008.]

Transport Education and Training Authority

["Transport Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

uMahlusi Council for Quality Assurance in General and Further Education and Training

["uMahlusi Council for Quality Assurance in General and Further Education and Training" previously "SA Certification Council" amended by GN 1396 in GG 24042 of 15 November, 2002.]

Unemployment Insurance Fund

Universal Service and Access Agency of South Africa

["Universal Services Agency" added by GN 402 in GG 22047 of 16 February, 2001.]

["Universal Service Agency" previously "Universal Services Agency" amended by GN 1863 in GG 22577 of 24 August, 2001.]

["Universal Service and Access Agency of South Africa" previously "Universal Service Agency" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Universal Service and Access Fund

["Universal Services Fund" added by GN 402 in GG 22047 of 16 February, 2001.]

["Universal Service Fund" previously "Universal Services Fund" amended by GN 2302 in GG 22860 of 30 November, 2001.]

["Universal Service and Access Fund" previously "Universal Service Fund" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Urban Transport Fund

["Urban Transport Fund" added by GN 1397 in GG 22321 of 1 June, 2001.]

Voortrekker Museum, Pietermaritzburg

["Voortrekker Museum, Pietermaritzburg" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Wage Board" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

War Museum of the Boer Republics, Bloemfontein

["War Museum of the Boer Republics, Bloemfontein" added by GN 402 in GG 22047 of 16 February, 2001.]

Water Research Commission

Wholesale and Retail Sector Education and Training Authority

["Wholesale and Retail Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

William Humphreys Art Gallery

["William Humphreys Art Gallery" added by GN 402 in GG 22047 of 16 February, 2001 and by GN 1283 in GG 23619 of 19 July, 2002.]

Windybrow Centre

["Windybrow Centre" added by GN 683 in GG 23407 of 17 May, 2002.]

.....

["Woordeboek van die Afrikaanse Taal (WAT), Paarl" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 188 in Government Gazette 36225 of 15 March, 2013)

(Prior to amendment by Government Notice No. 188 in Government Gazette 36225 of 15 March, 2013)

Part C: Provincial Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005, under General Notices Nos. 1266, 1267 and 1270 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notices Nos. 462 and 476 in *Government Gazette* 28679 of 7 April, 2006 with effect from 7 April, 2006, under General Notice No. 797 in *Government Gazette* 28937 of 23 June, 2006 with effect from 23 June, 2006, under General Notice No. 1475 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006, under Government Notice No. 7 in *Government Gazette* 30637 of 4 January, 2008 with effect from 4 January, 2008, under Government Notice No. 1001 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice No. 1003 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice No. 241 in *Government Gazette* 33059 of 1 April, 2010 with effect from 1 April, 2010, under Government Notices Nos. 1247, 1248 and 1249 in *Government Gazette* 33900 of 31 December, 2010, with effect from 1 April, 2004, 1 July 2010 and 8 June 2010 respectively, under Government Notice No. 364 in *Government Gazette* 34233 of 29 April, 2011 with effect retrospectively from 1 April, 2010 and under Government Notice No. 798 in *Government Gazette* 34631 of 30 September, 2011.]

Commissioner for the Environment

["Commissioner for the Environment" added by GN 765 in GG 27599 of 27 May, 2005 (Editorial Note: No Province indicated).]

Destination Marketing Organisation

["Destinations Marketing Organisation" previously "Destinations Marketing Organisation" added by GN 7 in GG 30637 of 4 January, 2008 and amended by GN 1003 in GG 31417 of 19 September, 2008 (Editorial Note: No Province indicated).]

Dube TradePort Corporation (DTPC)

["Dube TradePort Corporation (DTPC)" added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f from 1 April 2011 (Editorial Note: No Province indicated).]

XHASA ATC Agency

["XHASA ATC Agency" added and classified by GN 1001 in GG 31417 of 19 September, 2008 (Editorial Note: No Province indicated).]

Eastern Cape:

.....

["Centre for Investment and Marketing in the Eastern Cape" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Eastern Cape Appropriate Technology Unit

Eastern Cape Arts Council

.....

["Eastern Cape Consumer Affairs Court" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Eastern Cape Development Corporation" moved from Schedule 3C to Schedule 3D.]

.....

["Eastern Cape Development Tribunal" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

Eastern Cape Gambling and Betting Board

Eastern Cape Liquor Board

.....

["Eastern Cape Local Road Transport Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....
["Eastern Cape Museums" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Eastern Cape Parks and Tourism Agency (ECPTA)

["Eastern Cape Parks and Tourism Agency (ECPTA)" added by GN 1248 in GG 33900 of 31 December, 2010 with effect from 1 July, 2010.]

.....
["Eastern Cape Parks Board" added by GN 1270 in GG 28237 of 25 November, 2005 and deleted by GN 1249 in GG 33900 of 31 December, 2010.]

.....
["Eastern Cape Provincial Housing Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Eastern Cape Provincially Aided Libraries

.....
["Eastern Cape Regional Authorities" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Eastern Cape Rural Finance Corporation Limited

["Eastern Cape Rural Finance Corporation Limited" previously "Eastern Cape Agricultural Bank" amended by GN 1283 in GG 23619 of 19 July, 2002.]

Eastern Cape Socio-Economic Consultative Council

.....
["Eastern Cape Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....
["Eastern Cape Tourism Board" deleted by GN 1249 in GG 33900 of 31 December, 2010.]

.....
["Eastern Cape Township Board" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

Eastern Cape Youth Commission

["Eastern Cape Youth Commission" added by GN 1261 in GG 24731 of 17 April, 2003.]

.....
["Eastern Region Entrepreneurial Support Centre" added by GN 1283 in GG 23619 of 19 July, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....
["East London Industrial Development Zone Corporation" added by GN 3366 in GG 25778 of 5 December, 2003 moved from Schedule 3C to Schedule 3D by GN 1267 in GG 28237 of 25 November, 2005.]

Free State:

.....
["Free State Consumer Affairs" added by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 462 in GG 28679 of 7 April, 2006.]

.....
["Free State Council for Citizenship, Education and Conflict Resolution" added by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Free State Gambling and Liquor Authority (FSGLA)

["Free State Gambling and Liquor Authority (FSGLA)" added by GN 1248 in GG 33900 of 31 December, 2010 with effect from 8 June, 2010.]

.....
["Free State Gambling and Racing Board" previously "Free State Gambling and Gaming Board" amended by GN 765 in GG 27599 of 27 May, 2005 and deleted by GN 1249 in GG 33900 of 31 December, 2010.]

.....
["Free State Investment Agency" added by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 462 in GG 28679 of 7 April, 2006.]

.....
["Free State Liquor Board" deleted by GN 462 in GG 28679 of 7 April, 2006.]

.....
["Free State Mangaung Nursing College" added by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 462 in GG 28679 of 7 April, 2006.]

.....
["Free State Rural Foundation" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....
["Free State Rural Strategy Unit" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....
["Free State Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Free State Tourism Authority

["Free State Tourism Authority" added by GN 797 in GG 28937 of 23 June, 2006.]

.....
["Free State Tourism Board" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....
["Free State Youth Commission" deleted by GN 241 in GG 33059 of 1 April, 2010.]

Phakisa Major Sport and Development Corporation

["Phakisa Major Sport and Development Corporation" added by GN 1396 in GG 24042 of 15 November, 2002.]

Gauteng:

Blue IQ Investment Holdings (Pty) Ltd

["Blue IQ Investment Holdings (Pty) Ltd" added by GN 1139 in GG 26477 of 25 June, 2004.]

.....
["Gauteng Agriculture and Farming Development Trust" added by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 1475 in GG 29293 of 20 October, 2006 (Editorial Note: GN 1475 in GG 29293 made reference to "Gauteng Agriculture and Farming Trust". We suggest "Gauteng Agriculture and Farming Development Trust" was intended).]

.....
["Gauteng Consumer Affairs Court" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....
["Gauteng Development Tribunal" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Gauteng Economic Development Agency

.....
["Gauteng Education and Training Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Gauteng Enterprise Propeller

["Gauteng Enterprise Propeller" added and classified by GN 1001 in GG 31417 of 19 September, 2008.]

Gauteng Gambling Board

.....
["Gauteng Housing Fund" previously "Gauteng Provincial Housing Board" amended by GN 2302 in GG 22860 of 30 November, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....
["Gauteng Municipal Demarcation Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Gauteng Partnership Fund (GPF)

["Gauteng Partnership Fund (GPF)" added by GN 1266 in GG 28237 of 25 November, 2005.]

.....
["Gauteng Rental Housing Tribunal" added by GN 1283 in GG 23619 of 19 July, 2002 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["Gauteng Services Appeal Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Gauteng Tourism Authority

.....

["Gauteng Townships Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Gautrain Management Agency

["Gautrain Management Agency" added by GN 1001 in GG 31417 of 19 September, 2008.]

KwaZulu-Natal:

Amafa Akwazulu Natali

["Amafa Akwazulu Natali" previously "KwaZulu-Natal Monuments Council" amended by GN 1261 in GG 24731 of 17 April, 2003.]

Ezemvelo KwaZulu-Natal Wildlife

["Ezemvelo KwaZulu-Natal Wildlife" previously "KwaZulu-Natal Conservation Services" amended by GN 1261 in GG 24731 of 17 April, 2003.]

Agri-Business Development Agency

["Agri-Business Development Agency" previously "KwaZulu-Natal Agricultural Development Trust" added by GN 1139 in GG 26477 of 25 June, 2004 and amended by GN 1247 in GG 33900 of 31 December, 2010.]

.....

["KwaZulu-Natal Appeals Tribunal" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Development Tribunal" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Economic Council" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

KwaZulu-Natal Gambling Board

KwaZulu-Natal Gaming and Betting Board

["KwaZulu-Natal Gaming and Betting Board" added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f 1 April, 2011.]

KwaZulu-Natal House of Traditional Leaders

.....

["KwaZulu-Natal International Airport Development Initiative" deleted by GN 1261 in GG 24731 of 17 April 2003.]

.....

["KwaZulu-Natal Liquor Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Local Roads Transportation Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["KwaZulu-Natal Marketing Initiative" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Private Townships Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Provincial Peace Committee" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

KwaZulu-Natal Provincial Planning and Development Commission

["KwaZulu-Natal Provincial Planning and Development Commission" previously "KwaZulu-Natal Town and Regional Planning Commission" amended by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Kwazulu-Natal Taxi Council" re-listed by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["KwaZulu-Natal Taxi Task Team" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["KwaZulu-Natal Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

KwaZulu-Natal Tourism Authority

.....

["KwaZulu-Natal Townships Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Youth Commission" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Natal Arts Trust" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Natal Sharks Board

.....

["Natal Trust Fund" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["S.A. Life Saving" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Trade and Investment KwaZulu-Natal

["Trade and Investment KwaZulu-Natal" added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f 1 April, 2011.]

uMsekeli Municipal Support Services

["uMsekeli Municipal Support Services" previously "KwaZulu-Natal Development & Services Board" amended by GN 2302 in GG 22860 of 30 November, 2001.]

Mpumalanga:

Mpumalanga Economic Empowerment Corporation

["Mpumalanga Economic Empowerment Corporation" added by GN 683 in GG 23407 of 17 May, 2002.]

.....

["Mpumalanga Gambling Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Mpumalanga Gaming Board

["Mpumalanga Gaming Board" previously "Mpumalanga Gambling Board" added by GN 683 in GG 23407 of 17 May, 2002 and amended by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Mpumalanga Housing Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Mpumalanga Investment Initiative" added by GN 1397 in GG 22321 of 1 June, 2001 and by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Mpumalanga Parks Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Mpumalanga Regional Training Trust

["Mpumalanga Regional Training Trust" added by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Mpumalanga Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Mpumalanga Tourism and Parks Board

["Mpumalanga Tourism and Parks Board" added and classified by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Mpumalanga Tourism Authority" added by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Northern Cape:

Kalahari Kid Corporation (KKC)

["Kalahari Kid Corporation (KKC)" added by GN 1248 in GG 33900 of 31 December, 2010 with effect from 1 April, 2004.]

Northern Cape Economic Development, Trade and Investment Promotion Agency (NCEDA)

["Northern Cape Economic Development, Trade and Investment Promotion Agency (NCEDA)" added by GN 364 in GG 34233 of 29 April, 2011 with effect retrospectively from 1 April, 2010.]

.....

["Northern Cape Economic Development Unit" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Northern Cape Gambling and Racing Board" previously "Northern Cape Gambling Board" amended by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Northern Cape Gambling Board

["Northern Cape Gambling Board" added and classified by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Northern Cape Housing Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Northern Cape Liquor Board

["Northern Cape Liquor Board" deleted by GN 1261 in GG 24731 of 17 April, 2003 and re-added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f 1 April, 2010.]

.....

["Northern Cape Local Transportation Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Northern Cape Provincial Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Northern Cape Tourism Authority

.....

["Northern Cape Youth Commission" deleted by GN 1139 in GG 26477 of 25 June, 2004.]

Northern Province:

.....

["Gateway International Airport" deleted by GN 476 in GG 28679 of 7 April, 2006.]

Limpopo Agribusiness Development Corporation

["Limpopo Agribusiness Development Corporation" added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f 1 April, 2009.]

Limpopo Appeal Tribunals

["Limpopo Appeal Tribunals" previously "Northern Province Appeal Tribunals" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Limpopo Development Enterprise

["Limpopo Development Enterprise" inserted by GN 476 in GG 28679 of 7 April, 2006.]

Limpopo Development Tribunals

["Limpopo Development Tribunals" previously "Northern Province Development Tribunals" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Limpopo Gambling Board

["Limpopo Gambling Board" inserted by GN 476 in GG 28679 of 7 April, 2006.]

Limpopo Housing Board

["Limpopo Housing Board" previously "Northern Province Housing Board" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Limpopo Liquor Board

["Limpopo Liquor Board" previously "Northern Province Liquor Board" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Limpopo Local Business Centres

["Limpopo Local Business Centres" previously "Northern Province Local Business Centres" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Limpopo Panel of Mediators

["Limpopo Panel of Mediators" previously "Northern Province Panel of Mediators" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Limpopo Planning Commission

["Limpopo Planning Commission" previously "Northern Province Planning Commission" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Limpopo Roads Agency

["Limpopo Roads Agency" previously "Northern Province Roads Agency" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1003 in GG 31417 of 19 September, 2008.]

Limpopo Tourism and Parks Board

["Limpopo Tourism and Parks Board" inserted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Northern Province Agricultural and Rural Development Corporation" deleted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Northern Province Gaming Board" deleted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Northern Province Investment Initiative" deleted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Northern Province Provincial Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Northern Province Tourism Board" deleted by GN 476 in GG 28679 of 7 April, 2006.]

Trade and Investment Limpopo

["Trade and Investment Limpopo" inserted by GN 476 in GG 28679 of 7 April, 2006.]

North West:

Invest North West

["Invest North West" added by GN 1283 in GG 23619 of 19 July, 2002.]

Mmabana Arts, Culture and Sport Foundation

["Mmabana Arts, Culture and Sport Foundation" previously "NW Arts Council" and "NW Mmabana Cultural Foundation" amended by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["NW Agricultural Services Corporation" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["NW Arts Council" renamed by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["NW Communication Service" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

NW Eastern Region Entrepreneurial Support Centre

NW Gambling Board

NW Housing Corporation

.....

["NW Mmabana Cultural Foundation" renamed by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["NW Ombudsman" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

NW Parks and Tourism Board

NW Provincial Aids Council

["NW Provincial Aids Council" added by GN 1283 in GG 23619 of 19 July, 2002.]

North West Provincial Heritage Resources Authority

["North West Provincial Heritage Resources Authority" added and classified by GN 1001 in GG 31417 of 19 September, 2008.]

Provincial Arts and Culture Council

["Provincial Arts and Culture Council" added by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["NW Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

NW Youth Development Trust

["NW Youth Development Trust" added by GN 1283 in GG 23619 of 19 July, 2002.]

Western Cape:

Western Cape Cultural Commission

["Western Cape Cultural Commission" added by GN 1397 in GG 22321 of 1 June, 2001.]

WC Gambling and Racing Board

.....

["WC Housing Development Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

WC Investment and Trade Promotion Agency

Western Cape Language Committee

["Western Cape Language Committee" added by GN 1397 in GG 22321 of 1 June, 2001.]

WC Liquor Board

Western Cape Nature Conservation Board

["Western Cape Nature Conservation Board" added by GN 402 in GG 22047 of 16 February, 2001.]

WC Provincial Development Council

.....

["WC Provincial Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["WC Tourism Board" deleted by GN 7 in GG 30637 of 4 January, 2008.]

.....

["Western Cape Provincial Youth Commission" added by GN 765 in GG 27599 of 27 May, 2005 and deleted by GN 241 in GG 33059 of 1 April, 2010.]

Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 189 in Government Gazette 36225 of 15 March, 2013)

(Prior to amendment by Government Notice No. 189 in Government Gazette 36225 of 15 March, 2013)

Schedule 3, Part C

Part C: Provincial Public Entities

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15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005, under General Notices Nos. 1266, 1267 and 1270 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notices Nos. 462 and 476 in *Government Gazette* 28679 of 7 April, 2006 with effect from 7 April, 2006, under General Notice No. 797 in *Government Gazette* 28937 of 23 June, 2006 with effect from 23 June, 2006, under General Notice No. 1475 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006, under Government Notice No. 7 in *Government Gazette* 30637 of 4 January, 2008 with effect from 4 January, 2008, under Government Notice No. 1001 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice No. 241 in *Government Gazette* 33059 of 1 April, 2010 with effect from 1 April, 2010, under Government Notices Nos. 1247, 1248 and 1249 in *Government Gazette* 33900 of 31 December, 2010, with effect from 1 April, 2004, 1 July 2010 and 8 June 2010 respectively, under Government Notice No. 364 in *Government Gazette* 34233 of 29 April, 2011 with effect retrospectively from 1 April, 2010, under Government Notice No. 798 in *Government Gazette* 34631 of 30 September, 2011 and under Government Notice No. 188 in *Government Gazette* 36225 of 15 March, 2013.]

Commissioner for the Environment

["Commissioner for the Environment" added by GN 765 in GG 27599 of 27 May, 2005 (Editorial Note: No Province indicated).]

Destination Marketing Organisation

["Destinations Marketing Organisation" previously "Destinations Marketing Organisation" added by GN 7 in GG 30637 of 4 January, 2008 and amended by GN 1001 in GG 31417 of 19 September, 2008 (Editorial Note: No Province indicated).]

Dube TradePort Corporation (DTPC)

["Dube TradePort Corporation (DTPC)" added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f from 1 April 2011 (Editorial Note: No Province indicated).]

XHASA ATC Agency

["XHASA ATC Agency" added and classified by GN 1001 in GG 31417 of 19 September, 2008 (Editorial Note: No Province indicated).]

Eastern Cape:

.....

["Centre for Investment and Marketing in the Eastern Cape" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Eastern Cape Appropriate Technology Unit

Eastern Cape Arts Council

.....

["Eastern Cape Consumer Affairs Court" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Eastern Cape Development Corporation" moved from Schedule 3C to Schedule 3D.]

.....

["Eastern Cape Development Tribunal" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

Eastern Cape Gambling and Betting Board

Eastern Cape Liquor Board

.....

["Eastern Cape Local Road Transport Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Eastern Cape Museums" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Eastern Cape Parks and Tourism Agency (ECPTA)

["Eastern Cape Parks and Tourism Agency (ECPTA)" added by GN 1248 in GG 33900 of 31 December, 2010 with effect from 1 July, 2010.]

.....

["Eastern Cape Parks Board" added by GN 1270 in GG 28237 of 25 November, 2005 and deleted by GN 1249 in GG 33900 of 31 December, 2010.]

.....
["Eastern Cape Provincial Housing Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Eastern Cape Provincially Aided Libraries

.....
["Eastern Cape Regional Authorities" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Eastern Cape Rural Finance Corporation Limited

["Eastern Cape Rural Finance Corporation Limited" previously "Eastern Cape Agricultural Bank" amended by GN 1283 in GG 23619 of 19 July, 2002.]

Eastern Cape Socio-Economic Consultative Council

.....
["Eastern Cape Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....
["Eastern Cape Tourism Board" deleted by GN 1249 in GG 33900 of 31 December, 2010.]

.....
["Eastern Cape Township Board" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

Eastern Cape Youth Commission

["Eastern Cape Youth Commission" added by GN 1261 in GG 24731 of 17 April, 2003.]

.....
["Eastern Region Entrepreneurial Support Centre" added by GN 1283 in GG 23619 of 19 July, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....
["East London Industrial Development Zone Corporation" added by GN 3366 in GG 25778 of 5 December, 2003 moved from Schedule 3C to Schedule 3D by GN 1267 in GG 28237 of 25 November, 2005.]

Free State:

.....
["Free State Consumer Affairs" added by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 462 in GG 28679 of 7 April, 2006.]

.....
["Free State Council for Citizenship, Education and Conflict Resolution" added by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Free State Gambling and Liquor Authority (FSGLA)

["Free State Gambling and Liquor Authority (FSGLA)" added by GN 1248 in GG 33900 of 31 December, 2010 with effect from 8 June, 2010.]

.....
["Free State Gambling and Racing Board" previously "Free State Gambling and Gaming Board" amended by GN 765 in GG 27599 of 27 May, 2005 and deleted by GN 1249 in GG 33900 of 31 December, 2010.]

.....
["Free State Investment Agency" added by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 462 in GG 28679 of 7 April, 2006.]

.....
["Free State Liquor Board" deleted by GN 462 in GG 28679 of 7 April, 2006.]

.....
["Free State Mangaung Nursing College" added by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 462 in GG 28679 of 7 April, 2006.]

.....
["Free State Rural Foundation" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["Free State Rural Strategy Unit" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["Free State Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Free State Tourism Authority

["Free State Tourism Authority" added by GN 797 in GG 28937 of 23 June, 2006.]

.....

["Free State Tourism Board" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["Free State Youth Commission" deleted by GN 241 in GG 33059 of 1 April, 2010.]

Phakisa Major Sport and Development Corporation

["Phakisa Major Sport and Development Corporation" added by GN 1396 in GG 24042 of 15 November, 2002.]

Gauteng:

Blue IQ Investment Holdings (Pty) Ltd

["Blue IQ Investment Holdings (Pty) Ltd" added by GN 1139 in GG 26477 of 25 June, 2004.]

.....

["Gauteng Agriculture and Farming Development Trust" added by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 1475 in GG 29293 of 20 October, 2006 (Editorial Note: GN 1475 in GG 29293 made reference to "Gauteng Agriculture and Farming Trust". We suggest "Gauteng Agriculture and Farming Development Trust" was intended).]

.....

["Gauteng Consumer Affairs Court" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Gauteng Development Tribunal" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Gauteng Economic Development Agency

.....

["Gauteng Education and Training Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Gauteng Enterprise Propeller

["Gauteng Enterprise Propeller" added and classified by GN 1001 in GG 31417 of 19 September, 2008.]

Gauteng Gambling Board

.....

