



**ANALYSIS AND RESPONSES TO WRITTEN
COMMENT RECEIVED ON**

**EXPOSURE DRAFT ON IDENTIFYING
PROJECTS TO PRIORITISE ON THE ASB'S
WORK PROGRAMME FOR 1 APRIL 2017 TO 31
MARCH 2020**

(ED 138)



RESPONSES TO THE WRITTEN COMMENT RECEIVED ON EXPOSURE DRAFT 138 ON IDENTIFYING PROJECTS TO PRIORITISE ON THE ASB'S WORK PROGRAMME FOR 1 APRIL 2017 T 31 MARCH 2020

The Accounting Standards Board (Board) approved an Exposure Draft on *Identifying Projects to Prioritise on the ASB's Work Programme for 1 April 2017 to 31 March 2020* in December 2015. A Notice was also published in the Government Gazette on the 18th of December 2015 (Notice 39531). The comment period closed on the 22nd of April 2016.

A comment letter was received from SARS. The comments received are outlined in this document along with the Board's responses thereto.

ED 138 was also discussed with a number of stakeholders by way of presentations, workshops and face-to-face meetings. The results of these consultations are outlined in a separate document.



ANALYSIS OF RESPONSES TO ED 138 IDENTIFYING PROJECTS TO PRIORITISE ON THE ASB'S WORK PROGRAMME FOR 1 APRIL 2017 TO 31 MARCH 2020

The following entities (listed under their relative representative categories) participated in the formal comment process:

No.	Name/Organisation	Preparers	Users	Auditors and Accountants	Other bodies
Formal comment process					
1.	SARS	X			
		1	0	0	0



**ANALYSIS OF COMMENTS ON
PROJECTS TO PRIORITISE ON THE ASB'S WORK
PROGRAMME FOR 1 APRIL 2017 TO 31 MARCH 2020 (ED 138)**

COMMENTS ON ED 138 IDENTIFYING PROJECTS TO PRIORITISE ON THE ASB'S WORK PROGRAMME – 1 APRIL 2017 TO 31 MARCH 2020		
No.	Comments	Board's response
SPECIFIC MATTERS FOR COMMENT		
1A.	Do you agree that the Board consult on the projects it should prioritise for a period of 3 years? If another period is selected, please indicate reasons why an alternative time horizon should be used.	
1A.1	SARS	
	SARS is in agreement with the approach to identify potential projects for a three year period.	Noted. No further action required.
1B.	Do you agree with the criteria proposed by the Board in paragraph 12 to evaluate specific projects? Please provide reasons for your view.	
1B.1	SARS	
	SARS agrees with the proposed criteria that could be used to evaluate individual projects	Noted. No further action required.
2.	Feedback on local initiatives	
2A.	<i>The Application of Materiality in the Financial Statements</i> The Board believes that guidance on the application of materiality should be prioritised for the period 1 April 2017 to 31 March 2020. Do you agree?	
2A.1	SARS	



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	There is currently no guidance on the application of materiality. SARS therefore agrees that this should be prioritised.	Noted. The Board has prioritised the development of guidance on materiality for the 2017 period.
2B.	<p><i>Reporting Information to Citizens and Whole of Government Consolidation</i></p> <p>Based on the criteria identified in paragraph 12, and considering whether the issue is urgent:</p> <p>(i) Should projects be undertaken on developing Reporting Financial Information Citizens?</p> <p>(ii) Should a project be undertaken on Whole-of-Government consolidation? If yes, what issues in particular should this project address?</p>	
2B1.	SARS	
	SARS agrees that information should be presented in an easily understandable way. Additional information and summarised financial information to supplement the annual financial statements is provided in the annual report. Guidance by the ASB on the provision of summarised financial information and/ or key performance measures will not prevent inappropriate or divergent accounting results. SARS does not agree that this project meet the evaluation criteria set out in paragraph 12.	Noted. As the Board received mixed responses to this proposed project, it has agreed to undertake further research on the need for this type of information. As this project is not urgent, it is likely to be prioritised for the 2018 reporting period.
	GRAP 6 currently does not provide sufficient guidance on whole-of-government consolidations. SARS therefore agree that this project should be included in the work program. Specific guidance is needed on the challenge of consolidating departments and public entities which are using different accounting frameworks.	Noted. The Board has prioritised identifying issues that may need to be addressed during the 2017 period.
2C.	<p><i>Feedback on other projects</i></p> <p>Are there any other projects the Board should consider adding to its work programme?</p>	



