



PFMA LEGISLATIVE DISCLOSURE CHECKLIST FOR FINANCIAL STATEMENTS

This document contains all disclosures required in the annual financial statements of Departments, Trading Entities, Constitutional Institutions and Public Entities in terms of the Public Finance Management Act 1 of 1999 (PFMA) and Treasury Regulations for Departments, Trading Entities, Constitutional Institutions and Public Entities

Issued January 2020

PFMA LEGISLATIVE DISCLOSURE CHECKLIST FOR FINANCIAL STATEMENTS

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PREFACE

This checklist has been prepared by the Public Sector Division of The South African Institute of Chartered Accountants (SAICA) primarily to provide guidance to SAICA members and associates on the legislative disclosures that are required to be disclosed in the annual financial statements of Departments, Trading Entities, Constitutional Institutions and Public Entities in terms of the Public Finance Management Act 1 of 1999 (PFMA) and Treasury Regulations for Departments, Trading Entities, Constitutional Institutions and Public Entities (Treasury Regulations).

This checklist covers disclosure in terms of the PFMA and Treasury Regulations only, and not the accounting standards. Members and associates are advised to read the checklist in conjunction with the PFMA and Treasury Regulations.

Every effort has been made to ensure that this checklist is correct. Nevertheless the checklist is given purely as guidance to members of SAICA to assist them with particular problems relating to the subject matter of the guide and SAICA will have no responsibility to any person for any claim of any nature whatsoever which may arise out of or relate to the contents of this checklist.

PFMA legislative disclosure checklist for Departments

Departments

Applicable section in the PFMA	Disclosure Requirement	Yes/No/N/A	Comment/Reference
S40(1)(b) of PFMA	Have the financial statements of the Department been prepared in accordance with generally recognized accounting practice relevant to the organisation?		
S40.3 of PFMA	Do the financial statements:		
	(a) fairly present the state of affairs of the 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?		
	(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?		
	(iv) any other matters that may be prescribed?		
TR 9.1.5	Do the notes of the annual financial statements include disclosure notes on:		
	<ul style="list-style-type: none"> • Unauthorised expenditure 		
	<ul style="list-style-type: none"> • Fruitless and wasteful expenditure 		
	<ul style="list-style-type: none"> • Irregular expenditure 		
TR 11.4.3	Do the notes of the annual financial statements include a disclosure note for debts written off, as well as the policy in		

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Applicable section in the PFMA	Disclosure Requirement	Yes/No/N/A	Comment/Reference
	terms of which the debt has been written off?		
TR18.2	Do the annual financial statements consist of –		
	(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		
	(e) notes to the appropriation statement and annual financial statements?		
	(f) such other statements as may be determined by the National Treasury?		
	• Have the annual financial statements been prepared on a modified cash basis in accordance with the formats prescribed by the National Treasury?		
	• Do 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 department by means of figures and a descriptive report?		
TR20.2.4	Do the notes of the financial statements include the remuneration of all members of a commission or committee?		
TR21.2.4	Do the notes of the financial statements include all gifts, donations or sponsorships received during the course of the financial year?		

PFMA legislative disclosure checklist for Constitutional Institutions

Constitutional Institutions

Applicable section in the PFMA	Disclosure Requirement	Yes/No/N/A	Comment/Reference
S40(1)(b) of PFMA	Have the financial statements of the Constitutional Institution been prepared in accordance with generally recognized accounting practice relevant to the organisation?		
S40.3 of PFMA	Do the financial statements:		
	(c) fairly present the state of affairs of the 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?		
	(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?		
	(iv) any other matters that may be prescribed?		
TR 9.1.5	Do the notes of the annual financial statements include disclosure notes on:		
	<ul style="list-style-type: none"> • Unauthorised expenditure 		
	<ul style="list-style-type: none"> • Fruitless and wasteful expenditure 		
	<ul style="list-style-type: none"> • Irregular expenditure 		
TR 11.4.3	Do the notes of the annual financial statements include a disclosure note		

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Applicable section in the PFMA	Disclosure Requirement	Yes/No/N/A	Comment/Reference
	for debts written off, as well as the policy in terms of which the debt has been written off?		
TR18.2	Do the annual financial statements 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?		
	(e) such other statements as may be determined by the National Treasury?		
TR20.2.4	Do the notes of the financial statements include the remuneration of all members of a commission or committee?		
TR21.2.4	Do the notes of the financial statements include all gifts, donations or sponsorships received during the course of the financial year?		

