

# BAS payment analysis

September 2018

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# Overview of BAS

- ▶ BAS is the core of government accounting systems
- ▶ It is the GL where all transactions are recorded and classified in accordance with the principles of the Standard Chart of Accounts and is the main source of information for the preparation of the annual financial statements
- ▶ BAS accounting application was first implemented prior to 2000
- ▶ 182 departments use BAS: all National and Provincial departments excluding:
  - ▶ Department of Police
  - ▶ Department of Defence
  - ▶ National Parliament
  - ▶ Provincial Legislatures for GP, KZN, MP, FS and NW
- ▶ All departments using BAS will ultimately use the reports from BAS to compile their annual financial statements for the relevant financial year ending 31 March
- ▶ The BAS application is not used by any State Owned Enterprises (SOEs) or Municipalities. Any payment made to a SOE or Municipality will be recorded as a Transfer Payment on the BAS application

# BAS functions

The application allows departments to perform the following functions:

- ▶ Main function on BAS is to process and disburse payments with outbound files sent to SARB or the relevant Commercial Bank as used by each department
- ▶ Create users, groups and workflows in relation to the security setup of each department. Function is performed centrally by a System Controller within each department who only performs non transactional functions on BAS with approval from the relevant line manager
- ▶ Record various accounting transactions with the use of a Standard Chart of Accounts. The recording of all transactions within the GL is controlled by standard Transaction Processing Rules (TPRs). Certain segments within the chart are controlled centrally (maintained by the Standard Chart of Accounts Committee) and others are controlled by each department
- ▶ Record and process payments from the application using various payment methods: Electronic Bank Transfers (EBTs), Credit Transfers (CT payments are over R1 million) and System Cheques
- ▶ Bank statements are interfaced into BAS providing an automated bank reconciliation function. Bank Exceptions are managed by the use of BAS control accounts that need to be cleared by officials within the department

# BAS functions

- ▶ Create entities from a standard list of default entity types. An entity, with valid details (including bank details) is required to make a payment from the application. Most departments make use of the Central Supplier Database (CSD) since 1 April 2017. Departments have the option of importing these entities into BAS and the details of these imported CSD entities cannot be changed on BAS
- ▶ Record receipts and deposits. Deposits will automatically match with the bank interface transaction
- ▶ BAS has functionality that allows for the recording and maintenance of departmental debt
- ▶ Record journal entries
- ▶ All compensation of employee transactions are interfaced into the BAS application from a payroll application called PERSAL. These transactions are posted to the GL by means of a standard list of TPRs. Security of compensation of employee transactions occurs in PERSAL
- ▶ Allows for requesting financial and functional reports. Financial reports relate to the GL information and functional reports relate specifically to a BAS functional area. Functional reports are registers kept within the application
- ▶ Departments also have the option of interfacing the following transactions: Payments (where the security is controlled by the source system), Receipts, Journals, Budget and Telkom. These transactions will be posted on BAS with a standard list of Transaction Processing Rules

# National Treasury access to BAS

- ▶ Currently 2 ways National Treasury can access the financial information of departments using the BAS application:
  - ▶ Firstly by means of a NT centrally created maintenance user ID that is created on each department's database. This user ID only has access to reporting and cannot perform any transactions on BAS
  - ▶ Secondly by means of running SQL queries from each department's relational database where the data is stored on the SITA mainframe (SITA is hosting the BAS application on their mainframe)

# Data extracted for the Commission

- ▶ The information to the Commission was extracted by means of SQL queries run on each department's database that is residing on the mainframe. This information can also be obtained by means of BAS functional reports. A sample of BAS functional reports have been requested to confirm the accuracy of the query information provided
- ▶ Parameters used for extraction: SQL queries were setup using the bank account numbers and possible names relating to the relevant entities for the period 2004 to 2018. Masks (portions of the entities/suppliers' names) and bank accounts were applied to extract the information
- ▶ Payments can be extracted for any department using the BAS application prior to April 2004. The information that will be obtained will depend on the date the relevant department went live on BAS

# Data extracted for the Commission

- Screen shot from SQL queries in relation to 11 unique bank account numbers identified that were linked to the respective entity names in BAS

```
AND (C.BNKACNNO = '4080811352'  
OR C.BNKACNNO = '04080811352'  
OR C.BNKACNNO = '10072344002'  
OR C.BNKACNNO = '62467086768'  
OR C.BNKACNNO = '1454095326'  
OR C.BNKACNNO = '01454095326'  
OR C.BNKACNNO = '4076462329'  
OR C.BNKACNNO = '04076462329'  
OR C.BNKACNNO = '20057820101'  
OR C.BNKACNNO = '62282303321'  
OR C.BNKACNNO = '10104327001'  
OR C.BNKACNNO = '251844218'  
OR C.BNKACNNO = '0251844218'  
OR C.BNKACNNO = '00251844218'  
OR C.BNKACNNO = '62196465910'  
OR C.BNKACNNO = '55021137887')
```

# Data integrity

A sample of BAS functional reports have been requested to confirm the accuracy of the query information provided

**Circumstances where the BAS payments information for a particular departments produced by NT may not be complete or inaccurate:**

***Sundry Payments:***

- ▶ The payment capturer does not capture the name of the entity/supplier when capturing the payment but selects it from a pre-populated list which exists on the BAS application. It is possible that the capturer selects the wrong entity/supplier and the payment authoriser authorises the payment but does not identify the error when viewing the detail on BAS

***Order/Supplier Payments:***

- ▶ Once a supplier order has been captured and authorised on the BAS application, the entity/supplier cannot be changed when making a payment against this order. If the order has been captured against the incorrect entity/supplier, the incorrect order needs to be removed and a new order needs to be captured using the correct entity/supplier. As with sundry payments, the entity/supplier is selected from a pre-populated list that exists on the BAS application

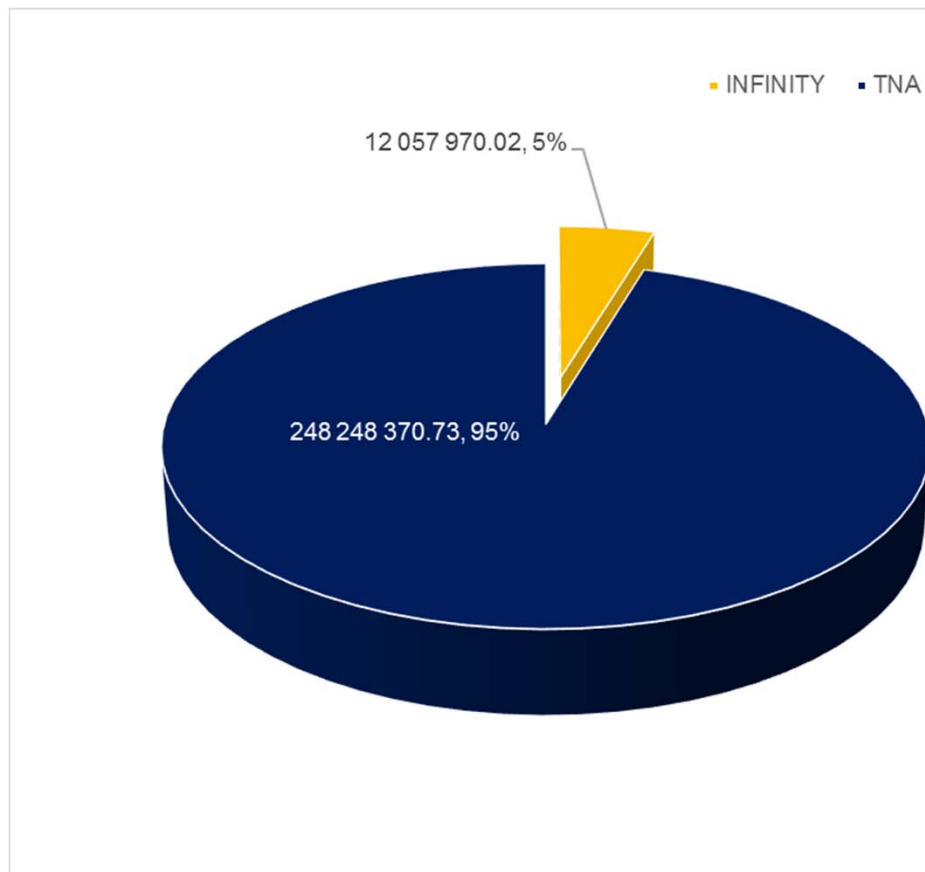
***Name variations:***

- ▶ Names of entities/suppliers were used to identify the respective bank accounts used in the SQL extraction query. The possibility cannot be excluded that name variations may cause certain entities to not be identified and/or false positives to be included in the extractions. We used the combination of bank accounts and masks of names to minimise this risk

