



# CIGFARO *m*SCOA WORKSHOP

## ITEM 10.3

### Transferring of Opening Balances to M01

PRESENTED BY:

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**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA




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NATIONAL TREASURY
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## Transferring of Opening Balances M01

**Problem Statement:**

**Municipalities must bring forward the closing balances of the previous financial year into the beginning (M01) of the current financial year?**

- Opening Balances must be included data strings
- Applies to item assets, item liabilities and net assets
- The closing balances of the previous reporting period is brought forward and becomes the opening balance of the next reporting period in M01 (This happens in the system but is not always noticed in the data strings)
- Project must read Default
- The Fund segment for the opening balances must depict Non-Funding Transaction as the funding source.
- The closing balance of 30 June becomes the opening balances in M01 (system must transfer in the data strings for M01)
- Any adjustments to the AFS in Period 13, 14 and 15 will be pulled through into the new financial year via the data strings and thus adjusting the opening balances M02 onwards. This is the required transactions in terms of the PAUD, AUDA, RAUD reporting periods.
- PT must verify the current years opening balances to the previous years AFS

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## Period Closure Submission

- **Pre-Audited Actuals (PAUD)**
  - During the finalisation and submission of AFS in period 13, Pre-Audited Actuals (PAUD) which will result in an *opening balance transactional transfer* and the transactions of period 13 the submitted *figures must reconcile to pre-audited figures submitted to AG* and must be submitted to National Treasury
- **Audited Actuals (AUDA)**
  - After the approved audit journals have been passed which will result in opening balance transactional transfer and the transactions of period 14. The municipality must submit those figures to National Treasury in the specified format. **Those figures must reconcile to audited outcomes on which the AG has expressed an opinion**
- **Restated Audited Actuals (RAUD)**
  - All opening balances transferred from Period 14 must be reported to National Treasury

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## Transferring of Opening Balances

### MUNICIPALITIES

- The Municipalities must ensure that all of the closing balances of the previous year must be brought forward as opening balances in the current financial year.
- The Project and Fund segments must reflect Default and Non-funding transaction, respectively.
- Opening balances must reflect in the C6 statement of financial position schedule

### PROVINCIAL TREASURY

- PTs to extract the data strings for Assets, Liabilities, Accumulated Surpluses and Net Income to verify the Opening Balances brought forward in M01 agrees to the previous years AFS ( M12 if AFS is not available)
- Must be compared to the C6 statement of financial position of the current financial year

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