["Gauteng Housing Fund" previously "Gauteng Provincial Housing Board" amended by GN 2302 in GG 22860 of 30 November, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Gauteng Municipal Demarcation Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Gauteng Partnership Fund (GPF)

["Gauteng Partnership Fund (GPF)" added by GN 1266 in GG 28237 of 25 November, 2005.]

.....

["Gauteng Rental Housing Tribunal" added by GN 1283 in GG 23619 of 19 July, 2002 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["Gauteng Services Appeal Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Gauteng Tourism Authority

.....

["Gauteng Townships Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Gautrain Management Agency

["Gautrain Management Agency" added by GN 1001 in GG 31417 of 19 September, 2008.]

KwaZulu-Natal:

Amafa Akwazulu Natali

["Amafa Akwazulu Natali" previously "KwaZulu-Natal Monuments Council" amended by GN 1261 in GG 24731 of 17 April, 2003.]

Ezemvelo KwaZulu-Natal Wildlife

["Ezemvelo KwaZulu-Natal Wildlife" previously "KwaZulu-Natal Conservation Services" amended by GN 1261 in GG 24731 of 17 April, 2003.]

Agri-Business Development Agency

["Agri-Business Development Agency" previously "KwaZulu-Natal Agricultural Development Trust" added by GN 1139 in GG 26477 of 25 June, 2004 and amended by GN 1247 in GG 33900 of 31 December, 2010.]

.....

["KwaZulu-Natal Appeals Tribunal" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Development Tribunal" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Economic Council" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

KwaZulu-Natal Gambling Board

KwaZulu-Natal Gaming and Betting Board

["KwaZulu-Natal Gaming and Betting Board" added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f 1 April, 2011.]

KwaZulu-Natal House of Traditional Leaders

.....

["KwaZulu-Natal International Airport Development Initiative" deleted by GN 1261 in GG 24731 of 17 April 2003.]

.....

["KwaZulu-Natal Liquor Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Local Roads Transportation Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["KwaZulu-Natal Marketing Initiative" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Private Townships Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Provincial Peace Committee" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

KwaZulu-Natal Provincial Planning and Development Commission

["KwaZulu-Natal Provincial Planning and Development Commission" previously "KwaZulu-Natal Town and Regional Planning Commission" amended by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Kwazulu-Natal Taxi Council" re-listed by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["KwaZulu-Natal Taxi Task Team" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["KwaZulu-Natal Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

KwaZulu-Natal Tourism Authority

.....

["KwaZulu-Natal Townships Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Youth Commission" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Natal Arts Trust" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Natal Sharks Board

.....

["Natal Trust Fund" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["S.A. Life Saving" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Trade and Investment KwaZulu-Natal

["Trade and Investment KwaZulu-Natal" added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f 1 April, 2011.]

uMsekeli Municipal Support Services

["uMsekeli Municipal Support Services" previously "KwaZulu-Natal Development & Services Board" amended by GN 2302 in GG 22860 of 30 November, 2001.]

Mpumalanga:

Mpumalanga Economic Empowerment Corporation

["Mpumalanga Economic Empowerment Corporation" added by GN 683 in GG 23407 of 17 May, 2002.]

.....

["Mpumalanga Gambling Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Mpumalanga Gaming Board

["Mpumalanga Gaming Board" previously "Mpumalanga Gambling Board" added by GN 683 in GG 23407 of 17 May, 2002 and amended by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Mpumalanga Housing Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Mpumalanga Investment Initiative" added by GN 1397 in GG 22321 of 1 June, 2001 and by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Mpumalanga Parks Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Mpumalanga Regional Training Trust

["Mpumalanga Regional Training Trust" added by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Mpumalanga Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Mpumalanga Tourism and Parks Board

["Mpumalanga Tourism and Parks Board" added and classified by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Mpumalanga Tourism Authority" added by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Northern Cape:

Kalahari Kid Corporation (KKC)

["Kalahari Kid Corporation (KKC)" added by GN 1248 in GG 33900 of 31 December, 2010 with effect from 1 April, 2004.]

Northern Cape Economic Development, Trade and Investment Promotion Agency (NCEDA)

["Northern Cape Economic Development, Trade and Investment Promotion Agency (NCEDA)" added by GN 364 in GG 34233 of 29 April, 2011 with effect retrospectively from 1 April, 2010.]

.....

["Northern Cape Economic Development Unit" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Northern Cape Gambling and Racing Board" previously "Northern Cape Gambling Board" amended by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Northern Cape Gambling Board

["Northern Cape Gambling Board" added and classified by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Northern Cape Housing Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Northern Cape Liquor Board

["Northern Cape Liquor Board" deleted by GN 1261 in GG 24731 of 17 April, 2003 and re-added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f 1 April, 2010.]

.....

["Northern Cape Local Transportation Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Northern Cape Provincial Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Northern Cape Tourism Authority

.....

["Northern Cape Youth Commission" deleted by GN 1139 in GG 26477 of 25 June, 2004.]

Northern Province:

.....

["Gateway International Airport" deleted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Limpopo Agribusiness Development Corporation" added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f 1 April, 2009 and deleted by GN 188 in GG 36225 of 15 March, 2013 with effect retrospectively from 1 December, 2012.]

Limpopo Appeal Tribunals

["Limpopo Appeal Tribunals" previously "Northern Province Appeal Tribunals" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Limpopo Development Enterprise

["Limpopo Development Enterprise" inserted by GN 476 in GG 28679 of 7 April, 2006.]

Limpopo Development Tribunals

["Limpopo Development Tribunals" previously "Northern Province Development Tribunals" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Limpopo Gambling Board

["Limpopo Gambling Board" inserted by GN 476 in GG 28679 of 7 April, 2006.]

Limpopo Housing Board

["Limpopo Housing Board" previously "Northern Province Housing Board" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Limpopo Liquor Board

["Limpopo Liquor Board" previously "Northern Province Liquor Board" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Limpopo Local Business Centres

["Limpopo Local Business Centres" previously "Northern Province Local Business Centres" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Limpopo Panel of Mediators

["Limpopo Panel of Mediators" previously "Northern Province Panel of Mediators" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Limpopo Planning Commission

["Limpopo Planning Commission" previously "Northern Province Planning Commission" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Limpopo Roads Agency

["Limpopo Roads Agency" previously "Northern Province Roads Agency" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1003 in GG 31417 of 19 September, 2008.]

Limpopo Tourism and Parks Board

["Limpopo Tourism and Parks Board" inserted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Northern Province Agricultural and Rural Development Corporation" deleted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Northern Province Gaming Board" deleted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Northern Province Investment Initiative" deleted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Northern Province Provincial Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Northern Province Tourism Board" deleted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Trade and Investment Limpopo" inserted by GN 476 in GG 28679 of 7 April, 2006 and deleted by GN 188 in GG 36225 of 15 March, 2013 with effect retrospectively from 1 December, 2012.]

North West:

Invest North West

["Invest North West" added by GN 1283 in GG 23619 of 19 July, 2002.]

Mmabana Arts, Culture and Sport Foundation

["Mmabana Arts, Culture and Sport Foundation" previously "NW Arts Council" and "NW Mmabana Cultural Foundation" amended by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["NW Agricultural Services Corporation" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["NW Arts Council" renamed by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["NW Communication Service" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

NW Eastern Region Entrepreneurial Support Centre

NW Gambling Board

NW Housing Corporation

.....

["NW Mmabana Cultural Foundation" renamed by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["NW Ombudsman" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

NW Parks and Tourism Board

NW Provincial Aids Council

["NW Provincial Aids Council" added by GN 1283 in GG 23619 of 19 July, 2002.]

North West Provincial Heritage Resources Authority

["North West Provincial Heritage Resources Authority" added and classified by GN 1001 in GG 31417 of 19 September, 2008.]

Provincial Arts and Culture Council

["Provincial Arts and Culture Council" added by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["NW Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

NW Youth Development Trust

["NW Youth Development Trust" added by GN 1283 in GG 23619 of 19 July, 2002.]

Western Cape:

Western Cape Cultural Commission

["Western Cape Cultural Commission" added by GN 1397 in GG 22321 of 1 June, 2001.]

WC Gambling and Racing Board

.....

["WC Housing Development Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

WC Investment and Trade Promotion Agency

Western Cape Language Committee

["Western Cape Language Committee" added by GN 1397 in GG 22321 of 1 June, 2001.]

WC Liquor Board

Western Cape Nature Conservation Board

["Western Cape Nature Conservation Board" added by GN 402 in GG 22047 of 16 February, 2001.]

WC Provincial Development Council

.....

["WC Provincial Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["WC Tourism Board" deleted by GN 7 in GG 30637 of 4 January, 2008.]

.....

["Western Cape Provincial Youth Commission" added by GN 765 in GG 27599 of 27 May, 2005 and deleted by GN 241 in GG 33059 of 1 April, 2010.]

Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 190 in Government Gazette 36225 of 15 March, 2013)

(Prior to amendment by Government Notice No. 190 in Government Gazette 36225 of 15 March, 2013)

Schedule 3, Part A

Part A: National Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under Government Notice No. 504 in *Government Gazette* 22337 of 8 June, 2001 with effect from 8 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No. 1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005; under General Notice No. 1114 in *Government Gazette* 27773 of 15 July, 2005 with effect from 15 July, 2005; under General Notices Nos. 1263, 1264, 1265, 1268, 1269 and 1271 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notice No.

230 in *Government Gazette* 28519 of 24 February, 2006 with effect from 24 February, 2006, under General Notice No. 396 in *Government Gazette* No. 28605 of 17 March, 2006 with effect from 17 March, 2006, under General Notices Nos. 436 and 441 in *Government Gazette* 28651 of 31 March, 2006 with effect from 31 March, 2006, under General Notice No. 602 in *Government Gazette* 28798 of 12 May, 2006 with effect from 12 May, 2006, under General Notice No. 667 in *Government Gazette* 28847 of 26 May, 2006 with effect from 26 May, 2006, under General Notice No. 972 in *Government Gazette* 29033 of 21 July, 2006 with effect from 21 July, 2006 and subject to Rand Water not exceeding their debt limit, as provided in the *Government Gazette* Notice 23450 of 31 May, 2002, under General Notice Nos. 1010 and 1011 in *Government Gazette* 29050 of 28 July, 2006 with effect from 28 July, 2006, under General Notices Nos. 1476 and 1477 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006, under Government Notice No. 187 in *Government Gazette* 29669 of 9 March, 2007 with effect from 9 March, 2007, under Government Notice No. 1000 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice No. 1003 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008; under Government Notice No. 240 in *Government Gazette* 33059 of 1 April, 2010 with effect retrospectively from 1 July, 2005, under Government Notices Nos. 241 and 242 in *Government Gazette* 33059 of 1 April, 2010 with effect from 1 April, 2010, under Government Notice No. 1250 in *Government Gazette* 33900 of 31 December, 2010, under Government Notices Nos. 1253 and 1254 in *Government Gazette* 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010, under Government Notice No. 363 in *Government Gazette* 34233 of 29 April, 2011, with effect retrospectively from 1 April, 2011, under Government Notice Nos. 796, 797 (with effect retrospectively from 1 April, 2011) and 800 in *Government Gazette* 34631 of 30 September, 2011 and under Government Notice No. 187 in *Government Gazette* 16225 of 15 March, 2013, with effect retrospectively from 16 February, 2001.]

Accounting Standards Board

Africa Institute of South Africa, Pretoria

["Africa Institute of South Africa, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001.]

African Renaissance and International Cooperation Fund

["African Renaissance and International Cooperation Fund" added by GN 1139 in GG 26477 of 25 June, 2004.]

Afrikaanse Taalmuseum, Paarl

["Afrikaanse Taalmuseum, Paarl" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Agricultural Credit Board" deleted by GN 1863 in GG 22577 of 24 August, 2001.]

Agricultural Research Council

AGRISETA

["AGRISETA" added by GN 1010 in GG 29050 of 28 July, 2006.]

.....

["Air Services Licensing Council" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

Artscape

["Cape Performing Arts Board (CAPAB), Cape Town" added by GN 402 in GG 22047 of 16 February, 2001.]

["Artscape" previously "Cape Performing Arts Board (CAPAB), Cape Town" amended by GN 1283 in GG 23619 of 19 July, 2002.]

Banking Sector Education and Training Authority

["Banking Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Board on Tariffs and Trade" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Boxing South Africa

["Boxing South Africa" added by GN 3366 in GG 25778 of 5 December, 2003.]

Breede River Catchment Management Agency

["Breede River Catchment Management Agency" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["Business and Arts South Africa (BASA)" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 441 in GG 28651 of 31 March, 2006.]

Castle Control Board

["Castle Control Board" previously "Castle Management Board" added by GN 1397 in GG 22321 of 1 June, 2001 and amended by GN 1863 in GG 22577 of 24 August, 2001 and by GN 2302 in GG 22860 of 30 November, 2001.]

.....

["Certification Council for Technikon Education" deleted by GN 683 in GG 23407 of 17 May, 2002.]

Chemical Industries Education and Training Authority

["Chemical Industries Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Clothing, Textiles, Footwear and Leather Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 797 in GG 34631 of 30 September, 2011.]

Commission for Conciliation, Mediation & Arbitration

Companies and Intellectual Property Commission

["Companies and Intellectual Property Commission" added by GN 1254 in GG 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010.]

Companies Tribunal

["Companies Tribunal" added by GN 363 in GG 34233 of 29 April, 2011 with effect retrospectively from 1 April, 2011.]

.....

["Compensation Board" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Compensation Fund, including Reserve Fund

["Compensation Fund, including Reserve Fund" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Competition Board" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Competition Commission

["Competition Commission" added by GN 402 in GG 22047 of 16 February, 2001.]

Competition Tribunal

["Competition Tribunal" added by GN 402 in GG 22047 of 16 February, 2001.]

Construction Education and Training Authority

["Construction Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Construction Industry Development Board

["Construction Industry Development Board" added by GN 2302 in GG 22860 of 30 November, 2001.]

Council for Built Environment (CBE)

["Council for Built Environment (CBE)" added by GN 765 in GG 27599 of 27 May, 2005.]

Council for Geoscience

Council for Medical Schemes

["Council for Medical Schemes" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Council for Mineral Technology (Mintek)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001.]

.....

["Council for Nuclear Safety" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["Council for Scientific and Industrial Research (CSIR)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001.]

Council on Higher Education

["Council on Higher Education" added by GN 402 in GG 22047 of 16 February, 2001.]

Cross-Border Road Transport Agency

["Cross-Border Road Transport Agency" added by GN 1397 in GG 22321 of 1 June, 2001.]

Culture, Arts, Tourism, Hospitality and Sports Education and Training Authority (CATHSSETA)

["Culture, Arts, Tourism, Hospitality and Sports Education and Training Authority (CATHSSETA)" added and

.....

["Diplomacy, Intelligence, Defence and Trade & Industry Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

Education and Labour Relations Council

["Education and Labour Relations Council" added by GN 1396 in GG 24042 of 15 November, 2002.]

Education, Training and Development Practices SETA (ETDP)

["Education, Training and Development Practices SETA (ETDP)" previously "Education, Training and Development Practices Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

Electricity Distribution Industry Holdings (Pty) Ltd

["Electricity Distribution Industry Holdings (Pty) Ltd" added by GN 3366 in GG 25778 of 5 December, 2003.]

.....

(Editorial Note: We have been instructed by GN 1253 in GG 33900, to remove the entity "Electronic Communications Security (Pty) Ltd", however this entity does not exist in the Act.)

.....

["Employment's Condition Commission" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 765 in GG 27599 of 27 May, 2005.]

Energy and Water Sector Education and Training Authority (EWSETA)

["Energy and Water Sector Education and Training Authority (EWSETA)" previously "Energy Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

.....

["Engelenburg House Art Collection, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["English Dictionary Unit of South Africa, Grahamstown" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Estate Agency Affairs Board

["Estate Agency Affairs Board" added by GN 1397 in GG 22321 of 1 June, 2001.]

.....

["Export Credit Reinsurance Fund" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 683 in GG 23407 of 17 May, 2002.]

Fibre Processing Manufacturing Sector Education and Training Authority (FPMSETA)

["Fibre Processing Manufacturing Sector Education and Training Authority (FPMSETA)" added and classified by GN 796 in GG 34631 of 30 September, 2011.]

Film and Publication Board

["Film and Publication Board" added by GN 1397 in GG 22321 of 1 June, 2001.]

.....

["Film & Publications Review Board" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Financial and Accounting Services SETA (FASSET)

["Financial and Accounting Services SETA (FASSET)" previously "Financial and Accounting Services Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

Financial Intelligence Centre

["Financial Intelligence Centre" added by GN 3366 in GG 25778 of 5 December, 2003.]

Financial Services Board

Food and Beverages Manufacturing Industry (FOODBEV)

["Food and Beverages Manufacturing Industry (FOODBEV)" previously "Food and Beverages Manufacturing Industry Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and

.....

["Forest Industries Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 797 in GG 34631 of 30 September, 2011.]

.....

["Foundation for Education, Science and Technology, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1139 in GG 26477 of 25 June, 2004.]

.....

["Foundation for Research and Development" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Freedom Park Trust

["Freedom Park Trust" added by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Godisa Trust" added by GN 1139 in GG 26477 of 25 June, 2004 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

Health and Welfare Sector Education and Training Authority

["Health and Welfare Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Human Sciences Research Council

.....

["Immigrants Selection Board" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["Independent Communications Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1863 in GG 22577 of 24 August, 2001.]

Independent Regulatory Board for Auditors

["Independent Regulatory Board for Auditors" added by GN 1011 in GG 29050 of 28 July, 2006.]

Information Systems, Electronics and Telecommunications Technologies Training Authority

["Information Systems, Electronics and Telecommunications Technologies Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Ingonyama Trust Board

["Ingonyama Trust Board" added by GN 402 in GG 22047 of 16 February, 2001.]

Inkomati Catchment Management Agency

["Inkomati Catchment Management Agency" added by GN 396 in GG 28605 of 17 March, 2006.]

Insurance Sector Education and Training Authority

["Insurance Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

International Trade Administration Commission

["International Trade Administration" added by GN 1139 in GG 26477 of 25 June, 2004 and amended by GN 765 in GG 27599 of 27 May, 2005.]

.....

["Investment South Africa" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1863 in GG 22577 of 24 August, 2001.]

iSimangaliso Wetland Park

["iSimangaliso Wetland Park" previously "Greater St. Lucia Wetland Park Authority" added by GN 1283 in GG 23619 of 19 July, 2002 and amended by GN 1003 in GG 31417 of 19 September, 2008.]

Iziko Museums of Cape Town

["Iziko Museums of Cape Town" previously "Southern Flagship Institution, Cape Town" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["JLB Institute of Itchyology" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Johannesburg World Summit" previously "Johannesburg Earth Summit" added by GN 1397 in GG 22321 of 1 June, 2001 and amended by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1139 in GG 26477 of 25 June, 2004.]

.....

["Judicial Services Commission" deleted by GN 683 in GG 23407 of 17 May, 2002.]

KwaZulu-Natal Museum

["KwaZulu-Natal Museum" previously "Natal Museum, Pietermaritzburg" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

.....

["KwaZulu Ingonyama Trust" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Legal Aid South Africa

["Legal Aid South Africa" previously "Legal Aid Board" amended by GN 1250 in GG 33900 of 31 December, 2010.]

Local Government Education and Training Authority (LGSETA)

["Local Government Education and Training Authority (LGSETA)" previously "Local Government, Water and Related Services Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 800 in GG 34631 of 30 September, 2011.]

Luthuli Museum

["Luthuli Museum" added by GN 1269 in GG 28237 of 25 November, 2005.]

.....

["Manufacturing Advisory Council" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["Manufacturing Development Board" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Manufacturing, Engineering and Related Services Education and Training Authority

["Manufacturing, Engineering and Related Services Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Marine Living Resources Fund

["Marine Living Resources Fund" added by GN 402 in GG 22047 of 16 February, 2001.]

Market Theatre Foundation

["Market Theatre Foundation" added by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Market Theatre, Johannesburg" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["Media, Advertising, Publishing, Printing and Packaging Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 797 in GG 34631 of 30 September, 2011.]

Media Development and Diversity Agency

["Media Development and Diversity Agency" added by GN 1261 in GG 24731 of 17 April, 2003.]

Media, Information and Communication Technologies Sector Education and Training Authority (MICTS)

["Media, Information and Communication Technologies Sector Education and Training Authority (MICTS)" added and classified by GN 796 in GG 34631 of 30 September, 2011.]

Mine Health & Safety Council

["Mine Health & Safety Council" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Mines and Works Compensation Fund" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN

Mining Qualifications Authority

["Mining Qualifications Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Municipal Infrastructure Investment Unit

["Municipal Infrastructure Investment Unit" added by GN 1397 in GG 22321 of 1 June, 2001.]

National Agricultural Marketing Council

["National Agricultural Marketing Council" previously "National Agriculture Marketing Council" amended by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["National Archives Commission" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

National Arts Council

["National Arts Council" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["National Botanical Institute" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 765 in GG 27599 of 27 May, 2005.]

National Consumer Commission

["National Consumer Commission" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

National Consumer Tribunal

["National Consumer Tribunal" added by GN 602 in GG 28798 of 12 May, 2006.]

.....

["National Coordination Office of the Manufacturing Advisory Centre Programme-NAMAC" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GNs 1263, 1264 and 1265 in GG 28237 of 25 November, 2005.]

National Credit Regulator

["National Credit Regulator" added by GN 602 in GG 28798 of 12 May, 2006.]

National Development Agency

["National Development Agency" added by GN 402 in GG 22047 of 16 February, 2001.]

National Economic, Development and Labour Council

.....

["National Electricity Regulator" deleted by GN 1271 in GG 28237 of 25 November, 2005.]

National Electronic Media Institute of SA

["National Electronic Media Institute of SA" added by GN 1397 in GG 22321 of 1 June, 2001.]

National Empowerment Fund

["National Empowerment Fund" added by GN 402 in GG 22047 of 16 February, 2001.]

National Energy Regulator of South Africa

["National Energy Regulator of South Africa" added by GN 1271 in GG 28237 of 25 November, 2005.]

National Film and Video Foundation

["National Film and Video Foundation" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["National Film Board" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

National Gambling Board of SA

["National Gambling Board of SA" added by GN 402 in GG 22047 of 16 February, 2001.]

National Health Laboratory Service

["National Health Laboratory Service" added by GN 683 in GG 23407 of 17 May, 2002.]

National Heritage Council (NHC)

["National Heritage Council (NHC)" added by GN 765 in GG 27599 of 27 May, 2005.]

National Home Builders Registration Council-NHBRC

["National Home Builders Registration Council-NHBRC" added by GN 402 in GG 22047 of 16 February, 2001.]

National Housing Finance Corporation

National Library, Pretoria/Cape Town

["National Library, Pretoria/Cape Town" added by GN 402 in GG 22047 of 16 February, 2001.]

National Lotteries Board

["National Lotteries Board" added by GN 402 in GG 22047 of 16 February, 2001.]

National Metrology Institute of South Africa

["National Metrology Institute of South Africa" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["National Monuments Council" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

National Museum, Bloemfontein

["National Museum, Bloemfontein" added by GN 402 in GG 22047 of 16 February, 2001.]