# BAS payments received

Overview	
File names as provided	Copy of SCC_Bank Account Query Output_Infinity TNA Media as at 24 Aug 2018.xlsx
Files provided by	National Treasury
Person that provided files	Jan Gilliland Director: Operations and Implementation Financial Systems
Files provided on	24 August 2018
File provided via	Email
Total	
Number of records	1,783 (1,777 on sheet "By bank account number" and 6 on sheet "CHEQUE PAYMENTS")
Total amount paid	R260,306,340.75
Earliest payment authorised date	9 December 2004
Latest payment authorised date	6 July 2018

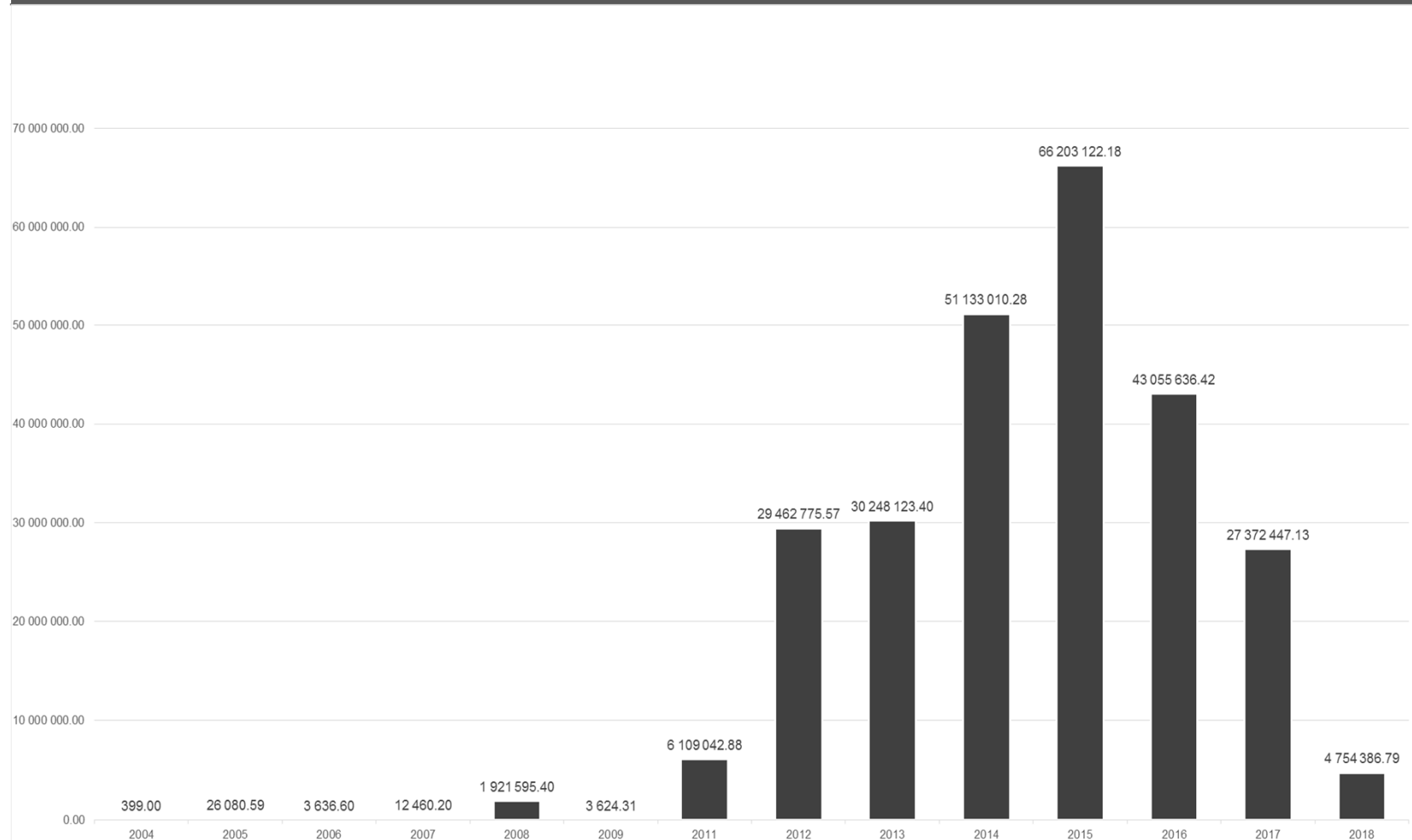
# TNA and Infinity overview



<b>INFINITY</b>	<b>12 057 970.02</b>
INFINITY MEDIA NETWORKS	4 871 012.02
INFINITY MEDIA NETWORKS (PTY) LT	4 661 098.00
INFINITY MEDIA NETWORKS PTY LTD	1 018 000.00
INFINITY MEDIA NETWORKS166725000	555 000.00
INFINITY MEDIA NETWORKS_(PTY) LT	498 000.00
INFINITY MEDIA NETWORKS(PTY)LTD	454 860.00
<b>TNA</b>	<b>248 248 370.73</b>
TNA MEDIA (PTY) LTD	69 538 832.44
TNA MEDIA PTY LTD	57 751 031.84
TNA MEDIA	56 760 094.76
THE NEW AGE PTY LTD	20 043 126.95
TNA MEDIA T/A THE NEW A100638000	11 242 107.34
TNA MEDIA(PTY)LTD	8 742 255.11
TNA MEDIA 100638000	8 223 521.30
TNA MEDIA (PTY)LTD	5 487 239.66
THE NEW AGE (PTY)LTD	3 432 264.20
TNA MEDIA (PTY) LTD	2 454 738.47
NEW AGE CC	1 909 487.71
TNA MEDIA PTY(LTD) CO002569	1 033 567.32
TNA MEDIA PTY LTD (SUBSCRIPTION)	974 247.12
THE NEW AGE	178 107.98
TNA MEDIA {PTY} LTD	171 924.45
THE NEW AGE MEDIA	106 397.75
THE NEW AGE NEWSPAPER	100 339.12
NEW AGE COMMUNICATIONS CC	30 894.00
NEW AGE COMMUNICATIONS T/A SAMSU	27 414.39
TNA MEDIA (PTY) LTD	27 268.80
TNA MEDIA(PTY) LTD	7 130.70
TNA MEDIA PTY LTD	4 267.02
TNA MEDIA CO003411	792.30
NEW AGE/TNA MEDIA PTY LTD	792.00
TNA MEDIC (PTY) LTD	528.00
<b>Total</b>	<b>260 306 340.75</b>