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	<p>Please provide a brief description of the issue or nature of the project.</p> <p>Please evaluate the proposed projects using the criteria in paragraph 12, and consider the urgency of the issue.</p>	
2C	SARS	
	SARS has not identified any other projects which the Board should consider.	Noted. No further action required.
3.	Feedback on maintenance of Standards	
3A.	Reporting Framework	
	Do you believe that Directive 5 and the annual update of the annexures should continue?	
3A.1	SARS	
	Directive 5 provides excellent guidance to entities for the disclosure required by GRAP 3 on whether entities have applied newly effective or newly issued Standards of GRAP. If the Board decides to discontinue Directive 5, alternative guidance will have to be provided for this purpose.	Noted. The Secretariat proposes retaining Directive 5, and only issuing the Annexures for comment when deemed necessary by the Board.
3B.	Bi-annual improvements project	
	Do you believe that the Improvements Project should (a) be undertaken every two years, or is another time frame appropriate, and (b) should the nature of the changes include only minor, non-urgent changes, or should other changes also be considered as part of this project?	
3B.1	SARS	
	The nature of changes is minor and/or non-urgent, it is therefore more appropriate to undertake	Noted. The Secretariat proposes retaining the scope



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	the project every two years than on an annual basis. Due to the time frame, other changes (major/ urgent changes) should not be considered as part of this project but should be prioritised.	of the improvements project, but amending the frequency to every three years.
3C.	Feedback on other projects Are there any issues that the Board should consider to maintain the existing suite of Standards? Please provide a brief description of the issue or the nature of the project. Please evaluate the proposed projects using the criteria in paragraph 12, and considering the urgency of the issue.	
3C.1	SARS	
	SARS has not identified any other issues which the Board should consider.	Noted. No further action required.
4.	Projects to maintain alignment with the IPSASs	
	Using the criteria outlined in paragraph 12, which of the projects outlined in paragraphs 35 to 47 should be selected and prioritised by the Board?	
4.1	SARS	
	The following projects should be prioritised: <ul style="list-style-type: none"> - Social Benefits - Non-exchange expenses - Leases 	Noted. While the Board agrees that these projects are important as either no guidance exists at present or because it may resolve current issues in practice, it is unlikely that the IPSASB will complete these projects in 2017-2020. As a result, the Board will likely only address these topics in its next work programme



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		consultation.
5.	Projects to promote the adoption of Standards of GRAP	
5A.	First Time Adoption of Standards of GRAP Do you believe that the Board should revise and repeal the existing Directives that outline transitional provisions for the initial adoption of Standard of GRAP by issuing a Standard aligned with IPSAS 33? Please consider the criteria in paragraph 12, as well as the urgency to consider the issue.	
5A.1	SARS	
	SARS agree that the Board should undertake a project on “First time adoption of Standards of GRAP”. The directives do not currently provide sufficient guidance. Specific guidance is required on the retrospective application of GRAP on opening balances.	Noted. The Secretariat proposes developing a single Standard on the first time adoption of the Standards of GRAP. The scope and extent to which it deals specifically with the adoption of Standards of GRAP by specific entities will be considered as part of the initial research on this project.
5B.	Feedback on other projects Are there any other projects that the Board should consider that relate to the adoption of the Standards of GRAP by entities? Please provide a brief description of the issue or the nature of the project. Please evaluate the proposed projects using the criteria in paragraph 12, and considering the urgency of the issue.	
5B.1	SARS	



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	No response provided to this specific matter for comment.	No action required.
6.	Monitor the application of the Standards of GRAP	
	For which Standards should the Board consider undertaking post-implementation review? It would be useful if the urgency to undertake a review of a Standard is outlined in the response.	
6.1	SARS	
	SARS has not identified any Standards for which post-implementation review is necessary.	Noted. No further action required.