



ACCOUNTING STANDARDS BOARD

STRATEGIC PLAN FOR THE FISCAL YEARS 2015 TO 2019

Foreword

The Accounting Standards Board (Board or ASB) is responsible for setting Standards of Generally Recognised Accounting Practice (GRAP) for all spheres of the public sector. The Board also performs any function incidental to advancing financial reporting in the public sector.

The Strategic Plan is aimed at setting policy priorities for the ASB for the next five years in accordance with its legal mandate to enable the ASB's performance to be monitored.

Official Sign-Off

It is hereby certified that this Strategic Plan:

- Was developed by the Board and management of the ASB under the guidance of the Minister of Finance.
- Takes into account all the relevant policies, legislation and other mandates for which the ASB is responsible.
- Accurately reflects the strategic outcome oriented goals and objectives which the ASB will endeavour to achieve over the period 2015 - 2019.

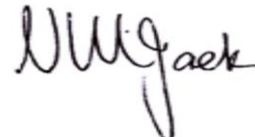
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PART A: STRATEGIC OVERVIEW

1. Vision

To develop accounting standards that promote accountability, transparency and effective financial management within all spheres of government.

2. Mission

We achieve this through focused and targeted stakeholder interaction that results in the provision of relevant, credible and implementable accounting standards.

3. Values

- We maintain a high standard of professional ethics.
- We set accounting and reporting Standards in the public interest, which means that we act with integrity and objectivity in our deliberations, decisions and actions and are seen to be independent. .
- We consult widely and encourage public participation in our Standard-setting process.
- We promote a culture of learning to realise the full potential of our people.

4. Mandate

4.1 Legislative mandate

In terms of section 89 of the PFMA the principal functions of the Board are to:

- Set Standards of GRAP for the financial statements of institutions in all spheres of government;
- Prepare and publish directives, guidelines and interpretations concerning the Standards of GRAP;
- Recommend effective dates of implementation of these Standards of GRAP for the different categories of institutions to which these Standards of GRAP apply to the Minister;
- Perform any other function incidental to advancing financial reporting in the public sector;
- Take into account all relevant factors in setting Standards of GRAP;
- Set different Standards of GRAP, where necessary, for different categories of institutions to which these Standards of GRAP apply; and
- Promote accountability, transparency, and effective management of revenue, expenditure, assets and liabilities of the institutions to which these Standards of GRAP apply.

4.2 Policy mandate

In terms of the PFMA, the Board determines Standards of GRAP for:

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- Parliament and the provincial legislatures
- municipalities, municipal entities, and or any other entities under the ownership control of a municipality and boards, commissions, companies, corporations and funds;
- national and provincial public entities;
- trading entities (as defined in the PFMA);
- constitutional institutions; and
- national and provincial departments and government components.

Other legislation or regulations may require certain entities to apply Standards of GRAP.

- The Auditor-General Directive, through the Public Audit Act, requires unlisted entities to apply Standards of GRAP.
- The Treasury Regulations indicate that national and provincial revenue funds should apply Standards of GRAP.

In setting Standards for all the entities listed above the Board has made a policy decision that Standards of GRAP for Major Public Entities listed in Schedule 2 of the PFMA are International Financial Reporting Standards. The Board will make a clear policy decision on the application of Standards of GRAP by schedule 3B and 3D Government Business Enterprises during 2014. This issue is outlined in more detail in the section on “Planned policy initiatives”.

4.3 Planned policy initiatives

The role of a standard setter in the public sector is changing from developing accounting standards for financial statements to developing standards for financial reporting. The scope of the standards for financial reporting addresses those areas that compliment and supplement the information included in the financial statements and work towards provide more comprehensive information on which to assess accountability and make decisions. The areas currently being addressed are management discussion and analysis, reporting on service performance and reporting on the long term sustainability of government.

The legislative mandate of the ASB needs to be clarified to determine the ASB’s responsibility with regards to this wider reporting responsibility. An ad-hoc committee of the Board will be established to make proposals in this regard, including proposals to amend legislation if needed.