# Yearly payments

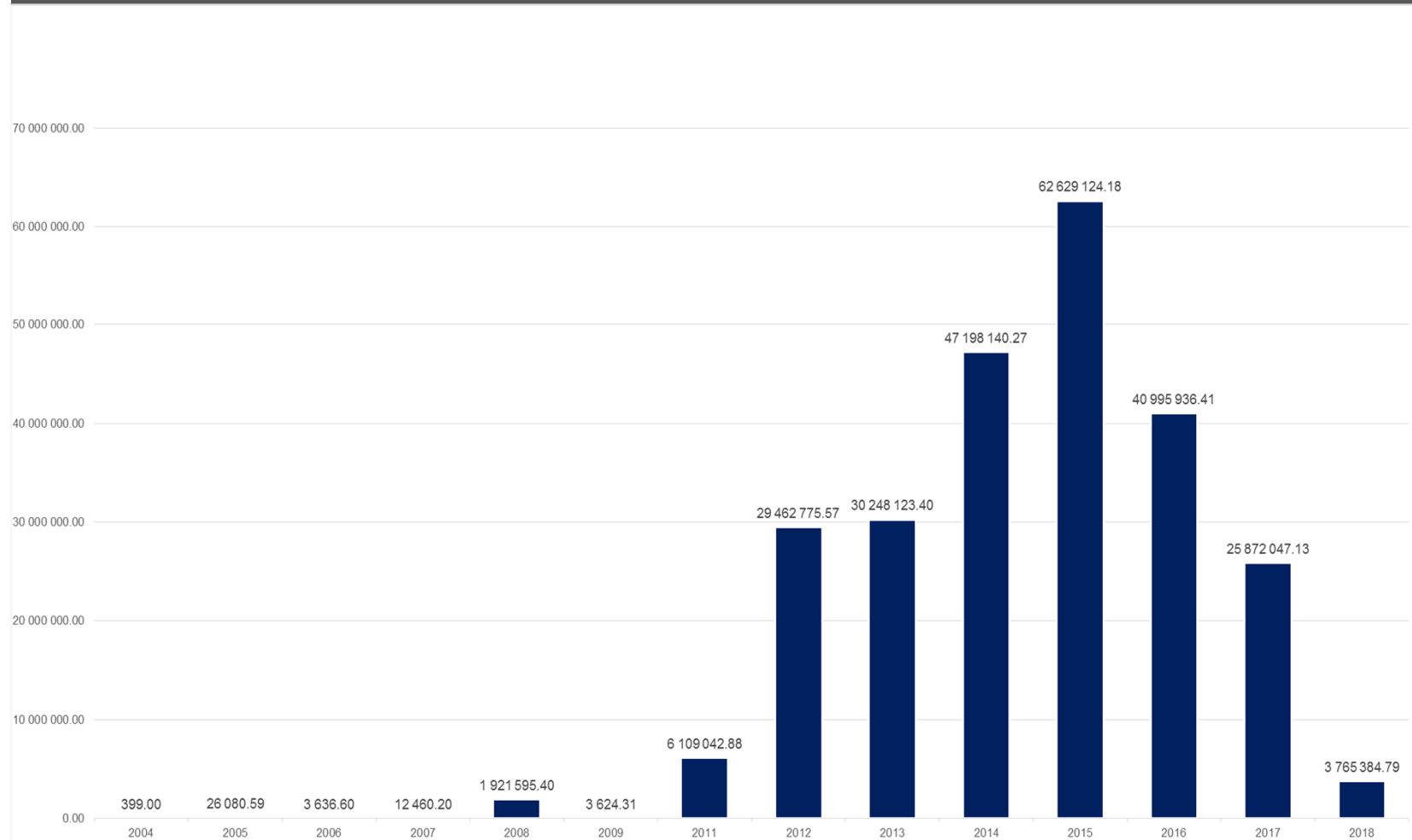
## TNA and Infinity



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# Yearly payments

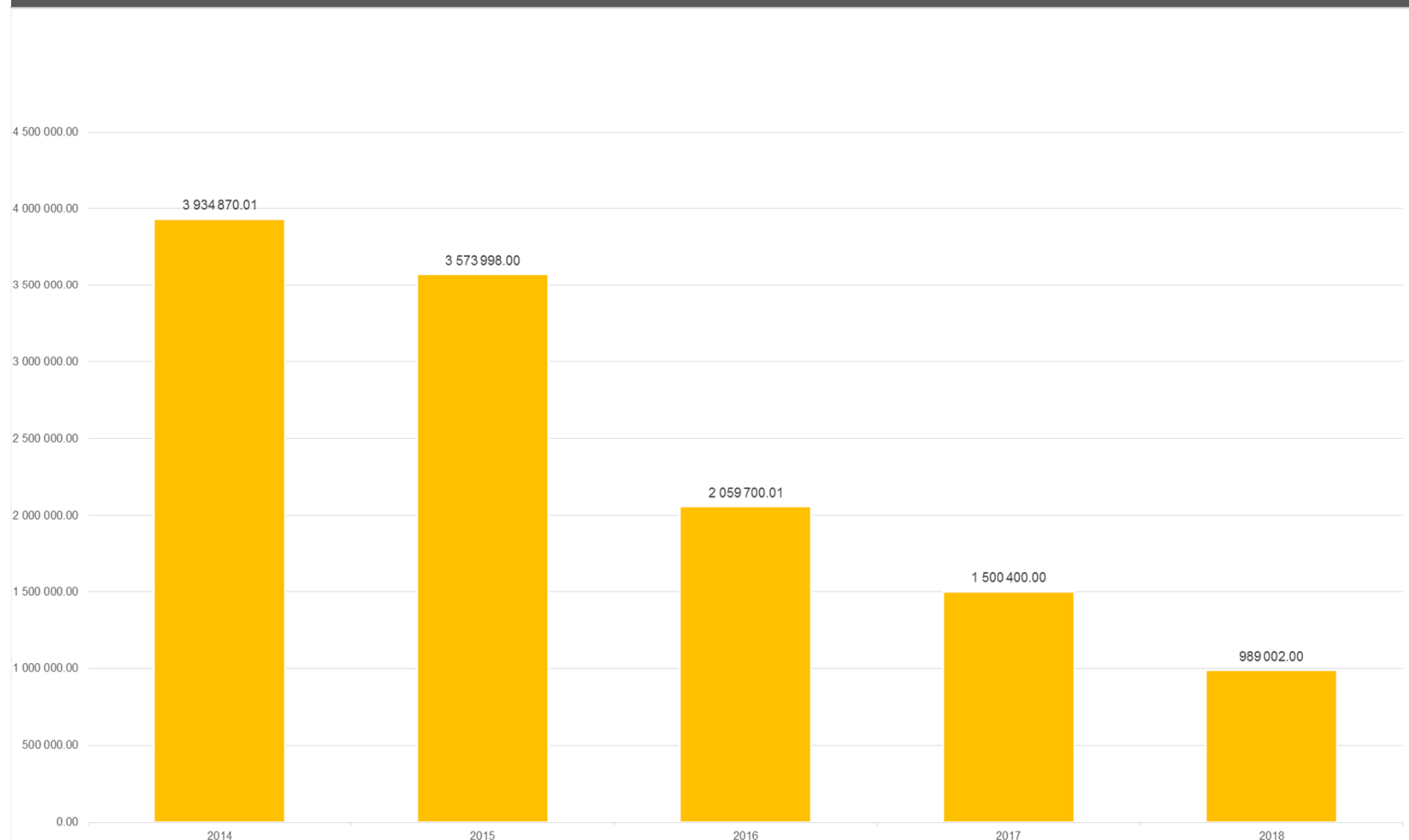
## TNA



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# Yearly payments

## Infinity

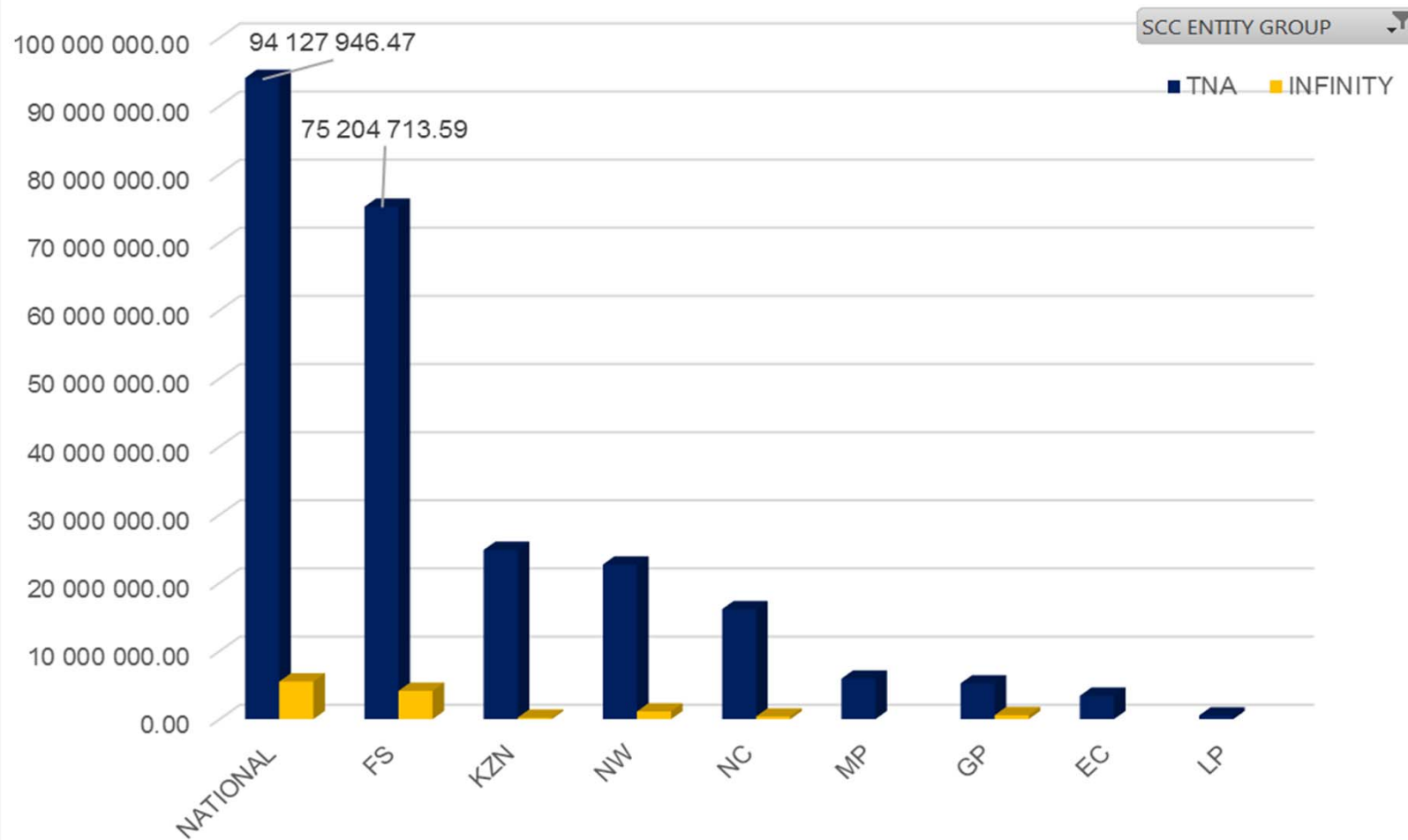


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# National and provincial Overview

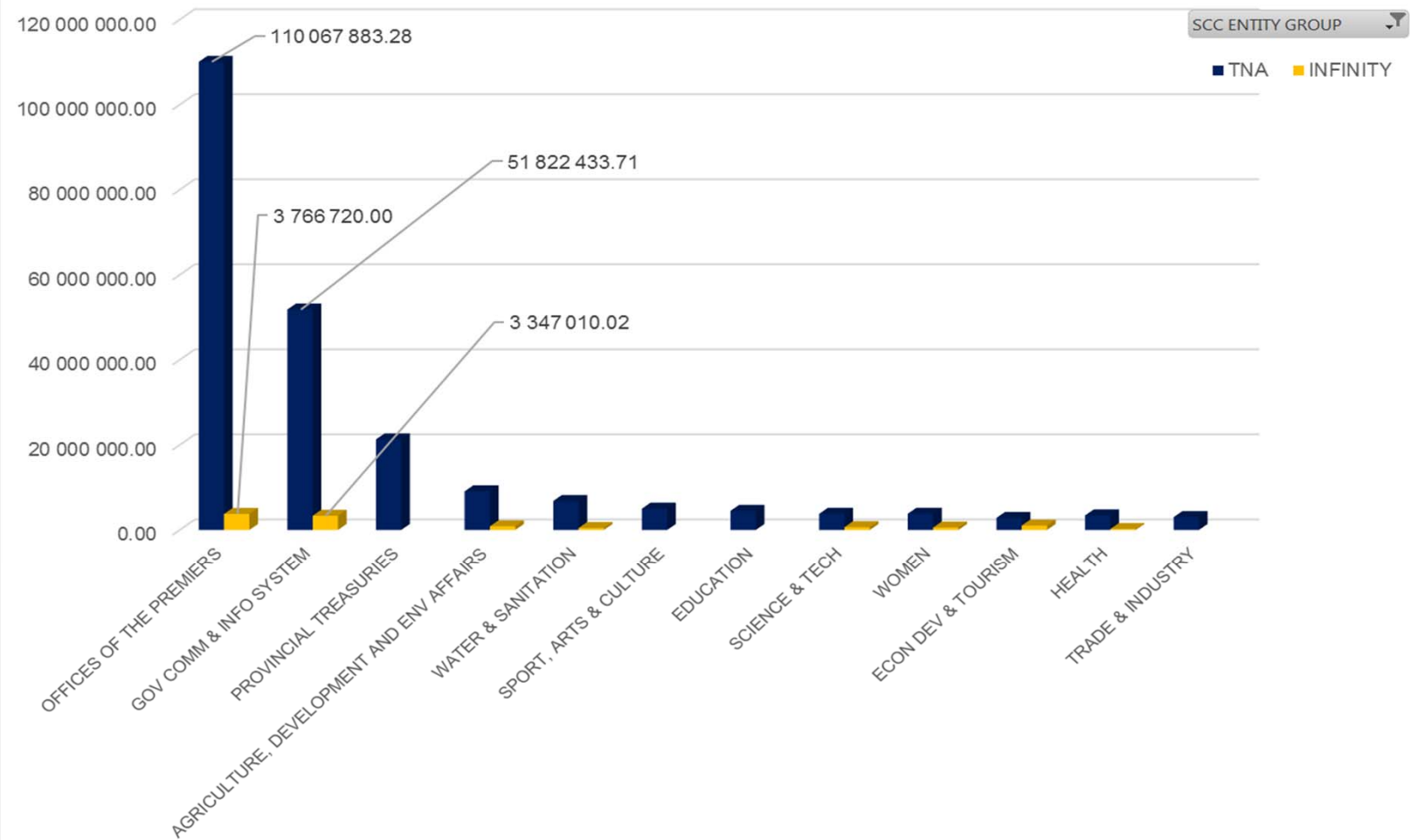
National / Provincial	TNA	Infinity	Total
NATIONAL	94,127,946.47	5,531,570.02	99,659,516.49
FS	75,204,713.59	4,164,398.00	79,369,111.59
KZN	24,853,274.79	228,000.00	25,081,274.79
NW	22,703,645.43	1,140,002.00	23,843,647.43
NC	16,156,118.54	400,000.00	16,556,118.54
MP	5,951,122.18		5,951,122.18
GP	5,258,232.17	594,000.00	5,852,232.17
EC	3,439,090.61		3,439,090.61
LP	554,226.95		554,226.95
<b>Total</b>	<b>248,248,370.73</b>	<b>12,057,970.02</b>	<b>260,306,340.75</b>

