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Comment deadline for the review of GRAP 103 on *Heritage Assets* ends 15 September 2020

The Board is undertaking a post-implementation review of GRAP 103. The purpose of the review is to receive feedback from preparers, users and auditors of financial statements about the implementation of the Standard.

The deadline for comment is 15 September 2020.

Comment, including completed questionnaires, can be submitted through the ASB's website.

Read more about ED 180 on *Post-implementation Review of the Standard of GRAP on Heritage Assets* and access the questionnaires: <http://www.asb.co.za/ed-180/>.

Are you aware of the proposed changes to GRAP 25?

The Standard of GRAP on *Employee Benefits* (GRAP 25) was issued by the Accounting Standards Board (the Board) in 2009 and was based on the International Public Sector Accounting Standard on *Employee Benefits* (IPSAS 25) effective at that time.

Why is it necessary to review GRAP 25?

Changes have been made to the international private and public sector accounting standards on employee benefits since GRAP 25 was issued. Based on stakeholder feedback when the Board consulted on its work programme for 2017 to 2020, a review of GRAP 25 was due. The ASB's stakeholders indicated that the Board should maintain alignment with international standards for employee benefits. The Board also considered areas where departure from the requirements of IPSAS may be appropriate. These include departing because of (a) local issues, e.g. specific areas where local practices indicate that guidance is required, and (b) the need to simplify the requirements of the Standards where appropriate. The changes proposed to GRAP 25 are published as ED 184 on *Proposed Revision of the Standard of GRAP on Employee Benefits*.

The Board also took the opportunity to update IGRAP 7 on *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*, which is based on IFRIC 14 on *IAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*. The changes to IGRAP 7 are published as part of ED 184.

What changes are proposed to GRAP 25?

Proposed changes per type of employee benefit are published on the ASB website and can be accessed here: <https://www.asb.co.za/wp-content/uploads/2020/07/ED-184-Proposed-changes-per-type-of-employee-benefit.pdf>.

Look out for articles on social media this month where we will discuss the proposed changes to GRAP 25.

Where can the ED be accessed and how can you provide comment?

ED 184 has been published on the ASB's website and can be accessed by following this [link](#). Comment can be submitted via the website or to the Secretariat of the ASB at info@asb.co.za by 30 November 2020.

Final chance to comment on the review of *Heritage Assets*

The consultation phase of the Board's post-implementation review of GRAP 103 on *Heritage Assets* will be closing on the 15th of September 2020.

Please submit any comments and/or completed questionnaires via the ASB's website to info@asb.co.za.

For more information on the process and to access the questionnaires, follow this [link](#).

Upcoming events

The ASB continues to promote social distancing. As a result, we will host our scheduled events virtually. The events for the various topics the ASB will be hosting are outlined below.

Participate in discussions on IPSASB's proposals for revenue and expenses

We will be hosting roundtable discussions on the new Exposure Drafts issued by the IPSASB on potential changes to the revenue standards and new guidance for government expenses. The Exposure Drafts are as follows:

- ED 181 on *IPSASB Exposure Draft on Revenue with Performance Obligations* (ED 70)
- ED 182 on *IPSASB Exposure Draft on Revenue without Performance Obligations* (ED 71)
- ED 183 on *IPSASB Exposure Draft on Transfer Expenses* (ED 72)

The roundtable discussions will focus on discussing issues to be included in the comment letter to the IPSASB on the Exposure Drafts. If you are interested in attending a session, please email elizna@asb.co.za.

Comment on the Exposure Drafts is due locally on 1 October 2020, and the documents can be accessed on the ASB's website by following this [link](#).

Date	Event	Stakeholder group
1 October	Roundtable discussion – Presentation and Disclosure ED 181 and ED 182	All
2 October	Roundtable discussion – Presentation and Disclosure ED 183	All

Participate in discussions on the changes to GRAP 25 on *Employee Benefits*

We will be hosting roundtable discussions on the proposed changes to GRAP 25.

The proposed changes can be accessed by following this [link](#). If you are interested in attending a session, please email elizna@asb.co.za.

Date	Event	Stakeholder group
5 October	Roundtable discussion	All preparers
6 October	Roundtable discussion	Public Sector Accounting Forum (auditors, firms, technical specialists, professional bodies, and academics)
2 November	Roundtable discussion	Auditors, firms, technical specialists, professional bodies, and academics

What's next for the Board?

The Board of the ASB will meet on the 30th of September. The Board will be discussing the following:

(a) Draft Interpretation of the Standards of GRAP on *The Effects of Past Decisions on Materiality*

GRAP 3 on *Accounting Policies, Changes in Accounting Estimates and Errors* is applied when formulating accounting policies. Entities apply the accounting policies set out in the Standards of GRAP, except when the effect of applying them is immaterial. This means that entities could apply alternative accounting treatments to immaterial items, transactions or events.

The Board was asked to provide guidance on whether the application of these alternative accounting treatments based on materiality could affect future reporting periods. The Interpretation provides guidance on this issue by considering whether these alternative accounting treatments (i) can result in changes in accounting policy, (ii) are departures from the Standards of GRAP, or (iii) are errors.

(b) Research Paper on *Application of Standards of GRAP by Small Entities*

The Research Paper outlines the results of the Board's research on whether alternative reporting requirements or guidance should be developed for "small entities". The Research Paper summarises the Board's research in the following areas:

- (a) The characteristics that could be used to classify entities as small.
- (b) The challenges experienced by small entities to prepare financial statements in accordance with Standards of GRAP.
- (c) Actions agreed by the Board.

(c) GRAP Reporting Framework for 2021/22

The development of a new Annexure for Directive 5 on *Determining the GRAP Reporting Framework* for financial years commencing on or after 1 April 2021.



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