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TO: MEMBERS OF THE BOARD
FROM: JEANINE POGGIOLINI
SUBJECT: PROJECTS FOR 2021/22
DATE: 14 SEPTEMBER 2020
FILE REF: Attachment 10(a)

BACKGROUND AND PURPOSE

1. In September each year, the Technical Committee reviews the project briefs for the projects to be commenced in the following reporting period and recommends them to the Board for approval.
2. The project briefs are a critical part of the project planning and execution as they outline the key objectives of the project, methods of execution, and stakeholder consultation. The deliverables and timelines outlined in the project briefs also form the basis for the work programme and Annual Performance Plan for the next year.
3. The purpose of this memorandum is to outline the projects to be commenced for the period 1 April 2021 to 31 March 2022, to introduce project briefs for those projects, and present an indicative work programme. The Technical Committee supported the Secretariat's proposals and recommended the project briefs to the Board for approval.

PROJECTS TO BE COMMENCED IN 2021/22

Proposal to swap projects between years 2 and 3

4. The ASB published its three-year work programme for 2021-2023 last year. It can be accessed by following this [Link](#).
5. The projects that the Board agreed should commence in 2021/22 are as follows:
 - Going concern and the liquidation basis of accounting.
 - Social benefits.
 - Communication material for users.
 - Post-implementation review of GRAP 109 on *Accounting by Principals and Agents*.
6. The Secretariat proposes swapping the post-implementation review (PIR) of GRAP 109 with the desktop review of GRAP 24 on *Presentation of Budget Information in Financial Statements* which was allocated to 2022/23.

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

7. The post-implementation review was viewed as moderately urgent given the issues that were identified in the MCS environment on principals and agents and was allocated to the 2nd year of the work programme. There was however an expectation that there would be more data available about the application in the GRAP environment before commencing the review. With the delay of the publication of financial statements due to COVID-19, the Secretariat has no information about potential issues related to COVID-19 – if any even exist. The issues in the MCS environment relate to the identification of principals and agents – an issue which has been clarified in a comprehensive FAQ published by the Secretariat late in 2019. If any issues are likely to exist, they would relate to this identification process. This issue could potentially resolve itself prior to commencing the review. Given the uncertainty about the nature and extent of potential issues, the Secretariat proposes delaying the PIR to 2022/23.
8. Given the potential change in projects, the Secretariat has not prepared a project brief for the PIR of GRAP 109 or the desktop review of GRAP 24 for this meeting. Depending on the Board's decision, the appropriate project brief will be tabled at the December meeting.

ACTION REQUESTED #1

The Board is requested to CONFIRM the proposal to swap the PIR of GRAP 109 and the desktop review of GRAP 24.

Potential for additional projects for 2021/22

9. The Board will discuss at this meeting whether it is possible to employ an additional staff member. The proposal discussed at the last meeting was to employ a junior person.
10. If a junior staff member is employed, they would take over the administration of the Accounting Forum, developing FAQs, responding to queries, and assisting with communication activities. Time would also be available to take on a straightforward standard-setting project. As most of the projects for the next two years are complex, consideration has been given to the projects an additional staff member could undertake. The issue of an equivalent of IFRIC 22 on *Foreign Current Transactions and Advance Transactions* is on the work programme for 2022/23. This is a simple project ideally suited to a new recruit. If an additional staff member is employed, the Secretariat proposes moving this project forward.
11. Given the uncertainties (e.g. the decision to employ an additional person, and potential recruitment time), moving the project forward may only be known later in the year or early next year. A request will be submitted to the Technical Committee and Board when there is more certainty.

ACTION REQUESTED #2

The Board is requested to NOTE the proposal to potentially move the project to develop an equivalent of IFRIC 22 forward to 2021/22.

Project briefs for 2021/22

12. The Secretariat has prepared project briefs for the following projects:
 - Going concern and the liquidation basis of accounting - Attachment 10(b).

- Social benefits – Attachment 10(c).
- Communication material for users – Attachment 10(d).

Scope of project on social benefits

13. The IPSASB issued guidance on “non-exchange expenses”, which includes social benefits, as part of package of reforms. The package includes issuing IPSAS 42 to deal with cash payments to individuals and households, amendments to IPSAS 19 on *Provisions, Contingent Liabilities and Contingent Assets* to deal with collective and individual goods and services provided to individuals and households, and ED 72 on *Transfer Expenses* which deals with non-exchange expense transactions broadly.
14. The Secretariat debated whether the changes to IPSAS 19 should be included as part of the project for next year. As there are significant linkages between the amendments to IPSAS 19 and ED 72, it was decided to delay work on this last component until the IPSASB has finalised transfer expenses. In consulting on ED 72, stakeholders locally have also raised concerns about the scope of IPSAS 19 and ED 72.
15. The delay would mean adding an additional project to the work programme. It might however only be appropriate to do so in the 2024-2026 cycle.

Indicative work programme

16. The indicative work programme for 2021/22 is included in the Annexure to this memorandum.

ACTION REQUESTED #3

The Board is requested to:

- CONFIRM the proposal to separate social benefits from other non-exchange expense transactions.**
- REVIEW, and if considered appropriate, APPROVE the Project Briefs.**

Annexure – Indicative work programme for 2021/22

Project	Responsible	Year ending 31 March 2022				Year ending 31 March 2023			
		Quarter 1 June/July 2021	Quarter September 2021	Quarter 3 December 2021	Quarter 4 March 2022	Quarter 1 June/July 2022	Quarter September 2022	Quarter 3 December 2022	Quarter 4 March 2023
Objective – Maintain and enhance existing Standards of GRAP and develop new Standards where gaps are identified									
Local initiatives									
<i>Review of GRAP 3 Accounting Policies, Changes in Accounting Estimates and Errors</i>	J Poggiolini	GRAP							
Going concern and the liquidation basis of accounting	A Botha	Project brief Issues from review	Issues Paper	Draft ED	ED GRAP	Consult	Consult	Analysis GRAP	
Maintenance of Standards									
Reporting Framework	J Poggiolini		Annexure				Annexure		
Convergence with IPSASB and IASB									
Social Benefits	E van der Westhuizen		Project brief Policy decision		Issues Paper	Draft ED	ED GRAP	Consult	Consult
Reviews of Standards of GRAP									
Results of post-implementation review of GRAP 103 <i>Heritage Assets</i> and possible amendments	A Botha		ED GRAP	Consult	Consult	GRAP			
Results of review of Directive 12 and possible amendments	TBD								
Post-implementation review of GRAP 109 <i>Accounting by Principals and Agents</i>	Potentially move to 2022/23								

Project	Responsible	Year ending 31 March 2022				Year ending 31 March 2023			
		Quarter 1 June/July 2021	Quarter September 2021	Quarter 3 December 2021	Quarter 4 March 2022	Quarter 1 June/July 2022	Quarter September 2022	Quarter 3 December 2022	Quarter 4 March 2023
<i>Desktop Review of GRAP 2 Cash Flow Statements</i>	A Botha	Research paper							
<i>Desktop Review of GRAP 24 Presentation of Budget Information in Financial Statements</i>	Potentially move 2021/22								
Objective – Facilitate and encourage stakeholder engagement and support									
Communication material for users of financial statements	E van der Westhuizen			Project brief	Develop	Consult	Feedback to Board	Publish	