



**ANALYSIS AND RESPONSES TO WRITTEN
COMMENT RECEIVED ON**

**TAKING STOCK: ASB WORK PROGRAMME FOR
2024 TO 2026**

(ED 194)

RESPONSES TO THE WRITTEN COMMENT RECEIVED ON *TAKING STOCK: ASB WORK PROGRAMME FOR 2024 TO 2026* (ED 194)

The Accounting Standards Board (Board) approved an Exposure Draft of the ASB's proposed work programme for 2024 to 2026 (ED 196). A notice was published in the Government Gazette on 9 October 2020 (Notice 45275). The comment period closed on 18 March 2022.

Written responses were received from the stakeholders listed on the next page. The proposed work programme was also discussed with preparers, auditors, consultants and other interested parties by way of roundtable discussions, workshops and other meetings. Verbal responses are summarised in a separate document.

CLASSIFICATION OF WRITTEN COMMENT RECEIVED ON TAKING STOCK: ASB WORK PROGRAMME FOR 2024 TO 2026 (ED 194)

No.	Name/Organisation	Preparers	Users	Auditors	Other interested parties
1.	Auditor-General South Africa (Product Champions): Free State Gauteng KwaZulu Natal Northern Cape National C National D National E National F			X	
2.	Altimax	X		X	
3.	Mr Sandiso Gwabe	X			
4.	South African Institute of Chartered Accountants (SAICA)				X
5.	South African Revenue Service (SARS)	X			
6.	Free State Department of Treasury <ul style="list-style-type: none"> • COGTA • Public Works • Police, Roads, Transport • Agriculture and Rural Development • Sports, Arts, Culture and Recreation 	X			

	Comment	Board’s response
1.	<p>ASB’s strategic theme for 2024-2026</p> <p>The financial reporting landscape is changing at an ever-growing pace. As much as we need to adapt and look to the future, we need to take time to assess where we are, what we aim to achieve, and how we can do things better. The theme for our next work programme is “Taking stock”. This means taking on projects that enhance our existing Standards and improve their implementation, facilitates policy development, and enhances information available to government decision-makers.</p> <p>(a) Do you agree with this theme?</p> <p>(b) If no, what do you think the ASB’s focus should be? For example, focus on developing new pronouncements to deal with issues, spend more time aligning with international Standards like IPSAS, etc.?</p>	
1.1	<p>Auditor-General Product Champions (Free State)</p>	
	<p>(a) Yes - agreed – It is important to take stock to ensure that current standards continue to be applicable/ enhanced in an ever-changing environment and can still be practically implemented by clients. Any issues with the current implementation should then be addressed in the standard.</p> <p>(b) N/A</p>	Noted. No action required.
1.2	<p>Auditor-General Product Champions (Gauteng)</p>	
	<p>Yes, the focus on enhancing information available to government decision makers will greatly assist in reporting what the current state of affairs is so as to enable decisions made with the full picture in view.</p>	Noted. No action required.

1.3	Auditor-General Product Champion (KZN)	
	Yes.	Noted. No action required.
1.4	Auditor-General Product Champions (Northern Cape)	
	Yes, agree with this theme.	Noted. No action required.
1.5	Auditor-General Product Champions (National C)	
	a) Partly agree, please see suggested theme below. “Taking stock for the future” - This also emphasizes that when assessing where we are, we are doing so to enhance the standards for the future”.	Noted. The theme was used to give the Board’s work context at a high-level, rather than it being a specific title.
1.6	Auditor-General Product Champions (National D)	
	Yes I agree.	Noted. No action required.
1.7	Auditor-General Product Champions (National E)	
	Agree with the proposed theme.	Noted. No action required.
1.8	Auditor-General Product Champions (National)	
	Yes.	Noted. No action required.
1.9	Altimax	
	We agree with the theme.	Noted. No action required.
1.10	SAICA	
	SAICA agrees with the theme. SAICA believes that many public sector institutions experiences challenges in implementing the Standards. A major challenge within many public sector	Noted. No action required.



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	<p>institutions is the lack of skills. This is further confirmed by the amount paid to consultants to assist Chief Financial Officers in the preparation of financial statements. This challenge will take a long time to resolve, however it is important that we also identify other ways to support and improve financial management in the public sector whilst also trying to address the skills shortage in the public sector.</p> <p>We recommend that through the theme of “Taking Stock” that ASB identifies Standards where preparers experience challenges with the implementation and compliance of the Standards and consider the development of fact sheets, like the fact sheets on Directive 12 and materiality.</p> <p>It is understood that in some public sector institutions there may be only one qualified individual within the finance unit who may not have sufficient time to deal with complex Standards. The fact sheets act as a quick guide and are easy to follow which will make it easy for CFOs to understand and communicate to staff, as well as improve the implementation of Standards of GRAP.</p>	<p>Noted. A specific project has been proposed for the work programme to deal with enhancing the relevance of the Standards of GRAP.</p> <p>Noted. The Secretariat will consider whether other Fact Sheets could be developed.</p>
<p>1.11</p>	<p>SARS</p>	
	<p>(a) Agree with the theme (b) Not applicable</p>	<p>Noted. No action required.</p>



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2.	<p>Gaps in the ASB’s literature</p> <p>While we have issued a comprehensive suite of Standards of GRAP that deal with substantially all public sector transactions, some gaps remain. The two most significant gaps are the development of guidance on “social benefits” which are provided to individuals or households in cash or in-kind, and “transfer expenses” which are transfers between government entities or entities outside government. We have started work on social benefits in our current work programme. Given the complexity of the project it will continue into the 2024 to 2026 work programme.</p> <p>The IPSASB is still developing guidance on transfer expenses, and the ASB intends to base any Standard of GRAP on their guidance. The ASB proposes continuing work on social benefits and commencing work on transfer expenses. Do you agree with this proposal?</p>	
2.1	Auditor-General Product Champions (Free State)	
	Agree, it is essential to prioritise the significant gaps first.	Noted. No action required.
2.2	Auditor-General Product Champions (Gauteng)	
	Yes, this will ensure that GRAP considers the nature of some of the transactions that occur in the public sector that would not be common under IFRS.	Noted. No action required.
2.3	Auditor-General Product Champion (KZN)	
	Yes.	Noted. No action required.
2.4	Auditor-General Product Champions (Northern Cape)	
	Yes, agree with this proposal.	Noted. No action required.
2.5	Auditor-General Product Champions (National C)	
	Agree	Noted. No action required.