In addition, the legal advisor of the National Treasury has recently questioned certain aspects of the relevant sections of the PFMA governing the ASB. Issues being considered include the nature of the consultation with the Auditor-General on the appointment of Board members, how the independence of the standard setter is ensured, and what the nature of the financial reports prepared by each reporting entity should be. The proposal being considered is whether or not the ASB should have separate legislation regulating its mandate and function. This would be consistent with other public entities. The ad-hoc committee of the Board will also research whether an amendment to the Public Audit Act is needed with regards to the Auditor-General’s responsibility to determine reporting frameworks. The committee will submit proposals to the Board and the Minister for consideration.

The Office of the Accountant-General (OAG) has developed a reporting framework for entities that are at present not required to adopt Standards of GRAP, i.e. the national and provincial departments. To some extent, the activities of the ASB and the OAG overlap in this regard. Views have been expressed that all the reporting requirements for the financial statements should be undertaken by a single body. The feasibility of moving the activities currently undertaken by the OAG in relation to determining reporting requirements for financial statements will also be considered by the ad-hoc committee and recommendations made to the Board and Minister.

The Board is in the process of considering whether the reporting frameworks applied by National and Provincial Government Business Enterprises are consistent with the promotion of transparency and accountability in public sector financial reporting. As a result, the Board published an exposure draft that proposes the adoption of Standards of GRAP. This research may result in amendments being required to the Treasury Regulations. The potential change will also give effect to the requirements of the Companies Act 2008, and the proposal by the APB to eliminate Statements of GAAP.

5. Situational analysis

The situational analysis comprises an analysis of both the local and international financial reporting environments, as well as the organisational environment.

5.1 Local financial reporting environment

5.1.1 Adoption of Standards of GRAP

The following entities have adopted, or are in the process of adopting, Standards of GRAP:

- Parliament and the provincial legislatures
- municipalities, municipal entities, and or any other entities under the ownership control of a municipality and, boards, commissions, companies, corporations and funds
- national and provincial public entities; and
- constitutional institutions.

First time adoption

National and provincial departments apply the reporting framework developed by the OAG. Subject to the successful completion and implementation of the Integrated Financial management System (IFMS), national and provincial entities may implement Standards of GRAP.

Transitional provisions and other transitional arrangements will need to be developed by the Board to facilitate the adoption of Standards of GRAP by these entities. A project group will be established to identify barriers to the adoption of Standards of GRAP..

The Minister of Higher Education has decided that Public Further Education and Training Colleges should adopt Standards of GRAP as a reporting framework. They will adopt Standards of GRAP from 1 January 2014.

Assessing the adoption of the Standards of GRAP

As an increasing number of entities adopt the Standards of GRAP, the Board will need to assess whether the Standards can, or have been, implemented appropriately and identify areas where the Standards can be clarified, improved or simplified.

The Board has completed a post-implementation review of the Standards of GRAP on *Property, Plant and Equipment* and *Investment Property*. The ASB needs to conduct further post-implementation reviews. The focus and scope of these reviews will be determined in consultation with the trilateral partners. A framework will be developed to guide the identification of Standards that will be subject to a review.

Based on the results of the post-implementation review on *Property, Plant and Equipment*, the Board agreed to develop an Interpretation on the recognition of land based on legal ownership or control. The Medium-term Strategic Framework (MTSF) identifies as a priority the transfer of title deeds for all new subsidy units and eliminating the backlog of 900 000 title deeds. The development of the Interpretation will address one of the key implementation difficulties experienced by municipalities where they still have the title deed for land already occupied by recipients of subsidy units.

5.1.2 Developing Standards of GRAP to meet user needs

Additional Standards may need to be developed to respond to the information needs of users as financial accounting and financial reporting matures. These additional Standards may result from developments internationally or they may arise from South African specific issues that are identified locally.

In addition the ASB has issued a discussion paper on Natural Resources and a discussion paper on Materiality - Reducing Complexity and Improving Reporting Materiality. The comment received will need to be considered to determine the need for amendments to or ne Standards of GRAP.

5.2 International standard-setting environment

5.2.1 International Public Sector Accounting Standards Board (IPSASB)

Internationally, the IPSASB has focused on the development of a Conceptual Framework while continuing to develop public sector specific International Public Sector Accounting Standards (IPSASs). It is also spending an increasing amount of time on the development of pronouncements that deal with financial reporting outside of the financial statements. The Conceptual Framework has a proposed completion date of September 2014.

