

CONSOLIDATION MATTERS

Departments CFO Forum

PRESENTED BY:

THOMAS
MATJENI

Title: Acting CD
OAG

Date: 07 December
2022



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



**STAY
SAFE**

VACCINATE TO SAVE SOUTH AFRICA

Departments Consolidation Matters

- 1. Overview of the consolidation audit outcomes**
- 2. Reflection on the findings raised by the AGSA (in the Audit Report (AR) and Management Report (MR))**
- 3. Consolidation communications**

1. Overview of the consolidation audit outcomes



2. Reflection on the findings raised by AGSA – matters affecting the AR & MR

- The consolidated financial statements for departments received a qualified audit opinion for the past years emanating from qualifications received by individual departments.
- Uncorrected misstatements at the individual department's audit are aggregated on consolidation and thus become material and affect the audit of consolidated financial statements - these are included in the management report and if they are material could be escalated to the audit report.
- Changes to the consolidated financial statements due to incorrect templates being submitted to NT and/or AG or due to departments making changes and not informing the NT and/or AG on time. This also includes the timeous submission of Annexure C's.
- Late submissions due to audits of individual departments not being finalised on time (as per the PFMA timelines) – we do not grant extensions on late submissions but urge the departments to inform the NT and adhere to PMFA legislation requirements when it comes to such.
- Elimination of inter-departmental balances remains a major issue, where limited to no progress has been made thus far. Departments are urged to confirm and agree on inter-departmental balances in Annexures 8A and 8B.

Consolidation communications



- Depts are reminded to take note and adhere to the consolidation communications. This will assist the Consol team in improving the audit outcomes of consolidated AFS for national departments.
- We acknowledge the efforts made by the depts in completing the IFS quarterly.
- The following annual communications contain important instructions and timelines for consolidation that are communicated to all departments:
 1. INSTRUCTION NOTE: FINANCIAL YEAR-END PROCEDURES, CLOSURE, AND SUBMISSION DATES OF ANNUAL FINANCIAL STATEMENTS AND RELATED DOCUMENTS
 2. NATIONAL TREASURY INSTRUCTION ON MONTH-END CLOSURE PROCEDURES



Thank you!