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2.6	Auditor-General Product Champions (National D)	
	Yes I agree.	Noted. No action required.
2.7	Auditor-General Product Champions (National E)	
	Yes, agree with the proposal.	Noted. No action required.
2.8	Auditor-General Product Champions (National F)	
	Yes.	Noted. No action required.
2.9	Altimax	
	We agree with the work on social benefits and transfer expenses.	Noted. No action required.
2.10	SAICA	
	SAICA agrees with the proposal to continue work on social benefits and commencing work on transfer expenses. We recommend that the work on transfer expense commence once the IPSASB has finalised its guidance on transfer expenses.	Noted. No action required.
2.11	SARS	
	Not material/not applicable in the SARS context.	Noted. No action required.
2.12	Free State Department of Sports, Arts, Culture and Recreation	
	Transfer to private companies need to be addressed in details and proper guidance be provided especially related to the core of other departments like sports, arts and culture.	Noted. No action required.

2.13	Free State Department of Police, Roads and Transport	
	<p>Yes. In assessing the “transfer expenses” with regard to social benefits it should also consider the bus-subsidy grant and the correct accounting guideline in this regard.</p> <p>From a principal point of view, it is just to ensure that any accounting guidance provided must also be amended and aligned with the ERF and SCOA, where required.</p>	<p>Noted. Specific arrangements will be assessed when the project commences. The National Treasury will be involved in the project, and ensure that any issues with the Economic Reporting Framework (ERF) are addressed.</p>
3.	<p>Gaps in the ASB’s literature</p> <p>As the application of the Standards of GRAP matures, there are always new transactions or arrangements that require accounting guidance. Identifying these as part of the work programme consultation is important. In the past, stakeholders have indicated the need for guidance on landfill sites, housing arrangements, and a range of other issues. These have been useful to:</p> <ul style="list-style-type: none"> • preparers in resolving complex application issues; • users because they ensure that consistent information is provided in the financial statements; and • the Board as identifying these types of issues adds relevance to the Board’s work. <p>Are there any transactions or arrangements that require accounting guidance from the ASB?</p>	
3.1	Auditor-General Product Champions (Free State)	
	<p>Yes, in our view, impairment of receivables and lease accounting.</p>	<p>Noted. Impairment of receivables and what additional guidance needs to be provided will be assessed by the GRAP 104 Reference Group. As the response was not specific, it is assumed that this relates only to contractual receivables.</p> <p>As the IPSASB recently issued new accounting guidance on leases, the focus will be on moving towards a new Standard rather than amending (or otherwise) the existing Standard of leases.</p>



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		Both these issues will be communicated to the National Treasury.
3.2	Auditor-General Product Champion (Gauteng)	
	Concession agreements remain a challenge despite the efforts made in providing accounting treatment guidance especially where there are multiple parties involved that are not on the same accounting framework. Additional guidance also on the GRAP 32 vs. GRAP 109 applicability where certain functions relating to a concession agreement have been delegated.	<p>Noted. An FAQ was issued after the last work programme consultation explaining the interaction between GRAP 32 and GRAP 109. This could potentially be considered in the Post-implementation Review (PIR) of GRAP 109. If raised during the PIR, an appropriate course of action will be considered.</p> <p>Providing guidance on different reporting frameworks is outside the scope of the ASB’s mandate. This will be shared with the National Treasury.</p>
3.3	Auditor-General Product Champion (KZN)	
	Implementing agents taking into account legal views and case studies. There are various scenarios on housing – guidance on these arrangements. Infrastructure – water, sanitation, roads.	Noted. These examples will be shared with the National Treasury for inclusion in their guidance.
3.4	Auditor-General Product Champions (Northern Cape)	
	<p>Yes</p> <p><u>Commitments</u></p> <p>Presentation of capital commitments requires guidance on whether the disclosure requirements of commitments include refundable and non-refundable taxes.</p> <p><u>Employee benefits</u></p> <p>Possible overlap of scope of standards to be clarified with regard to GRAP 19 and 25 related to staff accruals (leave and bonuses) There appears to</p>	Noted. This is a practical issue that will be shared with the National Treasury.



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	<p>be an overlap in standards, which results in Bonus, and leave accruals being inconsistently recognised.</p> <p><u>Cash flow - Payables</u></p> <p>Movement in capital and current payables. Clarity to be provided in the standard on how to treat capital payables (operating vs investing activities).</p> <p>Matching principle: do we follow the fact that the nature of payables is operating or do we apply the matching principle in that payables may contain capital payments.</p> <p><u>Assets</u></p> <p>Additions to assets: In an ASB training it was indicated that a reconciliation of cash vs non- cash items are needed either in the assets or the cash flow note to enable the users to draw correlations between the cash flow statement and the assets note. Presentation and disclosure requirements however are not included in the standard for this item, we understand that GRAP 1 comparability may allude to the need for a reconciliation, however, a clearer presentation and disclosure requirement in the standard would ensure a more accurate compilation of financial statement with emphasis on the usability to the users.</p>	<p>Noted. This issue is explained in the Accounting Guideline issued by the National Treasury.</p> <p>Noted. This comment will be shared with the National Treasury for inclusion in their Accounting Guidelines.</p> <p>Noted. We are not aware of the training and the example provided. It may have been a suggestion rather a requirement. No specific action required.</p>
<p>3.5</p>	<p>Auditor-General Product Champions (National C)</p>	
	<p>Insurance contracts, social benefits, retirement benefit plans.</p>	<p>Noted. The ASB will work on social benefits as part of its activities to converge with IPSAS. The Secretariat’s initial analysis during the project on social benefits is that neither an insurance standard nor one on retirement benefits is needed.</p>

3.6	Auditor-General Product Champions (National D)	
	Yes – clarity is required in terms of implementing agent standard, this is based on the WC court judgment. Furthermore, there seem to be inconsistency application between GRAP and MCS.	Noted. These observations will be shared with the National Treasury.
3.7	Auditor-General Product Champions (National E)	
	Related parties – clarification for Constitutional institutions relating to constitutional independence that it does not take away the compliance with GRAP 20 requirements.	Noted. This discussion is already included in the basis for conclusions for GRAP 105 to GRAP 107 on transfer of functions and mergers. This was an isolated instance where this question was raised, and it was resolved with the auditors and the entity concerned.
3.8	Auditor-General Product Champions (National F)	
	<ol style="list-style-type: none"> 1. Currently there is no GRAP standard for entities carrying out insurance type transactions. GRAP propose that entities make use of IFRS 4 – Insurance Contracts, however, this standard does not address the dynamics of the public sector environment. 2. The GRAP standards do not address the accounting for transactions by the grantor in relation to conditional grants. GRAP 23 – Revenue from non-exchange transactions only addresses the accounting of the receiver of the conditional or unconditional grant. We note the current project by IPSAS on transfer expenses which will hopefully address some of the issues in this space. <p>GRAP 109 – Accounting by Principles and Agents may need to be reconsidered in light of the court ruling: Auditor-General of South Africa vs MEC for Economic Opportunities – Western Cape and Another (Case no 671/2020).</p>	<p>Noted. See the response to comment 3.5.</p> <p>Noted. The ASB will work on developing guidance on transfer expenses.</p> <p>Noted. The Board will undertake a Post-implementation Review of GRAP 109 in 2022/23.</p>