PFMA legislative disclosure checklist for Trading Entities

Trading Entities

Applicable section in the PFMA	Disclosure Requirement	Yes/No/N/A	Comment/Reference
S40(1)(b) of PFMA	Have the financial statements of the Trading Entity been prepared in accordance with generally recognized accounting practice relevant to the organisation?		
S40.3 of PFMA	Do the audited financial statements:		
	(d) fairly present the state of affairs of the Trading 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 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?		
	(iv) any other matters that may be prescribed?		
TR 9.1.5	Do the notes to the financial statements include the following disclosure notes:		
	<ul style="list-style-type: none"> • Unauthorised expenditure 		
	<ul style="list-style-type: none"> • Fruitless and wasteful expenditure 		
	<ul style="list-style-type: none"> • Irregular expenditure 		
TR 11.4.3	Do the notes to the annual financial statements include a disclosure note for all debts, as well as the policy in terms of which the debt has been written off?		

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Applicable section in the PFMA	Disclosure Requirement	Yes/No/N/A	Comment/Reference
TR 18.2	Do the annual financial statements 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?		
	(e) such other statements as may be determined by the National Treasury?		
TR 20.2.4	Do the notes to the annual financial statement include a disclosure note for the remuneration of all members of a commission or committee?		
TR 21.2.4	Do the notes to the annual financial statements include a disclosure note for all gifts, donations or sponsorships received during the course of the financial?		

PFMA legislative disclosure checklist for Schedule 2 Public Entities

Schedule 2 Public Entities

Applicable section in the PFMA	Disclosure Requirement	Yes/No/N/A	Comment/Reference
S55.1(b) of PFMA	Have the financial statements of the public entity been prepared in accordance with generally accepted accounting practice (unless the Accounting Standards Board approved the application of generally recognised accounting practice for that public entity)?		
S55.2 of PFMA	Do the financial statements:		
	(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?		
	(v) any other matters that may be prescribed?		
	(c) include the financial statements of any subsidiaries.		
TR11.4.3	Do the notes to the financial statements include a disclosure note for all debts written off, as well as the policy in terms of which the debt has been written off?		

PFMA LEGISLATIVE DISCLOSURE CHECKLIST FOR FINANCIAL STATEMENTS

Applicable section in the PFMA	Disclosure Requirement	Yes/No/N/A	Comment/Reference
TR20.2.4	Do the notes to the financial statements include a disclosure note for the remuneration of all members of a commission or committee?		
TR21.2.4	Do the notes to the financial statements include a disclosure note for all gifts, donations or sponsorships received during the course of the financial year?		
TR 28.1.1	Do the notes to the annual financial statements include 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?		
	(e) members or persons in (a) to (d) above serving in other entities under the ownership control of the public entity?		
TR 28.1.2	Has the remuneration paid or receivable by the members or persons in paragraph 28.1.1(a) to (e) been disclosed in aggregate and per member or person for the last financial period?		
TR 28.1.3	Have disclosures in terms of paragraphs 28.1.1 and 28.1.2 been made where payment is receivable in the capacity as indicated in paragraph 28.1.1 (a) to (d) or in any other capacity.		
TR 28.1.4	Do the disclosure requirements in terms of paragraphs 28.1.1 to 28.1.3 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;		

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Applicable section in the PFMA	Disclosure Requirement	Yes/No/N/A	Comment/Reference
	(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.		
TR 28.1.6	Where the financial statements materially depart from Standards of GRAP, does the financial statements provide disclosure of the departure, the particulars thereof, the reasons thereof, as well as the effect of such departure on the financial statements?		
TR 28.2.1	Did the entity disclose material losses through criminal conduct and any irregular and fruitless and wasteful expenditure in the notes to the annual financial statements?		

