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**TO: MEMBERS OF THE TECHNICAL COMMITTEE**  
**FROM: JEANINE POGGIOLINI**  
**SUBJECT: WORK PROGRAMME AND MONITORING PERFORMANCE**  
**DATE: 7 AUGUST 2019**  
**FILE REF: Attachment 10(a)**

## **1. BACKGROUND AND PURPOSE**

The Technical Committee reviews and makes recommendations to the Board on the work programme and any changes made to it. The Committee also reviews progress against the achievement of quarterly targets. The purpose of this memorandum is to:

- Highlight significant actual or proposed changes to the work programme since the last meeting for the Committee's consideration and discuss any proposed amendments.
- Review the projected performance for the quarter and the year ending 31 March 2020.

## **2. REVISIONS TO THE WORK PROGRAMME**

### **2.1 Current work programme – 1 April 2019 to 31 March 2020**

#### *Overview and administration*

The current work programme reflects the projects the Secretariat is working on, as well as those that are to be commenced in 2019/20 based on the project briefs approved at the September 2018 Board meeting. The timing of these projects is based on the timelines outlined in the project briefs, as well as internal policies governing the timing of issuing documents. The work programme is included as attachment 10(b).

Since the last meeting, the Secretariat has updated the status of projects after the decisions in June 2019. The work programme has not been updated for changes to the IPSASB and IASB work programmes as there have been no changes since the last publication. This will be reviewed after the September Board meeting. The monitoring of the IPSASB work programme is included as attachment 10(c)

Board Members: Mr V Ngobese (chair), Ms F Abba, Ms L Bodewig, Mr C Braxton, Mr K Hoosain, Ms I Lubbe,  
Mr K Makwetu, Ms P Moalusi, Ms Z Mxunyelwa, Ms N Themba,  
Alternate: Ms M Sedikela  
Chief Executive Officer: Ms E Swart, Technical Director: Ms J Poggiolini

### *Changes required to the work programme*

One of the standard-setters will be on maternity leave (likely) from end November 2019 to end April 2020. Changes are therefore required to the scheduling of projects on:

- Combined Financial Statements.
- Review of Directive 12 on *The Selection of An Appropriate Reporting Framework by Public Entities*.

The Technical Committee will also consider the project brief of the revision of GRAP 3 at this meeting as the project is due to commence next year based on the new work programme for 2021-2023. The same staff member will work on GRAP 3 given the work done on the Guideline on materiality.

Given the urgency and importance of the revision of GRAP 3, the deliverables for GRAP 3 have been prioritised over the project on combined financial statements. Note: As the Technical Committee will review an issues paper on the project on combined financial statements at this meeting, the proposals in this memorandum may change depending on the review of the project brief and the discussion on combined financial statements.

With the proposed re-prioritisation of projects, there would be too many projects for the Quarter 3 2020 meeting. As a result, the Secretariat is proposing to move the comments on the Post-implementation Review (PIR) of GRAP 103 to Quarter 4 2020. Given the extent of consultation required, this could allow more time to consult, collate the comments, and if the document has been published by the IPSASB, review the recent thinking on heritage assets by the IPSASB.

The proposed changes are illustrated in attachment 10(b) and are summarised below.

Project	2019/20			2020/21			
	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1
Combined financial statements	Issues paper	Issues paper Draft ED	ED-GRAP			Analysis of comment GRAP	ED GRAP
Review of Directive 12				Results of review		Results of review	
Revision of GRAP 3				Issues paper	ED GRAP		
PIR of GRAP 103					Results of review	Results of review	

### *Implications for targets on the APP for 2020*

With the need to delay the issue of the Exposure Draft on combined financial statements to next year, one of the targets will not be met for 4<sup>th</sup> quarter of 2019/20. The other proposed changes affect the next year's APP. These implications are discussed below.