National Nuclear Regulator

["National Nuclear Regulator" added by GN 402 in GG 22047 of 16 February, 2001.]

National Regulator for Compulsory Specifications

["National Regulator for Compulsory Specifications" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

National Research Foundation

["National Research Foundation" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["National Small Business Council" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

National Student Financial Aid Scheme

["National Student Financial Aid Scheme" added by GN 402 in GG 22047 of 16 February, 2001.]

National Urban Reconstruction and Housing Agency-NURCHA

["National Urban Reconstruction and Housing Agency-NURCHA" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["National Year 2000 Decision Support Centre" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["National Youth Commission" deleted by GN 1253 in GG 33900 of 31 December, 2010 with effect from 1 April, 2010.]

.....

["National Zoological Gardens of SA" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1477 in GG 29293 of 20 October, 2006 (Editorial Note: GN 1477 in GG 29293 made reference to "National Zoological Gardens". We suggest "National Zoological Gardens of SA" was intended).]

Nelson Mandela Museum, Umtata

["Nelson Mandela Museum, Umtata" added by GN 402 in GG 22047 of 16 February, 2001.]

Ditsong: Museums of South Africa

["Ditsong: Museums of South Africa" previously "Northern Flagship Institution, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1250 in GG 33900 of 31 December, 2010.]

Office of the Ombudsman for Financial Services Providers

["Office of the Ombudsman for Financial Services Providers" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

Office of the Pension Funds Adjudicator

["Office of the Pension Funds Adjudicator" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

Performing Arts Council of the Free State

["Performing Arts Council Orange Free State (PACOFs), Bloemfontein" added by GN 402 in GG 22047 of 16 February, 2001.]

["Performing Arts Council of the Free State" previously "Performing Arts Council Orange Free State (PACOFs), Bloemfontein" amended by GN 1283 in GG 23619 of 19 July, 2002.]

Perishable Products Export Control Board

["Perishable Products Export Control Board" added by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Police, Private Security, Legal and Correctional Services" added by GN 402 in GG 22047 of 16 February, 2001.]

["Police, Private Security, Legal and Correctional Services Training Authority" previously "Police, Private Security, Legal and Correctional Services" amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

Ports Regulator of South Africa

["Ports Regulator of South Africa" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["Primary Agricultural Education and Training Authority (PAETA)" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1010 in GG 29050 of 28 July, 2006.]

Private Security Industry Regulatory Authority

["Private Security Industry Regulatory Authority" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

Productivity SA

["Productivity SA" previously "National Productivity Institute" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1003 in GG 31417 of 19 September, 2008.]

.....

["Public Investment Commissioners" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 1114 in GG 27773 of 15 July, 2005.]

.....

["Public Protector" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1863 in GG 22577 of 24 August, 2001.]

Public Service Sector Education and Training Authority (PSETA)

["Public Service Sector Education and Training Authority (PSETA)" previously "Public Sector Education and Training Authority" added by GN 667 in GG 28847 of 26 May, 2006 and amended by GN 800 in GG 34631 of 30 September, 2011.]

.....

["Public Services Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 2302 in GG 22860 of 30 November, 2001.]

Quality Council for Trades and Occupations (QCTO)

["Quality Council for Trades and Occupations (QCTO)" added by GN 1254 in GG 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010.]

Railway Safety Regulator

["Railway Safety Regulator" added by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["Rent Control Board" added by GN 1283 in GG 23619 of 19 July, 2002 and deleted by GN 765 in GG 27599 of 27 May, 2005.]

Road Accident Fund

Road Traffic Infringement Agency (RTIA)

["Road Traffic Infringement Agency (RTIA)" added by GN 1254 in GG 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010.]

Road Traffic Management Corporation

["Road Traffic Management Corporation" added by GN 1396 in GG 24042 of 15 November, 2002.]

Robben Island Museum, Cape Town

["Robben Island Museum, Cape Town" added by GN 402 in GG 22047 of 16 February, 2001.]

Rural Housing Loan Fund

["Rural Housing Loan Fund" added by GN 3366 in GG 25778 of 5 December, 2003.]

Safety and Security Sector Education and Training Authority (SASSETA)

["Safety and Security Sector Education and Training Authority (SASSETA)" previously "Safety and Security Sector Education and Training" added by GN 240 in GG 33059 of 1 April, 2010 with effect retrospectively from 1 July, 2005 and amended by GN 800 in GG 34631 of 30 September, 2011.]

.....

["South African Blind Workers Organization (SABWO)" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 441 in GG 28651 of 31 March, 2006 (Editorial Note: GN 441 in GG 28651 made reference to "South African Blind Workers Association (SABWO)". We suggest "South African Blind Workers Organization (SABWO)" was intended).]

.....

["SA Bureau of Standards (SABS)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001.]

SA Civil Aviation Authority

.....

["SA Communications Regulatory Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1863 in GG 22577 of 24 August, 2001.]

.....

["SA Council for Architects" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 1139 in GG 26477 of 25 June, 2004.]

SA Council for Educators

["SA Council for Educators" added by GN 402 in GG 22047 of 16 February, 2001.]

South African Diamond and Precious Metals Regulator

["SA Diamond and Precious Metals Regulator" added by GN 187 in GG 29669 of 9 March, 2007.]

.....

["SA Diamond Board" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 187 in GG 29669 of 9 March, 2007.]

.....

["SA Excellence Foundation" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1268 in GG 28237 of 25 November, 2005.]

.....

["SA Geographical Names Commission" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

SA Heritage Resources Agency

["SA Heritage Resources Agency" previously "National Heritage Council" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 683 in GG 23407 of 17 May, 2002.]

.....

["SA Housing Development Board" previously "National Housing Board" amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["SA Housing Fund" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["SA Housing Trust Limited" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

South African International Marketing Council Trust/Brand South Africa

["South African International Marketing Council Trust/Brand South Africa" previously "International Marketing Council" added by GN 1476 in GG 29293 of 20 October, 2006 and amended by GN 800 in GG 34631 of 30 September, 2011.]

SA Institute for Drug-free Sport

["SA Institute for Drug-free Sport" added by GN 402 in GG 22047 of 16 February, 2001.]

SA Library for the Blind, Grahamstown

["SA Library for the Blind, Grahamstown" added by GN 402 in GG 22047 of 16 February, 2001.]

SA Local Government Association

["SA Local Government Association" added by GN 1283 in GG 23619 of 19 July, 2002.]

SA Maritime Safety Authority

["SA Maritime Safety Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

SA Medical Research Council

SA National Accreditation System

["SA National Accreditation System" added by GN 402 in GG 22047 of 16 February, 2001.]

South African National Biodiversity Institute (SANBI)

["South African National Biodiversity Institute (SANBI)" added by GN 765 in GG 27599 of 27 May, 2005.]

South African National Energy Development Institute (SANEDI)

["South African National Energy Development Institute (SANEDI)" added by GN 1254 in GG 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010.]

South African National Parks

["South African National Parks" previously "National Parks Board" amended by GN 683 in GG 23407 of 17 May, 2002.]

SA National Roads Agency

["SA National Roads Agency" previously "National Road Fund" amended by GN 1863 in GG 22577 of 24 August, 2001.]

.....

["SA Nuclear Energy Corporation" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 187 in GG36225 of 15 March, 2013.]

SA Qualifications Authority

.....

["SA Quality Institute" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

SA Revenue Service

.....

["SA Road Board" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["SA Road Safety Council" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

South African Social Security Agency

["South African Social Assistance Agency" inserted by GN 230 in GG 28519 of 24 February, 2006 and corrected to read "South African Social Security Agency" by GN 436 in GG 28651 of 31 March, 2006.]

.....

["SA Sport Commission" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["SA Telecommunications Regulatory Authority" deleted by GN 1863 in GG 22577 of 24 August, 2001.]

SA Tourism Board

South African Weather Service

["South African Weather Service" added by GN 2302 in GG 22860 of 30 November, 2001.]

.....

["Secondary Agricultural Sector Education and Training Authority (SETSA)" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1010 in GG 29050 of 28 July, 2006.]

Servcon

["Servcon" added by GN 402 in GG 22047 of 16 February, 2001.]

Services Sector Education and Training Authority

["Services Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Small Enterprise Development Agency (SEDA)

["Small Enterprise Development Agency (SEDA)" added by GNs 1263, 1264 and 1265 in GG 28237 of 25 November, 2005.]

Social Housing Foundation

["Social Housing Foundation" added by GN 1397 in GG 22321 of 1 June, 2001.]

Special Investigation Unit

["Special Investigation Unit" added by GN 402 in GG 22047 of 16 February, 2001.]

State Information Technology Agency

State Theatre, Pretoria

["State Theatre, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001.]

The Co-Operative Banks Development Agency

["The Co-Operative Banks Development Agency" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

The National English Literary Museum, Grahamstown

["The National English Literary Museum, Grahamstown" added by GN 402 in GG 22047 of 16 February, 2001.]

The National Radioactive Waste Disposal Institute (NRWDI)

["The National Radioactive Waste Disposal Institute (NRWDI)" added and classified by GN 796 in GG 34631 of 30 September, 2011.]

The Playhouse Company, Durban

["The Playhouse Company, Durban" added by GN 402 in GG 22047 of 16 February, 2001.]

The Social Housing Regulatory Authority (SHRA)

["The Social Housing Regulatory Authority (SHRA)" added by GN 1254 in GG 33900 of 31 December, 2010 with effect retrospectively from 1 April, 2010.]

Thubelisha Homes

["Thubelisha Homes" added by GN 402 in GG 22047 of 16 February, 2001.]

Tourism and Hospitality Education and Training Authority

["Tourism and Hospitality Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Investment South Africa" added by GN 402 in GG 22047 of 16 February, 2001.]

["Trade and Investment South Africa" previously "Investment South Africa" amended by GN 1863 in GG 22577 of 24 August, 2001.]

["Trade and Investment South Africa" moved from Schedule 3B to Schedule 3A by GN 2302 in GG 22860 of 30 November, 2001.]

["Trade and Investment South Africa" deleted by GN 1000 in GG 31417 of 19 September, 2008.]

Transport Education and Training Authority

["Transport Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

uMalusi Council for Quality Assurance in General and Further Education and Training

["Umalusi Council for Quality Assurance in General and Further Education and Training" previously "SA Certification Council" amended by GN 1396 in GG 24042 of 15 November, 2002.]

Unemployment Insurance Fund

Universal Service and Access Agency of South Africa

["Universal Services Agency" added by GN 402 in GG 22047 of 16 February, 2001.]

["Universal Service Agency" previously "Universal Services Agency" amended by GN 1863 in GG 22577 of 24 August, 2001.]

["Universal Service and Access Agency of South Africa" previously "Universal Service Agency" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Universal Service and Access Fund

["Universal Services Fund" added by GN 402 in GG 22047 of 16 February, 2001.]

["Universal Service Fund" previously "Universal Services Fund" amended by GN 2302 in GG 22860 of 30 November, 2001.]

["Universal Service and Access Fund" previously "Universal Service Fund" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Urban Transport Fund

["Urban Transport Fund" added by GN 1397 in GG 22321 of 1 June, 2001.]

Voortrekker Museum, Pietermaritzburg

["Voortrekker Museum, Pietermaritzburg" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Wage Board" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

War Museum of the Boer Republics, Bloemfontein

["War Museum of the Boer Republics, Bloemfontein" added by GN 402 in GG 22047 of 16 February, 2001.]

Water Research Commission

Wholesale and Retail Sector Education and Training Authority

["Wholesale and Retail Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

William Humphreys Art Gallery

["William Humphreys Art Gallery" added by GN 402 in GG 22047 of 16 February, 2001 and by GN 1283 in GG 23619 of 19 July, 2002.]

Windybrow Centre

["Windybrow Centre" added by GN 683 in GG 23407 of 17 May, 2002.]

.....

["Woordeboek van die Afrikaanse Taal (WAT), Paarl" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 191 in Government Gazette 36225 of 15 March, 2013)

(Prior to amendment by Government Notice No. 191 in Government Gazette 36225 of 15 March, 2013)

Schedule 3, Part C

Part C: Provincial Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005, under General Notices Nos. 1266, 1267 and 1270 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notices Nos. 462 and 476 in *Government Gazette* 28679 of 7 April, 2006 with effect from 7 April, 2006, under General Notice No. 797 in *Government Gazette* 28937 of 23 June, 2006 with effect from 23 June, 2006, under General Notice No. 1475 in

Government Gazette 29293 of 20 October, 2006 with effect from 20 October, 2006, under Government Notice No. 7 in *Government Gazette* 30637 of 4 January, 2008 with effect from 4 January, 2008, under Government Notice No. 1001 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice No. 1003 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice No. 241 in *Government Gazette* 33059 of 1 April, 2010 with effect from 1 April, 2010, under Government Notices Nos. 1247, 1248 and 1249 in *Government Gazette* 33900 of 31 December, 2010, with effect from 1 April, 2004, 1 July 2010 and 8 June 2010 respectively, under Government Notice No. 364 in *Government Gazette* 34233 of 29 April, 2011 with effect retrospectively from 1 April, 2010, under Government Notice No. 798 in *Government Gazette* 34631 of 30 September, 2011 and under Government Notice Nos. 188 and 189 in *Government Gazette* 36225 of 15 March, 2013.]

Commissioner for the Environment

["Commissioner for the Environment" added by GN 765 in GG 27599 of 27 May, 2005 (Editorial Note: No Province indicated).]

Destination Marketing Organisation

["Destinations Marketing Organisation" previously "Destinations Marketing Organisation" added by GN 7 in GG 30637 of 4 January, 2008 and amended by GN 1003 in GG 31417 of 19 September, 2008 (Editorial Note: No Province indicated).]

Dube TradePort Corporation (DTPC)

["Dube TradePort Corporation (DTPC)" added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f from 1 April 2011 (Editorial Note: No Province indicated).]

XHASA ATC Agency

["XHASA ATC Agency" added and classified by GN 1001 in GG 31417 of 19 September, 2008 (Editorial Note: No Province indicated).]

Eastern Cape:

.....

["Centre for Investment and Marketing in the Eastern Cape" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Eastern Cape Appropriate Technology Unit

Eastern Cape Arts Council

.....

["Eastern Cape Consumer Affairs Court" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Eastern Cape Development Corporation" moved from Schedule 3C to Schedule 3D.]

.....

["Eastern Cape Development Tribunal" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

Eastern Cape Gambling and Betting Board

Eastern Cape Liquor Board

.....

["Eastern Cape Local Road Transport Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Eastern Cape Museums" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Eastern Cape Parks and Tourism Agency (ECPTA)

["Eastern Cape Parks and Tourism Agency (ECPTA)" added by GN 1248 in GG 33900 of 31 December, 2010 with effect from 1 July, 2010.]

.....

["Eastern Cape Parks Board" added by GN 1270 in GG 28237 of 25 November, 2005 and deleted by GN 1249 in GG 33900 of 31 December, 2010.]

.....

["Eastern Cape Provincial Housing Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Eastern Cape Provincially Aided Libraries

.....

["Eastern Cape Regional Authorities" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Eastern Cape Rural Finance Corporation Limited

["Eastern Cape Rural Finance Corporation Limited" previously "Eastern Cape Agricultural Bank" amended by GN 1283 in GG 23619 of 19 July, 2002.]

Eastern Cape Socio-Economic Consultative Council

.....

["Eastern Cape Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Eastern Cape Tourism Board" deleted by GN 1249 in GG 33900 of 31 December, 2010.]

.....

["Eastern Cape Township Board" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

Eastern Cape Youth Commission

["Eastern Cape Youth Commission" added by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Eastern Region Entrepreneurial Support Centre" added by GN 1283 in GG 23619 of 19 July, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["East London Industrial Development Zone Corporation" added by GN 3366 in GG 25778 of 5 December, 2003 moved from Schedule 3C to Schedule 3D by GN 1267 in GG 28237 of 25 November, 2005.]

Free State:

.....

["Free State Consumer Affairs" added by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 462 in GG 28679 of 7 April, 2006.]

.....

["Free State Council for Citizenship, Education and Conflict Resolution" added by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Free State Gambling and Liquor Authority (FSGLA)

["Free State Gambling and Liquor Authority (FSGLA)" added by GN 1248 in GG 33900 of 31 December, 2010 with effect from 8 June, 2010.]

.....

["Free State Gambling and Racing Board" previously "Free State Gambling and Gaming Board" amended by GN 765 in GG 27599 of 27 May, 2005 and deleted by GN 1249 in GG 33900 of 31 December, 2010.]

.....

["Free State Investment Agency" added by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 462 in GG 28679 of 7 April, 2006.]

.....

["Free State Liquor Board" deleted by GN 462 in GG 28679 of 7 April, 2006.]

.....

["Free State Mangaung Nursing College" added by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 462 in GG 28679 of 7 April, 2006.]

.....

["Free State Rural Foundation" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["Free State Rural Strategy Unit" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["Free State Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Free State Tourism Authority

["Free State Tourism Authority" added by GN 797 in GG 28937 of 23 June, 2006.]

.....

["Free State Tourism Board" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["Free State Youth Commission" deleted by GN 241 in GG 33059 of 1 April, 2010.]

Phakisa Major Sport and Development Corporation

["Phakisa Major Sport and Development Corporation" added by GN 1396 in GG 24042 of 15 November, 2002.]

Gauteng:

Blue IQ Investment Holdings (Pty) Ltd

["Blue IQ Investment Holdings (Pty) Ltd" added by GN 1139 in GG 26477 of 25 June, 2004.]

.....

["Gauteng Agriculture and Farming Development Trust" added by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 1475 in GG 29293 of 20 October, 2006 (Editorial Note: GN 1475 in GG 29293 made reference to "Gauteng Agriculture and Farming Trust". We suggest "Gauteng Agriculture and Farming Development Trust" was intended).]

.....

["Gauteng Consumer Affairs Court" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Gauteng Development Tribunal" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Gauteng Economic Development Agency

.....

["Gauteng Education and Training Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Gauteng Enterprise Propeller

["Gauteng Enterprise Propeller" added and classified by GN 1001 in GG 31417 of 19 September, 2008.]

Gauteng Gambling Board

.....

["Gauteng Housing Fund" previously "Gauteng Provincial Housing Board" amended by GN 2302 in GG 22860 of 30 November, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Gauteng Municipal Demarcation Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Gauteng Partnership Fund (GPF)

["Gauteng Partnership Fund (GPF)" added by GN 1266 in GG 28237 of 25 November, 2005.]

.....

["Gauteng Rental Housing Tribunal" added by GN 1283 in GG 23619 of 19 July, 2002 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["Gauteng Services Appeal Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Gauteng Tourism Authority

.....

["Gauteng Townships Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Gautrain Management Agency

["Gautrain Management Agency" added by GN 1001 in GG 31417 of 19 September, 2008.]

KwaZulu-Natal:

Amafa Akwazulu Natali

["Amafa Akwazulu Natali" previously "KwaZulu-Natal Monuments Council" amended by GN 1261 in GG 24731 of 17 April, 2003.]

Ezemvelo KwaZulu-Natal Wildlife

["Ezemvelo KwaZulu-Natal Wildlife" previously "KwaZulu-Natal Conservation Services" amended by GN 1261 in GG 24731 of 17 April, 2003.]

Agri-Business Development Agency

["Agri-Business Development Agency" previously "KwaZulu-Natal Agricultural Development Trust" added by GN 1139 in GG 26477 of 25 June, 2004 and amended by GN 1247 in GG 33900 of 31 December, 2010.]

.....

["KwaZulu-Natal Appeals Tribunal" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Development Tribunal" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Economic Council" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

KwaZulu-Natal Gambling Board

KwaZulu-Natal Gaming and Betting Board

["KwaZulu-Natal Gaming and Betting Board" added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f 1 April, 2011.]

KwaZulu-Natal House of Traditional Leaders

.....

["KwaZulu-Natal International Airport Development Initiative" deleted by GN 1261 in GG 24731 of 17 April 2003.]

KwaZulu-Natal Liquor Authority

["KwaZulu-Natal Liquor Authority" added and classified by GN 189 in GG 36225 of 15 March, 2013 w.e.f 15 March, 2013.]

.....

["KwaZulu-Natal Liquor Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Local Roads Transportation Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["KwaZulu-Natal Marketing Initiative" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Private Townships Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Provincial Peace Committee" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

KwaZulu-Natal Provincial Planning and Development Commission

["KwaZulu-Natal Provincial Planning and Development Commission" previously "KwaZulu-Natal Town and Regional Planning Commission" amended by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Kwazulu-Natal Taxi Council" re-listed by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["KwaZulu-Natal Taxi Task Team" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["KwaZulu-Natal Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

KwaZulu-Natal Tourism Authority

.....

["KwaZulu-Natal Townships Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Youth Commission" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Natal Arts Trust" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Natal Sharks Board

.....

["Natal Trust Fund" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["S.A. Life Saving" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Trade and Investment KwaZulu-Natal

["Trade and Investment KwaZulu-Natal" added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f 1 April, 2011.]

uMsekeli Municipal Support Services

["uMsekeli Municipal Support Services" previously "KwaZulu-Natal Development & Services Board" amended by GN 2302 in GG 22860 of 30 November, 2001.]

Mpumalanga:

Mpumalanga Economic Empowerment Corporation

["Mpumalanga Economic Empowerment Corporation" added by GN 683 in GG 23407 of 17 May, 2002.]

.....

["Mpumalanga Gambling Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Mpumalanga Gaming Board

["Mpumalanga Gaming Board" previously "Mpumalanga Gambling Board" added by GN 683 in GG 23407 of 17 May, 2002 and amended by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Mpumalanga Housing Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Mpumalanga Investment Initiative" added by GN 1397 in GG 22321 of 1 June, 2001 and by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Mpumalanga Parks Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Mpumalanga Regional Training Trust

["Mpumalanga Regional Training Trust" added by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Mpumalanga Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Mpumalanga Tourism and Parks Board

["Mpumalanga Tourism and Parks Board" added and classified by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Mpumalanga Tourism Authority" added by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Northern Cape:

Kalahari Kid Corporation (KKC)

["Kalahari Kid Corporation (KKC)" added by GN 1248 in GG 33900 of 31 December, 2010 with effect from 1 April, 2004.]

Northern Cape Economic Development, Trade and Investment Promotion Agency (NCEDA)

["Northern Cape Economic Development, Trade and Investment Promotion Agency (NCEDA)" added by GN 364 in GG 34233 of 29 April, 2011 with effect retrospectively from 1 April, 2010.]

.....

["Northern Cape Economic Development Unit" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Northern Cape Gambling and Racing Board" previously "Northern Cape Gambling Board" amended by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Northern Cape Gambling Board

["Northern Cape Gambling Board" added and classified by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Northern Cape Housing Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Northern Cape Liquor Board

["Northern Cape Liquor Board" deleted by GN 1261 in GG 24731 of 17 April, 2003 and re-added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f 1 April, 2010.]

.....

["Northern Cape Local Transportation Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Northern Cape Provincial Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Northern Cape Tourism Authority

.....

["Northern Cape Youth Commission" deleted by GN 1139 in GG 26477 of 25 June, 2004.]

Northern Province:

.....

