

In this edition of the newsletter:

- Upcoming events
- New pronouncements issued by ASB
- Join the December meeting of the IPSASB
- What is next for the ASB Board?



Upcoming events

Proposed Interpretation on *The Effect of Past Decisions on Materiality* (ED 185)

The Board issued ED 185 in September 2020 for comment.

We will be hosting a series of roundtable discussions in February 2021 to discuss the proposals in ED 185. Feedback received at these sessions will form part of the Board's public consultation process on the Exposure Draft.

ED 185 can be accessed by following this [link](#). If you are interested in attending a session, please email jeaninep@asb.co.za.

Date	Event	Stakeholder group
4 December 2020	Workshop	Municipal finance officials, hosted by CIGFARO
2 February 2021	Roundtable discussion	Public Sector Accounting Forum members
5 February 2021	Roundtable discussion	Auditors, firms, technical specialists, professional bodies, and academics
12 February 2021	Roundtable discussion	Preparers
19 February 2021	Roundtable discussion	Auditors, firms, technical specialists, professional bodies, and academics
26 February 2021	Roundtable discussion	Preparers

New pronouncements issued by the ASB

The ASB Board met on the 30th of September and issued new pronouncements.

GRAP Reporting Framework for periods commencing on or after 1 April 2021

The Board issues an update to Directive 5 on *Determining the GRAP Reporting Framework* each year. The update outlines the pronouncements of the Board and other standard-setters that should be considered in preparing the financial statements.

The Board approved the reporting framework for the 2021/22 reporting period. As in previous reporting periods, the changes from the previous reporting framework are published as an annexure to Directive 5. The full list of the pronouncements applicable for the period is available on the ASB's website. The Secretariat has also published the "Reporting Frameworks At-A-Glance".

The documents can be accessed by following this [link](#).

Research Paper on Application of Standards of GRAP by Small Entities

The Board was asked to consider whether there should be different reporting requirements for “small entities”. The Board initiated a research project which focused on identifying what a “small entity” is in the public sector and understanding the issues they face in preparing financial statements using Standards of GRAP.

Based on the outcomes of the research, the Board agreed that separate reporting requirements should not be introduced for small entities.

The Board’s findings, conclusions and actions are outlined in the Research Paper on *Application of Standards of GRAP by Small Entities*. The document can be accessed by following this [link](#).

Proposed Interpretation of the Standards of GRAP on The Effect of Past Decisions on Materiality (ED 185)

In finalising the Guideline on *The Application of Materiality to Financial Statements*, questions were raised with the Board about whether past decisions about materiality can affect future reporting periods. These questions included, for example:

- If an entity decides to expense assets that are considered immaterial in a particular period, can the decision affect future periods?
- Should an entity keep record of decisions about materiality to assess whether the effect of these could potentially become material over time.

There has been diversity in practice to date on these issues with some stakeholders supporting the view that decisions do affect future periods, while others were of the view that materiality is a period specific assessment.

The Board agreed to review the principles in GRAP 3 on *Accounting Policies, Changes in Accounting Estimates and Errors* and to consult with preparers to understand what guidance, if any, could be provided to entities. As a result of the diversity of views expressed historically, the Board agreed that interpretive guidance is needed.

The proposed Interpretation was issued for comment. The comment deadline is 26 February 2021. ED 185 and supporting materials can be accessed by following this [link](#). We will be hosting a series of roundtable discussions in February 2021. Details will be provided on our website and our Newsletter.

Join the December meeting of the IPSASB

The IPSASB plans to meet again virtually in December 2020. Public gallery observers will be able to view the meeting through the IPSASB’s YouTube page. If you are interested in viewing the meeting, please follow this [link](#).

As the IPSASB members represent countries around the world, it is important to consider the various time zones in each jurisdiction in scheduling the meeting. As a result, the meeting has been scheduled for a shorter period of time each day, but over an extended number of days.

The meeting will be held on the following days from 13:00 to 16:00 (SAST):

- December 1 and 2.
- December 8-11.
- December 15.

The agenda and meeting materials will be posted closer to the time of the meeting (usually two weeks).

What’s next for the ASB Board?

The ASB Board will meet on the 1st of December.

After an extensive consultation process, the Board will consider the results of the post-implementation review of GRAP 103 on *Heritage Assets*. The Board will decide on proposals to address the comments made by stakeholders which could include amending GRAP 103 and other Standards of GRAP, issuing FAQs, or engaging with other stakeholders to identify potential solutions.

If you are interested in observing the meeting, please follow this [link](#) for the Observer Guidelines and registration form.



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