

# Identifying Projects to Prioritise on the ASB's Work Programme – 1 April 2017 to 31 March 2020



Accounting Standards Board





# Purpose of session

- Why consult?
- What do we want to achieve?
- A few questions to start...
- Identifying projects?





**ED 138**

**Identifying Projects to  
Prioritise on the ASB's  
Work Programme**





# Why consult?





# Problem statement

- Set Standards of GRAP for the public sector entities to use in preparing their financial statements.
- Information in financial statements ensures entities are held accountable and decisions can be made.





# Problem statement

Need to ensure that Standards are...

- relevant, and focus on the right issues
- appropriately balance projects between new areas, adoption issues, and ongoing application.

Feedback from stakeholders on what the ASB should focus on critical in answering these questions.





# Problem statement

- Identify projects for period 1 April 2017 to 31 March 2020.
- Comment deadline 22 April 2016.
- Identify and select projects by 2<sup>nd</sup> Quarter of 2016.





**What do we want to  
achieve?**





# The big picture

## Strategy of the ASB (5 years)

**Goal 1**  
**Set Standards of**  
**GRAP**

**Projects**

**Goal 3**  
**Promote the**  
**Adoption of**  
**Standards of GRAP**

**Projects**

**Goal 4**  
**Monitor the**  
**Application of**  
**Standards of GRAP**

**Projects**

**Work programme**

**(3 year horizon, activities for each year)**



# What do we want to achieve?

- Identify list projects → work programme.
- Projects should address the three goals.
- Feedback not only projects for each goal, but whether more emphasis on certain goals in certain periods.





**How should projects be identified and evaluated?**



# Project selection

Drafted policy evaluating projects.

Project specific criteria:

#1 No guidance exists → divergent or inappropriate accounting.

#2 Inconsistent application of existing guidance → divergent or inappropriate accounting.

#3 Maintaining alignment with IPSASs or IFRSs → practical issues.

#4 Maintaining current suite to ensure relevant and applied appropriately.

# Project selection

Identified overall constraints applied in selecting projects:

- #1 Resources available.
- #2 The financial management environment.
- #3 Capacity of stakeholder to participate in consultation process.
- #4 Impact of the issue → impact on accountability and decision-making, how widespread.
- #5 Urgency to resolve issue.



***A few questions to start...***





# Fundamental questions

- Do you support the three year time horizon?
- Do you agree with the criteria to evaluate projects?





# Identifying projects





# Set Standards of GRAP

Distinguish between the following projects:

- Local initiatives.
- Maintenance of Standards.
- Maintain alignment with IPSASs.

# Set Standards of GRAP

## Local initiatives

The Application of Materiality in the Preparation of Financial Statements

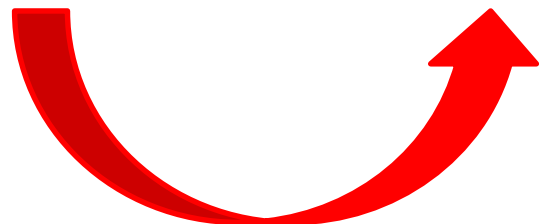
Reporting Financial Information to Citizens

Whole of Government Consolidation

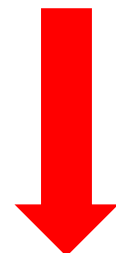
Feedback on other projects



Prioritise development for 2017-2020 – do you agree?



Should these be undertaken?



What else can we do?



# Set Standards of GRAP

## Maintenance of Standards

Reporting Framework

Improvements Project

Feedback on other projects



Should we continue to issue Directive 5 and Annexures?



Should we do every 2 years, and only minor, non-urgent changes?



What else can we do?

# Set Standards of GRAP

## Maintaining Alignment with IPSASs

**Public Sector  
Combination**

**Financial  
Instruments**

**Employee  
Benefits**

**Social Benefits**

**Review of  
revenue**

**Non-exchange  
expenses**

**Heritage  
assets**

**Measurement  
in the public  
sector**

**Infrastructure  
Assets**

**Emissions  
Trading  
Schemes**

**Leases**

**Other financial  
instruments**

**Which should be selected and prioritised 2017-2020?**



# Promote Adoption of Standards



ASB sets Standards of GRAP for:

- **Departments.**
- Public entities.
- Trading entities.
- Constitutional institutions.
- Municipalities and their entities.
- **Parliament and legislatures.**

TVET also apply.



# Promote Adoption of Standards

Promote adoption

First Time Adoption of the Standards of GRAP

Feedback on other projects



Should we revise and repeal existing Directives and issue 1 Standard?



What else can we do?





# Monitor Application of Standards



Monitoring done through:

- Post-implementation reviews.
- Public Sector Accounting Forum.
- Ongoing consultation with stakeholders.



# Monitor Application of Standards

Monitor application

Review of Directive 12

Feedback on other reviews

Committed for  
2019/2020

What other reviews  
can we do?





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