

ED 171

ASB's Work Programme – 2021 to 2023




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.






Our process



Our process

- Develop a three year work programme through consultation with stakeholders.
- Last work programme cycle 1 April 2016 to 31 March 2020.
- Consult on next three year cycle → 1 April 2020 to 31 March 2023.
- Comment deadline 28 February 2019.



Developing the work programme

Overarching principles

- Identify and consult on potential projects for our technical strategic objectives:
 - Set Standards of GRAP
 - Promote adoption of Standards
 - Monitor application of Standards
- Use project specific criteria and overarching constraints to evaluate projects.

Criteria to evaluate projects

Nature	Criteria
Project specific	No guidance exists for new or existing issues → likely to result in divergent accounting = more resources and time.
	Inconsistent application of existing guidance → inappropriate or divergent accounting = fewer resources and less time.
	Maintaining alignment with IPSAS and IFRS = maximise scarce resources by not duplicating, resolves accounting at mixed groups.
	Maintaining current suite of Standards → relevant and appropriately applied.

Criteria to evaluate projects

Nature	Criteria
Constraints	Resources available at the ASB (Secretariat and Board)
	Financial management environment within which entities operate, including reforms by other organisations
	Resources available at other stakeholders to participate in standard-setting process.
	Resources available at entities to implement new or revised pronouncements.
	Impact of an issue and significance to accountability and decision-making.
	Urgency of the issue.



Reflecting on the past and looking ahead

Reflecting on 2017-2020

Activity	Topic
New guidance issued	Application of materiality, adjustments to revenue, landfill sites, use of GRAP by entities that apply IFRS
Standards revised	Improvements to the Standards Revision of GRAP 104
Research topics	Interim financial statements, practical issues related to legislative consolidations, use of the cash flow statement
Reviews of Standards	Presentation in the statement of financial performance, amendments to GRAP 16 and 17
Committed	Review of GRAP 103, combined financial statements, revision of GRAP 25, application of GRAP by small entities, review of Directive 12

Based on projects to be completed by 31 March 2020 using current work programme

Strategic objective #1

	Possible projects
Local initiatives	Review of GRAP 3 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> – treatment of transactions that become material
	Review of GRAP 1 <i>Presentation of Information in Financial statements</i> – (a) presentation of revenue, expenses, gains, losses, sub-totals, and (b) identifying performance measures.
	Develop guidance on the liquidation basis of accounting.
Maintenance projects	Improvements project (once every three years)
	GRAP reporting framework (annual)
Alignment with IPSAS and IFRS	Discuss on next slides
Feedback	What else?

Strategic objective #1

IPSASB Project	2018	2019		2020		2021	
	2 nd half	1 st half	2 nd half	1 st half	2 nd half	1 st half	2 nd half
Social benefits	In progress						
Non-exchange expenses	In progress						
Leases	In progress						
Revenue							
Part I – IFRS 15	In progress						
Part II – IPSAS 23	In progress						
Part III – Grants and transfers	In progress						
Public sector measurement	In progress						
Heritage	In progress						
Infrastructure assets	Not yet commenced						

Strategic objective #1

IFRS	Potential implications
IFRS 9 <i>Financial Instruments</i>	Substantial convergence with revision to GRAP 104 in 2017-2020 cycle.
IFRS 15 <i>Revenue from Contracts with Customers</i>	IPSASB project.
IFRS 16 <i>Leases</i>	IPSASB project.
IFRS 17 <i>Insurance Contracts</i>	Possible implications for social benefits and other schemes. Limited number of entities affected.
IFRIC 22 <i>The Effects of Changes in Foreign Exchange Rates</i>	Relevant to ensure consistent accounting of foreign exchange transactions.
IFRIC 23 <i>Uncertainty Over Income Tax Treatments</i>	Only relevant for entities that pay tax.

Strategic objective #1

	Possible projects
Alignment with IPSAS	Social benefits – no guidance on topic. Issue new Standard.
	Leases – revision of GRAP 13 <i>Leases</i> to align with IFRS 16 <i>Leases</i> .
	Public sector combinations – review of IPSAS 40 and compare to GRAP 105-107 on transfers of functions and mergers.
Alignment with IFRS	IFRIC 22 <i>The Effects of Changes in Foreign Exchange Rates</i>

Strategic objective #3

	Possible projects
Transitional provisions	New entities – adoption of GRAP by departments: monitor
	New Standards – for any new Standards developed (likely based on IPSASs)
Educational material	Request for feedback
Feedback	What else?

Strategic objective #4

	Possible projects
Post-implementation reviews	Feedback requested – any Standard of GRAP (or other pronouncement) that has been implemented
	<i>1 desktop review</i>
Desktop reviews	Feedback requested. Proposals on: <ul style="list-style-type: none">• GRAP 24• GRAP 12• GRAP 2 Any other Standard/issue?
	<i>3 desktop reviews</i>



General feedback





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

Visit our website for more information
on these Exposure Drafts

www.asb.co.za

Submit your comments to

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THANK YOU





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