Topic	Issues deliberated	Decisions of the Board	Status	Effective date	Next steps
Guideline on Accounting for Landfill Sites	*Should land used in a landfill site be depreciated?*	The purpose of depreciation is to reflect the periodic consumption of an asset over time. As land has an unlimited useful life, it is not consumed while it is used in a landfill site. Land should be assessed for impairment rather than depreciated. The Board agreed that the example in the Standard of GRAP on *Property, Plant and Equipment* (GRAP 17) indicating that land may be depreciated in certain cases should be deleted as part of the Improvements Project (2019).	Final Guideline approved by the Board.	Date to be determined after completion of the Improvements Project (2019).	Amend GRAP 17 as part of Improvements Project (2019)
	What is the useful life of a landfill site asset?	The Board debated whether the useful life of a landfill site asset should be based only on the period over which the landfill site receives waste, or whether it should also include the period the landfill site safely stores waste. The Board agreed that the asset has service potential while it safely stores waste. The Board agreed that the useful life of the landfill site asset includes the period over which waste is received and stored. The useful life ends when the post-closure monitoring and inspection is completed.			
	Should the application of the Guideline be mandatory, and from when should it be applied?	The Board agreed that to address divergence in practice, the Guideline should be mandatory. The effective date of the Guideline will be linked to the effective date of the amendment to the example in GRAP 17.			

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Guideline on *The Application of Materiality in Financial Statements*	*Should entities be required to disclose their judgement on how materiality was applied in the preparation of the financial statements?*	GRAP 1 on *Presentation of Financial Statements* requires entities to disclose their significant judgements applied in preparing the financial statements. The Board agreed that, because one of the key objectives of the project is to change preparers' behaviour, it may be too soon to require the disclosure of this information in the financial statements. The Board could potentially consider making the disclosure of this information mandatory during the Improvements Project during the period 2021 to 2023.	Guideline approved.	Encouraged application, with a mandatory effective date to be determined at a date in the future.	None.
	Will the Guideline resolve disputes with auditors?	The Guideline is not intended to resolve disputes with auditors. It is intended to provide guidance to preparers on how to apply materiality when preparing the financial statements. Although the definition of materiality is the same for both preparers and auditors, materiality may have a different purpose during the audit. The ongoing resolution of disputes between auditors and auditees will require engagement between the National Treasury and the AGSA. Based on feedback from respondents, feedback will be provided to the National Treasury about the need for guidance on thresholds, benchmarks and other practical issues.			

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Guideline on *The Application of Materiality in Financial Statements*	*Should the application of the Guideline be mandatory?*	The Board agreed that the application of the Guideline is important to ensure that: • There is increased debate and discussion about the role of materiality in the preparation of the financial statements. • Preparers change their behaviour regarding the application of materiality. • The quality of the financial statements is improved and clutter reduced. • Challenges related to the complexity of the Standards are minimised. The Board agreed that the application of the Guideline should not be mandatory immediately as practice should be allowed to develop. An effective date will be determined by the Board in future.	Encouraged application, with a mandatory effective date to be determined at a date in the future.	To be determined.	None.

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Amendments to GRAP 104 *Financial Instruments*	*Are letters of support, e.g. those issued by a parent to a controlled entity guaranteeing its operational expenses, financial guarantee contracts?*	For a letter of support to be a financial guarantee contract, it must meet the definition of a financial guarantee, i.e. a contractual arrangement, guaranteeing a specific debt arrangement between a lender and a borrower. The Board agreed that the terms and conditions of the letters of support should be examined to determine if they meet the definition of a financial guarantee contract. Letters of support that guarantee the payments of operational expenses, funding of certain activities etc., are not financial guarantee contracts.	Approved final amendments.	To be determined.	Issue proposed transitional provisions and effective date for public consultation. Expected for July 2019 Board meeting.
	Should all concessionary loans be measured at amortised cost?	The proposed amendments to GRAP 104 require financial assets that fail the 'solely payments of principal and interest' (SPPI) test to be measured at fair value. This would include some concessionary loans. The Board debated the following views: • Issuers of these loans do not manage market risk and therefore fair value is inappropriate. Users are likely to be interested in the loans advanced, the subsidy component and the impairment. • Concessionary loans that fail the SPPI test have characteristics outside a basic lending arrangement and therefore, the use of amortised cost is inappropriate. Determining the expected credit losses using multiple scenarios is more complex than just determining expected cash flows for fair value purposes. Concerns were raised about making rules for specific transactions as well as whether 'concessionary loans' could be defined precisely enough to avoid abuse. The Board supported this view for the reasons outlined above.			