#### **ACTIONS REQUESTED #1**

**The Technical Committee is requested to DISCUSS the proposed amendments to the work programme and make recommendations to the Board.**

## 2.2 Three-year work programme – 1 April 2020 to 31 March 2023

As illustrated above, there are a number of changes proposed to the work programme for 2020 to 2021. In re-prioritising the projects on combined financial statements and the revision of GRAP 3, there are potentially too many projects for the work programme for 1 April 2021 to 31 March 2022. The Board agreed to 7 projects in that year, and based on the revised work programme, there are potentially 9. The three-year work programme agreed by the Board at the June 2019 has been re-configured to align it with the new proposed strategic objectives and is included at attachment 10(d).

The Secretariat believes there are a few options that could be considered to manage the number of projects for the period 1 April 2021 to 31 March 2022. These are as follows:

1. Delay the combined financial statement project to the next work programme cycle (based on decisions in agenda 5.4),
2. The National Treasury made an application for EU funding, which included the possible development of communication material for users. If this project is outsourced, then it could (a) commence earlier, and (b) would require minimal ASB resources. It is also unlikely that the Board would need to spend time reviewing the material as it is communication material rather than a pronouncement.
3. The desktop review of the cash flow statement could be started in the period 1 April 2020 to 31 March 2021. The results of the review could be tabled at the Q1 2021 meeting. If this option is supported, a project brief would need to be tabled at the November/December 2019 Technical Committee and Board for approval. A revised APP will also need to be submitted to the National Treasury to include the projected targets for this project.

### **ACTIONS REQUESTED #2**

**The Technical Committee is requested to DISCUSS the proposed options and RECOMMEND a proposed action(s) to the Board.**

## 3. PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2020

The Secretariat has compiled information on projected results for the quarter July to September 2019. Table 1 below summarises the actual and projected performance in achieving the targets for the year ended 31 March 2020 based on the targets in the APP for 2019/2020.

### 3.1 Set Standards of GRAP

The targets for the July Board meeting are as follows:

- Proposed Exposure Draft on *Improvements to the Standards of GRAP (2019)*.
- Proposed Exposure Draft on *Transitional Provisions for the Adoption of GRAP 104 on Financial Instruments*.

Targets for the September Board meeting are as follows:

- Research Paper on results of the review of GRAP 16 and GRAP 17.
- Invitation to Participate in the Review of GRAP 103.
- Proposed GRAP Reporting Framework for 2020/21.

**It is likely that all the targets will be met for Q2.**

### **3.2 Monitor the application of the Standards of GRAP**

Target for Q2 2019/2020 – Issue FAQs within 6 months of identification, and host 2 Accounting Forum meetings.

**The targets are likely to be achieved for the quarter.**

The FAQs arising from the results of the review of GRAP 16 and GRAP 17 will be discussed and tabled at the PSAF meeting in September 2019.

A meeting will be held in September to discuss FAQs arising from other projects or through stakeholder engagement. These will be tabled at the October PSAF meeting.

See agenda item 7 for a complete listing of FAQs.

An Accounting Forum meeting was held in July, and one is scheduled for September.

### **3.3 Promote the adoption of the Standards of GRAP**

Target for Q2 2019/2020 – Submit an article for the quarter. Issue Newsletter and meeting highlights within 1 month of the Board meeting.

**The targets for the quarter are likely to be achieved.**

An article has been drafted for SALGA on the accounting treatment of fully depreciated assets still in use.

The Secretariat is now publishing a monthly Newsletter. A Newsletter was issued in July after the Board meeting along with the meeting highlights. Another Newsletter was issued in August, and one is planned for September.

### **3.4 Influence development of international standards**

Target for Q2 2019/2020 – Comment within the comment period on IPSASB Exposure Drafts and attend 1 IPSASB meeting.

The September IPSASB meeting will be attended.

Comments are due on the following Exposure Drafts by 30 September:

- Consultation Paper on Measurement (comment letter to be discussed at the September Board meeting).
- Exposure Draft on Proposed Improvements to IPSAS, 2019.