# National and provincial Overview



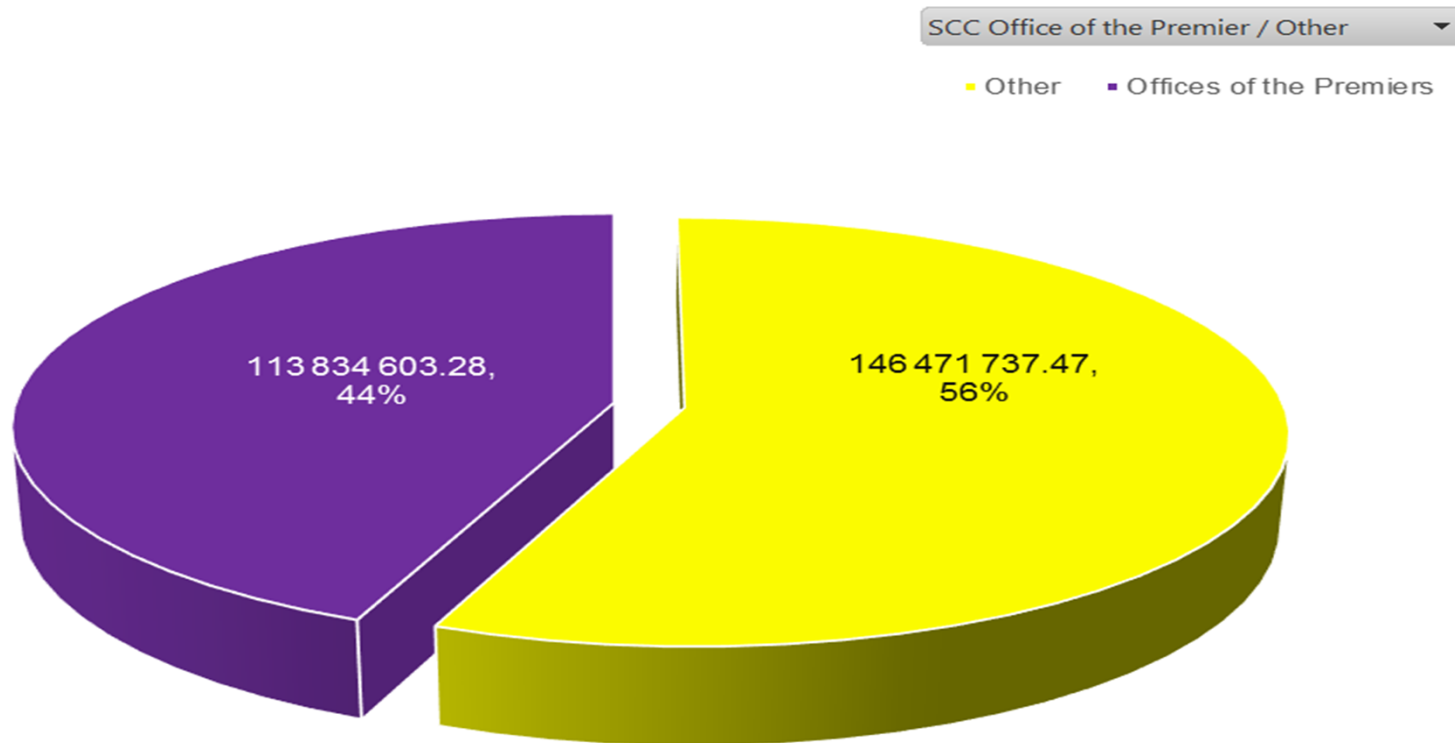
# Payments per department

## Over R3m



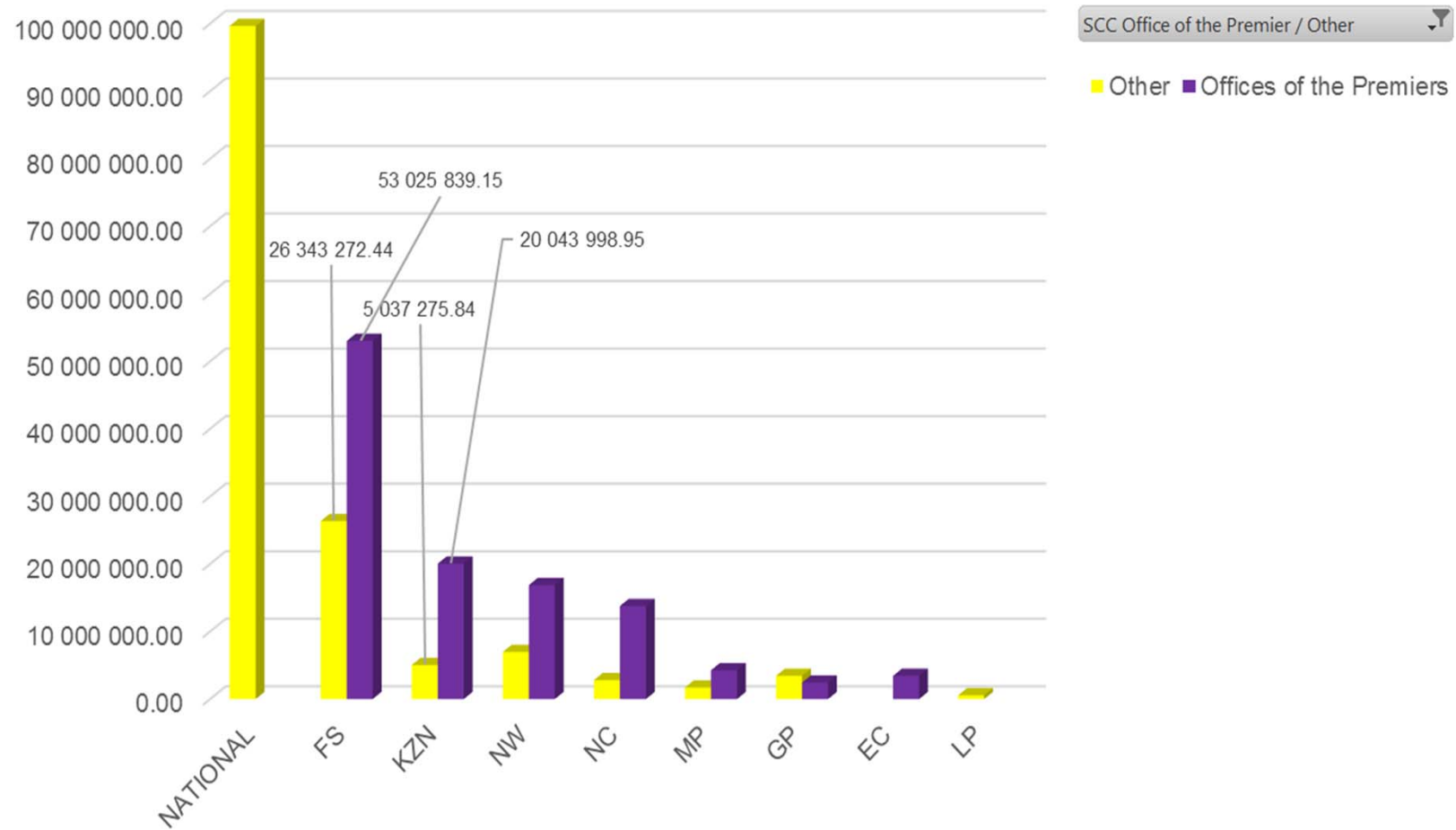
# Offices of the Premiers

## Overview



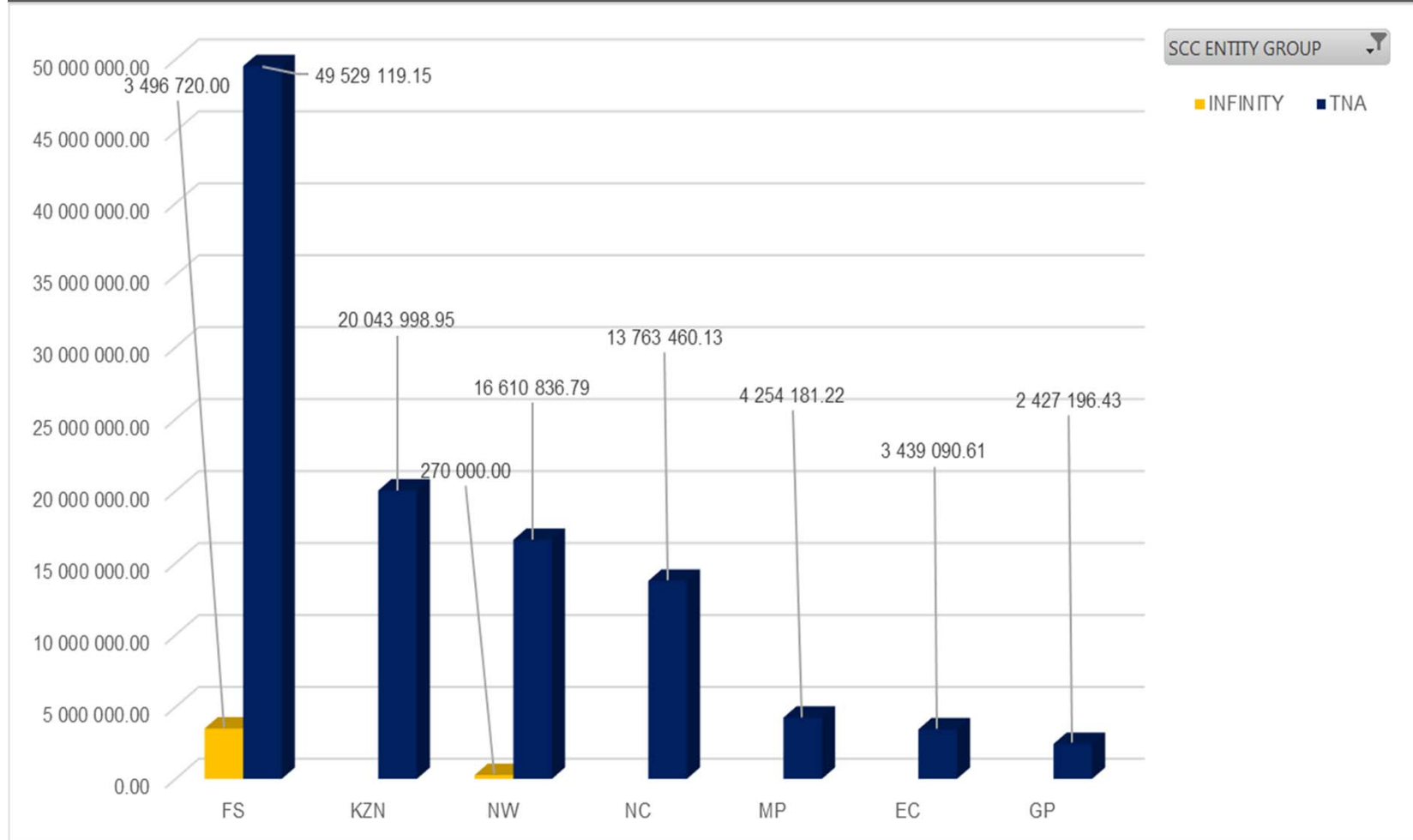
# Offices of the Premiers

## National and provincial



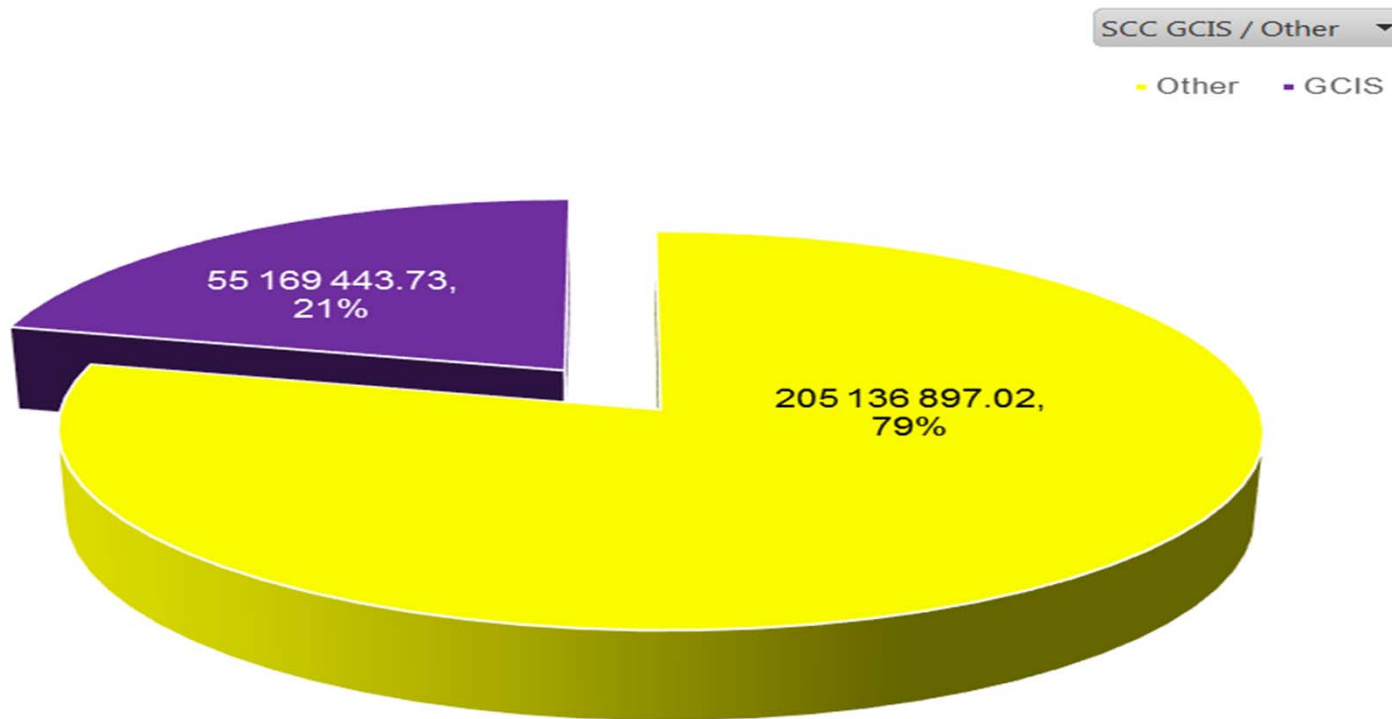
# Offices of the Premiers

## Department spend



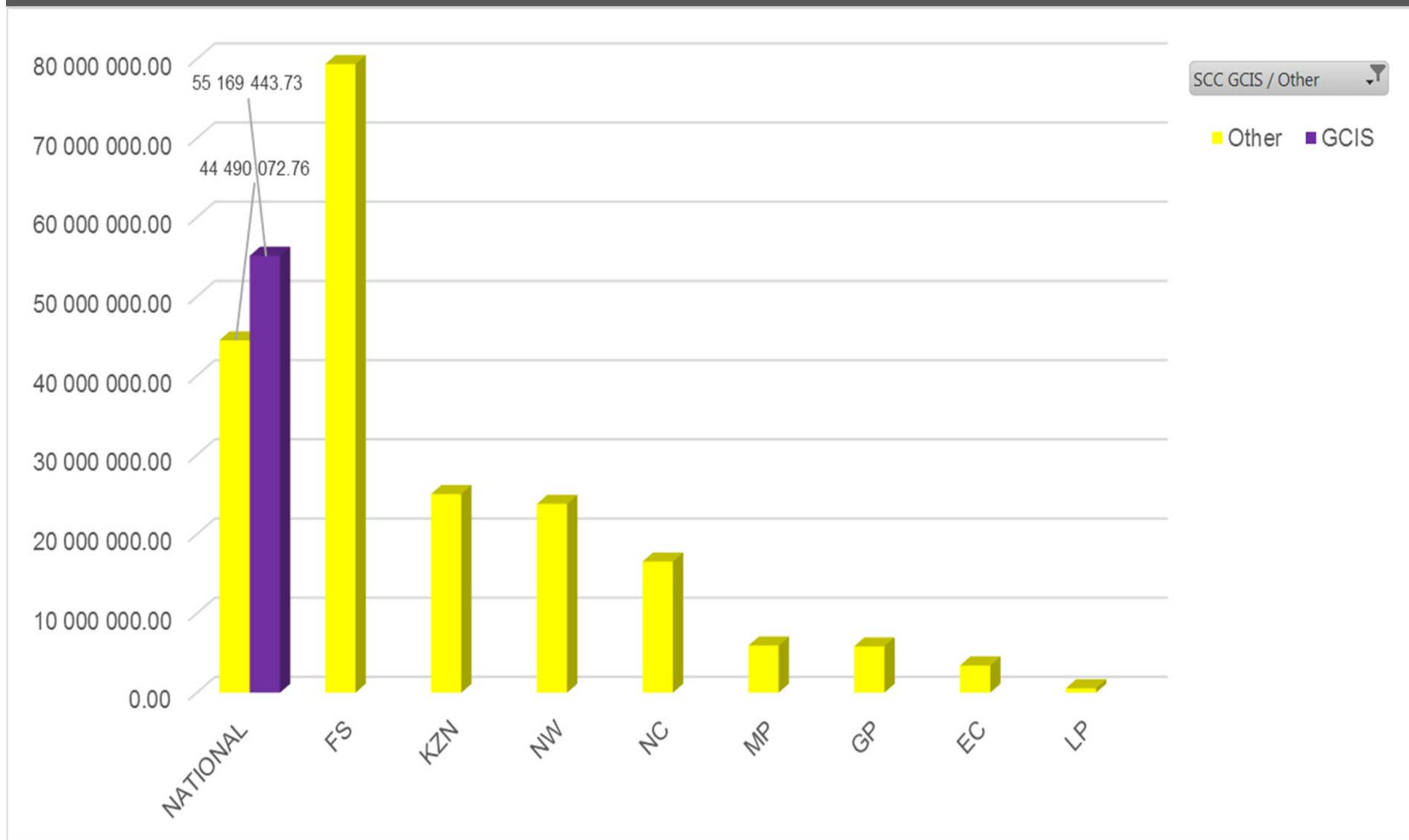
# GCIS

## Overview



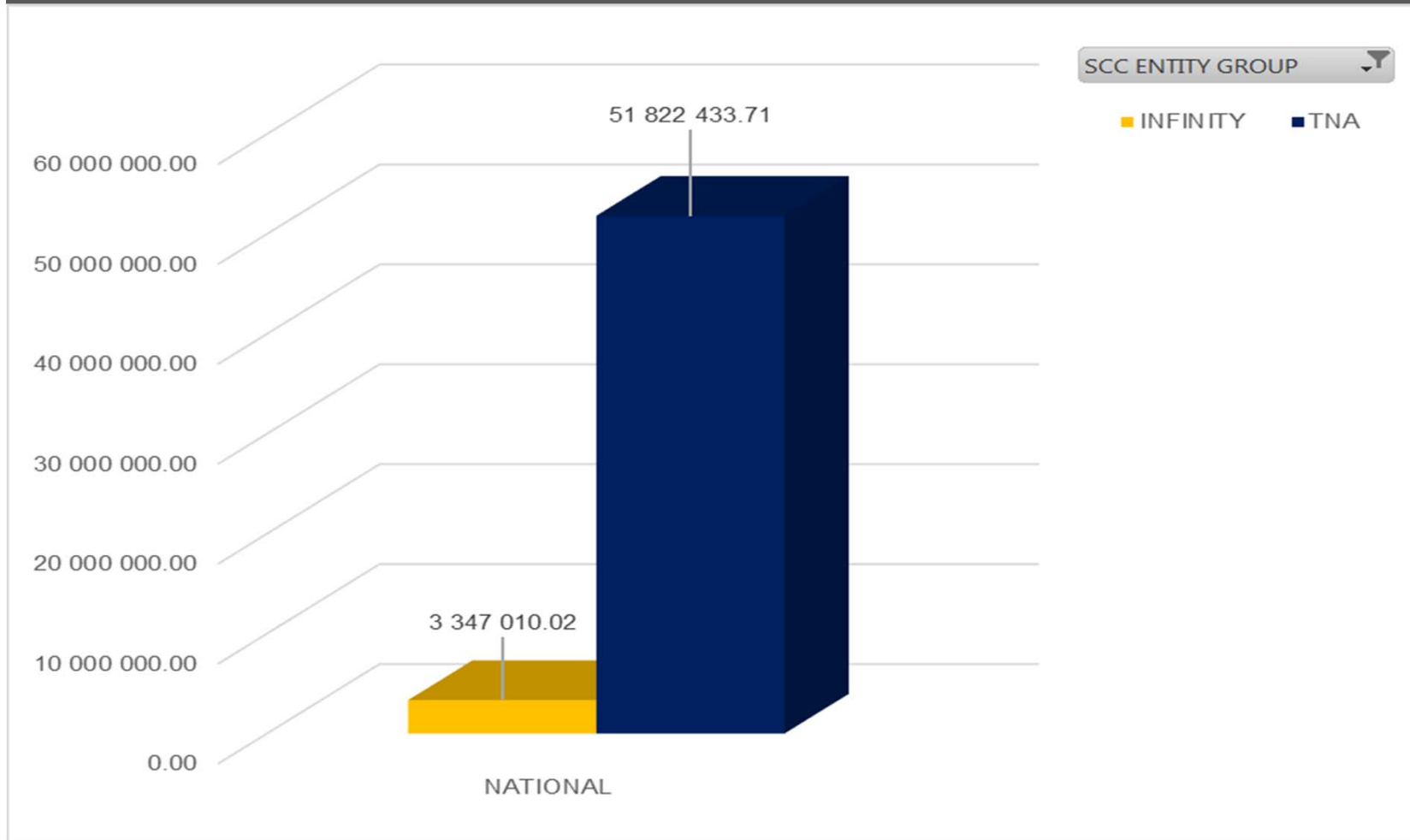
# GCIS

## National and provincial



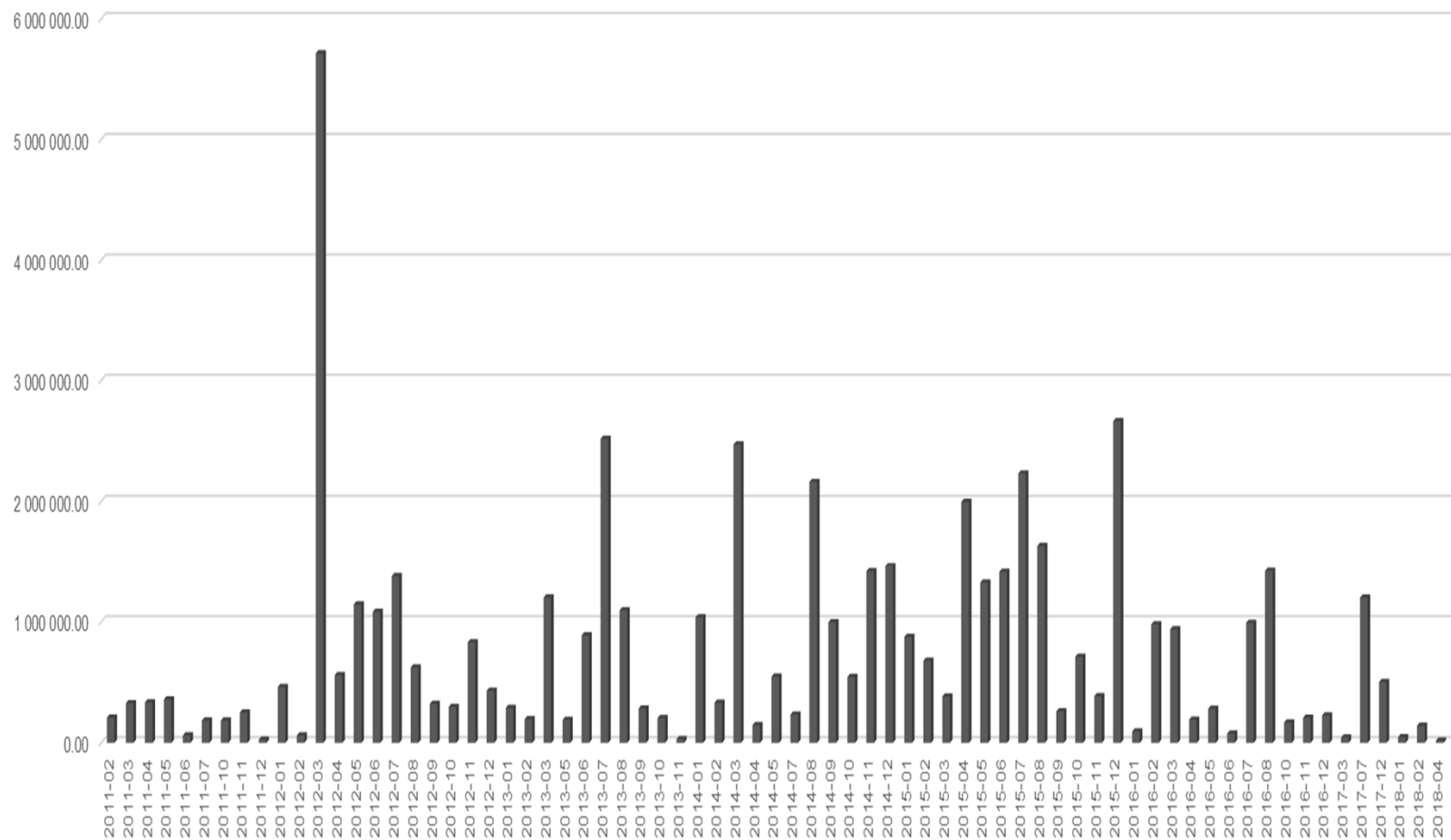
# GCIS

## Department spend



# GCIS

## Monthly spend



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# Payments per account

## Entities linked to bank accounts as captured

<b>4076462329</b>	<b>173 656 211.03</b>	<b>62282303321</b>	<b>19 700 204.81</b>