["Gateway International Airport" deleted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Limpopo Agribusiness Development Corporation" added and classified by GN 798 in GG 34631 of 30 September, 2011 w.e.f 1 April, 2009 and deleted by GN 188 in GG 36225 of 15 March, 2013.]

Limpopo Appeal Tribunals

["Limpopo Appeal Tribunals" previously "Northern Province Appeal Tribunals" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Limpopo Development Enterprise

["Limpopo Development Enterprise" inserted by GN 476 in GG 28679 of 7 April, 2006.]

Limpopo Development Tribunals

["Limpopo Development Tribunals" previously "Northern Province Development Tribunals" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Limpopo Gambling Board

["Limpopo Gambling Board" inserted by GN 476 in GG 28679 of 7 April, 2006.]

Limpopo Housing Board

["Limpopo Housing Board" previously "Northern Province Housing Board" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Limpopo Liquor Board

["Limpopo Liquor Board" previously "Northern Province Liquor Board" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Limpopo Local Business Centres

["Limpopo Local Business Centres" previously "Northern Province Local Business Centres" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Limpopo Panel of Mediators

["Limpopo Panel of Mediators" previously "Northern Province Panel of Mediators" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Limpopo Planning Commission

["Limpopo Planning Commission" previously "Northern Province Planning Commission" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Limpopo Roads Agency

["Limpopo Roads Agency" previously "Northern Province Roads Agency" added by GN 402 in GG 22047 of 16

Limpopo Tourism and Parks Board

["Limpopo Tourism and Parks Board" inserted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Northern Province Agricultural and Rural Development Corporation" deleted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Northern Province Gaming Board" deleted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Northern Province Investment Initiative" deleted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Northern Province Provincial Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Northern Province Tourism Board" deleted by GN 476 in GG 28679 of 7 April, 2006.]

.....

["Trade and Investment Limpopo" inserted by GN 476 in GG 28679 of 7 April, 2006 and deleted by GN 188 in GG 36225 of 15 March, 2013.]

North West:

Invest North West

["Invest North West" added by GN 1283 in GG 23619 of 19 July, 2002.]

Mmabana Arts, Culture and Sport Foundation

["Mmabana Arts, Culture and Sport Foundation" previously "NW Arts Council" and "NW Mmabana Cultural Foundation" amended by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["NW Agricultural Services Corporation" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["NW Arts Council" renamed by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["NW Communication Service" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

NW Eastern Region Entrepreneurial Support Centre

NW Gambling Board

NW Housing Corporation

.....

["NW Mmabana Cultural Foundation" renamed by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["NW Ombudsman" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

NW Parks and Tourism Board

NW Provincial Aids Council

["NW Provincial Aids Council" added by GN 1283 in GG 23619 of 19 July, 2002.]

North West Provincial Heritage Resources Authority

["North West Provincial Heritage Resources Authority" added and classified by GN 1001 in GG 31417 of 19 September, 2008.]

Provincial Arts and Culture Council

["Provincial Arts and Culture Council" added by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["NW Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

NW Youth Development Trust

["NW Youth Development Trust" added by GN 1283 in GG 23619 of 19 July, 2002.]

Western Cape:

Western Cape Cultural Commission

["Western Cape Cultural Commission" added by GN 1397 in GG 22321 of 1 June, 2001.]

WC Gambling and Racing Board

.....

["WC Housing Development Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

WC Investment and Trade Promotion Agency

Western Cape Language Committee

["Western Cape Language Committee" added by GN 1397 in GG 22321 of 1 June, 2001.]

WC Liquor Board

Western Cape Nature Conservation Board

["Western Cape Nature Conservation Board" added by GN 402 in GG 22047 of 16 February, 2001.]

WC Provincial Development Council

.....

["WC Provincial Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["WC Tourism Board" deleted by GN 7 in GG 30637 of 4 January, 2008.]

.....

["Western Cape Provincial Youth Commission" added by GN 765 in GG 27599 of 27 May, 2005 and deleted by GN 241 in GG 33059 of 1 April, 2010.]

Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 1247 in Government Gazette 33900 of 31 December, 2010)

(Prior to amendment by Government Notice No. 1247 in Government Gazette 33900 of 31 December, 2010)

Schedule 3, Part C, Kwazulu-Natal

Part C: Provincial Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005, under General Notices Nos. 1266, 1267 and 1270 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notices Nos. 462 and 476 in *Government Gazette* 28679 of 7 April, 2006 with effect from 7 April, 2006, under General Notice No. 797 in *Government Gazette* 28937 of 23 June, 2006 with effect from 23 June, 2006, under General Notice No. 1475 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006, under Government Notice No. 7 in *Government Gazette* 30637 of 4 January, 2008 with effect from 4 January, 2008, under Government Notice No. 1001 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice No. 1003 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008 and under Government Notice No. 241 in *Government Gazette* 33059 of 1 April, 2010 with effect from 1 April, 2010.]

KwaZulu-Natal:

Amafa Akwazulu Natali

["Amafa Akwazulu Natali" previously "KwaZulu-Natal Monuments Council" amended by GN 1261 in GG 24731 of 17 April, 2003.]

Ezemvelo KwaZulu-Natal Wildlife

["Ezemvelo KwaZulu-Natal Wildlife" previously "KwaZulu-Natal Conservation Services" amended by GN 1261 in GG 24731 of 17 April, 2003.]

KwaZulu-Natal Agricultural Development Trust

["KwaZulu-Natal Agricultural Development Trust" added by GN 1139 in GG 26477 of 25 June, 2004.]

.....

["KwaZulu-Natal Appeals Tribunal" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Development Tribunal" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Economic Council" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

KwaZulu-Natal Gambling Board

KwaZulu-Natal House of Traditional Leaders

.....

["KwaZulu-Natal International Airport Development Initiative" deleted by GN 1261 in GG 24731 of 17 April 2003.]

.....

["KwaZulu-Natal Liquor Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Local Roads Transportation Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["KwaZulu-Natal Marketing Initiative" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Private Townships Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Provincial Peace Committee" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

KwaZulu-Natal Provincial Planning and Development Commission

["KwaZulu-Natal Provincial Planning and Development Commission" previously "KwaZulu-Natal Town and Regional Planning Commission" amended by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Kwazulu-Natal Taxi Council" re-listed by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["KwaZulu-Natal Taxi Task Team" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["KwaZulu-Natal Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

KwaZulu-Natal Tourism Authority

.....

["KwaZulu-Natal Townships Board" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["KwaZulu-Natal Youth Commission" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Natal Arts Trust" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Natal Sharks Board

.....

["Natal Trust Fund" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["S.A. Life Saving" deleted by GN 1261 in GG 24731 of 17 April, 2003.]

uMsekeli Municipal Support Services

["uMsekeli Municipal Support Services" previously "KwaZulu-Natal Development & Services Board" amended by GN 2302 in GG 22860 of 30 November, 2001.]

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 1249 in Government Gazette 33900 of 31 December, 2010)

(Prior to amendment by Government Notice No. 1249 in *Government Gazette* 33900 of 31 December, 2010)

Schedule 3, Part C, Eastern Cape

Eastern Cape:

.....

["Centre for Investment and Marketing in the Eastern Cape" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Eastern Cape Appropriate Technology Unit

Eastern Cape Arts Council

.....

["Eastern Cape Consumer Affairs Court" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Eastern Cape Development Corporation" moved from Schedule 3C to Schedule 3D.]

.....

["Eastern Cape Development Tribunal" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

Eastern Cape Gambling and Betting Board

Eastern Cape Liquor Board

.....

["Eastern Cape Local Road Transport Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["Eastern Cape Museums" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Eastern Cape Parks Board

["Eastern Cape Parks Board" added by GN 1270 in GG 28237 of 25 November, 2005.]

.....

["Eastern Cape Provincial Housing Board" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Eastern Cape Provincially Aided Libraries

.....

["Eastern Cape Regional Authorities" deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Eastern Cape Rural Finance Corporation Limited

["Eastern Cape Rural Finance Corporation Limited" previously "Eastern Cape Agricultural Bank" amended by GN 1283 in GG 23619 of 19 July, 2002.]

Eastern Cape Socio-Economic Consultative Council

.....

["Eastern Cape Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Eastern Cape Tourism Board

.....

["Eastern Cape Township Board" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

Eastern Cape Youth Commission

["Eastern Cape Youth Commission" added by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Eastern Region Entrepreneurial Support Centre" added by GN 1283 in GG 23619 of 19 July, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

.....

["East London Industrial Development Zone Corporation" added by GN 3366 in GG 25778 of 5 December, 2003 moved from Schedule 3C to Schedule 3D by GN 1267 in GG 28237 of 25 November, 2005.]

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 1249 in Government Gazette 33900 of 31 December, 2010)/ Schedule 3, Part C, Free State

Schedule 3, Part C, Free State

Free State:

.....

["Free State Consumer Affairs" added by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 462 in GG 28679 of 7 April, 2006.]

.....

["Free State Council for Citizenship, Education and Conflict Resolution" added by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1001 in GG 31417 of 19 September, 2008.]

Free State Gambling and Racing Board

["Free State Gambling and Gaming Board" amended by GN 765 in GG 27599 of 27 May, 2005.]

.....

["Free State Investment Agency" added by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 462 in GG 28679 of 7 April, 2006.]

.....

["Free State Liquor Board" deleted by GN 462 in GG 28679 of 7 April, 2006.]

.....

["Free State Mangaung Nursing College" added by GN 1396 in GG 24042 of 15 November, 2002 and deleted by GN 462 in GG 28679 of 7 April, 2006.]

.....

["Free State Rural Foundation" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["Free State Rural Strategy Unit" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["Free State Tender Board" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Free State Tourism Authority

["Free State Tourism Authority" added by GN 797 in GG 28937 of 23 June, 2006.]

.....

["Free State Tourism Board" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....
["Free State Youth Commission" deleted by GN 241 in GG 33059 of 1 April, 2010.]

Phakisa Major Sport and Development Corporation

["Phakisa Major Sport and Development Corporation" added by GN 1396 in GG 24042 of 15 November, 2002.]

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice Nos. 1250 and 1253 in Government Gazette 33900 of 31 December, 2010)

(Prior to amendment by Government Notice Nos. 1250 and 1253 in Government Gazette 33900 of 31 December, 2010)

Schedule 3, Part A

Part A: National Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under Government Notice No. 504 in *Government Gazette* 22337 of 8 June, 2001 with effect from 8 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No. 1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005; under General Notice No. 1114 in *Government Gazette* 27773 of 15 July, 2005 with effect from 15 July, 2005; under General Notices Nos. 1263, 1264, 1265, 1268, 1269 and 1271 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notice No. 230 in *Government Gazette* 28519 of 24 February, 2006 with effect from 24 February, 2006, under General Notice No. 396 in *Government Gazette* No. 28605 of 17 March, 2006 with effect from 17 March, 2006, under General Notices Nos. 436 and 441 in *Government Gazette* 28651 of 31 March, 2006 with effect from 31 March, 2006, under General Notice No. 602 in *Government Gazette* 28798 of 12 May, 2006 with effect from 12 May, 2006, under General Notice No. 667 in *Government Gazette* 28847 of 26 May, 2006 with effect from 26 May, 2006, under General Notice No. 972 in *Government Gazette* 29033 of 21 July, 2006 with effect from 21 July, 2006 and subject to Rand Water not exceeding their debt limit, as provided in the *Government Gazette* Notice 23450 of 31 May, 2002, under General Notice Nos. 1010 and 1011 in *Government Gazette* 29050 of 28 July, 2006 with effect from 28 July, 2006, under General Notices Nos. 1476 and 1477 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006, under Government Notice No. 187 in *Government Gazette* 29669 of 9 March, 2007 with effect from 9 March, 2007, under Government Notice No. 1000 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008, under Government Notice No. 1003 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008; under Government Notice No. 240 in *Government Gazette* 33059 of 1 April, 2010 with effect retrospectively from 1 July, 2005 and under Government Notices Nos. 241 and 242 in *Government Gazette* 33059 of 1 April, 2010 with effect from 1 April, 2010.]

Accounting Standards Board

Africa Institute of South Africa, Pretoria

["Africa Institute of South Africa, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001.]

African Renaissance and International Cooperation Fund

["African Renaissance and International Cooperation Fund" added by GN 1139 in GG 26477 of 25 June, 2004.]

Afrikaanse Taalmuseum, Paarl

["Afrikaanse Taalmuseum, Paarl" added by GN 402 in GG 22047 of 16 February, 2001.]

.....
["Agricultural Credit Board" deleted by GN 1863 in GG 22577 of 24 August, 2001.]

Agricultural Research Council

AGRISETA

["AGRISETA" added by GN 1010 in GG 29050 of 28 July, 2006.]

.....
["Air Services Licensing Council" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

Artscape

["Cape Performing Arts Board (CAPAB), Cape Town" added by GN 402 in GG 22047 of 16 February, 2001.]

["Artscape" previously "Cape Performing Arts Board (CAPAB), Cape Town" amended by GN 1283 in GG 23619 of 19 July, 2002.]

Banking Sector Education and Training Authority

["Banking Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Board on Tariffs and Trade" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Boxing South Africa

["Boxing South Africa" added by GN 3366 in GG 25778 of 5 December, 2003.]

Breede River Catchment Management Agency

["Breede River Catchment Management Agency" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["Business and Arts South Africa (BASA)" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 441 in GG 28651 of 31 March, 2006.]

Castle Control Board

["Castle Control Board" previously "Castle Management Board" added by GN 1397 in GG 22321 of 1 June, 2001 and amended by GN 1863 in GG 22577 of 24 August, 2001 and by GN 2302 in GG 22860 of 30 November, 2001.]

.....

["Certification Council for Technikon Education" deleted by GN 683 in GG 23407 of 17 May, 2002.]

Chemical Industries Education and Training Authority

["Chemical Industries Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Clothing, Textiles, Footwear and Leather Sector Education and Training Authority

["Clothing, Textiles, Footwear and Leather Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Commission for Conciliation, Mediation & Arbitration

.....

["Compensation Board" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Compensation Fund, including Reserve Fund

["Compensation Fund, including Reserve Fund" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Competition Board" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Competition Commission

["Competition Commission" added by GN 402 in GG 22047 of 16 February, 2001.]

Competition Tribunal

["Competition Tribunal" added by GN 402 in GG 22047 of 16 February, 2001.]

Construction Education and Training Authority

["Construction Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Construction Industry Development Board

["Construction Industry Development Board" added by GN 2302 in GG 22860 of 30 November, 2001.]

Council for Built Environment (CBE)

["Council for Built Environment (CBE)" added by GN 765 in GG 27599 of 27 May, 2005.]

Council for Geoscience

Council for Medical Schemes

["Council for Medical Schemes" added by GN 402 in GG 22047 of 16 February, 2001.]

.....
["Council for Mineral Technology (Mintek)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001.]

.....
["Council for Nuclear Safety" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....
["Council for Scientific and Industrial Research (CSIR)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001.]

Council on Higher Education

["Council on Higher Education" added by GN 402 in GG 22047 of 16 February, 2001.]

Cross-Border Road Transport Agency

["Cross-Border Road Transport Agency" added by GN 1397 in GG 22321 of 1 June, 2001.]

.....
["Diplomacy, Intelligence, Defence and Trade & Industry Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

Education and Labour Relations Council

["Education and Labour Relations Council" added by GN 1396 in GG 24042 of 15 November, 2002.]

Education, Training and Development Practices Sector Education and Training Authority

["Education, Training and Development Practices Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Electricity Distribution Industry Holdings (Pty) Ltd

["Electricity Distribution Industry Holdings (Pty) Ltd" added by GN 3366 in GG 25778 of 5 December, 2003.]

.....
["Employment's Condition Commission" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 765 in GG 27599 of 27 May, 2005.]

Energy Sector Education and Training Authority

["Energy Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

.....
["Engelenburg House Art Collection, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....
["English Dictionary Unit of South Africa, Grahamstown" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Estate Agency Affairs Board

["Estate Agency Affairs Board" added by GN 1397 in GG 22321 of 1 June, 2001.]

.....
["Export Credit Reinsurance Fund" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 683 in GG 23407 of 17 May, 2002.]

Film and Publication Board

["Film and Publication Board" added by GN 1397 in GG 22321 of 1 June, 2001.]

.....
["Film & Publications Review Board" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Financial and Accounting Services Training Authority

["Financial and Accounting Services Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Financial Intelligence Centre

["Financial Intelligence Centre" added by GN 3366 in GG 25778 of 5 December, 2003.]

Financial Services Board

Food and Beverages Manufacturing Industry Sector Education and Training Authority

["Food and Beverages Manufacturing Industry Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Forest Industries Sector Education and Training Authority

["Forest Industries Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Foundation for Education, Science and Technology, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1139 in GG 26477 of 25 June, 2004.]

.....

["Foundation for Research and Development" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Freedom Park Trust

["Freedom Park Trust" added by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Godisa Trust" added by GN 1139 in GG 26477 of 25 June, 2004 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

Health and Welfare Sector Education and Training Authority

["Health and Welfare Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Human Sciences Research Council

.....

["Immigrants Selection Board" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["Independent Communications Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1863 in GG 22577 of 24 August, 2001.]

Independent Regulatory Board for Auditors

["Independent Regulatory Board for Auditors" added by GN 1011 in GG 29050 of 28 July, 2006.]

Information Systems, Electronics and Telecommunications Technologies Training Authority

["Information Systems, Electronics and Telecommunications Technologies Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Ingonyama Trust Board

["Ingonyama Trust Board" added by GN 402 in GG 22047 of 16 February, 2001.]

Inkomati Catchment Management Agency

["Inkomati Catchment Management Agency" added by GN 396 in GG 28605 of 17 March, 2006.]

Insurance Sector Education and Training Authority

["Insurance Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

International Marketing Council (IMC)

["International Marketing Council" added by GN 1476 in GG 29293 of 20 October, 2006.]

International Trade Administration Commission

["International Trade Administration" added by GN 1139 in GG 26477 of 25 June, 2004 and amended by GN 765 in GG 27599 of 27 May, 2005.]

.....

["Investment South Africa" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1863 in GG 22577 of 24 August, 2001.]

iSimangaliso Wetland Park

["iSimangaliso Wetland Park" previously "Greater St. Lucia Wetland Park Authority" added by GN 1283 in GG 23619 of 19 July, 2002 and amended by GN 1003 in GG 31417 of 19 September, 2008.]

Iziko Museums of Cape Town

["Iziko Museums of Cape Town" previously "Southern Flagship Institution, Cape Town" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["JLB Institute of Itchyology" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Johannesburg World Summit" previously "Johannesburg Earth Summit" added by GN 1397 in GG 22321 of 1 June, 2001 and amended by GN 683 in GG 23407 of 17 May, 2002 and deleted by GN 1139 in GG 26477 of 25 June, 2004.]

.....

["Judicial Services Commission" deleted by GN 683 in GG 23407 of 17 May, 2002.]

.....

["KwaZulu Ingonyama Trust" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1261 in GG 24731 of 17 April, 2003.]

Legal Aid Board

Local Government, Water and Related Services Sector Education and Training Authority

["Local Government, Water and Related Services Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Luthuli Museum

["Luthuli Museum" added by GN 1269 in GG 28237 of 25 November, 2005.]

.....

["Manufacturing Advisory Council" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["Manufacturing Development Board" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Manufacturing, Engineering and Related Services Education and Training Authority

["Manufacturing, Engineering and Related Services Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Marine Living Resources Fund

["Marine Living Resources Fund" added by GN 402 in GG 22047 of 16 February, 2001.]

Market Theatre Foundation

["Market Theatre Foundation" added by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Market Theatre, Johannesburg" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1396 in GG 24042 of 15 November, 2002.]

Media, Advertising, Publishing, Printing and Packaging Training Authority

["Media, Advertising, Publishing, Printing and Packaging Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Media Development and Diversity Agency

["Media Development and Diversity Agency" added by GN 1261 in GG 24731 of 17 April, 2003.]

Mine Health & Safety Council

["Mine Health & Safety Council" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Mines and Works Compensation Fund" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

Mining Qualifications Authority

["Mining Qualifications Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Municipal Infrastructure Investment Unit

["Municipal Infrastructure Investment Unit" added by GN 1397 in GG 22321 of 1 June, 2001.]

Natal Museum, Pietermaritzburg

["Natal Museum, Pietermaritzburg" added by GN 402 in GG 22047 of 16 February, 2001.]

National Agricultural Marketing Council

["National Agricultural Marketing Council" previously "National Agriculture Marketing Council" amended by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["National Archives Commission" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

National Arts Council

["National Arts Council" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["National Botanical Institute" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 765 in GG 27599 of 27 May, 2005.]

National Consumer Commission

["National Consumer Commission" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

National Consumer Tribunal

["National Consumer Tribunal" added by GN 602 in GG 28798 of 12 May, 2006.]

.....

["National Coordination Office of the Manufacturing Advisory Centre Programme-NAMAC" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GNs 1263, 1264 and 1265 in GG 28237 of 25 November, 2005.]

National Credit Regulator

["National Credit Regulator" added by GN 602 in GG 28798 of 12 May, 2006.]

National Development Agency

["National Development Agency" added by GN 402 in GG 22047 of 16 February, 2001.]

National Economic, Development and Labour Council

.....

["National Electricity Regulator" deleted by GN 1271 in GG 28237 of 25 November, 2005.]

National Electronic Media Institute of SA

["National Electronic Media Institute of SA" added by GN 1397 in GG 22321 of 1 June, 2001.]

National Empowerment Fund

["National Empowerment Fund" added by GN 402 in GG 22047 of 16 February, 2001.]

National Energy Regulator of South Africa

["National Energy Regulator of South Africa" added by GN 1271 in GG 28237 of 25 November, 2005.]

National Film and Video Foundation

["National Film and Video Foundation" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["National Film Board" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

National Gambling Board of SA

["National Gambling Board of SA" added by GN 402 in GG 22047 of 16 February, 2001.]

National Health Laboratory Service

["National Health Laboratory Service" added by GN 683 in GG 23407 of 17 May, 2002.]

National Heritage Council (NHC)

["National Heritage Council (NHC)" added by GN 765 in GG 27599 of 27 May, 2005.]

National Home Builders Registration Council-NHBRC

["National Home Builders Registration Council-NHBRC" added by GN 402 in GG 22047 of 16 February, 2001.]

National Housing Finance Corporation

National Library, Pretoria/Cape Town

["National Library, Pretoria/Cape Town" added by GN 402 in GG 22047 of 16 February, 2001.]

National Lotteries Board

["National Lotteries Board" added by GN 402 in GG 22047 of 16 February, 2001.]

National Metrology Institute of South Africa

["National Metrology Institute of South Africa" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["National Monuments Council" deleted by GN 1283 in GG 23619 of 19 July, 2002.]

National Museum, Bloemfontein

["National Museum, Bloemfontein" added by GN 402 in GG 22047 of 16 February, 2001.]

National Nuclear Regulator

["National Nuclear Regulator" added by GN 402 in GG 22047 of 16 February, 2001.]

National Regulator for Compulsory Specifications

["National Regulator for Compulsory Specifications" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

National Research Foundation

["National Research Foundation" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["National Small Business Council" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

National Student Financial Aid Scheme

["National Student Financial Aid Scheme" added by GN 402 in GG 22047 of 16 February, 2001.]