### **3.5 Other developments**

Although not formally on the APP targets for 2019/2020, the revisions to GRAP 104 have been submitted for translation. Given the funding available, translations are only being developed for Sesotho and isiZulu. The Sesotho translation has been completed.

### **ACTIONS REQUESTED #3**

**The Technical Committee is requested to NOTE the projected progress against achieving the targets for the first quarter of the 2019/2020 reporting period.**

**TABLE 1 – REPORT ON PROGRESS AGAINST ACHIEVEMENT OF TARGETS FOR THE YEAR ENDED 31 MARCH 2020**

Strategic objective	Measurable indicator	Actual (projected)	Quarterly performance targets							
			1 <sup>st</sup>		2 <sup>nd</sup>		3 <sup>rd</sup>		4 <sup>th</sup>	
		Total	Target	Actual (projected)	Target	Actual (projected)	Target	Actual	Target	Actual (projected)
Set Standards of GRAP	Present 8 documents as identified in the work programme	2	0	0	3	3	2		3	
				Board meeting will be held in July.		<u>July meeting:</u> Improvements to GRAP (2019)  Transitional provisions for revisions to GRAP 104  <u>September meeting:</u>  GRAP Reporting Framework				
	Present the completed research for projects as identified in the work programme	1	0	0	0	0	1		0	
Monitor the application of the Standards of GRAP	Issue a FAQ within 6 months of the identification of the need to develop a FAQ	100% on time	100% on time	Not applicable	100% on time	100% on time	100% on time		100% on time	
				No new FAQs issued.		Agreed to publish FAQs arising from review of GRAP				

TABLE 1 – REPORT ON PROGRESS AGAINST ACHIEVEMENT OF TARGETS FOR THE YEAR ENDED 31 MARCH 2020

Strategic objective	Measurable indicator	Actual (projected)	Quarterly performance targets							
			1 <sup>st</sup>		2 <sup>nd</sup>		3 <sup>rd</sup>		4 <sup>th</sup>	
		Total	Target	Actual (projected)	Target	Actual (projected)	Target	Actual	Target	Actual (projected)
						16/17 with Research Paper.  Refer to list of other FAQs				
	To publish the consultation document to facilitate the post-implementation review (GRAP 103)	1	0	0	1	1	0	0	0	0
	To publish the analysis and results of the review (GRAP 16 and 17)	1	0	0	1	1				
	Host at least 8 meetings per year	8	2	2	2	2	2		2	
				Meetings held in May and June.		Meeting held in July and scheduled for September.				
Promote the adoption of the Standards of GRAP	Submit four different articles on different topics for publication to professional bodies per year	4	1	1	1	1	1		1	
				An article drafted for SALGA on new pronouncements.		An article drafted for SALGA on fully depreciated assets.				
		4	1	1	1	1	1		1	

**TABLE 1 – REPORT ON PROGRESS AGAINST ACHIEVEMENT OF TARGETS FOR THE YEAR ENDED 31 MARCH 2020**

Strategic objective	Measurable indicator	Actual (projected)	Quarterly performance targets							
			1 <sup>st</sup>		2 <sup>nd</sup>		3 <sup>rd</sup>		4 <sup>th</sup>	
		Total	Target	Actual (projected)	Target	Actual (projected)	Target	Actual	Target	Actual (projected)
	Issue a newsletter and meeting highlights within one month after a Board meeting			Issued for March in the second week of April. Monthly Newsletter issued in May and June.		Issued in July with meeting highlights. Monthly Newsletter issued in August and planned for September.				
Influence development of international standards	Comment within the comment period set by IPSASB on those IPSASB EDs relevant to the ASB	100% on time	100% on time	Not applicable.	100% on time	100% on time	100% on time		100% on time	
				No Exposure Drafts due for comment		Comment letters on Measurement and Improvements to IPSAS.				
	Attend all four IPSASB meetings	4	1	1	1	1	1		1	
				June meeting attended.		September meeting will be attended.				