

IPSASB ED on Improvements to IPSAS 2018



Accounting Standards Board





Disclaimer

The views and opinions expressed in this presentation are those of the individual. Official positions of the ASB on accounting matters are determined only after extensive due process and deliberation.



Overview of session

- Part 1: General improvements to IPSAS
- Part 2: IFRS convergence amendments





PART 1:

General improvements to

IPSAS





Objective and nature of improvements

Objective:

Address issues raised by stakeholders

Nature:

- *Non-substantive changes*
- *Unrelated*



Proposed improvements

No	IPSAS Standard	Proposed change	Equivalent Standard of GRAP	Local impact
1-1a – 1c	IPSAS 10; IPSAS 22; IPSAS 24	Replace “primary financial statements” with “financial statements”	GRAP 10 GRAP 24	Not in GRAP 10; To consider effect on GRAP 24
1-2	IPSAS 16	Update requirements for transfer of IP when entity completes construction / development of self-constructed IP carried at fair value	GRAP 16	To consider effect on GRAP 16
1-3a – 3b	IPSAS 16 IPSAS 17	Transitional disclosure requirements amended to ensure consistency with other amendments made by IPSAS 33	GRAP 16 GRAP 17	No impact; transitional arrangements included in Directives

Proposed improvements

No	IPSAS Standard	Proposed change	Equivalent Standard of GRAP	Local impact
1-4	IPSAS 31	Extend requirement to consider whether reassessing useful life of intangible asset as finite rather than indefinite is indicator that asset may be impaired to include revalued intangible assets	GRAP 31	To consider effect on GRAP 31
1-5	IPSAS 33	Clarify exemption from providing comparative information applies only to first financial statements issued following adoption of accrual basis IPSAS	None	N/A

Proposed improvements

No	IPSAS Standard	Proposed change	Equivalent Standard of GRAP	Local impact
1-6	IPSAS 33	Update BCs and IGs to reflect relief from requirement to disclose experience adjustments for defined benefit schemes no longer required	None	N/A (Still to consider aligning GRAP 25 to IPSAS 39)
1-7	IPSAS 34	Amendments to correct measurement and presentation of controlled investment entities in separate financial statements of controlling entities that are not themselves investment entities	GRAP 34	No impact; amendment already made to GRAP 34



PART 2: IFRS convergence amendments





Objective and nature of improvements

Objective:

Converge with amendment to IFRS:

- *Improvements to IFRS projects,*
- *Narrow scope amendments projects, and*
- *Interpretations of IFRIC*

Nature:

- *Non-substantive changes*
- *Unrelated*



Proposed improvements

No	IPSAS Standard	Proposed change	Equivalent Standard of GRAP	Local impact
2-1	IPSAS 16	Update headings: interrelationship IPSAS 40 & IPSAS 16	GRAP 16	To consider effect on GRAP 16
2-2	IPSAS 2	Add disclosures that enable users to evaluate changes in liabilities arising from financing activities	GRAP 2	To consider effect on GRAP 2
2-3	IPSAS 16	Amend requirements to reflect change in use involves (a) assessment of whether property meets, or ceased to meet, definition; and (b) supporting evidence for change in use	GRAP 16	To consider effect on GRAP 16

Proposed improvements

No	IPSAS Standard	Proposed change	Equivalent Standard of GRAP	Local impact
2-4	IPSAS 36	Clarify choice between equity method or measuring at FV for each investment in associate / joint venture	GRAP 36	No impact; amendment already made to GRAP 36
2-5a – 5b	IPSAS 4, IPSAS 33	Clarify how to account for transaction when entity recognizes non-monetary asset / liability arising from payment / receipt of advance consideration before recognising related asset, expense/revenue	GRAP 4, No equivalent IGRAP	To consider effect locally

Proposed improvements

No	IPSAS Standard	Proposed change	Equivalent Standard of GRAP	Local impact
2-6	IPSAS 37	Clarify accounting for previously held interest in joint operation when party obtains joint control	GRAP 37	To consider effect on GRAP 37
2-7	IPSAS 40	Clarify accounting for previously held interest in joint operation when party obtains control of joint operation	GRAP 106	To consider effect on GRAP 106
2-8	IPSAS 5	Clarify that borrowings made specifically to obtain QA included in general borrowings when QA ready for intended use / sale	GRAP 5	To consider effect on GRAP 5

Proposed improvements

No	IPSAS Standard	Proposed change	Equivalent Standard of GRAP	Local impact
2-9	IPSAS 39	Require entity to use updated assumptions from remeasurement associated with change to plan (amendment, curtailment / settlement) to determine current service cost & net interest for remainder of reporting period after change to plan	GRAP 25	To consider when aligning GRAP 25 to IPSAS 39



Stakeholder outreach and communication





Outreach activities

- Continuous promotion of GRAP by improving outreach to stakeholders (workshops, meetings, seminars, SAICA webinars)
- Stakeholders should liaise with ASB when requiring any engagements
- Newsletters & Meeting Highlights
- Handbook





Translation

- Standards translated into isiZulu, Sesotho and Afrikaans
- The official version is the English language version
- Available on website





Website

- Overview of changes made to reporting framework for 2018 onwards.
- Three set of Standards:
 - Those entities with a December year-end
 - The Standards applicable for the current year
 - The Standards applicable for the next financial year
- Please register on website if you want to be advised of changes:

<http://www.asb.co.za/GRAP/Subscribe-to-email-alerts>





Submitting comments

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THANK YOU





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