

In this edition of the newsletter:

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- How does the ASB plan on aligning with new international Standards?



Join us at our GRAP Update

The staff of the ASB will present a high-level update of the Board's activities and new pronouncements that could impact the 2021/22 reporting period.

The session will be held on the 4th of February 2022 and is free of charge. The session will focus on PFMA entities. A similar session will be held in May 2022 for MFMA entities.

If you are interested in joining, please contact Julianne Vissie on juliannev@asb.co.za.

[Access the agenda here.](#)

How does the ASB plan on aligning with new international Standards?

The ASB has a policy on aligning Standards of GRAP with IPSAS where this will meet its mandate and strategy. IPSAS are based on IFRS Standards for transactions that are sector neutral, so indirectly, Standards of GRAP are aligned with IPSAS and IFRS. This means that Standards of GRAP are accrual based. The Standards of GRAP have been implemented by all entities in the public sector besides the national and provincial departments.

Both the IPSASB and IASB have issued a number of standards over the last few years, and stakeholders have asked questions about how the ASB intends aligning with these projects. The table below explains the process that the ASB is planning to undertake.

International standard	ASB process
Public Sector Combinations (IPSAS 40)	ASB has issued Standards of GRAP on transfers of functions and mergers (GRAP 105-108). A comparison will be done between IPSAS and Standards of GRAP to identify differences and assess if changes are needed.
Financial Instruments (IPSAS 41)	GRAP 104 on <i>Financial Instruments</i> was revised in 2019 to align with IFRS 9. Revision of GRAP 104 commenced prior to the IPSASB's project.

Social Benefits (IPSAS 42)	A project was started late 2020 to assess whether IPSAS 42 should be issued locally. Preliminary decisions of the Board indicate that substantive changes will be needed to IPSAS 42 to respond to the local environment.
Financial Instruments (IFRS 9)	GRAP 104 on <i>Financial Instruments</i> was revised in 2019 to align with IFRS 9.
Fair Value Measurement (IFRS 13)	The IPSASB issued an Exposure Draft of a proposed IPSAS on <i>Measurement</i> . The IPSAS will deal with fair value, but will also provide guidance on public sector specific measurement bases.
Regulatory Deferral Accounts (IFRS 14)	This Standard is only relevant for first-time adopters or IFRS. There is no intention to adopt it. The regulatory deferral accounts project of the IASB is being monitored.
Revenue From Contracts with Customers (IFRS 15)	The IPSASB issued an equivalent IPSAS for comments in 2020. The scope was widened to deal with revenue from all binding arrangements and not just contracts. The IPSASB received extensive comments on the proposed IPSAS. It will likely need to re-expose the proposed IPSAS for comment in 2021.
Leases (IFRS 16)	The IPSASB issued a proposed IPSAS in 2021. The proposed IPSAS was substantially aligned with IFRS 16. Any public sector specific lease issues will be deal with in phase II of the project. Local stakeholders indicated that they would prefer to adopt a comprehensive solution for leases, i.e. only revised GRAP 13 on Leases once the IPSASB has completed phase I and II.
Insurance (IFRS 17)	The number of public sector entities that undertake insurance activities are limited. The ASB is assessing the relevance of the Standard at present.

Information about the ASB's work programme is available on the [website](#).



Contact us

Telephone : 011 697 0660

E-mail : info@asb.co.za

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