3.9	Altimax	
	None noted.	Noted. No action required.
3.10	SAICA	
	<p>Based on the queries logged by SAICA members in the public sector in the past 2 years, some entities are struggling with determining useful lives and residual values of assets. Applying judgement to determine useful lives and residual values of assets was also identified as one of the challenges experienced by smaller entities in the application of Standards of GRAP as per the Research Paper on the Application of GRAP by smaller entities issued by the ASB. The Research Paper listed materiality guidance, FAQs on What is the treatment of fully depreciated assets still in use and Must an asset always have a residual value? as possible solutions to assist entities to determine useful lives and residual values. However, SAICA recommends that a guide specifically addressing the determination of useful lives and residual values will provide better clarity to the preparers of financial statements.</p>	<p>This is a practical application issue. In past discussions, it was noted that this is usually due to a lack of asset managers or engineers to make these assessments. The OAG is in the process of updating its Asset Management Framework. This comment will be shared with the OAG.</p> <p>Some stakeholders noted that there are asset “issues” without being specific about what issues exist. The ASB has undertaken a post-implementation review of property, plant and equipment, and investment property; and has identified issues through the project on reporting by small entities. Most of the issues are practical issues and point to a lack of skill and capacity. The IPSASB recently added a project to its work programme on differential reporting and will be monitored by the Secretariat.</p> <p>The IPSASB recently published proposed Implementation Guidance on infrastructure assets in IPSAS 17 on <i>Property, Plant and Equipment</i>. It may be helpful to include these examples in GRAP 17.</p>
3.11	SARS	
	None at the moment.	Noted. No action required.



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2.12	Free State Department of Police, Roads and Transport	
	<p>It is important that the costs involved in measuring public sector assets must be considered in the GRAP and IFRS Standards. In the current fiscal economy, there has been a general reduction in budget allocations and therefore funding will become the major challenge in implementing these Standards for Provincial Departments once they become applicable.</p>	<p>Noted. The project will aim to provide guidance on how to measure assets, rather than change when or how assets are measured. These principles will still be prescribed at the Standards-level.</p>
4.	<p>Convergence with international Standards</p> <p>The Standards of GRAP are based on IPSAS, and where relevant, IFRS Standards. It is important to identify new IPSAS or IFRS Standards that could be relevant to the local environment, as well as whether existing Standards of GRAP based on international equivalents need revision.</p> <p>There are a number of significant projects underway at the IPSASB, and it is important to “catch-up” with these initiatives. There is a detailed list in Table 2 of ED 194.</p> <p>The Board believes that there is merit in undertaking projects on:</p> <ul style="list-style-type: none"> • Measurement of assets and liabilities in the public sector. • Revisions to the Conceptual Framework, both on measurement and “next steps”. <p>Do you agree with the Board’s proposals on alignment with international projects? If not, please provide supporting rationale as well as other project proposals?</p>	
4.1	Auditor-General Product Champions (Free State)	
	<p>Yes, agreed.</p> <p>Other IFRS standards such as revenue from contracts with customers, leases, etc. have already become effective and should also be considered as part of the catch-up initiatives</p>	<p>Noted. The importance of these projects is acknowledged. However, these will be addressed once the IPSASB has completed these projects.</p>



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4.2	Auditor-General Product Champions (Gauteng)	
	Yes, this assists in remaining relevant in the international community. Change is a constant and benchmarking of international standards ensures relevance and enhanced financial reporting.	Noted. No action required.
4.3	Auditor-General Product Champion (KZN)	
	Yes.	Noted. No action required.
4.4	Auditor-General Product Champions (Northern Cape)	
	Yes, agree with the board’s proposals.	Noted. No action required.
4.5	Auditor-General Product Champions (National C)	
	Yes, it is a good thing that the Board is aligning with international projects to ensure consistency, the alignment should however focus more on ensuring that there is guidance on transactions that are affecting most entities which are not yet covered by GRAP and not necessarily introducing additional concepts that end up being too cumbersome for users of GRAP to implement.	Noted. No action required.
4.6	Auditor-General Product Champions (National D)	
	Yes I agree.	Noted. No action required.
4.7	Auditor-General Product Champions (National E)	
	Yes, agree with the proposals.	Noted. No action required.
4.8	Auditor-General Product Champions (National F)	
	Yes.	Noted. No action required.



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4.9	Altimax	
	<p>We agree with the aforementioned where a specific gap in the South African public sector regarding these items was noted.</p> <p>We are however not in favour of alignment with IPSAS and/or IFRS for the sake of aligning standards. We believe the focus should be to identify the specific needs in our South African public sector for reporting purposes.</p>	<p>Noted. The Board’s policy on convergence with international standards is outlined in the draft Due Process Handbook. The Board is cognisant of this risk, and the future adoption of IPSAS or IFRS will be accompanied by an analysis of how the standard will meet the ASB’s mandate and strategic objective.</p>
4.10	SAICA	
	<p>SAICA agrees with the Board’s proposal to align with international projects as this will ensure that Standards of GRAP are in line with international accounting standards.</p> <p>It is also recommended that Board embarks on more promotion on the alignment of Standards to GRAP to IFRS/IPSAS to alert the public of this. South Africans should be proud of the Standards of GRAP in the public sector and the processes that has been followed to ensure its quality and alignment to IPSAS/IFRS, however many individuals are still unaware of this and question the non-application of IPSAS in South Africa. SAICA further welcomes the opportunity to assist the Board with the promotion of Standards of GRAP.</p>	<p>Noted.</p> <p>Noted. This will be included in the ASB’s communication activities.</p>
4.11	SARS	
	<p>Agree and the below as well:</p> <p>Employee benefits/ Retirement Benefit Plans – SARS to assess and determine impact</p> <p>Financial instruments – though currently we have no complex financial instruments.</p>	<p>Noted.</p> <p>The proposed IPSAS deals with the reporting by retirement benefit plans, which is not relevant to SARS.</p> <p>Noted.</p>