The completion of the Conceptual Framework will require a comparison with the ASB's conceptual framework to understand the changes and to consider the impact on our existing Standards of GRAP.

The focus by IPSASB on public sector specific issues means that projects undertaken will require more research to crystallise public sector specific issues and to align Standards with the conceptual framework. Since many of the developments are new to the South African public sector, more research by experienced Standard-setters is required, leaving continuous maintenance of the body of standards to the

less experienced Standard-setters. The nature of the new projects will also require an increase in stakeholder consultation.

5.2.2 International Accounting Standards Board

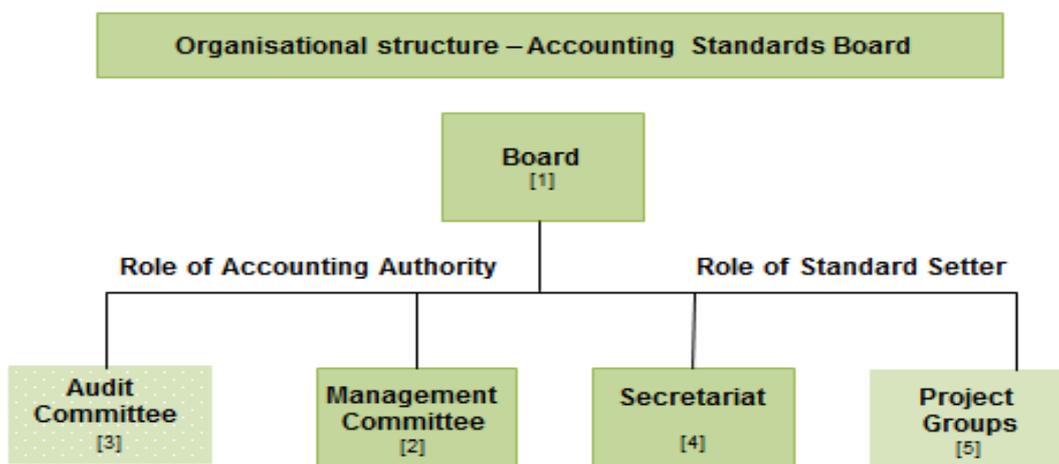
So as to minimise the differences between public and private sector accounting, particularly for those transactions that are sector neutral, a number of the Standards are based on IFRSs.

The ASB needs to review new standards or revised standards issued by the IASB to identify differences between the public sector and the private sector. The differences may result in revised Standards of GRAP or may require the development of public sector specific pronouncements.

The IASB has published a standard on *Revenue from Contracts with Customers*. This standard has implications for the Standards of on *Revenue from Exchange Transactions*, *Construction Contracts* and *Revenue from Non-exchange Transactions (Taxes and Transfers)* and the related Interpretations of Standards of GRAP. Research is needed to identify the public sector specific issues and the resultant consequences for Standards of GRAP. Other imminent standards on the IASB work programme which are under development include new Standards on *Leases* and *Insurance*.

5.3 Organisational environment

The organisational structure of the ASB is set out below.



Notes to the organisational structure:

1. The Board is comprised of 10 non-executive members. Board members (or their employers) are remunerated for their attendance at meetings (with the exception of members who are employed by another organisation in the public sector).

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2. The management committee is comprised of four board members. Members are remunerated for their attendance at meetings.
3. The audit and risk committee, and the internal audit function, are shared with the National Treasury.
4. The Board is also considering the establishment of a technical committee to perform the standard setting functions of the Board, while The Board focuses on the governance of the standard setting process.
5. The Secretariat is currently comprised of a Chief Executive Officer, four standard setters, a financial manager, and an office administrator.
6. Project groups comprising public sector experts and consultants are used to develop technical documents for consultation with the wider stakeholder groups. The chair of the project group is a board member, who is remunerated for chairing meetings, while project group members are volunteers and are not remunerated by the ASB.
7. At present, the cost of post-implementation reviews has not been budgeted for. If it becomes a normal function of the ASB, it would need additional resources.
8. Implementing the outcomes of the ad-hoc committee reviewing the mandate of the ASB may result in changes in the structure of the board and/or the possibility of a transfer of functions from the National Treasury to the ASB. On the principle that funding follows the function, no provision has been made for changes to the mandate.
9. The implementation of the Use of Official Languages Act has significant cost implications for the ASB. All Standards of GRAP has to be translated into two other languages. No additional funding has been made available to the Board.