TNA MEDIA (PTY) LTD	57 758 764.51	TNA MEDIA (PTY) LTD	9 685 417.77
TNA MEDIA	42 917 770.51	TNA MEDIA PTY LTD	3 021 090.58
TNA MEDIA PTY LTD	28 344 491.70	THE NEW AGE PTY LTD	1 931 959.82
THE NEW AGE PTY LTD	18 111 167.13	TNA MEDIA (PTY)LTD	1 645 038.77
TNA MEDIA T/A THE NEW A100638000	10 983 648.79	TNA MEDIA	1 389 294.87
TNA MEDIA(PTY)LTD	8 742 255.11	TNA MEDIA PTY LTD (SUBSCRIPTION)	974 247.12
TNA MEDIA (PTY)LTD	3 824 508.09	THE NEW AGE (PTY)LTD	847 404.18
TNA MEDIA (PTY) LTD	2 425 324.19	TNA MEDIA T/A THE NEW A100638000	163 831.68
THE NEW AGE	178 107.98	THE NEW AGE MEDIA	34 485.00
TNA MEDIA {PTY} LTD	171 924.45	TNA MEDIA PTY LTD	4 267.02
THE NEW AGE NEWSPAPER	90 616.32	THE NEW AGE NEWSPAPER	3 168.00
THE NEW AGE MEDIA	71 912.75		
TNA MEDIA (PTY) LTD	27 268.80	<b>10104327001</b>	<b>8 138 831.19</b>
TNA MEDIA(PTY) LTD	7 130.70	TNA MEDIA	8 103 092.19