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	<p>Leases – definitely + Natural resources – could this be added to the programme?</p>	<p>Noted. The Board will wait for Phase 2 to be completed before it is added to the work programme. Noted. The ASB issued GRAP 110 on <i>Living and Non-living Resources</i> which deals with the same topic.</p>
5.	<p>Maintaining and enhancing Standards of GRAP As the Standards of GRAP are based on IPSAS or IFRS, there is always a level of “routine maintenance” that is required to ensure that minor, non-urgent changes made to international standards are applied. Apart from the amendments we would make as part of the “routine maintenance”, are there are any other amendments or enhancements needed to the Standards of GRAP? Please provide the name of the Standard, describe the issue, and how it could be resolved.</p>	
5.1	Auditor-General Product Champion (Free State)	
	None.	Noted. No action required.
5.2	Auditor-General Product Champions (Gauteng)	
	None.	Noted. No action required.
5.3	Auditor-General Product Champion (KZN)	
	<p>GRAP 1 – we have been challenged on how certain arrangements should be accounted for from a legal perspective – case law. Further clarity on substance vs legal form and accounting thereof. Having a proper reporting framework for traditional councils and trust accounts. iGRAP 18 – see above.</p>	<p>Noted. Substance over form is an ongoing communication activity of the ASB. This is issue will also be shared with the National Treasury. Noted. The supplementary information to Directive 5 explains that this is the responsibility of the Premiers in each Province. It is outside the remit of the ASB’s mandate.</p>



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5.4	Auditor-General Product Champions (Northern Cape)	
	None	Noted. No action required.
5.5	Auditor-General Product Champions (National C)	
	None	Noted. No action required.
5.6	Auditor-General Product Champions (National D)	
	Kindly consider response to B3 above.	Noted. See the response to 3.6 above.
5.7	Auditor-General Product Champions (National E)	
	No additional amendments or enhancements needed.	Noted. No action required.
5.8	Auditor-General Product Champions (National F)	
	Please refer to the response as per question B3.	Noted. See the response to 3.8 above.
5.9	Altimax	
	None noted.	Noted. No action required.
5.10	SAICA	
	None noted by SAICA.	Noted. No action required.
5.11	SARS	
	None at the moment.	Noted. No action required.
5.12	Free State Department of Agriculture and Rural Development	
	Online training.	Noted. Training is outside the ASB’s remit. Online training is available through the School of National Government.



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<p>6.</p>	<p>Promoting the adoption of Standards of GRAP</p> <p>A key strategic objective of the ASB is to promote the adoption of GRAP by entities, and to facilitate the adoption of individual Standards once approved by the Minister of Finance for implementation.</p> <p>The Minister of Finance has not approved the Standards of GRAP for national and provincial departments. The ASB will, wherever possible, advocate for the adoption of Standards of GRAP by departments.</p> <p>In terms of facilitating the adoption of individual Standards, the ASB issues transitional provisions in Directives. As different entities have adopted Standards of GRAP, transitional provisions were issued in several Directives. In line with the strategic theme of “taking stock”, the ASB proposes consolidating these Directive into a single document.</p> <p>(a) Do you agree with the proposal to promote the adoption of Standards of GRAP by departments?</p> <p>(b) Do you agree with the proposal to consolidate the Directives that deal with transitional provisions?</p> <p>(c) Are there any other activities that the ASB should undertake?</p>	
<p>6.1</p>	<p>Auditor-General Product Champions (Free State)</p>	
	<p>(a) Yes , however up until the adoption, the Modified Cash Standard (which takes into account the cash basis of accounting) is a good standard for the departments to apply.</p> <p>(b) Yes, this will make it easily accessible.</p> <p>(c) Rolling out training and guidance documents to auditees on the revised GRAP 104 standards.</p>	<p>Noted. No action required (a) to (b).</p> <p>For item (c) – Training on GRAP 104 is the responsibility of the National Treasury for the preparers, and the AGSA’s responsibility for auditors. Any relevant guidance will be provided by the ASB through FAQs, Fact Sheets and other communication.</p>
<p>6.2</p>	<p>Auditor-General Product Champions (Gauteng)</p>	
	<p>Yes – a and b</p> <p>None – c</p>	<p>Noted. No action required.</p>



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6.3	Auditor-General Product Champion (KZN)	
	Yes.	Noted. No action required.
6.4	Auditor-General Product Champions (Northern Cape)	
	<p>(a) Yes</p> <p>(b) Yes</p> <p>(c) Yes, increase visibility in terms of training when a new standard or its transitional provision becomes effective to show the impact on the implementation of the new standard e.g. GRAP 108 Statutory receivables.</p>	<p>Noted. No action required for (a) to (b). For (c), the ASB recorded presentations on GRAP 108 and other Standards that became effective that year and made them available on both SAICA’s and ASB’s website. The presentation included a specific discussion on the transitional provisions and the implication of the Standard. It would seem as if the preparers and auditors were unaware of this resource.</p> <p>Additional communication will be considered by adding a specific project to the work programme on communication/enhancing the application of Standards of GRAP.</p>
6.5	Auditor-General Product Champions (National C)	
	<p>(a) Yes, we highly agree.</p> <p>(b) Yes, we think it will make it easier for application.</p> <p>No.</p>	Noted. No action required.
6.6	Auditor-General Product Champions (National D)	
	(a) Partly agree - The departments have been preparing AFS on MCS therefore this then means training of the officials which could have a material impact on the fiscus and there could be errors on the AFS which may take years to address.	The concerns are noted. However, most respondents supported promoting the adoption of Standards of GRAP for departments.

6.7	Auditor-General Product Champions (National E)	
	<p>(a) Do not believe that the departments are ready for this.</p> <p>(b) Agree with the proposal to have a consolidated directive to deal with the transitional provisions.</p> <p>None at this stage.</p>	<p>(a) The concerns are noted. However, most respondents supported promoting the adoption of Standards of GRAP for departments.</p> <p>(b) Noted.</p> <p>Noted. No action required.</p>
6.8	Auditor-General Product Champions (National F)	
	<p>(a) Yes</p> <p>(b) Yes</p> <p>Consider other standards where a fact sheet can be issued in relation to issues of common misunderstanding. Example, Statutory receivables (GRAP 108) vs Financial instruments GRAP 104. Given the fact that entities in the public sector carry out service delivery it is sometimes difficult to distinguish receivables that arose from legislation.</p>	<p>Noted. An FAQ is available on the distinction between GRAP 108 and GRAP 109. No action required for (a) and (b).</p>
6.9	Altimax	
	<p>We agree with the proposal.</p>	<p>Noted. No further action required.</p>
6.10	SAICA	
	<p>SAICA agrees with the proposal to promote the adoption of Standards of GRAP by departments. Section 89 (1) (a) of the PFMA requires the ASB to set standards of generally recognized accounting Paragraph (d) of the same section states that the ASB must also perform any other function incidental to advancing financial reporting in the public sector.</p>	<p>Noted. The detailed information is useful and will be used to inform discussions with stakeholders.</p>