5.4 Strategic planning process

The strategy has been developed by the ASB. The OAG and AGSA are key stakeholders in the process and are consulted before finalising the strategy. The strategy is approved by the Board in its capacity as accounting authority and submitted to the Minister of Finance, in his capacity as executive authority, for approval.

6. Strategic outcome oriented goals

The ASB contributes to the following outcomes identified by the Presidency:

- Outcome 9 – a responsive, accountable, effective and efficient local government system.
- Outcome 12 – an efficient, effective and development oriented public service.

Even though no specific outcome of the ASB can be directly linked to the MTSF, an analysis of the MTSF in relation to outcome 9 shows that the ASB can contribute towards the improvement in overall municipal audit outcomes, with at least 75% of municipalities receiving unqualified audits by 2019.

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Under outcome 12, the National School of Government will be drawing on experienced public servants to provide training in priority areas. The ASB should indicate its willingness to review modules on financial reporting and provide lecturers on financial reporting from time-to-time based on the availability of resources.

Our strategic goal is as follows:

Strategic Outcome Oriented Goal	Improve financial reporting
Goal statement	To enhance financial reporting in all three spheres of government on a continuous basis to engender confidence in financial reporting and improve accountability and decision-making.

PART B: STRATEGIC OBJECTIVES

Strategic objectives

Our strategic objectives are as follows:

Strategic objective 1	Set Standards of GRAP
Objective statement	<p>Develop Standards of GRAP, based on an approved work programme, on an ongoing basis:</p> <ul style="list-style-type: none"> • which provide accounting and reporting requirements for all material transactions and events; • are understandable by ASB stakeholders, and • that can be implemented by entities in all three spheres of government.
Baseline	Ideally, there should be a standard for every significant transaction, balance or event that may affect the financial position and financial performance of public sector entities. A core set of accounting Standards has been developed based on an analysis undertaken at the establishment of the ASB, but some gaps exist for key public sector transactions. New or revised Standards may be required as a result of developments at the IPSASB and IASB and in response to user needs.
Planned activity	<ul style="list-style-type: none"> • Research into the South African implications of the IPSASB Conceptual Framework, when completed in late 2014 or early 2015, to identify South African specific activities and the related projects for inclusion in the work programme. • Research into public sector and South African implications when IASB issues a new/revised standard on Leases and Insurance. • Respond to issues arising from the research, which includes replacing the Conceptual Framework, and issuing replacement standards for <i>Revenue from Exchange Transactions</i>, <i>Construction</i>

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	<p><i>Contracts and Leases</i>, and amending the Standard on <i>Revenue from Non-exchange Transactions (Taxes and Transfers)</i>.</p> <ul style="list-style-type: none"> • Respond to the comments received on the Discussion Paper on <i>Living and Non-living resources</i>. • Respond to comments received on the Discussion Paper on <i>Materiality – Reducing Complexity and Improving Reporting</i>. • Develop an Interpretation on Ownership of Land and a Guideline on Housing, projects arising from the Post-implementation Review on. • Clarify the mandate of the ASB with regards to the expansion of financial reporting from financial statements through the activities of the ad-hoc committee of the Board. • Maintain existing set of Standards for minor improvements arising from stakeholder consultation. • Research the process needed to enable government to prepare a whole-of-government consolidation. • Respond to international amendments by IASB and IPSASB to Standards of GRAP based on an international equivalent.
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Strategic objective 2	Influence development of international standards
Objective statement	<p>Influence the development of, on an ongoing basis:</p> <ul style="list-style-type: none"> • Private sector standards to minimise differences between the private and public sector. • IPSASs, as appropriate public sector standards, reduce the need for South African public sector amendments in the development of Standards of GRAP.
Baseline	<p>We are currently a member of the IPSASB Board.</p> <p>We have a legislative requirement to consider best practice, nationally and internationally.</p> <p>Standards of GRAP are based on IPSAS, where a public sector standard has been developed, or IFRS where no public sector standard is available, but a private sector standard exists. A local standard is developed when neither a public, nor a private sector standard exists.</p>
Planned activity	<ul style="list-style-type: none"> • Identify a person to be nominated as a potential member of IPSASB when the current member's term expires in 2016. • In the absence of a representative on IPSASB, attend meetings as a public observer. • Participate in Task Based Groups established by IPSASB to provide technical support to the Secretariat when drafting pronouncements. • Provide resources to the IPSASB Staff on projects that have an impact on the ASB's standard setting process. • Continue attending the Financial Reporting Standards Council as a public observer to monitor private sector developments in standard setting that may have an impact on our own standard setting process. • Publish concurrently, for comment, any documents published for