National Urban Reconstruction and Housing Agency-NURCHA

["National Urban Reconstruction and Housing Agency-NURCHA" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["National Year 2000 Decision Support Centre" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

National Youth Commission

.....

["National Zoological Gardens of SA" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1477 in GG 29293 of 20 October, 2006 (Editorial Note: GN 1477 in GG 29293 made reference to "National Zoological Gardens". We suggest "National Zoological Gardens of SA" was intended).]

Nelson Mandela Museum, Umtata

["Nelson Mandela Museum, Umtata" added by GN 402 in GG 22047 of 16 February, 2001.]

Northern Flagship Institution, Pretoria

["Northern Flagship Institution, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001.]

Office of the Ombudsman for Financial Services Providers

["Office of the Ombudsman for Financial Services Providers" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

Office of the Pension Funds Adjudicator

["Office of the Pension Funds Adjudicator" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

Performing Arts Council of the Free State

["Performing Arts Council Orange Free State (PACOFs), Bloemfontein" added by GN 402 in GG 22047 of 16 February, 2001.]

["Performing Arts Council of the Free State" previously "Performing Arts Council Orange Free State (PACOFs), Bloemfontein" amended by GN 1283 in GG 23619 of 19 July, 2002.]

Perishable Products Export Control Board

["Perishable Products Export Control Board" added by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["Police, Private Security, Legal and Correctional Services" added by GN 402 in GG 22047 of 16 February, 2001.]

["Police, Private Security, Legal and Correctional Services Training Authority" previously "Police, Private Security, Legal and Correctional Services" amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

Ports Regulator of South Africa

["Ports Regulator of South Africa" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["Primary Agricultural Education and Training Authority (PAETA)" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1010 in GG 29050 of 28 July, 2006.]

Private Security Industry Regulatory Authority

["Private Security Industry Regulatory Authority" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

Productivity SA

["Productivity SA" previously "National Productivity Institute" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1003 in GG 31417 of 19 September, 2008.]

.....

["Public Investment Commissioners" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 1114 in GG 27773 of 15 July, 2005.]

.....

["Public Protector" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1863 in GG 22577 of 24 August, 2001.]

Public Sector Education and Training Authority

["Public Sector Education and Training Authority" added by GN 667 in GG 28847 of 26 May, 2006.]

.....

["Public Services Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 2302 in GG 22860 of 30 November, 2001.]

Railway Safety Regulator

["Railway Safety Regulator" added by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["Rent Control Board" added by GN 1283 in GG 23619 of 19 July, 2002 and deleted by GN 765 in GG 27599 of 27 May, 2005.]

Road Accident Fund

Road Traffic Management Corporation

["Road Traffic Management Corporation" added by GN 1396 in GG 24042 of 15 November, 2002.]

Robben Island Museum, Cape Town

["Robben Island Museum, Cape Town" added by GN 402 in GG 22047 of 16 February, 2001.]

Rural Housing Loan Fund

["Rural Housing Loan Fund" added by GN 3366 in GG 25778 of 5 December, 2003.]

Safety and Security Sector Education and Training

["Safety and Security Sector Education and Training" added by GN 240 in GG 33059 of 1 April, 2010 with effect retrospectively from 1 July, 2005.]

.....

["South African Blind Workers Organization (SABWO)" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 441 in GG 28651 of 31 March, 2006 (Editorial Note: GN 441 in GG 28651 made reference to "South African Blind Workers Association (SABWO)". We suggest "South African Blind Workers Organization (SABWO)" was intended).]

.....

["SA Bureau of Standards (SABS)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001.]

SA Civil Aviation Authority

.....

["SA Communications Regulatory Authority" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1863 in GG 22577 of 24 August, 2001.]

.....

["SA Council for Architects" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 1139 in GG 26477 of 25 June, 2004.]

SA Council for Educators

["SA Council for Educators" added by GN 402 in GG 22047 of 16 February, 2001.]

South African Diamond and Precious Metals Regulator

["SA Diamond and Precious Metals Regulator" added by GN 187 in GG 29669 of 9 March, 2007.]

.....

["SA Diamond Board" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 187 in GG 29669 of 9 March, 2007.]

.....

["SA Excellence Foundation" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1268 in GG 28237 of 25 November, 2005.]

.....

["SA Geographical Names Commission" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

SA Heritage Resources Agency

["SA Heritage Resources Agency" previously "National Heritage Council" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 683 in GG 23407 of 17 May, 2002.]

.....

["SA Housing Development Board" previously "National Housing Board" amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

.....

["SA Housing Fund" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["SA Housing Trust Limited" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

SA Institute for Drug-free Sport

["SA Institute for Drug-free Sport" added by GN 402 in GG 22047 of 16 February, 2001.]

SA Library for the Blind, Grahamstown

["SA Library for the Blind, Grahamstown" added by GN 402 in GG 22047 of 16 February, 2001.]

SA Local Government Association

["SA Local Government Association" added by GN 1283 in GG 23619 of 19 July, 2002.]

SA Maritime Safety Authority

["SA Maritime Safety Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

SA Medical Research Council

SA National Accreditation System

["SA National Accreditation System" added by GN 402 in GG 22047 of 16 February, 2001.]

South African National Biodiversity Institute (SANBI)

["South African National Biodiversity Institute (SANBI)" added by GN 765 in GG 27599 of 27 May, 2005.]

South African National Parks

["South African National Parks" previously "National Parks Board" amended by GN 683 in GG 23407 of 17 May, 2002.]

SA National Roads Agency

["SA National Roads Agency" previously "National Road Fund" amended by GN 1863 in GG 22577 of 24 August, 2001.]

SA Nuclear Energy Corporation

["SA Nuclear Energy Corporation" added by GN 402 in GG 22047 of 16 February, 2001.]

SA Qualifications Authority

.....

["SA Quality Institute" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

SA Revenue Service

.....

["SA Road Board" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

.....

["SA Road Safety Council" deleted by GN 1396 in GG 24042 of 15 November, 2002.]

South African Social Security Agency

["South African Social Assistance Agency" inserted by GN 230 in GG 28519 of 24 February, 2006 and corrected to read "South African Social Security Agency" by GN 436 in GG 28651 of 31 March, 2006.]

.....

["SA Sport Commission" added by GN 1397 in GG 22321 of 1 June, 2001 and deleted by GN 1000 in GG 31417 of 19 September, 2008.]

.....

["SA Telecommunications Regulatory Authority" deleted by GN 1863 in GG 22577 of 24 August, 2001.]

SA Tourism Board

South African Weather Service

["South African Weather Service" added by GN 2302 in GG 22860 of 30 November, 2001.]

.....

["Secondary Agricultural Sector Education and Training Authority (SETSA)" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1010 in GG 29050 of 28 July, 2006.]

Servcon

["Servcon" added by GN 402 in GG 22047 of 16 February, 2001.]

Services Sector Education and Training Authority

["Services Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

Small Enterprise Development Agency (SEDA)

["Small Enterprise Development Agency (SEDA)" added by GNs 1263, 1264 and 1265 in GG 28237 of 25 November, 2005.]

Social Housing Foundation

["Social Housing Foundation" added by GN 1397 in GG 22321 of 1 June, 2001.]

Special Investigation Unit

["Special Investigation Unit" added by GN 402 in GG 22047 of 16 February, 2001.]

State Information Technology Agency

State Theatre, Pretoria

["State Theatre, Pretoria" added by GN 402 in GG 22047 of 16 February, 2001.]

The Co-Operative Banks Development Agency

["The Co-Operative Banks Development Agency" added and classified by GN 1000 in GG 31417 of 19 September, 2008.]

The National English Literary Museum, Grahamstown

["The National English Literary Museum, Grahamstown" added by GN 402 in GG 22047 of 16 February, 2001.]

The Playhouse Company, Durban

["The Playhouse Company, Durban" added by GN 402 in GG 22047 of 16 February, 2001.]

Thubelisha Homes

["Thubelisha Homes" added by GN 402 in GG 22047 of 16 February, 2001.]

Tourism and Hospitality Education and Training Authority

["Tourism and Hospitality Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Investment South Africa" added by GN 402 in GG 22047 of 16 February, 2001.]

["Trade and Investment South Africa" previously "Investment South Africa" amended by GN 1863 in GG 22577 of 24 August, 2001.]

["Trade and Investment South Africa" moved from Schedule 3B to Schedule 3A by GN 2302 in GG 22860 of 30 November, 2001.]

["Trade and Investment South Africa" deleted by GN 1000 in GG 31417 of 19 September, 2008.]

Transport Education and Training Authority

["Transport Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

uMalusi Council for Quality Assurance in General and Further Education and Training

["Umalusi Council for Quality Assurance in General and Further Education and Training" previously "SA Certification Council" amended by GN 1396 in GG 24042 of 15 November, 2002.]

Unemployment Insurance Fund

Universal Service and Access Agency of South Africa

["Universal Services Agency" added by GN 402 in GG 22047 of 16 February, 2001.]

["Universal Service Agency" previously "Universal Services Agency" amended by GN 1863 in GG 22577 of 24 August, 2001.]

["Universal Service and Access Agency of South Africa" previously "Universal Service Agency" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Universal Service and Access Fund

["Universal Services Fund" added by GN 402 in GG 22047 of 16 February, 2001.]

["Universal Service Fund" previously "Universal Services Fund" amended by GN 2302 in GG 22860 of 30 November, 2001.]

["Universal Service and Access Fund" previously "Universal Service Fund" amended by GN 1003 in GG 31417 of 19 September, 2008.]

Urban Transport Fund

["Urban Transport Fund" added by GN 1397 in GG 22321 of 1 June, 2001.]

Voortrekker Museum, Pietermaritzburg

["Voortrekker Museum, Pietermaritzburg" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Wage Board" deleted by GN 3366 in GG 25778 of 5 December, 2003.]

War Museum of the Boer Republics, Bloemfontein

["War Museum of the Boer Republics, Bloemfontein" added by GN 402 in GG 22047 of 16 February, 2001.]

Water Research Commission

Wholesale and Retail Sector Education and Training Authority

["Wholesale and Retail Sector Education and Training Authority" added by GN 402 in GG 22047 of 16 February, 2001.]

William Humphreys Art Gallery

["William Humphreys Art Gallery" added by GN 402 in GG 22047 of 16 February, 2001 and by GN 1283 in GG 23619 of 19 July, 2002.]

Windybrow Centre

["Windybrow Centre" added by GN 683 in GG 23407 of 17 May, 2002.]

.....
["Woordeboek van die Afrikaanse Taal (WAT), Paarl" added by GN 402 in GG 22047 of 16 February, 2001 and deleted by GN 1283 in GG 23619 of 19 July, 2002.]

Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice Nos. 1251 and 1252 in Government Gazette 33900 of 31 December, 2010)

(Prior to amendment by Government Notice Nos. 1251 and 1252 in Government Gazette 33900 of 31 December, 2010)

Schedule 3, Part B

Part B: National Government Business Enterprises

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under Government Notice No. 504 in *Government Gazette* 22337 of 8 June, 2001 with effect from 8 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1114 in *Government Gazette* 27773 of 15 July, 2005 with effect from 15 July, 2005 and under General Notices Nos. 1263, 1264 and 1265 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notice No. 431 in *Government Gazette* 28630 of 24 March, 2006, under Government Notice No. 647 in *Government Gazette* 30074 of 20 July, 2007 with effect from 20 July, 2007 and under Government Notice No. 242 in *Government Gazette* 33059 of 1 April, 2010 with effect from 1 April, 2010.]

Albany Coast Water Board

["Albany Coast Water Board" previously "Albaniekus Waterraad" amended by GN 1863 in GG 22577 of 24 August, 2001.]

Amatola Water Board

["Amatola Water Board" previously "Amatola Water" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1863 in GG 22577 of 24 August, 2001.]

Aventura

["Aventura" added by GN 402 in GG 22047 of 16 February, 2001.]

.....

["Bala Farms (Pty) Ltd" previously "Bala-Bala Farms (Pty) Ltd" amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 431 in GG 28630 of 24 March, 2006.]

Bloem Water

.....

["Bosveld Waterraad" substituted by "Lepelle Northern Water"]

Botshelo Water

["Botshelo Water" previously "North West Water Supply Authority Board" added by GN 1863 in GG 22577 of 24 August, 2001 and amended by GN 3366 in GG 25778 of 5 December, 2003.]

Bushbuckridge Water Board

["Bushbuckridge Water Board" previously "Bushbuckridge Water" added by GN 402 in GG 22047 of 16 February, 2001 and amended by GN 1863 in GG 22577 of 24 August, 2001.]

Council for Mineral Technology (Mintek)

["Council for Mineral Technology (Mintek)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001.]

Council for Scientific and Industrial Research (CSIR)

["Council for Scientific and Industrial Research (CSIR)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001.]

Export Credit Insurance Corporation of South Africa Limited

["Export Credit Insurance Corporation of South Africa Limited" added by GN 2302 in GG 22860 of 30 November, 2001 and " amended by GN 1283 in GG 23619 of 19 July, 2002.]

Ikangala Water

["Ikangala Water" added by GN 1863 in GG 22577 of 24 August, 2001.]

Inala Farms (Pty) Ltd

["Inala Farms (Pty) Ltd" previously "Iniala Farms (Pty) Ltd" amended by GN 1261 in GG 24731 of 17 April, 2003.]

.....

["Kalahari East Water Board" previously "Kalahari-Oos Waterraad" amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["Kalahari West Water Board" previously "Kalahari-Wes Waterraad" amended by GN 1863 in GG 22577 of 24 August, 2001 and deleted by GN 3366 in GG 25778 of 5 December, 2003.]

.....

["Karos-Geelkoppen Waterraad" deleted by GN 1863 in GG 22577 of 24 August, 2001.]

Khula Enterprises

Lepelle Northern Water

["Lepelle Northern Water" inserted by GN 1863 in GG 22577 of 24 August, 2001.]

Magalies Water

Mhlathuze Water

.....

["Mjindi Farming (Pty) Ltd" deleted from Schedule 3B and moved to Schedule 3D by GN 1863 in GG 22577 of 24 August, 2001.]

.....

["Mpendle-Ntambanana Agricultural Company (Pty) Ltd" deleted from Schedule 3B and moved to Schedule 3D by GN 1863 in GG 22577 of 24 August, 2001.]

Namakwa Water

Ncera Farms (Pty) Ltd

.....

["Noord Transvaal Water/Meetse" substituted by "Lepelle Northern Water".]

.....

["Ntsika Enterprises" deleted by GNs 1263, 1264 and 1265 in GG 28237 of 25 November, 2005.]

Onderstepoort Biological Products

["Onderstepoort Biological Products" added by GN 402 in GG 22047 of 16 February, 2001.]

Overberg Water

Passenger Rail Agency of South Africa

["Passenger Rail Agency of South Africa" previously "SA Rail Commuter Corporation Limited" amended by GN 242 in GG 33059 of 1 April, 2010.]

Pelladrift Water Board

["Pelladrift Water Board" previously "Pelladrift Water" amended by GN 1863 in GG 22577 of 24 August, 2001.]

.....

["Phalaborwa Water" substituted by "Lepelle Northern Water".]

Public Investment Corporation Limited

["Public Investment Corporation Limited" added by GN 1114 in GG 27773 of 15 July, 2005.]

Rand Water

["Rand Water" previously "Rand Water Board" amended by GN 1863 in GG 22577 of 24 August, 2001.]

SA Bureau of Standards (SABS)

["SA Bureau of Standards (SABS)" moved from Schedule 3A to Schedule 3B by GN 504 in GG 22337 of 8 June, 2001.]

Sasria

["Sasria" added by GN 402 in GG 22047 of 16 February, 2001.]

Sedibeng Water

["Sedibeng Water" previously "Goudveld Water" amended by GN 1863 in GG 22577 of 24 August, 2001.]

Sentech

["Sentech" added by GN 402 in GG 22047 of 16 February, 2001.]

State Diamond Trader

["State Diamond Trader" included by GN 647 in GG 30074 of 20 July, 2007.]

.....

["Trade and Investment South Africa" previously "Investment South Africa" amended by GN 1863 in GG 22577 of 24 August, 2001 and moved from Schedule 3B to Schedule 3A by GN 2302 in GG 22860 of 30 November, 2001.]

Umgeni Water

["Umgeni Water" previously "Umgeni Water Board" amended by GN 1863 in GG 22577 of 24 August, 2001.]

Umsobomvu Youth Fund

["Umsombomvu Fund" added by GN 1261 in GG 24731 of 17 April, 2003.]

["Umsobomvu Youth Fund" previously "Umsombomvu Fund" amended by GN 3366 in GG 25778 of 5 December, 2003.]

Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 10 of 2009)

(Prior to amendment by [Act No. 10 of 2009](#))

[Section 3 \(1\) \(d\)](#)

(d) the provincial legislatures, subject to [subsection \(2\)](#).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 10 of 2009)/ Section 3 (2)

[Section 3 \(2\)](#)

(2) To the extent that a provision of this Act applies to-

- (a) Parliament, any controlling and supervisory functions of the National Treasury in terms of that provision are performed by the Speaker of the National Assembly and the Chairperson of the National Council of Provinces, acting jointly.
- (b) a provincial legislature, any controlling and supervisory functions of the National Treasury and a provincial treasury in terms of that provision are performed by the Speaker of the provincial legislature.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 10 of 2009)/ Section 13 (1) (a)

[Section 13 \(1\) \(a\)](#)

(a) Parliament;

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 10 of 2009)/ Section 13 (5)

Section 13 (5)

(5) Money received by Parliament, a national public entity listed in [Schedule 2](#) or [3](#), the South African Reserve Bank or the Auditor-General must be paid into a bank account opened by the institution concerned.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 10 of 2009)/ Section 22 (1) (a)

Section 22 (1) (a)

(a) the provincial legislature in the province;

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 10 of 2009)/ Section 22 (5)

Section 22 (5)

(5) Money received by a provincial legislature or a provincial public entity listed in [Schedule 3](#) must be paid into a bank account opened by the entity concerned.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 241 in Government Gazette 33059 of 1 April, 2010)

(Prior to amendment by Government Notice No. 241 in Government Gazette 33059 of 1 April, 2010)

Schedule 3, Part C

Part C: Provincial Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005, under General Notices Nos. 1266, 1267 and 1270 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notices Nos. 462 and 476 in *Government Gazette* 28679 of 7 April, 2006 with effect from 7 April, 2006, under General Notice No. 797 in *Government Gazette* 28937 of 23 June, 2006 with effect from 23 June, 2006, under General Notice No. 1475 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006, under Government Notice No. 7 in *Government Gazette* 30637 of 4 January, 2008 with effect from 4 January, 2008, under Government Notice No. 1001 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008 and under Government Notice No. 1003 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008.]

Free State Youth Commission

Western Cape Provincial Youth Commission

["Western Cape Provincial Youth Commission" added by GN 765 in GG 27599 of 27 May, 2005.]

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 241 in Government Gazette 33059 of 1 April, 2010)/ Schedule 3, Part B

Schedule 3, Part B

Part B: National Government Business Enterprises

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under Government Notice No. 504 in *Government Gazette* 22337 of 8 June, 2001 with effect from 8 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1114 in *Government Gazette* 27773 of 15 July, 2005 with effect from 15 July, 2005 and under General Notices Nos. 1263, 1264 and 1265 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notice No. 431 in *Government Gazette* 28630 of 24 March, 2006 and under Government Notice No. 647 in *Government Gazette* 30074 of 20 July, 2007 with effect from 20 July, 2007.]

SA Rail Commuter Corporation Limited

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 1000 in Government Gazette 31417 of 19 September, 2008)

(Prior to amendment by Government Notice No. 1000 in Government Gazette 31417 of 19 September, 2008)

Schedule 3 Part A OTHER PUBLIC ENTITIES

Part A: National Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under Government Notice No. 504 in *Government Gazette* 22337 of 8 June, 2001 with effect from 8 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No. 1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005; under General Notice No. 1114 in *Government Gazette* 27773 of 15 July, 2005 with effect from 15 July, 2005; under General Notices Nos. 1263, 1264, 1265, 1268, 1269 and 1271 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notice No. 230 in *Government Gazette* 28519 of 24 February, 2006 with effect from 24 February, 2006, under General Notice No. 396 in *Government Gazette* No. 28605 of 17 March, 2006 with effect from 17 March, 2006, under General Notices Nos. 436 and 441 in *Government Gazette* 28651 of 31 March, 2006 with effect from 31 March, 2006, under General Notice No. 602 in *Government Gazette* 28798 of 12 May, 2006 with effect from 12 May, 2006, under General Notice No. 667 in *Government Gazette* 28847 of 26 May, 2006 with effect from 26 May, 2006, under General Notice No. 972 in *Government Gazette* 29033 of 21 July, 2006 with effect from 21 July, 2006 and subject to Rand Water not exceeding their debt limit as provided in the *Government Gazette* Notice 23450 of 31 May, 2002, under General Notice Nos. 1010 and 1011 in *Government Gazette* 29050 of 28 July, 2006 with effect from 28 July, 2006, under General Notices Nos. 1476 and 1477 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006 and under Government Notice No. 187 in *Government Gazette* 29669 of 9 March, 2007 with effect from 9 March, 2007.]