	<p>The use of standards of generally recognised accounting practice would mean that departments would move to the accrual basis of accounting which has the following benefits for government¹:</p> <ul style="list-style-type: none">o Financial Position <p>Accrual accounting provides information on an entity’s financial position and current assets and liabilities, based on the balance sheet. Government needs this information to make decisions about the feasibility of financing the provided services; plan the future funding requirements of asset maintenance and replacement; plan the repayment of existing liabilities and, thus, manage their cash position and financing requirements. Accrual accounting highlights the impact of financing decisions on net assets/equity, leading entities to take a longer-term view when making financing decisions.</p> <ul style="list-style-type: none">o Financial Performance <p>Accrual accounting provides information on revenues and expenses, including the impact of transactions where cash has not yet been received/paid. Knowing revenues is essential for assessing the impact of taxation on the government’s fiscal position and the need for borrowing in the long term. Knowing expenses is necessary to assess revenue requirements, the sustainability of existing programs, and the likely cost of proposed activities and services. The income statement helps governments to focus on management by results as well as management of resources, which become more useful because performance can be measured more reliably when full costs for a period are considered.</p> <ul style="list-style-type: none">o Cash Flows	
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Moving to an accrual basis of accounting does not mean the abandonment of cash accounting, cash management being an integral element of accrual-based financial management framework. It is required the production of a full statement of cash flows to separately identify cash receipts and payments associated with operating, investing, and financing activities. Modern accrual-based systems have functionalities to support cash-based accounting and reporting. Accrual accounting provides comprehensive information on current those associated with accounts and receivables, leading to better cash management, and assisting in preparation of more accurate cash budgets.

o Reporting and Budgeting

Any reform is considered successful only when it brings about changes in the behaviour of the people the reform is targeted toward. Accrual reporting objective is to provide understandable, relevant, reliable, and comparable information, useful to a wide range of users in making economic decisions. It incorporates non-cash information, such as revaluations, write-offs, consumption of assets through depreciation, pension liabilities. Financial reports must rely on the budget and show any differences between the actual results and the budget, as well as any changes during the term.

The use of accrual basis of accounting further allows for the following:

o Greater transparency and accountability in government financial reporting. the short and long-term impact of decision making.

o Monitoring of government debt and liabilities for their true economic implications through the disclosure of all liabilities, including long-term obligations of government which may encourage government leaders to



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	<p>make decisions that focus on long-term sustainability and not driven by short-term political incentives.</p> <ul style="list-style-type: none"> o Provides greater transparency which is required by the public, banks, investors, and credit providers as generally expected from the private sector. o Provides for comparability of financial information on a global basis to assist in resource allocation, monitoring and accountability. o The preparation of public sector budgets and appropriations on the same basis. <p>In addition to the above, a consistent accounting basis would lead to a seamless consolidation where the financial position, performance and cash flows of the state can be better presented as departments and public entities would be on the same basis of accounting. Significant delays in the move from Modified Cash Standards to the Standards of GRAP by departments have been noted. SAICA urges the ASB to consider other activities to promote the adoption of Standards of GRAP by departments which may include engagements with National Treasury to be more transparent on its plans to adopt Standards of GRAP for departments.</p> <p>Furthermore, the Board should share with the public its advocacy initiatives on the promotion of Standards of GRAP by departments as this will also portray the independence of the ASB, as well as being seen as advancing financial reporting in the public sector.</p>	
	<p>SAICA agrees with the proposal to consolidate the Directives that deal with transitional provisions into one document as this would assist with ease of reference and eliminate the risk of financial statement preparers missing certain transitional provision in preparing financial statements.</p>	<p>Noted. No action required.</p>



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	No other activities that the ASB should undertake have been identified by SAICA.	Noted. No action required.
6.11	Mr Sandiso Gwabe	
	<p>1. My personal views on the continued application of the Modified Cash basis of accounting by National and Provincial departments are contained on the following link: https://www.linkedin.com/pulse/high-quality-accrual-based-financial-reporting-public-gcwabe-ca-sa-/?trackingId=ikSYhKY%2B%2FCsIP%2F4jhpa9JQ%3D%3D. The views can be summarised as follows:</p> <p>“The continued use of the current Modified Cash Standard (MCS) for National and Provincial Departments deprives our leaders of high-quality and relevant information for decision making. The application of MCS by National and Provincial Departments is at variance with section 216(1)(a) of the Constitution of the Republic of South Africa which requires the introduction of Generally Recognised Accounting Practice (GRAP) in each sphere of government;”</p> <p>2. The Professional Body which I am a member of, the South African Institute of Chartered Accountants (SAICA), also shares similar views. These were outlined in a comment letter submitted by SAICA to National Treasury as part of the consultation process on the 2022/23 Modified Cash Standards. Refer to Annexure B of the attached letter, Transition to accrual basis of accounting by departments.</p> <p>3. The Proposed ASB's Work Programme 2024-2026 should include a Key Performance Indicators with clear targets on advocating for adoption of GRAP by National and Provincial Departments. These should include engagements with key stakeholders (Minister of</p>	Noted. The detailed information is useful and will be used to inform discussions with stakeholders.

	<p>Finance, ASB, National Treasury, the Provincial Accountant-Generals, Auditor-General of South Africa, Professional Bodies and practitioners with an interest in public sector financial accounting and reporting, including preparers, auditors, users, consultants and academics) to develop and approve a project implementation plan for departments to transition to accrual accounting to ensure compliance with section 216(1)(a) of the Constitution.</p> <p>The aforementioned key stakeholders have a heightened level of responsibility to lead by example when it comes to the implementation of laws and regulations dealing with Financial Governance especially when the matter pertains to non-compliance with laws and regulations. The leadership commitment in this regard should be demonstrated in writing and in actions by these key stakeholders without forcing the public or other interested parties to turn to judicial authority for relief.</p> <p>Any accrual implementation project needs to follow an integrated approach covering the following areas as a minimum:</p> <ol style="list-style-type: none"> 1) Accounting gap; 2) Technology gap; 3) Data gap; and 4) Knowledge/skills gap. <p>Accrual accounting was implemented with Local Government in the 2008/09 financial year even though these gaps prevailed at the time. The failure by National and Provincial Departments to follow suit 14 years on</p>	
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	<p>cannot be condoned any further, on account of any such gaps that may prevail.</p> <p>4. The KPIs to be included as part of the Proposed ASB's Work Programme 2024-2026 may include the following:</p> <ul style="list-style-type: none"> a) Collaborating with National Treasury on the development of an Implementation Plan for the Transition from Modified Cash basis to Accrual basis of accounting by National and Provincial departments no later than 1 April 2026. b) The draft plan should be published for comment no later than 31 December 2022. c) A key stakeholder consultation project should then be embarked upon to get inputs on the plan and how the Accounting gap, Technology gap, Data gap and Knowledge/skills gap should be address for National and Provincial Departments ahead of the implementation of GRAP from 1 April 2026. 	
<p>6.12</p>	<p>SARS</p>	
	<ul style="list-style-type: none"> (a) Agree (b) Agree (c) None currently 	<p>Noted. No action required.</p>
<p>6.13</p>	<p>Free State Department of Police, Roads and Transport</p>	
	<p>Yes the proposal welcomed so that there is clarity with regard to the transition from MCS to GRAP. This process should be well communicated and interpreted and understood prior to the requirement.</p>	<p>Noted. Any progress in this area will be communicated to stakeholders.</p>