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	<p>comment by IPSASB to enable us to submit a comment letter.</p> <ul style="list-style-type: none"> • Activate a South African standard setting process when documents published by IPSASB are issued as final pronouncements. • Participate in SAICA Accounting Practices Committee to understand South African issues that are relevant to the standard setting process. • Monitor IASB projects that have a South African public sector impact. • Submit a comment letter on IASB documents that have an impact on public sector financial reporting. • Submit, in conjunction with SAICA, comment letters on IASB documents issued for comment.
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Strategic objective 3	Promote the adoption of the Standards of GRAP
Objective statement	Monitor and facilitate the adoption of the Standards of GRAP by public sector entities through the development of transitional provisions and transitional arrangements when the Minister of Finance approves a new Standard.
Baseline	Directives prescribing transitional provisions have been developed for various entities in the public sector. Transitional arrangements, such as the initial valuation of assets on the initial adoption of the asset-related Standards and the reporting framework to be applied by entities in the absence of a full set of effective Standards of GRAP, have also been prescribed in Directives.
Planned activity	<ul style="list-style-type: none"> • Consider the implications of the IPSAS on <i>First Time Adoption of Accrual Basis IPSASs</i> on current directives issued by the ASB for transition to Standards of GRAP when completed by IPSASB later in 2014. • Research the disclosures that can be made without having access to the planned IFMS to enable the national and provincial departments and components to commence the adoption of Standards of GRAP. • Develop a programme of workshops to create awareness amongst national and provincial departments to adopt Standards of GRAP. • Comment on any developments that influence financial reporting in the public sector. • Advocate the adoption of accrual accounting, in general, and Standards of GRAP, in particular, by those entities that have not yet moved to accrual accounting or the adoption of Standards of GRAP. • Provide resources, when available, to the National School of Government when rolling out GRAP training to officials.

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Strategic objective 4	Monitor the application of the Standards of GRAP
Objective statement	Monitor and evaluate the consistent application of the Standards of GRAP on an ongoing basis by considering whether or not the needs of users of financial reporting are met.
Baseline	<p>Established a forum where accounting issues are discussed by preparers, auditors and other interested parties. The discussions at this forum have resulted in the publication of Frequently Asked Questions.</p> <p>Other <i>ad hoc</i> papers and guidance have been developed and made available on the ASB's website.</p> <p>Post-implementation reviews undertaken for selected asset-related Standards.</p>
Planned activity	<ul style="list-style-type: none"> • Develop a framework to be used when selecting a Standard of GRAP for a post-implementation review. • Institutionalise post-implementation reviews in the functions of the ASB. • Analyse the following to determine whether potential guidance on Standards of GRAP is needed based on: <ul style="list-style-type: none"> ○ consolidated general reports issued by the Auditor-general; and ○ feedback from stakeholder outreach. • Develop and update Frequently Asked Questions as and when a need is identified. • Promote the need for academic research into identified areas of public sector financial reporting.

Strategic objective 5	Realise the potential of our people
Objective statement	Maintain the level of capability needed to deliver the outputs required and the strategic priorities outlined.
Baseline	<p><u>Secretariat</u></p> <p>Individual development plans have been developed for each staff member, with additional opportunities for <i>ad-hoc</i> education and training needs.</p> <p><u>Board</u></p> <p>Vacancies arise from time to time when board members have completed their two terms. Board members must have the appropriate mix of skills as detailed in the Regulations.</p> <p><u>Public Sector</u></p> <p>Finance professionals trained by entities in the public sector are often</p>

