

ED 173
IPSASB ED on
Collective and Individual
Services and Emergency Relief



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.



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1. Background

Background to the project

- IPSASB guidance on non-exchange expenses:

Non-exchange
expenses

- Social benefits
- Collective & individual services, and emergency relief
- Grants, contributions & other transfers

Background to the project

- IPSASB published to date:

2017

- Consultation Paper on *Accounting for Revenue and Non-exchange Expenses*

Jan 2019

- IPSAS 42 *Social Benefits*
- ED 67 (this ED)



2. Scope and definitions / descriptions

Scope



Source: IPSASB ED 67 At a glance

Definitions and description

Text of IPSAS 19:

Collective services

- Services provided by a public sector entity simultaneously to all members of the community that are intended to address the needs of society as a whole

Individual services

- Goods and services provided to individuals and/or households by a public sector entity that are intended to address the needs of society as a whole

Definitions and description (cont.)

Substance of transaction

	Social Benefits	Individual Services	Collective Services
Involves a cash transfer to eligible beneficiaries?	✓	x	x
Provided to individuals and/or households?	✓	✓	x
Intended to address the needs of society as a whole?	✓	✓	✓

Source: IPSASB ED 67


Definitions and description (cont.)

Application Guidance of IPSAS 19:

- Governments & other public sector entities may deliver emergency relief to individuals and/or households who have been adversely affected by circumstances not related to social risks, e.g.:

- a) Natural disasters (flooding, earthquakes, food shortages, volcanic eruptions, etc.); and
- b) Displacement of individuals and/or households as result of war, civil commotion or economic failure.

Not to address needs of society as a whole, but
individuals / households



SMC 1: Do you agree with the definitions of collective and individual services included in the ED?

If not, what changes would you make?

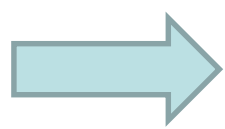


3. Accounting for Collective and Individual Services



Accounting for Collective Services

- Ongoing activities of public sector entity that delivers services
- Delivered through exchange transactions
- IPSAS 19.26: *No provision for costs to continue entity's ongoing activities in future*



No provision for entity's intention to deliver such services

Exchange transactions i.a.w. other IPSASs






Accounting for Individual Services

- Also ongoing activities of public sector entity that delivers services
- Acquired through exchange transactions, delivered through non-exchange transactions

 **No provision for entity's intention to deliver such services**

Exchange transactions i.a.w. other IPSASs



SMC 2 & 3: Do you agree that no provision should be recognised for collective or individual services?

If not, under what circumstances do you think a provision would arise?



4. Accounting for Emergency Relief


Accounting for Emergency Relief

In response to specific emergencies

- Explicit policy decision
- Could be “present obligation”
- If not, consider contingent liability
- Reassess at each reporting date

As ongoing activity of government

- Analogous to collective or individual services
-> no provision
- Not analogous
-> consider IPSAS 19 for provision on contingent liability



SMC 4: Do you agree with the proposed accounting for emergency relief?

If not, how do you think emergency relief should be accounted for?



5. Presentation and disclosure



Presentation and disclosure

- IPSAS 1 and IPSAS 2
- IPSAS 1 nature vs function presentation of expenses



**Any other general
comments?**



5. Next steps



Next steps

Upcoming discussions:

- 12 March 2019 PSAF
- 28 March 2019 roundtables
- 29 March 2019 IPSASB event
- March / April specific stakeholder engagements

Comment deadline:

15 April 2019



QUESTIONS?



Stakeholder outreach and communication





Outreach activities

- Continuous promotion of GRAP by improving outreach to stakeholders (workshops, meetings, seminars, SAICA webinars and recordings)
- Stakeholders should liaise with ASB when requiring any engagements
- Newsletters & Meeting Highlights
- Social media
- Handbook (order form available on website or on request)



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 Standards with effect from 1 April 2019
- 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

Visit our website for more information
on these Exposure Drafts

www.asb.co.za

Submit your comments to

info@asb.co.za



THANK YOU





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