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<p>7.</p>	<p>Reviews of the Standards of GRAP</p> <p>To ensure that the Standards are effective and have been applied as intended, it is important to review their implementation. The Board undertakes the following reviews:</p> <p>Post-implementation reviews (PIR) – One PIR is undertaken every three-years. These reviews assess whether a Standard is achieving its intended objective. This requires extensive consultation with users of the financial statements, preparers and auditors.</p> <p>Desktop reviews – Two desktop reviews are undertaken every three years. These reviews assess the application of a Standard, compliance with its principles, and identifies emerging practices.</p> <p>A number of reviews have already been undertaken. These are explained in ED 194.</p> <p>(a) On which Standard should the Board undertake a post-implementation review and why?</p> <p>(b) On which Standards should the Board undertake its two desktop reviews and why?</p>	
<p>7.1</p>	<p>Auditor-General Product Champions (Free State)</p>	
	<p>None.</p>	<p>Noted. No action required.</p>
<p>7.2</p>	<p>Auditor-General Product Champion (Gauteng)</p>	
	<p>GRAP 109 – refer to comments above.</p>	<p>Noted. GRAP 109 will be reviewed in 2022/23.</p>
<p>7.3</p>	<p>Auditor-General Product Champion (KZN)</p>	
	<p>Segment reporting – certain auditees did not implement the standard as they believed there were no segments. (PIR)</p>	<p>Noted. Based on the feedback received by a number of respondents, this will be added to the work programme as a desktop review.</p>



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7.4	Auditor-General Product Champions (Northern Cape)	
	<p>(a) GRAP 108 Statutory Receivables</p> <p>To ensure the consistent application of adoption or the use of the transitional provisions of the standard and its impact on disclosure notes, face of the annual financial statement and accounting policies.</p> <p>(b) Segment reporting</p> <p>New standard applicable, to review whether the identification of segments is consistently applied.</p>	<p>Noted. As several respondents suggested reviewing GRAP 108, this will be added to the programme for review. As it is a local Standard, it may be best suited for a Post-implementation Review.</p> <p>Noted. See the response to 7.3 above.</p>
7.5	Auditor-General Product Champions (National C)	
	<p>(a) GRAP 14 - Events after reporting date- with special focus on Going concern (paragraphs 14-21). Due to economic pressures i.e. high unemployment, high inflation, expected cuts in growth rates, the going concern assumption of government entities, municipalities and departments may need to be given extra attention.</p> <p>(b) GRAP 109 - Accounting by Principals and Agents. There has been challenges in application of this standards by the local municipalities (acting as agents) and by the district municipalities (acting as principal) for provision of water services.</p> <p>(c) GRAP 25 - To align with general changes in terms of employee related laws.</p> <p>(d) Assets (GRAP17/31) - most entities also struggle with applying useful lives for assets.</p>	<p>Noted. Changes to GRAP 1 and GRAP 14 were recently published to deal with issues on going concern.</p> <p>Noted. GRAP 109 will be reviewed in 2022/23.</p> <p>Noted. GRAP 25 was recently revised, and no such changes were identified.</p> <p>Noted. Based on past reviews of GRAP 16 and GRAP 17, this is a practical issue rather than a standards-issue. This will be shared with the National Treasury.</p>



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	<p>(e) Review of standards that require fair value measurements, most entities struggle with obtaining reliable fair values.</p> <p>(f) Review of standards that makes use of estimates/significant judgement, more guidance on considerations to be taken into account when making the estimate/ judgement as entities often struggle with substantiating estimates recorded.</p>	<p>Noted. The proposal to issue a Standard on how to measure assets will better alleviate this concern than reviewing current practice.</p> <p>Noted. The issues relating to estimates and judgement is most often a practical issue that results from not understanding the information needs of users. Opportunities will be explored about raising awareness about this issue and the requirements of the Standards.</p>
7.6	Auditor-General Product Champions (National D)	
	No inputs	Noted. No action required.
7.7.	Auditor-General Product Champions (National E)	
	<p>(a) Statutory Receivables as GRAP108 is fairly new.</p> <p>(b) Related Parties disclosures – because there are inconsistent application of GRAP 20.</p>	<p>Noted. See the response to 7.4.</p> <p>Noted. As GRAP 20 is a presentation Standard, it is appropriate for a desktop review.</p>
7.8	Auditor-General Product Champions (National)	
	<p>(a) GRAP 109, Accounting for principals and agents, in light of the court ruling mentioned above, consistent understanding and application is key.</p> <p>(b) GRAP 23 and GRAP 18, there are a number of interpretation issues with regards to these two standards.</p>	<p>Noted. GRAP 109 will be reviewed in 2022/23.</p> <p>Noted. See the response to 7.3. Based on feedback from respondents, the Secretariat proposes an “interim” step to reviewing GRAP 23 and GRAP 9 and revising Standards of GRAP to align with IPSAS. This will be to assess current issues with the application of the Standards, and assess how these may be resolved by the proposed new IPSAS(s) on revenue.</p>



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7.9	Altimax	
	None noted.	Noted. No action required.
7.10	SAICA	
	Given that Standard of GRAP 18 on Segment Reporting has recently become effective (reporting periods beginning on or after 1 April 2019 for trading entities, Parliament and provincial legislatures and reporting periods beginning on or after 1 April 2020 for municipalities and boards, commissions, companies, corporations, funds or entities under the ownership control of a municipality) SAICA believes it would be beneficial for preparers for the Board to perform a PIR on this Standard to identify application and implementation issues that may require resolution by the Board.	Noted. See the response to 7.3.
	Based on the challenges experienced by public sector entities and municipalities on property, plant and equipment as reflected in the Auditor General’s Report of South Africa (AGSA), it is recommended that a desktop review be performed on GRAP 17. SAICA further recommends that discussions be held with the AGSA to determine where they have identified most challenges on disclosure in terms of Standards of GRAP to better assist the Board in identifying the most suitable desktop reviews.	Noted. The Board reviewed the asset-related Standards on various occasions. In all instances, the issues raised related to the practical implementation that was deficient, in most part because of the lack of skill and capacity. The Board does not believe that another review will be helpful. Noted. The AGSA was consulted and several issues raised, although none of them on disclosure.
7.11	SARS	
	<u>Post-Implementation Review</u> GRAP 3 – accounting policies, changes in accounting estimates and errors	Noted. • Several respondents raised issues with the application of GRAP 3. These issues may be resolved by changes that are yet to be