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	lost to the public sector, because of a lack of sharing of information on opportunities.
Planned activity	<ul style="list-style-type: none"> • Recommend to the Minister of Finance the appointment of Board members when vacancies exist on the Board. • Implement development plans for all staff. • Monitor staff satisfaction of key staff and initiate actions when deemed appropriate. • Participate in the Heads of Entity Forum to maximise opportunities to find skilled financial staff and provide training opportunities. • Fill any vacancies promptly. • Arrange induction training for all new Board members

Strategic objective 6	Communicate with stakeholders
Objective statement	To increase our communication efforts so as to regularly reach all relevant stakeholders over the next 5 years.
Baseline	<p>The ASB's communication efforts currently extend to entities in all three spheres of government and to all nine provinces.</p> <p>The ASB increasingly relies on oral comment received in developing and finalising pronouncements.</p> <p>The ASB disseminates information (in the form of pronouncements, responses to comments received, newsletters and other information) through its website or via email.</p> <p>A limited number of articles are published in selected publications.</p> <p>Participation by National and Provincial Departments as preparers is poor.</p> <p>Outreach to users of financial statements is difficult as users, other than those that are the elected representatives, generally do not participate in representative bodies or other organised forums. They also often lack the capacity to participate in such organisations.</p>
Planned activity	<ul style="list-style-type: none"> • To enhance financial reporting in all three spheres of government over the next 5-10 years to improve accountability and decision-making, target our outreach to users and any other gaps identified annually in the communication strategy. • Focus on the consultation process during the development of the Standards and post-implementation reviews. • Continue to encourage National and Provincial Departments to participate even though they are unlikely to want to participate until they are required to implement.

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Strategic objective 7	Promote good governance and financial management
Objective statement	To ensure Standards development is done in the most efficient, effective and economic way by operating within the fiscal parameters established by the transfer of funds from the National Treasury Vote.
Baseline	<p>The ASB currently complies with all the relevant laws and regulations, manages its resources, have an appropriate system of internal controls and have the necessary governance structures in place.</p> <p>The ASB maintains a high performance culture to ensure we achieve the organisation's goal.</p>
Planned activity	<ul style="list-style-type: none"> • Maintain unqualified audit reports for both performance and financial information. • Continue to maintain efficient and effective governance structures (board, audit committee, management committee) and internal audit. • Co-operate with other Heads of Entities reporting to the Minister of Finance to identify areas where we can share resources. • Develop implementation plans any new legislation applicable to the ASB.

Resource considerations

In considering the resources that the ASB may need over the next 5 years, it is important to understand the cost drivers of the various activities.

Developing Standards requires expert, professional staff. As a result, the main driver of costs in the Standard-setting environment is salary costs. In order to attract and retain appropriate Standard-setting staff, their salaries are benchmarked against those of staff with similar expertise in similar organisations in the public and private sector. As a result, the annual increase in salaries may exceed CPI.

As it is important that staff remain up-to-date and their potential maximised, a portion of the budget every year is allocated towards education and training. In the past, the expenditure on training has been around 2% of the budget. As the staff employed by the ASB are highly skilled, niche education and training interventions are often required. These can be relatively costly. The ASB needs to ensure that appropriate resources are set aside every year for appropriate training.

The Board is responsible for issuing Standards of GRAP and other pronouncements. In order to fulfil this mandate, the Board meets at least four times a year. At present, the number of technical documents considered at a Board meeting is limited to three. As a result, the number of Board meetings may increase to five or six meetings in a year depending on the operational plan. In addition to the Board meetings, board members are involved in the following activities:

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- Four board members serve on the management committee. There are at least four management committee meetings a year; it is not expected that this number will change.
- In developing Standards of GRAP, each Board member is assigned responsibility for a particular project/s. The responsible Board member chairs any project group meetings held. Project group meetings are held as and when necessary. The number of project group meetings may increase depending on the complexity of the topic and whether any existing Standards or practices exist. This may change in response to the establishment of the technical.
- An ad-hoc legislative reform committee to be established to investigate limitations on our current legislative framework identified in the section on mandate and policy initiatives of this strategy.

Board members are remunerated for their attendance at meetings (board, management committee and project group meetings), while the Chairman is paid an additional annual fee. Members are remunerated based on rates approved by the Minister of Finance. Past experience has indicated that these rates increase annually with CPI. Where board members are not located in Gauteng, travel costs are reimbursed. The cost of physical attendance is weighed against the cost of teleconferencing based on the number of members travelling from elsewhere.