Accounting Standards Board

Africa Institute of South Africa, Pretoria

African Renaissance and International Cooperation Fund

Afrikaanse Taalmuseum, Paarl

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Agricultural Research Council

AGRISETA

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Artscape

Banking Sector Education and Training Authority

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Boxing South Africa

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Castle Control Board

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Chemical Industries Education and Training Authority

Clothing, Textiles, Footwear and Leather Sector Education and Training Authority

Commission for Conciliation, Mediation & Arbitration

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Compensation Fund, including Reserve Fund

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Competition Commission

Competition Tribunal

Construction Education and Training Authority

Construction Industry Development Board

Council for Built Environment (CBE)

Council for Geoscience

Council for Medical Schemes

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Council on Higher Education

Cross-Border Road Transport Agency

Diplomacy, Intelligence, Defence and Trade & Industry Sector Education and Training Authority

Education and Labour Relations Council

Education, Training and Development Practices Sector Education and Training Authority

Electricity Distribution Industry Holdings (Pty) Ltd

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Energy Sector Education and Training Authority

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Estate Agency Affairs Board

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Film and Publication Board

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Financial and Accounting Services Training Authority

Financial Intelligence Centre

Financial Services Board

Food and Beverages Manufacturing Industry Sector Education and Training Authority

Forest Industries Sector Education and Training Authority

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Freedom Park Trust

Godisa Trust

Greater St. Lucia Wetland Park Authority

Health and Welfare Sector Education and Training Authority

Human Sciences Research Council

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Independent Regulatory Board for Auditors

Information Systems, Electronics and Telecommunications Technologies Training Authority

Ingonyama Trust Board

Inkomati Catchment Management Agency

Insurance Sector Education and Training Authority

International Marketing Council (IMC)

International Trade Administration Commission

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Iziko Museums of Cape Town

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Legal Aid Board

Local Government, Water and Related Services Sector Education and Training Authority

Luthuli Museum

Manufacturing Advisory Council

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Manufacturing, Engineering and Related Services Education and Training Authority

Marine Living Resources Fund

Market Theatre Foundation

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Media, Advertising, Publishing, Printing and Packaging Training Authority

Media Development and Diversity Agency

Mine Health & Safety Council

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Mining Qualifications Authority

Municipal Infrastructure Investment Unit

Natal Museum, Pietermaritzburg

National Agricultural Marketing Council

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National Arts Council

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National Consumer Tribunal

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National Credit Regulator

National Development Agency

National Economic, Development and Labour Council

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National Electronic Media Institute of SA

National Empowerment Fund

National Energy Regulator of South Africa

National Film and Video Foundation

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National Gambling Board of SA

National Health Laboratory Service

National Heritage Council (NHC)

National Home Builders Registration Council-NHBRC

National Housing Finance Corporation

National Library, Pretoria/Cape Town

National Lotteries Board

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National Museum, Bloemfontein

National Nuclear Regulator

National Productivity Institute

National Research Foundation

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National Student Financial Aid Scheme

National Urban Reconstruction and Housing Agency-NURCHA

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National Youth Commission

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Nelson Mandela Museum, Umtata

Northern Flagship Institution, Pretoria

Performing Arts Council of the Free State

Perishable Products Export Control Board

Police, Private Security, Legal and Correctional Services Training Authority

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Public Sector Education and Training Authority

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Railway Safety Regulator

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Road Accident Fund

Road Traffic Management Corporation

Robben Island Museum, Cape Town

Rural Housing Loan Fund

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SA Civil Aviation Authority

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SA Council for Educators

South African Diamond and Precious Metals Regulator

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SA Heritage Resources Agency

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SA Institute for Drug-free Sport

SA Library for the Blind, Grahamstown

SA Local Government Association

SA Maritime Safety Authority

SA Medical Research Council

SA National Accreditation System

South African National Biodiversity Institute (SANBI)

South African National Parks

SA National Roads Agency

SA Nuclear Energy Corporation

SA Qualifications Authority

SA Quality Institute

SA Revenue Service

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South African Social Security Agency

SA Sport Commission

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SA Tourism Board

South African Weather Service

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Servcon

Services Sector Education and Training Authority

Small Enterprise Development Agency (SEDA)

Social Housing Foundation
Special Investigation Unit
State Information Technology Agency
State Theatre, Pretoria
The National English Literary Museum, Grahamstown
The Playhouse Company, Durban
Thubelisha Homes
Tourism and Hospitality Education and Training Authority
Trade and Investment South Africa
Transport Education and Training Authority
uMalusi Council for Quality Assurance in General and Further Education and Training
Unemployment Insurance Fund
Universal Service Agency
Universal Service Fund
Urban Transport Fund
Voortrekker Museum, Pietermaritzburg
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War Museum of the Boer Republics, Bloemfontein
Water Research Commission
Wholesale and Retail Sector Education and Training Authority
William Humphreys Art Gallery
Windybrow Centre
.....
Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 1001 in Government Gazette 31417 of 19 September, 2008)

(Prior to amendment by Government Notice No. 1001 in Government Gazette 31417 of 19 September, 2008)

Schedule 3 Part C

Part C: Provincial Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005, under General Notices Nos. 1266, 1267 and 1270 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notices Nos. 462 and 476 in *Government Gazette* 28679 of 7 April, 2006 with effect from 7 April, 2006, under General Notice No. 797 in *Government Gazette* 28937 of 23 June, 2006 with effect from 23 June, 2006, under General Notice No. 1475 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006 and under Government Notice No. 7 in *Government Gazette* 30637 of 4 January, 2008 with effect from 4 January, 2008.]

Commissioner for the Environment
Destinations Marketing Organisation

Eastern Cape:

Centre for Investment and Marketing in the Eastern Cape
Eastern Cape Appropriate Technology Unit
Eastern Cape Arts Council
Eastern Cape Consumer Affairs Court
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Eastern Cape Gambling and Betting Board
Eastern Cape Liquor Board
Eastern Cape Local Road Transport Board
Eastern Cape Museums
Eastern Cape Parks Board
Eastern Cape Provincial Housing Board
Eastern Cape Provincially Aided Libraries
Eastern Cape Regional Authorities
Eastern Cape Rural Finance Corporation Limited
Eastern Cape Socio-Economic Consultative Council
.....
Eastern Cape Tourism Board
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Eastern Cape Youth Commission
Eastern Region Entrepreneurial Support Centre
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Free State:

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Free State Council for Citizenship, Education and Conflict Resolution
Free State Gambling and Racing Board
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Free State Tourism Authority
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Free State Youth Commission
Phakisa Major Sport and Development Corporation

Gauteng:

Blue IQ Investment Holdings (Pty) Ltd

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Gauteng Economic Development Agency

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Gauteng Gambling Board

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Gauteng Partnership Fund (GPF)

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Gauteng Tourism Authority

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KwaZulu-Natal:

Amafa Akwazulu Natali

Ezemvelo KwaZulu-Natal Wildlife

Kwazulu-Natal Agricultural Development Trust

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KwaZulu-Natal Gambling Board

KwaZulu-Natal House of Traditional Leaders

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KwaZulu-Natal Provincial Planning and Development Commission

Kwazulu-Natal Taxi Council

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KwaZulu-Natal Tourism Authority

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Natal Sharks Board

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uMsekeli Municipal Support Services

Mpumalanga:

Mpumalanga Economic Empowerment Corporation

Mpumalanga Gambling Board
Mpumalanga Gaming Board
Mpumalanga Housing Board
Mpumalanga Investment Initiative
Mpumalanga Parks Board
Mpumalanga Regional Training Trust
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Mpumalanga Tourism Authority

Northern Cape:

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Northern Cape Tourism Authority
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Northern Province:

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Limpopo Development Enterprise
Limpopo Gambling Board
Limpopo Tourism and Parks Board
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Northern Province Appeal Tribunals
Northern Province Development Tribunals
.....
Northern Province Housing Board
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Northern Province Liquor Board
Northern Province Local Business Centres
Northern Province Panel of Mediators
Northern Province Planning Commission
.....
Northern Province Roads Agency
.....
Trade and Investment Limpopo

North West:

Invest North West
Mmabana Arts, Culture and Sport Foundation
NW Agricultural Services Corporation
.....

NW Communication Service
NW Eastern Region Entrepreneurial Support Centre
NW Gambling Board
NW Housing Corporation
.....
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NW Parks and Tourism Board
NW Provincial Aids Council
Provincial Arts and Culture Council
.....
NW Youth Development Trust

Western Cape:

Western Cape Cultural Commission
WC Gambling and Racing Board
.....
WC Investment and Trade Promotion Agency
Western Cape Language Committee
WC Liquor Board
Western Cape Nature Conservation Board
WC Provincial Development Council
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Western Cape Provincial Youth Commission
Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 1002 in Government Gazette 31417 of 19 September, 2008)

(Prior to amendment by Government Notice No. 1002 in Government Gazette 31417 of 19 September, 2008)

Schedule 3 Part D

Part D: Provincial Government Business Enterprises

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001. Authorisation of public entities have been published under General Notice No. 318 in *Government Gazette* 23204 of 7 March, 2002. Amended public entities have been published under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under General Notice No. 1315 in *Government Gazette* 23661 of 2 August, 2002 with effect from 2 August, 2002; under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004, under General Notice No. 1267 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005 and under General Notice No. 476 in *Government Gazette* 28679 of 7 April, 2006.]

Entity:

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Casidra (Pty) Ltd

Cowslip Investments (Pty) Ltd

Eastern Cape Development Corporation

East London Industrial Development Zone Corporation

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Free State Development Corporation

Gateway Airport Authority Limited

Ithala Development Finance Corporation

.....

Mayibuye Transport Corporation

Mjindi Farming (Pty) Ltd

Mpendle Ntambanana Agricultural Company (Pty) Ltd

Mpumalanga Agricultural Development Corporation

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Mpumalanga Economic Empowerment Corporation

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Mpumalanga Housing Finance Company

.....

Northern Province Development Corporation

NW Development Corporation

Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 1003 in Government Gazette 31417 of 19 September, 2008)

(Prior to amendment by Government Notice No. 1003 in Government Gazette 31417 of 19 September, 2008)

**Schedule 3 Part A
OTHER PUBLIC ENTITIES**

Part A: National Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under Government Notice No. 504 in *Government Gazette* 22337 of 8 June, 2001 with effect from 8 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No. 1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005; under General Notice No. 1114 in *Government Gazette* 27773 of 15 July, 2005 with effect from 15 July, 2005; under General Notices Nos. 1263, 1264, 1265, 1268, 1269 and 1271 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notice No. 230 in *Government Gazette* 28519 of 24 February, 2006 with effect from 24 February, 2006, under General Notice No. 396 in *Government Gazette* No. 28605 of 17 March, 2006 with effect from 17 March, 2006, under General Notices Nos. 436 and 441 in *Government Gazette* 28651 of 31 March, 2006 with effect from 31 March, 2006, under General Notice No. 602 in *Government Gazette* 28798 of 12 May, 2006 with effect from 12 May, 2006, under General Notice No. 667 in *Government Gazette* 28847 of 26 May, 2006 with effect from 26 May, 2006, under General Notice No. 972 in *Government Gazette* 29033 of 21 July, 2006 with effect from 21 July, 2006 and subject to Rand Water not exceeding their debt limit as provided in the *Government Gazette* Notice 23450 of 31 May, 2002, under General Notice Nos. 1010 and 1011 in *Government Gazette* 29050 of 28 July, 2006 with effect from 28 July, 2006, under

General Notices Nos. 1476 and 1477 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006, under Government Notice No. 187 in *Government Gazette* 29669 of 9 March, 2007 with effect from 9 March, 2007 and under Government Notice No. 1000 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008.]

Accounting Standards Board

Africa Institute of South Africa, Pretoria

African Renaissance and International Cooperation Fund

Afrikaanse Taalmuseum, Paarl

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Agricultural Research Council

AGRISETA

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Artscape

Banking Sector Education and Training Authority

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Boxing South Africa

Breede River Catchment Management Agency

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Castle Control Board

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Chemical Industries Education and Training Authority

Clothing, Textiles, Footwear and Leather Sector Education and Training Authority

Commission for Conciliation, Mediation & Arbitration

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Compensation Fund, including Reserve Fund

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Competition Commission

Competition Tribunal

Construction Education and Training Authority

Construction Industry Development Board

Council for Built Environment (CBE)

Council for Geoscience

Council for Medical Schemes

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Council on Higher Education

Cross-Border Road Transport Agency

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Education and Labour Relations Council

Education, Training and Development Practices Sector Education and Training Authority

Electricity Distribution Industry Holdings (Pty) Ltd

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Energy Sector Education and Training Authority

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Estate Agency Affairs Board

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Film and Publication Board

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Financial and Accounting Services Training Authority

Financial Intelligence Centre

Financial Services Board

Food and Beverages Manufacturing Industry Sector Education and Training Authority

Forest Industries Sector Education and Training Authority

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Freedom Park Trust

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Greater St. Lucia Wetland Park Authority

Health and Welfare Sector Education and Training Authority

Human Sciences Research Council

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Independent Regulatory Board for Auditors

Information Systems, Electronics and Telecommunications Technologies Training Authority

Ingonyama Trust Board

Inkomati Catchment Management Agency

Insurance Sector Education and Training Authority

International Marketing Council (IMC)

International Trade Administration Commission

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Iziko Museums of Cape Town

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Legal Aid Board

Local Government, Water and Related Services Sector Education and Training Authority

Luthuli Museum

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Manufacturing, Engineering and Related Services Education and Training Authority

Marine Living Resources Fund

Market Theatre Foundation

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Media, Advertising, Publishing, Printing and Packaging Training Authority

Media Development and Diversity Agency

Mine Health & Safety Council

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Mining Qualifications Authority

Municipal Infrastructure Investment Unit

Natal Museum, Pietermaritzburg

National Agricultural Marketing Council

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National Arts Council

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National Consumer Commission

National Consumer Tribunal

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National Credit Regulator

National Development Agency

National Economic, Development and Labour Council

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National Electronic Media Institute of SA

National Empowerment Fund

National Energy Regulator of South Africa

National Film and Video Foundation

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National Gambling Board of SA

National Health Laboratory Service

National Heritage Council (NHC)

National Home Builders Registration Council-NHBRC

National Housing Finance Corporation

National Library, Pretoria/Cape Town

National Lotteries Board

National Metrology Institute of South Africa

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National Museum, Bloemfontein

National Nuclear Regulator

National Productivity Institute

National Regulator for Compulsory Specifications

National Research Foundation

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National Student Financial Aid Scheme

National Urban Reconstruction and Housing Agency-NURCHA

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National Youth Commission

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Nelson Mandela Museum, Umtata

Northern Flagship Institution, Pretoria

Office of the Ombudsman for Financial Services Providers

Office of the Pension Funds Adjudicator

Performing Arts Council of the Free State

Perishable Products Export Control Board

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Ports Regulator of South Africa

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Private Security Industry Regulatory Authority

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Public Sector Education and Training Authority

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Railway Safety Regulator

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Road Accident Fund

Road Traffic Management Corporation

Robben Island Museum, Cape Town

Rural Housing Loan Fund

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SA Civil Aviation Authority

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SA Council for Educators

South African Diamond and Precious Metals Regulator

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SA Heritage Resources Agency

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SA Institute for Drug-free Sport

SA Library for the Blind, Grahamstown

SA Local Government Association

SA Maritime Safety Authority

SA Medical Research Council

SA National Accreditation System

South African National Biodiversity Institute (SANBI)

South African National Parks

SA National Roads Agency

SA Nuclear Energy Corporation

SA Qualifications Authority

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SA Revenue Service

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South African Social Security Agency

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SA Tourism Board

South African Weather Service

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Servcon

Services Sector Education and Training Authority

Small Enterprise Development Agency (SEDA)

Social Housing Foundation

Special Investigation Unit

State Information Technology Agency

State Theatre, Pretoria

The Co-Operative Banks Development Agency

The National English Literary Museum, Grahamstown

The Playhouse Company, Durban

Thubelisha Homes

Tourism and Hospitality Education and Training Authority

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Transport Education and Training Authority

uMalusi Council for Quality Assurance in General and Further Education and Training

Unemployment Insurance Fund

Universal Service Agency

Universal Service Fund

Urban Transport Fund

Voortrekker Museum, Pietermaritzburg

.....

War Museum of the Boer Republics, Bloemfontein

Water Research Commission

Wholesale and Retail Sector Education and Training Authority

William Humphreys Art Gallery

Windybrow Centre

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Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 1003 in Government Gazette 31417 of 19 September, 2008)/ Schedule 3 Part C

Schedule 3 Part C

Part C: Provincial Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005, under General Notices Nos. 1266, 1267 and 1270 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notices Nos. 462 and 476 in *Government Gazette* 28679 of 7 April, 2006 with effect from 7 April, 2006, under General Notice No. 797 in *Government Gazette* 28937 of 23 June, 2006 with effect from 23 June, 2006, under General Notice No. 1475 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006, under Government Notice No. 7 in *Government Gazette* 30637 of 4 January, 2008 with effect from 4 January, 2008 and under Government Notice No. 1001 in *Government Gazette* 31417 of 19 September, 2008 with effect from 19 September, 2008.]

Commissioner for the Environment

Destinations Marketing Organisation

XHASA ATC Agency

Eastern Cape:

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Eastern Cape Appropriate Technology Unit

Eastern Cape Arts Council

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Eastern Cape Gambling and Betting Board

Eastern Cape Liquor Board

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Eastern Cape Parks Board

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Eastern Cape Provincially Aided Libraries

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Eastern Cape Rural Finance Corporation Limited

Eastern Cape Socio-Economic Consultative Council

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Eastern Cape Tourism Board

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Eastern Cape Youth Commission

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Free State:

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Free State Gambling and Racing Board

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Free State Tourism Authority

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Free State Youth Commission

Phakisa Major Sport and Development Corporation

Gauteng:

Blue IQ Investment Holdings (Pty) Ltd

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Gauteng Economic Development Agency

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Gauteng Enterprise Propeller

Gauteng Gambling Board

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Gauteng Partnership Fund (GPF)

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Gauteng Tourism Authority

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Gautrain Management Agency

KwaZulu-Natal:

Amafa Akwazulu Natali

Ezemvelo KwaZulu-Natal Wildlife

Kwazulu-Natal Agricultural Development Trust

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KwaZulu-Natal Gambling Board

KwaZulu-Natal House of Traditional Leaders

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KwaZulu-Natal Provincial Planning and Development Commission

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KwaZulu-Natal Tourism Authority

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Natal Sharks Board

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uMsekeli Municipal Support Services

Mpumalanga:

Mpumalanga Economic Empowerment Corporation

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Mpumalanga Gaming Board

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Mpumalanga Regional Training Trust

.....

Mpumalanga Tourism and Parks Board

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Northern Cape:

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Northern Cape Gambling Board

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Northern Cape Tourism Authority

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Northern Province:

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Limpopo Development Enterprise

Limpopo Gambling Board

Limpopo Tourism and Parks Board

.....

Northern Province Appeal Tribunals

Northern Province Development Tribunals

.....

Northern Province Housing Board

.....

Northern Province Liquor Board

Northern Province Local Business Centres

Northern Province Panel of Mediators

Northern Province Planning Commission

.....

Northern Province Roads Agency

.....

Trade and Investment Limpopo

North West:

Invest North West

Mmabana Arts, Culture and Sport Foundation

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NW Eastern Region Entrepreneurial Support Centre

NW Gambling Board

NW Housing Corporation

.....

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NW Parks and Tourism Board

NW Provincial Aids Council

Provincial Arts and Culture Council

North West Provincial Heritage Resources Authority

.....

NW Youth Development Trust

Western Cape:

Western Cape Cultural Commission

WC Gambling and Racing Board

.....

WC Investment and Trade Promotion Agency

Western Cape Language Committee

WC Liquor Board

Western Cape Nature Conservation Board

WC Provincial Development Council

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Western Cape Provincial Youth Commission

Any subsidiary or entity under the ownership control of the above public entities

**National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/
Wording of Sections/ (Prior to amendment by Act No. 30 of 2007)**

(Prior to amendment by [Act No. 30 of 2007](#))

[Section 1](#), definitions-"[department](#)"

"**department**" means a national or provincial department;

**National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/
Wording of Sections/ (Prior to amendment by Act No. 30 of 2007)/ Section 1, "national department"**

[Section 1](#), "[national department](#)"

"**national department**" means-

- (a) a department listed in [Schedule 1](#) of the Public Service Act, 1994 ([Proclamation No. 103 of 1994](#)), but excluding a provincial administration; or
- (b) an organisational component listed in [Schedule 3](#) of that Act;

**National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/
Wording of Sections/ (Prior to amendment by Act No. 30 of 2007)/ Section 1, "provincial department"**

[Section 1](#), "[provincial department](#)"

"**provincial department**" means-

- (a) a provincial administration listed in [Schedule 1](#) of the Public Service Act, 1994; or
- (b) a department within a provincial administration and listed in [Schedule 2](#) of that Act;

**National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/
Wording of Sections/ (Prior to amendment by Government Notice No. 7 in Government Gazette 30637 of 4
January, 2008)**

(Prior to amendment by Government Notice No. 7 in Government Gazette 30637 of 4 January, 2008)

[Schedule 3](#): Part C:

[Schedule 3](#)

OTHER PUBLIC ENTITIES

Part C: Provincial Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette*

23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005, under General Notices Nos. 1266, 1267 and 1270 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notices Nos. 462 and 476 in *Government Gazette* 28679 of 7 April, 2006 with effect from 7 April, 2006, under General Notice No. 797 in *Government Gazette* 28937 of 23 June, 2006 with effect from 23 June, 2006 and under General Notice No. 1475 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006.]

Western Cape:

Western Cape Cultural Commission

WC Gambling and Racing Board

.....

WC Investment and Trade Promotion Agency

Western Cape Language Committee

WC Liquor Board

Western Cape Nature Conservation Board

WC Provincial Development Council

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WC Tourism Board

Western Cape Provincial Youth Commission

Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notice No. 1477 in Government Gazette 29293 of 20 October, 2006)

(Prior to amendment by Government Notice No. 1477 in Government Gazette 29293 of 20 October, 2006)

Schedule 3: Part A

Schedule 3 OTHER PUBLIC ENTITIES

Part A: National Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under Government Notice No. 504 in *Government Gazette* 22337 of 8 June, 2001 with effect from 8 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No. 1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005; under General Notice No. 1114 in *Government Gazette* 27773 of 15 July, 2005 with effect from 15 July, 2005; under General Notices Nos. 1263, 1264, 1265, 1268, 1269 and 1271 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notice No. 230 in *Government Gazette* 28519 of 24 February, 2006 with effect from 24 February, 2006, under General Notices Nos. 436 and 441 in *Government Gazette* 28651 of 31 March, 2006 with effect from 31 March, 2006, under General Notice No. 602 in *Government Gazette* 28798 of 12 May, 2006 with effect from 12 May, 2006, under General Notice No. 667 in *Government Gazette* 28847 of 26 May, 2006 with effect from 26 May, 2006 and under General Notices Nos. 1476 and 1477 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006.]

(Prior to amendment by Government Notice No. 1475 in Government Gazette 29293 of 20 October, 2006)

Schedule 3: Part C

**Schedule 3
OTHER PUBLIC ENTITIES**

Part C: Provincial Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005, under General Notices Nos. 1266, 1267 and 1270 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005, under General Notice No. 462 in *Government Gazette* 28679 of 7 April, 2006 with effect from 7 April, 2006, under General Notice No. 476 in *Government Gazette* 28679 of 7 April, 2006 with effect from 7 April, 2006 and under General Notice No. 1475 in *Government Gazette* 29293 of 20 October, 2006 with effect from 20 October, 2006.]

Gauteng Agriculture and Farming Development Trust

(Prior to amendment by Government Notice No. 462 in Government Gazette 28679 of 7 April, 2006)

Schedule 3, Part C

Part C: Provincial Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005 and under General Notices Nos. 1266, 1267 and 1270 in *Government Gazette* 28237 of 25 November, 2005 with effect from 25 November, 2005.]