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	<p>GRAP 13 – Leases <u>Desktop Review</u> GRAP 20 – Related Party Disclosures GRAP 25 – Employee Benefits GRAP 31 – Intangible Assets GRAP 110- Living and Non-living Resources</p>	<p>included from IAS 1 and IAS 8 into GRAP 3, which is scheduled to be included in the Improvements Project, 2022.</p> <ul style="list-style-type: none"> • Leases will be replaced by a new Standard, and therefore a review now may have limited value. • Related Party Disclosures is a presentation standard and may lend itself to a desktop review. • Employee benefits has just been revised, and an effective date awaited. Once the new GRAP is applied, it would be eligible for review. • Intangible assets was raised by a limited number of respondents and the issues are not pervasive. • Living and non-living resources was raised by a limited number of respondents.
7.12	<p>Free State Department of Co-operative Governance and Traditional Affairs</p>	
	<p>No.</p>	<p>Noted. No action required.</p>
8.	<p>Emerging issues</p> <p>Reporting in the public sector is a relatively new discipline with several emerging issues requiring discussion. The Board has identified the following emerging issues:</p> <p>Climate related disclosures – There has been an increased focus on the impact of the climate on entities’ financial statements, as well as the impact of entities on the environment more broadly. An International Sustainability Standards Board (ISSB) has just been established to issue international standards on climate related-disclosures. Although the ISSB will focus on the private sector, this may be relevant for the public sector.</p>	

	<p>Reporting frameworks - Stakeholders in both the public and private sectors routinely ask what reporting frameworks are applied by entities across the economy. It may be useful to compile a document explaining the reporting frameworks applied by public sector entities, education institutions (at all levels), traditional authorities, special purpose entities, companies, non-profit organisations, etc.</p> <p>Employee compensation - When updating GRAP 25 on Employee Benefits, some stakeholders identified the need for more detailed information on short term benefits paid to employees. They observed that the expenditure on salaries has received increased scrutiny given the downturn in the economy, and that more information may be helpful in making informed policy decisions.</p> <p>(a) Do you believe that any of these 3 projects are relevant for the public sector locally?</p> <p>(b) Are there any other emerging issues the Board should consider?</p>	
8.1	Auditor-General Product Champions (Free State)	
	<p>(a) No, from our experience, auditees are unable to maintain and rehabilitate their landfill sites, therefore it may not add value to the users of the financial statements to include further climate related disclosures.</p> <p>(b) Standards on accounting for crypto-currency transactions.</p>	<p>Noted. The Secretariat will monitor the international project on sustainability reporting and climate disclosures and assess the local needs.</p> <p>Noted. No other respondents raised this as an issue. The Secretariat will assess whether a FAQ based on the IASB’s guidance may be sufficient.</p>
8.2	Auditor-General Product Champions (Gauteng)	
	<p>Reporting frameworks and employee compensation, yes.</p> <p>Climate related disclosures, as the ISSB is more focused on the private sector, it would be good to give an opportunity to witness how the standards on climate change are developed before applying them to public sector. Although this is important, I however, believe it may not be a priority for this work plan.</p>	<p>Noted. No action required.</p> <p>See the response to comment 8.1.</p>

8.3	Auditor-General Product Champion (KZN)	
	Yes these are relevant initiatives.	Noted. No action required.
8.4	Auditor-General Product Champions (Northern Cape)	
	<p>(a) Employee compensation</p> <p>Although not clear on what additional information the stakeholders were requesting, due to the poor state of financial administration within local government, it may be useful to disclose more detail on short term benefits paid to employees.</p> <p>(b) None</p>	Noted. No action required.
8.5	Auditor-General Product Champions (National C)	
	<p>(a) Yes, they are relevant. Climate related disclosure may not apply to all public entities however there some that need to implement the disclosure ASAP.</p> <p>(b) No</p>	Noted. See the response to comment 8.1.
8.6	Auditor-General Product Champions (National D)	
	Yes, I agree.	Noted. No action required.
8.7	Auditor-General Product Champions (National E)	
	<p>(a) Yes, agree with proposed 3 projects.</p> <p>(b) None</p>	Noted. No action required.
8.8	Auditor-General Product Champions (National F)	
	<p>(a) Yes</p> <p>(b) None</p>	Noted. No action required.

8.9	Altimax	
	<p>In terms of climate-related disclosures, we suggest that this project is placed on hold until more information is available from the ISSB and to identify the climate considerations for the South African public sector and develop specific considerations that will be useful for our public sector as opposed to a mere alignment with private sector focus.</p>	<p>Noted. See the response to comment 8.1.</p>
8.10	SAICA	
	<p>SAICA comments on the emerging issues are detailed below:</p> <p>Climate related disclosures SAICA agrees with this emerging issue.</p> <p>In addition to the establishment of the ISSB referred to above, the European Commission has already adopted Directive 2014/95/EU: Non-Financial Reporting Directive which gives the rules on disclosure of non-financial and diversity information by certain large companies, which include companies designated by national authorities as public-interest entities. In certain European Union countries these so designated companies include state-owned entities. Furthermore, in April 2021, the European Commission adopted a proposal for Corporate Sustainability Reporting Directive which would, among other things, require the audit (assurance) of reported information and introduces more detailed reporting requirements, and a requirement to report according to mandatory EU sustainability reporting standards, with the first set of standards to be adopted by October 2022.</p> <p>The IPSASB has recently announced that the Board has accepted The World Bank’s invitation to lead a global consultation on developing a sustainability reporting framework for the public sector subject to Board approval at its upcoming meeting.</p>	<p>Noted. While most respondents were of the view that climate issues are important, they did not support the ASB initiating a project on this topic. The Secretariat will monitor the international project and assess local needs.</p>