To ensure that the Standards the ASB sets are credible, extensive stakeholder consultations are undertaken across the country. This often requires air travel. As the cost of air tickets varies based on full prices, exchange rates and taxes, the year on year increase is not always linked to CPI. A certain amount of travel will always be undertaken in any period since it is important for the ASB to maintain a presence throughout the country. The amount of travel required may increase depending on the number of documents that require public consultation.

Increasingly, the Board relies on oral comments received during these consultations in developing its Standards, so it is expected that travel costs will increase over the strategic period.

Overhead and general administration costs generally vary based on CPI. The exceptions are:

- Rental of office premises which increases by 8% per annum.
- Water and electricity increases by approximately 35% per annum.

Apart from the activities undertaken by the ASB locally, it participates in the International Public Sector Accounting Standards Board (IPSASB). As the ASB uses IPSASs in developing its Standards, participation internationally means that South Africa can influence the IPSASs while they are being researched and developed. Participation at the IPSASB requires international travel four times a year. As ticket prices depend on a number of factors (including seasonal variations) the costs do not increase in line with CPI. Three meetings per year are held in North America. Accommodation and travel in that region is more expensive than with respect to Europe and Asia.

Risk management

The following risks that may prevent the ASB from realising its goal have been identified:

1. The risk that the Board is not fully constituted and that the Board members do not have the appropriate skills.
2. The risk that the ASB does not receive sufficient funding to maintain current operations.
3. The risk that the ASB does not have sufficient staff, and/or that the ASB fails to retain and appoint suitably qualified, competent staff.

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Outcome (Goal)		Output (Strategic Objective)		Performance measure	Target
Improve financial reporting	To enhance financial reporting in all three spheres of government over the next 5-10 years to improve accountability and decision-making.	Set Standards of GRAP	<p>Develop Standards of GRAP based on an approved work programme on an ongoing basis:</p> <ul style="list-style-type: none"> • which provide accounting and reporting requirements for all material transactions and events; • are understandable by stakeholders; and • that can be implemented by entities in all three spheres of government. 	<p>No. of pronouncements issued</p> <p>Analysis of the results of the post-implementation review.</p> <p>Analysis of issues raised at stakeholder outreach</p>	<ul style="list-style-type: none"> • 12 technical documents issued per year • As and when requested • As and when requested
		Influence development of international standards	<p>Influence the development on an ongoing basis of:</p> <ul style="list-style-type: none"> • Private sector standards to minimise differences between the private and public sector • IPSASs, as appropriate public sector standards, reduce the need for South African public sector amendments in the development of Standards of GRAP 	<p>Comment on all IPSASB Exposure Drafts and consultation papers</p> <p>Comment on those private sector standards that are relevant to the public sector</p>	<ul style="list-style-type: none"> • 100% of IPSASB EDs • 100% of IASB EDs relevant to the ASB
		Promote the adoption of the Standards of GRAP	<p>Monitor and facilitate the adoption of the Standards of GRAP by public sector entities through the development of transitional provisions and transitional arrangements when the Minister of Finance approves a new Standard.</p> <p>Respond to issues identified by stakeholders by developing FAQs or adding projects to the work programme</p>	<p>Make Standards of GRAP available in 3 official languages</p> <p>Develop appropriate transitional provisions for new pronouncements that will facilitate the adoption by reporting entities.</p> <p>Recommend the implementation dates for Standards approved by the Board after the transitional provisions have been developed within three months.</p> <p>Regular interactions with key stakeholders to ensure timely guidance are made available.</p> <p>Issue FAQs and Interpretations when necessary</p>	<ul style="list-style-type: none"> • Translate all the Standards of GRAP submitted to the Minister of Finance • As and when identified • For all approved standards • 4 trilateral meetings per year • As and when identified
		Monitor the application of the Standards of GRAP	<p>Monitor and evaluate the consistent application of the Standards of GRAP on an ongoing basis by considering whether or not the needs of users are met.</p> <p>Respond to issues identified by stakeholders by developing</p>	<p>Issues raised by participants in monthly accounting forum.</p> <p>Issues raised for consideration at the regular informal meetings between</p>	<ul style="list-style-type: none"> • 9 accounting forum meetings per year • As and when

