

Are Standards of GRAP based on international standards?

International accounting standards



International Accounting Standards Board (IASB) issues International Financial Reporting Standards (IFRS)

International Public Sector Accounting Standards Board (IPSASB) issues IPSAS



What is our policy on convergence?

- Our mandate outlined in the PFMA requires we use “international best practice” to set Standards of GRAP.
- This means considering IPSAS and IFRS.
- In the early years, this meant to develop a complete suite of GRAP based on IPSAS → few exceptions.
- Used IFRS in some instances.



What is our policy to convergence?

- Implemented a new policy in 2018 on convergence.
- “Adoption” not automatic, will consider alignment with the ASB’s mandate and strategy.
- Some recent examples...

IPSAS versus GRAP

IPSAS	GRAP	IPSAS	GRAP	IPSAS	GRAP
IPSAS 1	✓	IPSAS 9	✓	IPSAS 17	✓
IPSAS 2	✓	IPSAS 10	✓	IPSAS 18	✓
IPSAS 3	✓	IPSAS 11	✓	IPSAS 19	✓
IPSAS 4	✓	IPSAS 12	✓	IPSAS 20	✓
IPSAS 5	✓	IPSAS 13	✓	IPSAS 21	✓
IPSAS 6	2020	IPSAS 14	✓	IPSAS 22	X
IPSAS 7	2020	IPSAS 15	X	IPSAS 23	✓
IPSAS 8	2020	IPSAS 16	✓	IPSAS 24	✓

IPSAS versus GRAP

IPSAS	GRAP	IPSAS	GRAP	GRAP
IPSAS 25	✓	IPSAS 34	✓	
IPSAS 26	✓	IPSAS 35	✓	
IPSAS 27	✓	IPSAS 36	✓	
IPSAS 28	GRAP 104	IPSAS 37	✓	
IPSAS 29	GRAP 104	IPSAS 38	✓	
IPSAS 30	GRAP 104	IPSAS 39	✓	
IPSAS 31	✓	IPSAS 40	GRAP 105-107	
IPSAS 32	✓	IPSAS 41	GRAP 104	
IPSAS 33	Directives	IPSAS 42	New WP	

IPSAS versus GRAP

IPSAS	GRAP		GRAP
IPSAS 43	Future work?	No IPSAS – “home grown”	GRAP 100
IPSAS 44	No – non-current assets held for sale		GRAP 103
IPSAS 45	Revised PPE – future work?		GRAP 104 X2
IPSAS 46	Measurement – 2024-26		GRAP 105
IPSAS 47	Revenue – future work?		GRAP 106
IPSAS 48	Transfer expenses – 2024-26		GRAP 107
IPSAS 49	Retirement benefits X		GRAP 108
			GRAP 109
			GRAP 110



IPSAS versus GRAP

- Issue Interpretations → some based on IFRIC, some developed locally:
 - Recognition and Derecognition of Land
 - Adjustments to revenue
- Directives → transitional provisions, transitional arrangements, application of IFRS.



IPSAS versus GRAP

- Guidelines:
 - Landfill sites
 - Housing
 - Materiality



Modifying IPSAS

- Revision of an IFRS or IFRIC on which IPSAS based.
- Accounting requirement or disclosure in conflict with current or developing accounting knowledge.
- Alternative treatments.
- Simplification.
- Statutory arrangements in SA.
- Disclosures may be amended → significantly improve fair presentation.



Process to 'adopt' IPSAS

- Starts long before IPSAS finalised.
- Actively influence during development:
 - Feedback to IPSASB staff on papers before IPSASB meetings.
 - Participation in Task Forces.



Process to 'adopt' IPSAS

Issue Exposure Drafts as 'concurrent exposure drafts' → identify South African specific issues:

- Identify specifically affected stakeholders.
- Consult through roundtables, meetings.
- Develop comment letter → usually from Secretariat, but Technical Committee or Board may review.
- Involvement may be difficult depending on stage of project.

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