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Amendments to GRAP 104 *Financial Instruments*	*Should interest revenue on credit impaired receivables be calculated using the gross or the net basis?*	The proposed amendments to GRAP 104 required interest revenue to be calculated on the 'net basis', i.e. using the amortised cost of the instrument including impairment losses, rather than the 'gross' basis for credit impaired financial assets. Stakeholders indicated that the systems used for receivables, particularly in local government, would not be able to use a different basis of calculating interest. These calculations would need to be done outside of the sub-ledger and general ledger, which would be costly and have a high potential for error. Questions were raised about the usefulness of the information to users, who are used to receiving revenue information on a gross basis. The presentation of interest on a gross basis is also consistent with IGRAP 1 on *Applying the Probability Test on Initial Recognition.* The Board agreed that, for receivables, interest should be calculated on the gross basis, irrespective of whether the receivables are credit impaired.	Approved final amendments	To be determined.	Issue proposed transitional provisions and effective date for public consultation. Expected for July 2019 Board meeting.
	Should the Standard of GRAP on Statutory Receivables be revised?	The initial project plan for the revision of GRAP 104 contemplated amendments to GRAP 108 on *Statutory Receivables*, particularly for the impairment model. Respondents indicated that, given the complexity of the expected credit loss model and the experience that needs to be gained by entities in applying it, any review of GRAP 108 should be delayed. The Board agreed to consider whether GRAP 108 should be revised once the revisions to GRAP 104 have been implemented.			

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Directive on *Transitional Provisions for the Adoption of the Standards of GRAP by Community Education and Training (CET) Colleges*	*What should the transitional provisions be for the initial adoption of Standards of GRAP by CET colleges?*	The CET colleges should commence with their adoption of Standards of GRAP by applying the Standard of GRAP on *Transfers of Functions Between Entities Not Under Common Control.* The CET colleges are required to comply, in full, with the requirements of the Standards of GRAP by 31 December 2021.	Final Directive Approved by the Board.	1 April 2015	None.
Research into GRAP for 'small' entities	*Should the Board introduce specific requirements for 'small' entities?*	The Board undertook research to identify what issues 'small' entities face in preparing their financial statements and how these could be addressed. Through consultation with preparers, the research identified a broad range of issues related to human resources, the control environment, constrained budgets, reliance on consultants, and the regulatory environment. Specific accounting issues related to the measurement of non-monetary assets, the application of materiality, financial instruments, the volume and extent of disclosures, and the complexity of year-end accounting adjustments were identified. Users of the financial statements expressed concerns about the ability to define 'small' entities, and that there is a need for uniform information from all entities due to reporting commitments, both internationally and locally, resulting from specific legislative requirements. The Board agreed that, based on the issues identified and the underlying root causes, it is not necessary to develop a specific framework or specific guidance for small entities. Other interventions, such as applying the Guideline on *The Application of Materiality to Financial Statements,* issuing FAQs, Fact Sheets, etc. may alleviate the issues experienced. A Research Paper will be developed outlining the results of the research.	Research completed.	Not applicable.	Develop Research Paper for publication.

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Proposed Directive on *The Application of Standards of GRAP by Public Entities that Apply IFRS® Standards*	*When should the proposed Directive be applied?*	The proposed Directive is applicable to public entities that apply IFRS Standards based on the criteria in Directive 12 on *The Selection of an Appropriate Reporting Framework by Public Entities.* The proposed Directive provides guidance on when Standards of GRAP may be considered by an entity in formulating an accounting policy for a transaction or event where there is no IFRS Standard.	Approved as an Exposure Draft.	Comment deadline of 31 July 2019.	Consultation on proposed Directive.
	When should a Standard of GRAP be used to develop an accounting policy for a transaction or event for which there is no IFRS Standard?	The IFRS Standard on *Accounting Policies, Changes in Accounting Estimates and Errors* indicates that an entity may formulate an accounting policy using the guidance of another standard setter after considering: • whether there is an IFRS Standard that deals with a similar issue; and • the definitions, recognition criteria and measurement concepts for assets, liabilities, revenue and expenses in the Conceptual Framework. The Conceptual Framework of the other standard setter should be similar to the IFRS Conceptual Framework. The Board agreed that users of financial statements prepared using Standards of GRAP and IFRS Standards, and the decisions they make, may be different. This is particularly the case if the users of IFRS financial statements are focused on decisions about returns on, or of, their investments. As a result, an entity would need to apply judgement to decide whether the principles in the Standards of GRAP are appropriate to their circumstances.			