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Outcome (Goal)	Output (Strategic Objective)		Performance measure	Target
		FAQs or adding projects to the work programme	<p>the ASB, OAG and AGSA convened by the AGSA.</p> <p>Issue FAQs and Interpretations when necessary.</p> <p>Respond appropriately to post-implementation reviews findings</p>	<p>requested</p> <ul style="list-style-type: none"> • Analysis of inquiries • Results of post-implementation reviews
	Realise the potential of our people	Maintain the level of capability needed to deliver the outputs required and the strategic priorities outlined.	<p>Low staff turnover with replacement of staff within six months.</p> <p>Efficient and effective recruitment process.</p> <p>Staff development plans for all staff.</p> <p>Board induction and training.</p>	<ul style="list-style-type: none"> • Technical staff must have 40 hours training as defined by SAICA per year • Training for other staff in accordance with the approved development plan
	Communicate with stakeholders	To increase our communication efforts so as to regularly reach all relevant stakeholders over the next 5 years.	<p>Implement communication strategy</p> <p>Focussed communication during PIR</p> <p>Participation by all spheres of government and all categories of stakeholders</p> <p>Promote understanding of Standards of GRAP</p>	<ul style="list-style-type: none"> • Newsletter after each Board meeting • No of meetings with external stakeholders • Outreach must reach all provinces and all spheres. • Submit 4 articles per year for publication • Translate every new standard issued every year
	Promote good governance and financial management	To ensure Standards' development is done in the most efficient, effective and economic way.	<p>No qualifications of any aspects of the audit report.</p> <p>No significant issues reported by the external auditors</p> <p>Compliance with regulatory reporting requirements</p>	<ul style="list-style-type: none"> • Clean audit opinion • No of significant issues reported <p>100% compliance with regulatory reporting requirements</p>

ASB STRATEGIC PLAN FOR THE FISCAL YEARS 2015 TO 2019

Annexure

Table A.3 Accounting Standards Board

Statement of financial performance	Approved budget	Audited Outcome	Approved budget	Audited Outcome	Approved budget	Audited Outcome	Budget estimate	Revised estimate	Outcome/Budget Average %	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2011/12	2011/12	2012/13	2012/13	2013/14	2013/14	2014/15	2014/15	2011/12 - 2014/15			2015/16	2016/17	2017/18	2014/15 - 2017/18	2014/15 - 2017/18
R 'thousand																
Revenue																
Tax revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-tax revenue	85	116	63	143	110	219	110	150	1.0%	8.9%	1.7%	150	150	150	-	1.4%
Sale of goods and services other than capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which:																
Administrative fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales by market establishment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-tax revenue	85	116	63	143	110	219	110	150	1.0%	8.9%	1.7%	150	150	150	-	1.4%
Transfers received	7,970	7,795	9,469	9,096	9,830	9,951	10,250	10,250	99.0%	9.6%	98.3%	10,174	10,517	11,733	4.6%	98.6%
Total revenue	8,055	7,911	9,532	9,239	9,940	10,170	10,360	10,400	100.0%	9.5%	100.0%	10,324	10,667	11,883	4.5%	100.0%
Expenses																
Current expenses	8,055	8,206	9,598	9,265	10,040	10,019	10,414	10,486	100.0%	8.5%	100.0%	10,290	10,664	11,787	4.0%	100.0%
Compensation of employees	5,627	5,473	7,063	6,275	7,164	6,675	7,470	7,725	71.6%	12.2%	68.7%	8,458	8,923	9,328	6.5%	79.7%
Goods and services	2,324	2,630	2,469	2,906	2,850	3,278	2,890	2,707	27.7%	1.0%	30.5%	1,775	1,695	2,437	-3.4%	19.9%
Depreciation	104	103	66	84	26	66	54	54	0.7%	-19.4%	0.8%	57	46	22	-25.9%	0.4%
Interest, dividends and rent on land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	8,055	8,206	9,598	9,265	10,040	10,019	10,414	10,486	100.0%	8.5%	100.0%	10,290	10,664	11,787	4.0%	100.0%
Surplus/(Deficit)	-	(295)	(66)	(26)	(100)	151	(54)	(86)		-33.7%		34	3	96	-203.7%	