Commissioner for the Environment

Eastern Cape:

Centre for Investment and Marketing in the Eastern Cape

Eastern Cape Appropriate Technology Unit

Eastern Cape Arts Council

Eastern Cape Consumer Affairs Court

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Eastern Cape Gambling and Betting Board
Eastern Cape Liquor Board
Eastern Cape Local Road Transport Board
Eastern Cape Museums
Eastern Cape Parks Board
Eastern Cape Provincial Housing Board
Eastern Cape Provincially Aided Libraries
Eastern Cape Regional Authorities
Eastern Cape Rural Finance Corporation Limited
Eastern Cape Socio-Economic Consultative Council
.....
Eastern Cape Tourism Board
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Eastern Cape Youth Commission
Eastern Region Entrepreneurial Support Centre
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Free State:

Free State Consumer Affairs
Free State Council for Citizenship, Education and Conflict Resolution
Free State Gambling and Racing Board
Free State Investment Agency
Free State Liquor Board
Free State Mangaung Nursing College
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.....
Free State Youth Commission
Phakisa Major Sport and Development Corporation

Gauteng:

Blue IQ Investment Holdings (Pty) Ltd
Gauteng Agriculture and Farming Development Trust
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Gauteng Economic Development Agency
.....
Gauteng Gambling Board
.....
.....
Gauteng Partnership Fund (GPF)
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Gauteng Tourism Authority

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KwaZulu-Natal:

Amafa Akwazulu Natali

Ezemvelo KwaZulu-Natal Wildlife

Kwazulu-Natal Agricultural Development Trust

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KwaZulu-Natal Gambling Board

KwaZulu-Natal House of Traditional Leaders

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KwaZulu-Natal Provincial Planning and Development Commission

Kwazulu-Natal Taxi Council

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KwaZulu-Natal Tourism Authority

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Natal Sharks Board

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uMsekeli Municipal Support Services

Mpumalanga:

Mpumalanga Economic Empowerment Corporation

Mpumalanga Gambling Board

Mpumalanga Gaming Board

Mpumalanga Housing Board

Mpumalanga Investment Initiative

Mpumalanga Parks Board

Mpumalanga Regional Training Trust

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Mpumalanga Tourism Authority

Northern Cape:

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Northern Cape Tourism Authority

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Northern Province:

Gateway International Airport
Northern Province Agricultural and Rural Development Corporation
Northern Province Appeal Tribunals
Northern Province Development Tribunals
Northern Province Gaming Board
Northern Province Housing Board
Northern Province Investment Initiative
Northern Province Liquor Board
Northern Province Local Business Centres
Northern Province Panel of Mediators
Northern Province Planning Commission

.....

Northern Province Roads Agency
Northern Province Tourism Board

North West:

Invest North West
Mmabana Arts, Culture and Sport Foundation
NW Agricultural Services Corporation

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NW Parks and Tourism Board
NW Provincial Aids Council
Provincial Arts and Culture Council

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NW Youth Development Trust

Western Cape:

Western Cape Cultural Commission
WC Gambling and Racing Board

.....

WC Investment and Trade Promotion Agency

Western Cape Language Committee

WC Liquor Board

Western Cape Nature Conservation Board

WC Provincial Development Council

.....

WC Tourism Board

Western Cape Provincial Youth Commission

Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Government Notices Nos. 1263, 1264, 1265, 1266, 1267, 1268, 1269, 1270 and 1271 in Government Gazette 28237 of 25 November, 2005)

(Prior to amendment by Government Notices Nos. 1263, 1264, 1265, 1266, 1267, 1268, 1269, 1270 and 1271 in Government Gazette 28237 of 25 November, 2005)

Schedule 3

OTHER PUBLIC ENTITIES

Part A: National Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under Government Notice No. 504 in *Government Gazette* 22337 of 8 June, 2001 with effect from 8 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No. 1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005; and under General Notice No. 1114 in *Government Gazette* 27773 of 15 July, 2005 with effect from 15 July, 2005.]

Accounting Standards Board

Africa Institute of South Africa, Pretoria

African Renaissance and International Cooperation Fund

Afrikaanse Taalmuseum, Paarl

.....

Agricultural Research Council

.....

Artscape

Banking Sector Education and Training Authority

.....

Boxing South Africa

Business Arts of South Africa, Johannesburg

Castle Control Board

.....

Chemical Industries Education and Training Authority

Clothing, Textiles, Footwear and Leather Sector Education and Training Authority

Commission for Conciliation, Mediation & Arbitration

.....

Compensation Fund, including Reserve Fund

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Competition Commission

Competition Tribunal

Construction Education and Training Authority

Construction Industry Development Board

Council for Built Environment (CBE)

Council for Geoscience

Council for Medical Schemes

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Council on Higher Education

Cross-Border Road Transport Agency

Diplomacy, Intelligence, Defence and Trade & Industry Sector Education and Training Authority

Education and Labour Relations Council

Education, Training and Development Practices Sector Education and Training Authority

Electricity Distribution Industry Holdings (Pty) Ltd

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Energy Sector Education and Training Authority

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Estate Agency Affairs Board

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Film and Publication Board

.....

Financial and Accounting Services Training Authority

Financial Intelligence Centre

Financial Services Board

Food and Beverages Manufacturing Industry Sector Education and Training Authority

Forest Industries Sector Education and Training Authority

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Freedom Park Trust

Godisa Trust

Greater St. Lucia Wetland Park Authority

Health and Welfare Sector Education and Training Authority

Human Sciences Research Council

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Information Systems, Electronics and Telecommunications Technologies Training Authority

Ingonyama Trust Board

Insurance Sector Education and Training Authority

International Trade Administration Commission

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Iziko Museums of Cape Town

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Legal Aid Board

Local Government, Water and Related Services Sector Education and Training Authority

Manufacturing Advisory Council

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Manufacturing, Engineering and Related Services Education and Training Authority

Marine Living Resources Fund

Market Theatre Foundation

.....

Media, Advertising, Publishing, Printing and Packaging Training Authority

Media Development and Diversity Agency

Mine Health & Safety Council

.....

Mining Qualifications Authority

Municipal Infrastructure Investment Unit

Natal Museum, Pietermaritzburg

National Agricultural Marketing Council

.....

National Arts Council

.....

National Coordination Office of the Manufacturing Advisory Centre Programme-NAMAC

National Development Agency

National Economic, Development and Labour Council

National Electricity Regulator

National Electronic Media Institute of SA

National Empowerment Fund

National Film and Video Foundation

.....

National Gambling Board of SA

National Health Laboratory Service

National Heritage Council (NHC)

National Home Builders Registration Council-NHBRC

National Housing Finance Corporation

National Library, Pretoria/Cape Town

National Lotteries Board

.....

National Museum, Bloemfontein

National Nuclear Regulator

National Productivity Institute

National Research Foundation

.....

National Student Financial Aid Scheme

National Urban Reconstruction and Housing Agency-NURCHA

.....

National Youth Commission

National Zoological Gardens of SA, Pretoria

Nelson Mandela Museum, Umtata

Northern Flagship Institution, Pretoria

Performing Arts Council of the Free State

Perishable Products Export Control Board

Police, Private Security, Legal and Correctional Services Training Authority

Primary Agricultural Education and Training Authority

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Railway Safety Regulator

.....

Road Accident Fund

Road Traffic Management Corporation

Robben Island Museum, Cape Town

Rural Housing Loan Fund

SA Blind Workers Organization, Johannesburg

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SA Civil Aviation Authority

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SA Council for Educators

SA Diamond Board

SA Excellence Foundation

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SA Heritage Resources Agency

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SA Institute for Drug-free Sport

SA Library for the Blind, Grahamstown

SA Local Government Association

SA Maritime Safety Authority

SA Medical Research Council

SA National Accreditation System

South African National Parks

SA National Roads Agency

SA Nuclear Energy Corporation

SA Qualifications Authority

SA Quality Institute

SA Revenue Service

.....

.....

SA Sport Commission

.....

SA Tourism Board

South African National Biodiversity Institute (SANBI)

South African Weather Service

Secondary Agricultural Sector Education and Training Authority

Servcon

Services Sector Education and Training Authority

Social Housing Foundation

Special Investigation Unit

State Information Technology Agency

State Theatre, Pretoria

The National English Literary Museum, Grahamstown

The Playhouse Company, Durban

Thubelisha Homes

Tourism and Hospitality Education and Training Authority

Trade and Investment South Africa

Transport Education and Training Authority

uMalusi Council for Quality Assurance in General and Further Education and Training

Unemployment Insurance Fund

Universal Service Agency

Universal Service Fund

Urban Transport Fund

Voortrekker Museum, Pietermaritzburg

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War Museum of the Boer Republics, Bloemfontein

Water Research Commission

Wholesale and Retail Sector Education and Training Authority

William Humphreys Art Gallery

Windybrow Centre

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Any subsidiary or entity under the ownership control of the above public entities

Part B: National Government Business Enterprises

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under Government Notice No. 504 in *Government Gazette* 22337 of 8 June, 2001 with effect from 8 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; and under General Notice No. 1114 in *Government Gazette* 27773 of 15 July, 2005 with effect from 15 July, 2005.]

Albany Coast Water Board

Amatola Water Board

Aventura

Bala Farms (Pty) Ltd

Bloem Water

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Botshelo Water

Bushbuckridge Water Board

Council for Mineral Technology (Mintek)

Council for Scientific and Industrial Research (CSIR)

Export Credit Insurance Corporation of South Africa Limited

Ikangala Water

Inala Farms (Pty) Ltd

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Khula Enterprises

Lepelle Northern Water

Magalies Water

Mhlathuze Water

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Namakwa Water

Ncera Farms (Pty) Ltd

.....

Ntsika Enterprises

Onderstepoort Biological Products

Overberg Water

Pelladrift Water Board

.....

Public Investment Corporation Limited

Rand Water

SA Bureau of Standards (SABS)

SA Rail Commuter Corporation Limited

Sasria

Sedibeng Water

Sentech

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Umgeni Water

Umsobomvu Youth Fund

Any subsidiary or entity under the ownership control of the above public entities

Part C: Provincial Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; and under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005.]

Commissioner for the Environment

Eastern Cape:

Centre for Investment and Marketing in the Eastern Cape

Eastern Cape Appropriate Technology Unit

Eastern Cape Arts Council

Eastern Cape Consumer Affairs Court

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Eastern Cape Gambling and Betting Board

Eastern Cape Liquor Board

Eastern Cape Local Road Transport Board

Eastern Cape Museums

Eastern Cape Provincial Housing Board

Eastern Cape Provincially Aided Libraries

Eastern Cape Regional Authorities

Eastern Cape Rural Finance Corporation Limited

Eastern Cape Socio-Economic Consultative Council

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Eastern Cape Tourism Board

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Eastern Cape Youth Commission

Eastern Region Entrepreneurial Support Centre
East London Industrial Development Zone Corporation

Free State:

Free State Consumer Affairs
Free State Council for Citizenship, Education and Conflict Resolution
Free State Gambling and Racing Board
Free State Investment Agency
Free State Liquor Board
Free State Mangaung Nursing College
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Free State Youth Commission
Phakisa Major Sport and Development Corporation

Gauteng:

Blue IQ Investment Holdings (Pty) Ltd
Gauteng Agriculture and Farming Development Trust
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Gauteng Economic Development Agency
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Gauteng Gambling Board
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Gauteng Tourism Authority
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KwaZulu-Natal:

Amafa Akwazulu Natali
Ezemvelo KwaZulu-Natal Wildlife
Kwazulu-Natal Agricultural Development Trust
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KwaZulu-Natal Gambling Board
KwaZulu-Natal House of Traditional Leaders
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KwaZulu-Natal Provincial Planning and Development Commission

Kwazulu-Natal Taxi Council

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KwaZulu-Natal Tourism Authority

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Natal Sharks Board

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uMsekeli Municipal Support Services

Mpumalanga:

Mpumalanga Economic Empowerment Corporation

Mpumalanga Gambling Board

Mpumalanga Gaming Board

Mpumalanga Housing Board

Mpumalanga Investment Initiative

Mpumalanga Parks Board

Mpumalanga Regional Training Trust

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Mpumalanga Tourism Authority

Northern Cape:

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Northern Cape Tourism Authority

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Northern Province:

Gateway International Airport

Northern Province Agricultural and Rural Development Corporation

Northern Province Appeal Tribunals

Northern Province Development Tribunals

Northern Province Gaming Board

Northern Province Housing Board

Northern Province Investment Initiative

Northern Province Liquor Board
Northern Province Local Business Centres
Northern Province Panel of Mediators
Northern Province Planning Commission
.....
Northern Province Roads Agency
Northern Province Tourism Board

North West:

Invest North West
Mmabana Arts, Culture and Sport Foundation
NW Agricultural Services Corporation
.....
NW Communication Service
NW Eastern Region Entrepreneurial Support Centre
NW Gambling Board
NW Housing Corporation
.....
.....
NW Parks and Tourism Board
NW Provincial Aids Council
Provincial Arts and Culture Council
.....
NW Youth Development Trust

Western Cape:

Western Cape Cultural Commission
WC Gambling and Racing Board
.....
WC Investment and Trade Promotion Agency
Western Cape Language Committee
WC Liquor Board
Western Cape Nature Conservation Board
WC Provincial Development Council
.....
WC Tourism Board
Western Cape Provincial Youth Commission
Any subsidiary or entity under the ownership control of the above public entities

Part D: Provincial Government Business Enterprises

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001. Authorisation of public entities have been published under General Notice No. 318 in *Government Gazette* 23204 of 7 March, 2002. Amended public entities have been published under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under General Notice No. 1315 in *Government Gazette* 23661 of 2 August, 2002 with effect from 2

August, 2002; under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; and under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004.]

Entity:

.....

Casidra (Pty) Ltd

Cowslip Investments (Pty) Ltd

Eastern Cape Development Corporation

.....

Free State Development Corporation

Ithala Development Finance Corporation

.....

Mayibuye Transport Corporation

Mjindi Farming (Pty) Ltd

Mpendle Ntambanana Agricultural Company (Pty) Ltd

Mpumalanga Agricultural Development Corporation

.....

Mpumalanga Economic Empowerment Corporation

.....

Mpumalanga Housing Finance Company

.....

Northern Province Development Corporation

NW Development Corporation

Any subsidiary or entity under the ownership control of the above public entities

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by General Notice No. 1114 in Government Gazette 27773 of 15 July, 2005)

(Prior to amendment by General Notice No. 1114 in Government Gazette 27773 of 15 July, 2005)

Schedule 3, public entity-"Public Investment Commissioners"

**Schedule 3
OTHER PUBLIC ENTITIES**

Part A: National Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001; under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001; under Government Notice No. 504 in *Government Gazette* 22337 of 8 June, 2001 with effect from 8 June, 2001; under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; under Government Notice No. 1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002; under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003; under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003; under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004; and under General Notice No. 765 in *Government Gazette* 27599 of 27 May, 2005 with effect from 27 May, 2005.]

Public Investment Commissioners

(Prior to amendment by Government Notice No. 765 in Government Gazette 27599 of 27 May, 2005)

Schedule 2, public entity-"Central Energy Fund"

Schedule 3

MAJOR PUBLIC ENTITIES

[General Note: Amended public entities have been published under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001; under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001; under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002, with effect from 17 May, 2002; under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002; and under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003.]

Central Energy Fund (Pty) Ltd

Schedule 3: Part A, National public entities-"Employment Conditions Commission", "International Trade Administration", "National Botanical Institute" and "Rent Control Board"

Part A: National Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001, under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001, under Government Notice No. 504 in *Government Gazette* 22337 of 8 June, 2001 with effect from 8 June, 2001, under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001, under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001, under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002, under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002, under Government Notice No. 1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002, under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003, under General Notice No. 3366 in *Government Gazette* 25778 of 5 December, 2003 with effect from 5 December, 2003 and under General Notice No. 1139 in *Government Gazette* 26477 of 25 June, 2004 with effect from 25 June, 2004.]

Employment's Condition Commission

International Trade Administration

National Botanical Institute

Rent Control Board

Schedule 3: Part C, Provincial public entity-"Free-State Gambling and Gaming Board"

Part C: Provincial Public Entities

[General Note: Amended public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001, under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001, under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001, under General Notice No. 2302 in *Government Gazette* 22860 of 30 November, 2001 with effect from 30 November, 2001, under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002, under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002, under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002, under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003, under General Notice No. 3366 in *Government Gazette* 25778

Free State Gambling and Gaming Board

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 25 of 2004)

(Prior to amendment by [Act No. 25 of 2004](#))

[Section 58](#)

58. Appointment of auditors.-(1) The annual financial statements of a public entity must be audited annually by-

- (a) the Auditor-General; or
- (b) a person registered in terms of [section 15](#) of the Public Accountants' and Auditors' Act, 1991 ([Act No. 80 of 1991](#)), as an accountant and auditor, and engaged in public practice as such.

(2) A public entity may appoint, as its auditor, a person referred to in subsection (1) (b) only if the audit is not performed by the Auditor-General.

(3) A public entity must consult the Auditor-General on the appointment of an auditor in terms of subsection (2).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 25 of 2004)/ Section 59

[Section 59](#)

59. Discharge of auditors.-(1) An auditor appointed by a public entity in terms of section 58 (1) (b) may not be discharged before the expiry of that auditor's term of appointment except by the executive authority responsible for that public entity acting-

- (a) after consultation with the accounting authority for that public entity; and
- (b) with the concurrence of the Auditor-General.

(2) If an executive authority intends discharging an auditor in terms of subsection (1), the executive authority must-

- (a) in writing give notice of the proposed discharge to the auditor, with reasons; and
- (b) give the auditor an opportunity to make written representations to the executive authority and the Auditor-General within 20 days of receipt of the notice.

(3) The Auditor-General must report any discharge of an auditor in terms of this section to Parliament.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 25 of 2004)/ Section 60

[Section 60](#)

60. Duties and powers of auditors.-(1) An auditor appointed in terms of section 58 (1) (b) must perform the functions of office as auditor in terms of [section 20](#) of the Public Accountants' and Auditors' Act, 1991 ([Act No. 80 of 1991](#)).

(2) In exercising the powers and performing the duties as auditor of a public entity the auditor-

- (a) has access at all reasonable times to the accounting records, including all books, vouchers, documents and other property of the public entity;
- (b) may require from the accounting authority for that public entity such information and explanations as are necessary for the purpose of the audit; and
- (c) may investigate whether there are adequate measures and procedures for the proper application of sound economic, efficient and effective management.

(3) An auditor appointed in terms of section 58 (1) (b) may consult the Auditor-General or any person in the Office of the Auditor-General concerning any matter relating to the auditing of the public entity concerned.

- (4) An auditor appointed in terms of section 58 (1) (b)-
- (a) must receive notice of every meeting of the public entity's audit committee; and
 - (b) may attend, and participate in, any meeting of the audit committee at the expense of the public entity.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 25 of 2004)/ Section 61

Section 61

61. Reports of auditor.-(1) The report of an auditor appointed in terms of section 58 (1) (b) must be addressed to the executive authority responsible for the public entity concerned and must state separately in respect of each of the following matters whether in the auditor's opinion-

- (a) the annual financial statements of the public entity fairly present the financial position and the results obtained by the entity in accordance with [subsection 55 \(1\) \(b\)](#) applied on a basis consistent with that of the preceding year;
 - (b) if required by the Auditor-General, the performance information furnished in terms of [subsection 55 \(2\) \(a\)](#) is fair in all material respects and, if applicable, on a basis consistent with that of the preceding year; and
 - (c) the transactions that had come to the auditor's attention during auditing were in all material respects in accordance with the mandatory functions of the public entity determined by law or otherwise.
- (2) The auditor-
- (a) must report to the executive authority responsible for the public entity the results of any investigation carried out under subsection 60 (2) (c); and
 - (b) when reporting in terms of paragraph (a), must draw attention to any other matters within the auditor's investigation which, in the auditor's opinion, should in the public interest be brought to the notice of Parliament.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 25 of 2004)/ Section 62

Section 62

62. Duties and powers of Auditor-General.-(1) The Auditor-General may-

- (a) investigate any public entity or audit the financial statements of any public entity if the Auditor-General is not appointed as auditor and the Auditor-General considers it to be in the public interest or upon the receipt of a complaint; and
- (b) recover the cost of the investigation or audit from the public entity.

(2) An investigation or audit in terms of section (1) may be carried out either by the Auditor-General or a person appointed by the Auditor-General.

(3) The executive authority responsible for a public entity in respect of which the Auditor-General has issued a special report in terms of subsection (1) or (2), must promptly table the report in the National Assembly or the relevant provincial legislature, as may be appropriate.

(4) The Auditor-General may-

- (a) claim the reasonable cost of performing the duties and exercising the powers in terms of this section from the public entity concerned; and
- (b) annually report to Parliament on specific and general findings regarding the accountability of public entities.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by General Notice No. 1139 in Government Gazette 26477 of 25 June, 2004)

(Prior to amendment by General Notice No. 1139 in Government Gazette 26477 of 25 June, 2004)

Schedule 3

OTHER PUBLIC ENTITIES

Part A: National Public Entities

[General Note: Additional public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001 and under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001. Amended public entities have been published under Government Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001, under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002, under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002, under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002 and under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003.]

Accounting Standards Board

Agricultural Research Council

Board on Tariffs and Trade

Competition Board

Commission for Conciliation, Mediation & Arbitration

Compensation Board

Council for Geoscience

Council for Mineral Technology (Mintek)

Council for Nuclear Safety

Council for Scientific and Industrial Research

Financial Services Board

Human Sciences Research Council

Legal Aid Board

National Economic, Development and Labour Council

National Electricity Regulator

National Film Board

National Housing Finance Corporation

National Small Business Council

National Youth Commission

Road Accident Fund

SA Bureau of Standards

SA Civil Aviation Authority

SA Housing Fund

SA Housing Trust Limited

SA Medical Research Council

SA Qualifications Authority

SA Revenue Service

SA Tourism Board

State Information Technology Agency

Unemployment Insurance Fund

Wage Board

Water Research Commission

Any subsidiary or entity under the ownership control of the above public entities

Africa Institute of South Africa, Pretoria
Afrikaanse Taalmuseum, Paarl
Banking Sector Education and Training Authority
Business Arts of South Africa, Johannesburg
Chemical Industries Education and Training Authority
Clothing, Textiles, Footwear and Leather Sector Education and Training Authority
Compensation Fund, including Reserve Fund
Competition Commission
Competition Tribunal
Construction Education and Training Authority
Council for Medical Schemes
Council on Higher Education
Diplomacy, Intelligence, Defence and Trade & Industry Sector Education and Training Authority
Education, Training and Development Practices Sector Education and Training Authority
Employment's Condition Commission
Energy Sector Education and Training Authority
Financial and Accounting Services Training Authority
Food and Beverages Manufacturing Industry Sector Education and Training Authority
Forest Industries Sector Education and Training Authority
Foundation for Education, Science and Technology, Pretoria
Health and Welfare Sector Education and Training Authority
Information Systems, Electronics and Telecommunications Technologies Training Authority
Ingonyama Trust Board
Insurance Sector Education and Training Authority
Local Government, Water and Related Services Sector Education and Training Authority
Manufacturing, Engineering and Related Services Education and Training Authority
Marine Living Resources Fund
Media, Advertising, Publishing, Printing and Packaging Training Authority
Mine Health & Safety Council
Mines and Works Compensation Fund
Mining Qualifications Authority
Natal Museum, Pietermaritzburg
National Arts Council
National Botanical Institute
National Coordination Office of the Manufacturing Advisory Centre Programme-NAMAC
National Development Agency
National Empowerment Fund
The National English Literary Museum, Grahamstown
National Film and Video Foundation
National Gambling Board of SA
National Home Builders Registration Council-NHBRC
National Library, Pretoria/Cape Town

National Lotteries Board
National Museum, Bloemfontein
National Nuclear Regulator
National Productivity Institute
National Research Foundation
National Student Financial Aid Scheme
National Urban Reconstruction and Housing Agency-NURCHA
National Year 2000 Decision Support Centre
National Zoological Gardens of SA, Pretoria
Nelson Mandela Museum, Umtata
The Playhouse Company, Durban
Northern Flagship Institution, Pretoria:
Primary Agricultural Education and Training Authority
Public Services Sector Education and Training Authority
Robben Island Museum, Cape Town
SA Blind Workers Organization, Johannesburg
SA Council for Educators
SA Diamond Board
SA Excellence Foundation
SA Institute for Drug-free Sport
SA Heritage Resources Agency, Cape Town
SA Library for the Blind, Grahamstown
SA Maritime Safety Authority
SA National Accreditation System
SA Nuclear Energy Corporation
SA Quality Institute
Secondary Agricultural Sector Education and Training Authority
Servcon
Services Sector Education and Training Authority
Special Investigation Unit
State Theatre, Pretoria
Thubelisha Homes
Tourism and Hospitality Education and Training Authority
Transport Education and Training Authority
Voortrekker Museum, Pietermaritzburg
War Museum of the Boer Republics, Bloemfontein
Wholesale and Retail Sector Education and Training Authority
Castle Management Board
Cross-Border Road Transport Agency
Estate Agency Affairs Board
Film and Publication Board

Manufacturing Advisory Council
Manufacturing Development Board
Municipal Infrastructure Investment Unit
National Electronic Media Institute of SA
Public Investment Commissioners
SA Council for Architects
SA Sport Commission
Social Housing Foundation
Urban Transport Fund
Caste Control Board
SA National Roads Agency
Police, Private Security, Legal and Correctional Services Training Authority
Universal Service Agency
Universal Services Fund
Johannesburg World Summit Company
National Health Laboratory Service
SA Heritage Resources Agency
South African National Parks
Windybrow Centre
Artscape
Greater St. Lucia Wetland Park Authority
Market Theatre Foundation
National Agricultural Marketing Council
Performing Arts Council of the Free State
Perishable Products Export Control Board
Rent Control Board
SA Local Government Association
Iziko Museums of Cape Town
William Humphreys Art Gallery
Education and Labour Relations Council
Road Traffic Management Corporation
Umalusi Council for Quality Assurance in General and Further Education and Training
Freedom Park Trust
Media Development and Diversity Agency

Part B: National Government Business Enterprises

[General Note: Additional public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001. Amended public entities have been published under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001, under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002, under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003.]