NEW AGE/TNA MEDIA PTY LTD	792.00	TNA MEDIA (PTY) LTD	35 739.00
TNA MEDIC (PTY) LTD	528.00		
<b>20057820101</b>	<b>38 699 679.00</b>	<b>4080811352</b>	<b>7 508 868.01</b>
TNA MEDIA PTY LTD	21 462 268.08	INFINITY MEDIA NETWORKS (PTY) LT	3 686 398.00
TNA MEDIA 100638000	8 223 521.30	INFINITY MEDIA NETWORKS	2 279 610.01
TNA MEDIA	4 240 360.39	INFINITY MEDIA NETWORKS PTY LTD	590 000.00
THE NEW AGE (PTY)LTD	2 584 860.02	INFINITY MEDIA NETWORKS_(PTY) LT	498 000.00
TNA MEDIA (PTY) LTD	2 040 380.46	INFINITY MEDIA NETWORKS(PTY)LTD	454 860.00
TNA MEDIA T/A THE NEW A100638000	94 626.87		
TNA MEDIA (PTY) LTD	29 414.28	<b>251844218</b>	<b>4 247 026.16</b>
TNA MEDIA (PTY)LTD	17 692.80	TNA MEDIA PTY LTD	3 207 120.44
THE NEW AGE NEWSPAPER	6 554.80	TNA MEDIA PTY(LTD) CO002569	1 032 775.02
		TNA MEDIA (PTY) LTD	7 130.70

# Payments per account

Entities linked to bank accounts as captured