Companies Act 71 OF 2008 disclosure requirements for State Owned Companies (Schedule 2 Public Entities)

Applicable section in the Companies Act	Disclosure Requirement	Yes/No/N/A	Comment/Reference
S10.5	Do the notes to the annual financial statements include the following:		
	(a) the remuneration, as defined in subsection (6), and benefits received by each director, or individual holding any prescribed office in the company;		
	(b) the amount of – (i) any pensions paid by the company to or receivable by current or past directors or individuals who hold or have held any prescribed office in the company;		
	(ii) any amount paid or payable by the company to a pension scheme with respect to current or past directors or individuals		

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	who hold or have held any prescribed office in the company;		
	(c) the amount of any compensation paid in respect of loss of office to current or past directors or individuals who hold or have held any prescribed office in the company;		
	(d) the number and class of any securities issued to a director or person holding any prescribed office in the company, or to any person related to any of them, and the consideration received by the company for those securities; and		
	(e) details of service contracts of current directors and individuals who hold any prescribed office in the company.		
S30.5	Does the information disclosed under subsection (4) satisfy the prescribed standards, and show the amount of any remuneration or benefits paid to or receivable by persons in respect of –		
	(a) services rendered as directors or prescribed officers of the company; or		
	(b) services rendered while being directors or prescribed officers of the company – (i) as directors or prescribed officers of any other company within the same group of companies; or (ii) otherwise in connection with the carrying on of the affairs of the company or any other company within the same group of companies		
S30.6	For the purposes of subsections (4) and (5), does remuneration include –		
	(a) fees paid to directors for services rendered by them to or on behalf of the company, including any amount paid to a person in respect of the persons accepting the office of director;		
	(b) salary, bonuses and performance-related payments;		
	(c) expense allowances, to the extent that the director is not required to account for the allowance;		
	(d) contributions paid under any pension scheme not otherwise required to be disclosed in terms of subsection (4)(b);		
	(e) the value of any option or right given directly or indirectly to a director, past director or future director, or person related to any of them, as contemplated in section 42;		

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	<p>(f) financial assistance to a director, past director or future director, or person related to any of them, for the subscription of options or securities, or the purchase of securities, as contemplated in section 44; and</p>		
	<p>(g) with respect to any loan or other financial assistance by the company to a director, past director or future director, or a person related to any of them, or any loan made by a third party to any such person, as contemplated in section 45, if the company is a guarantor of that loan, the value of –</p> <p>(i) any interest deferred, waived or forgiven; or</p> <p>(ii) the difference in value between –</p> <p>(aa) the interest that would reasonably be charged in comparable circumstances at fair market rates in an arm’s length transaction; and</p> <p>(bb) the interest actually charged to the borrower, if less.</p>		

PFMA legislative disclosure checklist for Schedule 3A, 3B, 3C and 3D Public Entities

Schedule 3A, 3B, 3C and 3D Public Entities

Applicable section in the PFMA	Disclosure Requirement	Yes/No/N/A	Comment/Reference
S55.1(b) of PFMA	Have the financial statements of the public entity been prepared in accordance with generally accepted accounting practice (unless the Accounting Standards Board approved the application of generally recognised accounting practice for that public entity)?		
S55.2 of PFMA	Do the financial statements:		
	(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?		
	(v) any other matters that may be prescribed?		
	(c) include the financial statements of any subsidiaries.		
TR 11.4.3	Do the notes of the financial statements include a disclosure note for all debts written, as well as the policy in terms of which the debt has been written off?		

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Applicable section in the PFMA	Disclosure Requirement	Yes/No/N/A	Comment/Reference
TR 20.2.4	Do the notes to the annual financial statements include a disclosure note for remuneration of all members of a commission or committee?		
TR 21.2.4	Do the notes to the annual financial statements include a disclosure note for all gifts, donations or sponsorships received?		
TR 28.1.1	Do the notes to the annual financial statements include 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?		
	(e) members or persons in (a) to (d) above serving in other entities under the ownership control of the public entity?		
TR 28.1.2	Has the remuneration paid or receivable by the members or persons in paragraph 28.1.1(a) to (e) been disclosed in aggregate and per member or person for the last financial period?		
TR 28.1.3	Have disclosures in terms of paragraphs 28.1.1 and 28.1.2 been made where payment is receivable in the capacity as indicated in paragraph 28.1.1 (a) to (d) or in any other capacity.		
TR 28.1.4	Do disclosure requirements in terms of paragraphs 28.1.1 to 28.1.3 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;		

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Applicable section in the PFMA	Disclosure Requirement	Yes/No/N/A	Comment/Reference
	(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.		
TR 28.1.6	Where the financial statements of the entity materially depart with Standards of GRAP, do the financial statements provide disclosure of the departure, the particulars thereof, the reasons thereof and the effect of such departure on the financial statements?		
TR 28.2.1	Did the entity disclose material losses through criminal conduct and any irregular and fruitless and wasteful expenditure in the notes to the annual financial statements?		