Bloem Water
Khula Enterprises
Lanok (Pty) Ltd

Magalies Water

Mhlathuze Water

Namakwa Water

Ncera Farms (Pty) Ltd

Ntsika Enterprises

Overberg Water

SA Rail Commuter Corporation Limited

Any subsidiary or entity under the ownership control of the above public entities

Sasria

Sentech

Onderstepoort Biological Products

Aventura

Bala Farms (Pty) Ltd

Trade and Investment South Africa

Lepelle Northern Water

Albany Coast Water Board

Amatola Water Board

Bushbuckridge Water Board

Sedibeng Water

Kalahari East Water Board

Kalahari West Water Board

Pelladrift Water Board

Rand Water

Umgeni Water

Ikangala Water

North West Water Supply Authority Board

Export Credit Insurance Corporation of South Africa Limited

Inala Farms (Pty) Ltd

Umsombomvu Fund

Part C: Provincial Public Entities

[General Note: Additional public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001 and under General Notice No. 1397 in *Government Gazette* 22321 of 1 June, 2001 with effect from 1 June, 2001. Amended public entities have been published under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001, under General Notice No. 683 in *Government Gazette* 23407 of 17 May, 2002 with effect from 17 May, 2002, under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002, under General Notice No. 1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002, under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003.]

Eastern Cape:

Centre for Investment and Marketing in the Eastern Cape

Eastern Cape Appropriate Technology Unit

Eastern Cape Arts Council

Eastern Cape Consumer Affairs Court

Eastern Cape Gambling and Betting Board

Eastern Cape Liquor Board
Eastern Cape Local Road Transport Board
Eastern Cape Museums
Eastern Cape Provincial Housing Board
Eastern Cape Provincially Aided Libraries
Eastern Cape Regional Authorities
Eastern Cape Socio-Economic Consultative Council
Eastern Cape Tourism Board
Eastern Cape Rural Finance Corporation Limited
Eastern Region Entrepreneurial Support Centre
Eastern Cape Youth Commission

Free State:

Free State Liquor Board
Free State Gambling and Gaming Board
Free State Youth Commission
Free State Council for Citizenship Education and Conflict Resolution
Free State Consumer Affairs
Free State Investment Agency
Free State Mangaung Nursing College

Gauteng:

Gauteng Economic Development Agency
Gauteng Gambling Board
Gauteng Tourism Authority
Gauteng Provincial Housing Board
Gauteng Agriculture and Farming Development Trust
Gauteng Rental Housing Tribunal

KwaZulu-Natal:

KwaZulu-Natal Development & Services Board
KwaZulu-Natal Gambling Board
KwaZulu-Natal House of Traditional Leaders
Natal Sharks Board
KwaZulu-Natal Tourism Authority
Natal Trust Fund
Natal Arts Trust
Kwazulu-Natal Taxi Council
Ezemvelo Kwazulu-Natal Wildlife
Amafa Akwazulu Natali
Kwazulu-Natal Provincial Planning and Development Commission

Mpumalanga:

Mpumalanga Housing Board
Mpumalanga Parks Board
Mpumalanga Investment Initiative

Mpumalanga Economic Empowerment Corporation

Mpumalanga Gambling Board

Mpumalanga Tourism Authority

Mpumalanga Gaming Board

Mpumalanga Regional Training Trust

Northern Cape:

Northern Cape Tourism Authority

Northern Cape Youth Commission

Northern Cape Gambling and Racing Board

Northern Province:

Northern Province Agricultural and Rural Development Corporation

Northern Province Appeal Tribunals

Northern Province Development Tribunals

Northern Province Panel of Mediators

Northern Province Planning Commission

Northern Province Tourism Board

Northern Province Gaming Board

Northern Province Liquor Board

Northern Province Local Business Centres

Northern Province Housing Board

Northern Province Investment Initiative

Gateway International Airport

Northern Province Roads Agency

North West:

NW Agricultural Services Corporation

NW Communication Service

NW Gambling Board

NW Parks and Tourism Board

NW Housing Corporation

Invest North West

Mmabana Arts Culture and Sport Foundation

NW Provincial Aids Council

NW Youth Development Trust

Western Cape:

WC Investment and Trade Promotion Agency

WC Tourism Board

WC Gambling and Racing Board

WC Liquor Board

WC Provincial Development Council

Any subsidiary or entity under the ownership control of the above public entities

Western Cape Nature Conservation Board

Western Cape Cultural Commission
Western Cape Language Committee
Provincial Arts and Culture Council
Phakisa Major Sport and Development Corporation

Part D: Provincial Government Business Enterprises

[General Note: Additional public entities have been published under General Notice No. 402 in *Government Gazette* 22047 of 16 February, 2001 with effect from 1 April, 2001. Amended public entities have been published under General Notice No. 1863 in *Government Gazette* 22577 of 24 August, 2001 with effect from 24 August, 2001. Authorisation of public entities have been published under General Notice No. 318 in *Government Gazette* 23204 of 7 March, 2002 with effect from 7 March, 2002. Amended public entities have been published under General Notice No. 1283 in *Government Gazette* 23619 of 19 July, 2002 with effect from 19 July, 2002. Authorisation of public entities have been published under General Notice No. 1315 in *Government Gazette* 23661 of 2 August, 2002 with effect from 2 August, 2002. Amended public entities have been published under Government Notice No.1396 in *Government Gazette* 24042 of 15 November, 2002 with effect from 15 November, 2002, under General Notice No. 1261 in *Government Gazette* 24731 of 17 April, 2003 with effect from 17 April, 2003.

Entity:

Mayibuye Transport Corporation
Free State Development Corporation
KwaZulu-Natal Mjindi Farming (Pty) Ltd
Natal Trust Farms (Pty) Ltd
Northern Province Development Corporation
Any subsidiary or entity under the ownership control of the above public entities
KwaZulu Transport Corporation Ltd
Provincial Government Business Enterprise
Ithala Finance Corporation
Mpumalanga Economic Empowerment Corporation
Mjindi Farming (Pty) Ltd
Mpendle Ntambanana Agricultural Company (Pty) Ltd
Mpumalanga Agricultural Development Corporation
Mpumalanga Housing Finance Company
Cowslip Investments (Pty) Ltd
Casidra (Pty) Ltd

**National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/
Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)**

(Prior to amendment by [Act No. 29 of 1999](#))

Long title

To regulate financial management in the national government; to ensure that all revenue, expenditure, assets and liabilities of that government are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in that government; and to provide for matters connected therewith.

**National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/
Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 1, definitions-"department",**

[Section 1](#), definitions-"[department](#)",

"department" means a national department;

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 1, "executive authority"

[Section 1, "executive authority"](#)

"executive authority"-

- (a) in relation to a national department, means the Cabinet member who is accountable to Parliament for that department; and
- (b) in relation to a national public entity, means the Cabinet member who is accountable to Parliament for that public entity or in whose portfolio it falls;

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 1, "financial year"

[Section 1, "financial year"](#)

"financial year"-

- (a) means a year ending 31 March; or
- (b) in relation to a national public entity that existed when this Act took effect and that has a different financial year in terms of other legislation, means that financial year, provided the National Treasury has approved that other financial year;

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 1, "irregular expenditure"

[Section 1, "irregular expenditure"](#)

"irregular expenditure" means expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including-

- (a) this Act; or
- (b) the State Tender Board Act, 1968 ([Act No. 86 of 1968](#)), or any regulations made in terms of that Act;

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 1, "main division within a vote"

[Section 1, "main division within a vote"](#)

"main division within a vote" means one of the main segments into which a vote is divided and which-

- (a) specifies the total amount which is appropriated for the items under that segment; and
- (b) is approved by Parliament as part of the vote;

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 1, "public entity"

[Section 1, "public entity"](#)

"public entity" means a national public entity;

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 1, "Revenue Fund"

[Section 1, "Revenue Fund"](#)

"Revenue Fund" means-

- (a) the National Revenue Fund mentioned in section 213 of the Constitution;

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 1, "trading entity"

Section 1, "trading entity"

"trading entity" means an entity operating within the administration of a department for the provision or sale of goods or services, and established-

- (a) in the case of a national department, with the approval of the National Treasury;

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 1, "treasury"

Section 1, "treasury"

"treasury" means the National Treasury;

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 1, "vote"

Section 1, "vote"

"vote" means one of the main segments into which an appropriation Act is divided and which-

- (a) specifies the total amount which is usually appropriated per department in an appropriation Act; and
- (b) is separately approved by Parliament before it approves the relevant draft appropriation Act as such.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 3 (1) (d)

Section 3 (1) (d)

- (d) Parliament, subject to [subsection \(2\)](#).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 6 (2) (c)

Section 6 (2) (c)

- (c) must monitor and assess the implementation of this Act, including any prescribed norms and standards, in national public entities and in constitutional institutions;

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 7 (5)

Section 7 (5)

(5) A bank which has opened a bank account for a department, a public entity listed in [Schedule 3](#) or a constitutional institution, or any other institution that holds money for a department, a public entity listed in [Schedule 3](#) or a constitutional institution, must promptly disclose information regarding the account when so requested by the National Treasury or the Auditor-General.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/

Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 10 (2), the words preceding paragraph (a)

Section 10 (2), the words preceding paragraph (a)

(2) A delegation, instruction or request in terms of [subsection \(1\)](#) to the head of a department forming part of the National Treasury-

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 10 (3)

Section 10 (3)

(3) The Minister may confirm, vary or revoke any decision taken by the head of a department forming part of the National Treasury, as a result of a delegation, instruction or request in terms of [subsection \(1\) \(a\)](#), or by a treasury official or accounting officer or accounting authority as a result of an authorisation in terms of [subsection \(2\) \(b\)](#), subject to any rights that may have become vested as a consequence of the decision.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Chapter 4, heading

Chapter 4, heading

CHAPTER 4
NATIONAL BUDGETS

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 26

Section 26

26. Annual appropriations.-Parliament must appropriate money for each financial year for the requirements of the state.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 27 (3) (e)

Section 27 (3) (e)

- (e) estimates of revenue excluded in terms of [section 13 \(1\)](#) from the Revenue Fund for that financial year;

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 27 (3) (f)

Section 27 (3) (f)

- (f) estimates of all direct charges against the Revenue Fund and standing appropriations for that financial year;

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 27 (4)

Section 27 (4)

(4) When the annual budget is introduced in the National Assembly, the accounting officer for each department must submit to Parliament measurable objectives for each main division within the department's vote. The treasury may co-ordinate these submissions and consolidate them in one document.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 28 (1), the words preceding paragraph (a)

Section 28 (1), the words preceding paragraph (a)

(1) The Minister must annually table in the National Assembly a multi-year budget projection of-

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 29 (1)

Section 29 (1)

(1) If an annual budget is not passed before the start of the financial year to which it relates, funds may be withdrawn in accordance with this section from the Revenue Fund for the services of the state during that financial year as direct charges against the Fund until the budget is passed.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 29 (3)

Section 29 (3)

(3) The funds provided for in subsection (1) are not additional to funds appropriated for the relevant financial year, and any funds withdrawn in terms of that subsection must be regarded as forming part of the funds appropriated in the annual budget for that financial year.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 33, the words preceding paragraph (a)

Section 33, the words preceding paragraph (a)

The treasury-

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 34

Section 34

34. Unauthorised expenditure.-(1) Unauthorised expenditure does not become a charge against a Revenue Fund except when-

- (a) the expenditure is an overspending of a vote and Parliament approves, as a direct charge against the Revenue Fund, an additional amount for that vote which covers the overspending; or
- (b) the expenditure is unauthorised for another reason and Parliament authorises the expenditure as a direct charge against the Revenue Fund.

(2) If Parliament does not approve in terms of subsection (1) (a) an additional amount for the amount of any overspending, that amount becomes a charge against the funds allocated for the following or future financial years under the relevant vote.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 36 (3), the words preceding paragraph (a)

Section 36 (3), the words preceding paragraph (a)

(3) The treasury may, in exceptional circumstances, approve or instruct in writing that a person other than the person mentioned in subsection (2) be the accounting officer for-

Section 36 (4)

- (4) The treasury may at any time withdraw in writing an approval or instruction in terms of [subsection \(3\)](#).

Section 38 (1) (g)

- (g) on discovery of any unauthorised, irregular or fruitless and wasteful expenditure, must immediately report, in writing, particulars of the expenditure to the treasury and in the case of irregular expenditure involving the procurement of goods or services, also to the relevant tender board;

Section 39 (2) (b), the words preceding subparagraph (i)

- (b) report to the executive authority and the treasury any impending

Section 39 (2) (c)

- (c) comply with any remedial measures imposed by the treasury in terms of this Act to prevent overspending of the vote or a main division within the vote.

Section 40 (1) (c) (ii)

- (ii) the treasury to enable that treasury to prepare consolidated financial statements in terms of [section 8](#);

Section 40 (1) (d), the words preceding subparagraph (i)

- (d) must submit within five months of the end of a financial year to the treasury and, in the case of a department or trading entity, also to the executive authority responsible for that department or trading entity-

Section 40 (1) (f)

- (f) is responsible for the submission by the department or constitutional institution of all reports, returns,

notices and other information to Parliament, an executive authority, the treasury or the Auditor-General, as may be required by this Act.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 40 (4) (a)

Section 40 (4) (a)

- (a) each year before the beginning of a financial year provide the treasury in the prescribed format with a breakdown per month of the anticipated revenue and expenditure of that department for that financial year;

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 40 (4) (c), the words preceding subparagraph (i)

Section 40 (4) (c), the words preceding subparagraph (i)

- (c) within 15 days of the end of each month submit to the treasury and the executive authority responsible for that department-

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 41

Section 41

41. Information to be submitted by accounting officers.-An accounting officer for a department, trading entity or constitutional institution must submit to the treasury or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as the treasury or the Auditor-General may require.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 42 (3)

Section 42 (3)

(3) The accounting officer for the transferring department must file a copy of the signed inventory with the treasury and the Auditor-General within 14 days of the transfer.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 43 (1)

Section 43 (1)

(1) An accounting officer for a department may utilise a saving in the amount appropriated under a main division within a vote towards the defrayment of excess expenditure under another main division within the same vote, unless the treasury directs otherwise.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 43 (3)

Section 43 (3)

(3) An accounting officer must within seven days submit a report containing the prescribed particulars concerning the utilisation of a saving in terms of subsection (1), to the executive authority responsible for the department and the treasury.

[Section 43 \(5\)](#)

(5) A utilisation of a saving in terms of subsection (1) is a direct charge against the Revenue Fund.

[Section 44 \(2\) \(a\)](#)

(a) is subject to any limitations and conditions prescribed in terms of this Act or as the treasury may impose;

[Section 47 \(4\) \(b\)](#)

(b) any public institution which functions outside the sphere of national government; and

[Section 48 \(1\)](#)

(1) The Minister may by notice in the national *Government Gazette* classify public entities listed in [Schedule 3](#) in accordance with the relevant definitions set out in [section 1](#), as-

- (a) national government business enterprises; and
- (b) national public entities.

[Section 49 \(3\)](#)

(3) The treasury, in exceptional circumstances, may approve or instruct that another functionary of a public entity must be the accounting authority for that public entity.

[Section 49 \(4\)](#)

(4) The treasury may at any time withdraw an approval or instruction in terms of subsection (3).

[Section 51 \(1\) \(f \)](#)

(f) is responsible for the submission by the public entity of all reports, returns, notices and other information to Parliament, and to the relevant executive authority or treasury, as may be required by this Act;

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 52, the words preceding paragraph (a)

Section 52, the words preceding paragraph (a)

52. Annual budget and corporate plan by Schedule 2 public entities and government business enterprises.-The accounting authority for a public entity listed in Schedule 2 or a government business enterprise listed in Schedule 3 must submit to the accounting officer for a department designated by the executive authority responsible for that public entity or government business enterprise, and to the treasury, at least one month, or another period agreed with the National Treasury, before the start of its financial year-

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 54 (1)

Section 54 (1)

(1) The accounting authority for a public entity must submit to the treasury or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as the treasury or the Auditor-General may require.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 54 (2), the words preceding paragraph (a)

Section 54 (2), the words preceding paragraph (a)

(2) Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction:

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 55 (1) (c) (ii)

Section 55 (1) (c) (ii)

(ii) if it is a business enterprise or other public entity under the ownership control of the national government, to the treasury; and

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 55 (1) (d), the words preceding subparagraph (i)

Section 55 (1) (d), the words preceding subparagraph (i)

(d) must submit within five months of the end of a financial year to the treasury, to the executive authority responsible for that public entity and, if the Auditor-General did not perform the audit of the financial statements, to the Auditor-General-

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 55 (3)

Section 55 (3)

(3) An accounting authority must submit the report and statements referred to in subsection (1) (d), for tabling in Parliament, to the relevant executive authority through the accounting officer of a department designated by the executive authority.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/

[Section 55 \(4\)](#)

(4) The treasury may direct that, instead of a separate report, the audited financial statements of a [Schedule 3](#) public entity which is not a government business enterprise must be incorporated in those of a department designated by the treasury.

[Section 62 \(3\)](#)

(3) The executive authority responsible for a public entity in respect of which the Auditor-General has issued a special report in terms of subsection (1) or (2), must promptly table the report in the National Assembly.

[Section 63 \(2\)](#)

(2) The executive authority responsible for a public entity under the ownership control of the national executive must exercise that executive's ownership control powers to ensure that that public entity complies with this Act and the financial policies of that executive.

[Section 64 \(3\)](#)

(3) Any decision of the executive authority to proceed with the implementation of the directive, and the reasons for the decision, must be in writing, and the accounting officer must promptly file a copy of this document with the National Treasury and the Auditor-General.

[Section 65 \(1\)](#), the words preceding [paragraph \(a\)](#)

(1) The executive authority responsible for a department or public entity must table in the National Assembly-

[Section 66 \(2\)](#)

(2) Only the following persons may borrow money, or issue a guarantee, indemnity or security, or enter into any other transaction that binds or may bind the Revenue Fund to any future financial commitment:

- (a) Transactions that bind or may bind the National Revenue Fund: the Minister or, in the case of the issue of a guarantee, indemnity or security, the responsible Cabinet member acting with the concurrence of the Minister in terms of [section 70](#).

[Section 66 \(4\)](#)

(4) Constitutional institutions may not borrow money, nor issue a guarantee, indemnity or security, nor enter

into any other transaction that binds or may bind the entity to any future financial commitment.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 66 (5)

Section 66 (5)

(5) Despite subsection (4), the Minister may in writing permit a public entity mentioned in subsection (3) (c) or a constitutional institution to borrow money for bridging purposes up to a prescribed limit, including a temporary bank overdraft, subject to such conditions as the Minister may impose.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 69

Section 69

69. Regulations on borrowing by public entities.-The Minister may by regulation in terms of [section 76](#) regulate the borrowing of money by or for or on behalf of public entities referred to in [section 66 \(3\) \(b\)](#) and [\(c\)](#).

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 77 (a) (ii)

Section 77 (a) (ii)

(ii) the majority may not be persons in the employ of the department, except with the approval of the treasury, and

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 77 (c)

Section 77 (c)

(c) may be established for two or more departments or institutions if the treasury consider it to be more economical.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 80 (1)

Section 80 (1)

(1) The Minister, by notice in the national *Government Gazette*, must determine-

- (a) a uniform interest rate applicable to loans granted out of the Revenue Fund; and
- (b) a uniform interest rate applicable to all other debts which must be paid into the Revenue Fund.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 82

Section 82

82. Financial misconduct by treasury officials.-An official of the treasury to whom a power or duty is assigned in terms of [section 10](#) commits an act of financial misconduct if that official wilfully or negligently fails to exercise that power or perform that duty.

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 85 (1) (a), the words preceding

subparagraph (i)

Section 85 (1) (a), the words preceding subparagraph (i)

- (a) the manner, form and circumstances in which allegations and disciplinary and criminal charges of financial misconduct must be reported to the National Treasury and the Auditor-General, including-

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 85 (1) (c)

Section 85 (1) (c)

- (c) the circumstances in which the National Treasury may direct that disciplinary steps be taken or criminal charges be laid against a person for financial misconduct;

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 85 (1) (e)

Section 85 (1) (e)

- (e) the circumstances in which the findings of a disciplinary board and any sanctions imposed by the board must be reported to the National Treasury, and the Auditor-General; and

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Section 89 (1) (a) (v)

Section 89 (1) (a) (v)

- (v) Parliament;

National Legislation/ Principal Acts and Regulations/ P/ Public Finance Management Act, No. 1 of 1999/ Wording of Sections/ (Prior to amendment by Act No. 29 of 1999)/ Schedule 4, heading Schedule 4 EXCLUSIONS FROM REVENUE FUNDS

Schedule 4, heading

Schedule 4

EXCLUSIONS FROM REVENUE FUNDS

(In terms of section 13 (1) (g))