

**Annual Financial
Statements 2021/22**

**FREQUENTLY ASKED QUESTIONS
(FAQs)**

**Modified
Cash Standard**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



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1. Introduction

The Frequently Asked Questions (FAQs) are based on queries commonly received from the stakeholders involved with preparation and finalisation of financial statements in accordance with the Modified Cash Standard (MCS). These FAQ's should be considered for preparation and finalisation of the Annual Financial Statements for the 2021/22 financial year and reporting periods thereafter.

These FAQs are not authoritative and do not form part of the Modified Cash Standard (MCS). Any examples provided are illustrative only and do not represent a comprehensive list of scenarios or circumstances that may exist in practice. As a result, the examples are not prescriptive and should not be used by analogy to other circumstances unless expressly stated otherwise.

2. Frequently Asked Questions (FAQs)

AFS SPECIMEN and AFS TEMPLATE

21.1 *What are the changes made to the Appropriation Statement requirements for the 2021/22 financial year?*

The AFS Specimen is the document that assists departments to uniformly prepare and publish financial statements. The appropriation statement forms an integral part of the financial statements. The level of disaggregation was considered to determine the appropriate detail to be presented by departments in the appropriation statement. The requirements were also compared to those of GRAP 24 on *Presentation of Budget Information in Financial Statements* in consultation with the Provincial Treasuries. Following the analysis, the appropriation statement was reduced by excluding information, such as presenting sub-programme details.

The AFS Template is an MS Excel tool to assist departments to collate the information required for the financial statements. Its pre-set formulae and format are to facilitate the calculation and location of financial statement items. The appropriation statement in the AFS Template is also used by several stakeholders, including the Budget Office within National Treasury, to obtain final budget and spending information per programme and subprogramme. The information from the AFS Template can be used to populate the AFS Specimen. The AFS Template requirements for the appropriation statement are *unchanged* from prior years and should be completed by departments for submission to the relevant stakeholders as in the past years.