<b>10072344002</b>	<b>1 991 402.00</b>
INFINITY MEDIA NETWORKS	1 991 402.00
<b>62196465910</b>	<b>1 909 487.71</b>
NEW AGE CC	1 909 487.71
<b>62467086768</b>	<b>1 598 000.01</b>
INFINITY MEDIA NETWORKS	600 000.01
INFINITY MEDIA NETWORKS (PTY) LT	513 000.00
INFINITY MEDIA NETWORKS166725000	285 000.00
INFINITY MEDIA NETWORKS PTY LTD	200 000.00
<b>Cheque payment</b>	<b>1 033 399.40</b>
TNA MEDIA PTY LTD	910 838.00
TNA MEDIA	109 576.80
TNA MEDIA (PTY) LTD	11 400.00
TNA MEDIA PTY(LTD) CO002569	792.30
TNA MEDIA CO003411	792.30
<b>1454095326</b>	<b>959 700.00</b>
INFINITY MEDIA NETWORKS (PTY) LT	461 700.00
INFINITY MEDIA NETWORKS166725000	270 000.00
INFINITY MEDIA NETWORKS PTY LTD	228 000.00
<b>55021137887</b>	<b>863 531.43</b>
TNA MEDIA PTY LTD	805 223.04
NEW AGE COMMUNICATIONS CC	30 894.00
NEW AGE COMMUNICATIONS T/A SAMSU	27 414.39