

REPORTING FRAMEWORKS IN THE PUBLIC SECTOR



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 the ASB





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See recording on *Who is the ASB and what does it do?*

- Constitutional mandate for National Treasury to develop uniform reporting requirements.
- National Treasury established the ASB as standard-setting board → independence and objectivity in process.



Mandate of the ASB





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The ASB develops Standards of GRAP for entities in the public sector:

National and provincial departments and government components

Trading entities

National and provincial public entities

Municipalities and municipal entities

Parliament and provincial legislatures

Constitutional institutions



Fulfilling our mandate

- Substantially complete suite of Standards of GRAP
 - Considering international best practice (IPSAS, IFRS Standards)
 - Developed for South African environment
- All entities required to apply Standards of GRAP do, besides national and provincial departments
- Some colleges apply Standards of GRAP



Directive 12 on *The Selection of an Appropriate Reporting Framework by Public Entities*





Directive 12

ASB determined some entities should apply IFRS Accounting Standards - *Directive 12 on The Selection of an Appropriate Reporting Framework by Public Entities*

- Previously driven by legal status
- Applies to public entities who previously applied SA GAAP/IFRS Accounting Standards
- Self-assessment to determine if meet criteria to apply IFRS Accounting Standards

Directive 12

Criteria to apply IFRS Accounting Standards:



Financial
institution



Publicly traded
equity

Only reassess if significant change in activities



Differential Reporting





Differential reporting

- Discussions on differential reporting in 2011 → one set of Standards for all:
 - Users' information needs
 - Whole of government consolidation
- Researched possibility of GRAP for “small” entities in 2019 → no change
 - Most issues relate to PFM environment

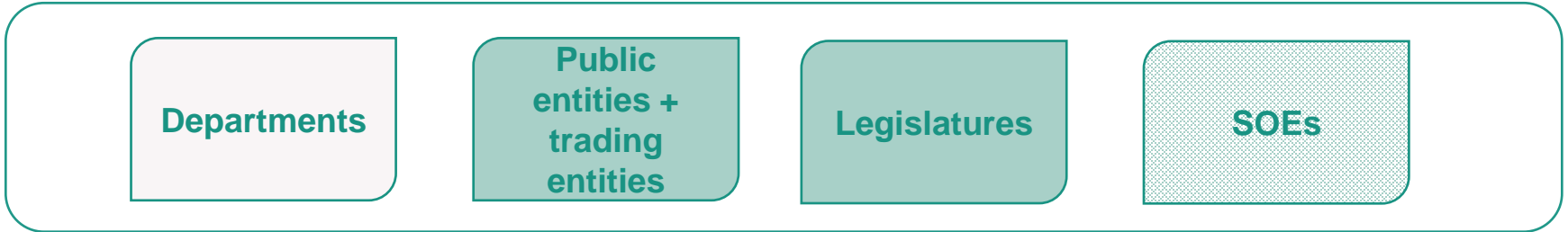
Reporting landscape

Reporting landscape

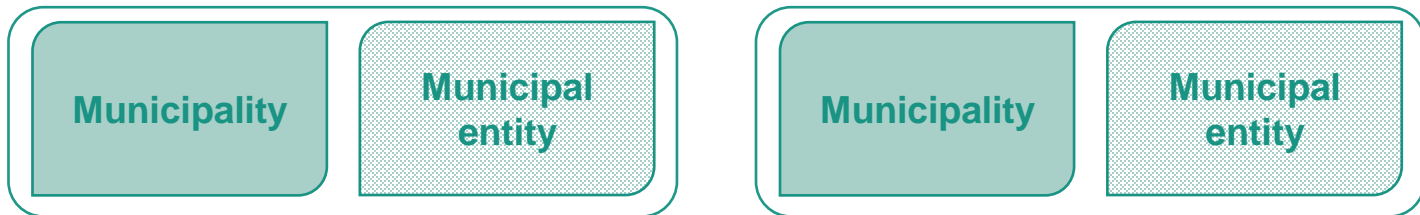
National



Provincial



Local



Modified cash

GRAP

IFRS or GRAP



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