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	<p>In the South African context, it has been reported that Eskom is one of the largest emitters of sulfur dioxide (SO₂) in the world. This was shown by an October 2021 Research from the Centre for Research on Energy and Clean Air (CREA). It is clear from the above that globally, there is move towards sustainability reporting. South Africa is also a contributor to climate change as shown by emission from Eskom coal powered power stations for example. Therefore, it would be important for the ASB as the legislated Standards setter to be part of this conversation and move towards the development of climate related disclosure Standards.</p> <p>Reporting frameworks</p> <p>SAICA agrees with this emerging issue. SAICA members have indicated that there is confusion on which financial reporting framework should be applied by traditional authorities specifically around communal land, non-profit organisations and public schools. Therefore, this proposed document would assist to clear such confusion.</p> <p>Employee compensation</p> <p>SAICA agrees with this emerging issue as disclosure on employee compensation will assist in better government policy decisions. In addition, National Treasury has recently raised the salary bill as a concern in the national budget and proposed a freeze on employee compensation increases. Enhanced disclosures will therefore assist in better employee compensation decision making.</p>	
	<p>There are no other emerging issues the Board should consider that SAICA has identified.</p>	<p>Noted. No action required.</p>
<p>8.11</p>	<p>SARS</p>	

	(a) Reporting frameworks and Employee compensation could be useful from a benchmarking point of view (b) None at the moment	Noted. No action required.
7.13	Free State Department of Police, Roads and Transport	
	For Reporting Frameworks and Employee Compensation the projects make sense and this should not burden the Provincial Departments with additional costs to be incurred to implement. However, the climate related disclosure there is a concern that the increased level of reporting would be difficult to implement as it could require additional funding as many Departments would not have the necessary skill within their employment to fully meet the disclosure requirements.	Noted. See the response to comment 8.1.
	What would be the total impact on National and Provincial Departments to convert from MCS to GRAP, both from an accounting requirement point of view as well as a financial implications point of view.	Noted. This response will be shared with the National Treasury.
9.	General Is there any other feedback (negative and/or positive) you wish to provide the Board that is relevant to its standard-setting activities?	
9.1	Auditor-General Product Champions (Free State)	
	None.	Noted. No action required.
9.2	Auditor-General Product Champions (Gauteng)	
	None.	Noted. No action required.
9.3	Auditor-General Product Champion (KZN)	
	See above.	Noted. No action required.



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9.4	Auditor-General Product Champions (Northern Cape)	
	None.	Noted. No action required.
9.5	Auditor-General Product Champions (National C)	
	We think it is important for the board to accelerate advocating of application of GRAP by government departments.	Noted. This will be done as part of the ASB's activities for 2024 to 2026.
9.6	Auditor-General Product Champions (National D)	
	None.	Noted. No action required.
9.7	Auditor-General Product Champions (National E)	
	None	Noted. No action required.
9.8	Auditor-General Product Champions (National F)	
	None.	Noted. No action required.
9.9	Altimax	
	None noted.	Noted. No action required.
9.10	SAICA	
	<p>The ASB has various initiatives to promote the understanding and correct interpretation of Standards of GRAP. This includes the issuing of FAQs and GRAP update sessions that are held by the ASB. SAICA believes that the ASB should continue with these initiatives as they are beneficial to the preparers of financial statements.</p> <p>According to the 2019/2020 AGSA Consolidated general report on the local government audit outcomes, 72% of municipalities submitted financial</p>	Noted. A project on enhancing the application of the Standards of GRAP will be added to the work programme.

	statements of a poor quality for auditing. These municipalities placed reliance on the external audit process to identify misstatements. One of the reasons for this could be that municipalities could not apply the Standards of GRAP properly when preparing the financial statements. Given that section 89(1)d states that the ASB must also perform any other function incidental to advancing financial reporting in the public sector, the ASB should consider additional support to assist municipalities, particularly the smaller municipalities, to properly interpret and apply the Standards of GRAP. This may include road shows targeted at the smaller municipalities to promote new Standards and Interpretations.	
9.11	SARS	
	None.	Noted. No action required.
10.	The Secretariat of the ASB started issuing Fact Sheets for certain projects. These include <u>financial instruments</u> (not yet effective), and IGRAP 21 on The Effect of Past Decisions on Materiality. Do you find the Fact Sheets helpful? Are there any existing pronouncements issued by the Board that could benefit from having a Fact Sheet?	
10.1	Auditor-General Product Champions (Free State)	
	Yes, the fact sheets are useful.	Noted. No action required.
10.2	Auditor-General Product Champions (Gauteng)	
	Have not analysed them in detail yet.	Noted. No action required.
10.3	Auditor-General Product Champion (KZN)	
	Segment reporting, IGRAP 18.	Noted. The Secretariat will assess in whether other areas Fact Sheets could be developed.

10.4	Auditor-General Product Champions (Northern Cape)	
	Yes None	Noted. No action required.
10.5	Auditor-General Product Champions (National C)	
	Yes, I find the fact sheets helpful, particularly the materiality fact sheet. No, there are no other existing pronouncements.	Noted. No action required.
10.6	Auditor-General Product Champions (National D)	
	Yes, I agree.	Noted. No action required.
10.7	Auditor-General Product Champions (National E)	
	Yes, very useful. Related Parties	Noted. No action required.
10.8	Auditor-General Product Champions (National)	
	Yes. 1. GRAP 104 vs GRAP 108 as per the responses above. 2. iGRAP 18 3. iGRAP 20	Noted. The Secretariat will review these topics (and others) to assess whether Fact Sheets are needed.
10.9	Altimax	
	We agree that the Fact Sheets are helpful in providing guidance on how to handle certain transactions. We believe every standard or at the least,	Noted. See the response to comment 10.3.

	the key concepts in a standard may need to be considered for having a Fact Sheet.	
10.10	SAICA	
	<p>Yes, as SAICA believes that the Fact Sheets assist in clarifying key concepts in the Standards and give guidance on their application by preparers. SAICA recommends that the Board should consider developing a Fact Sheet for Standard of GRAP 18:</p> <p>Segment Reporting given that the Standard is relatively new and preparers would benefit from clarification of key concepts within the Standard.</p>	Noted. See the response to comment 10.3.
10.11	SARS	
	<p>Yes, they are useful</p> <p>Impairment of non-cash generating assets</p> <p>Non-impairment of cash generating assets</p> <p>Biological assets</p>	Noted. See the response to comment 10.3.
11.	Do you subscribe to our Newsletter? If yes:	
	(a) Do you find the content useful?	
	(b) Are there other types of information, or specific topics, you might want us to address in the Newsletter?	
11.1	Auditor-General Product Champion (Free State)	
	N/A, but will subscribe as it will be useful.	Noted. No action required.
11.2	Auditor-General Product Champions (Gauteng)	
	Not subscribed.	Noted. No action required.



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11.3	Auditor-General Product Champion (KZN)	
	No.	Noted. No action required.
11.4	Auditor-General Product Champions (Northern Cape)	
	(a) Yes (b) No	Noted. No action required.
11.5	Auditor-General Product Champions (National C)	
	No, I don’t subscribe to the news letters but will consider doing so going forward.	Noted. No action required.
11.6	Auditor-General Product Champions (National D)	
	No.	Noted. No action required.
11.7	Auditor-General Product Champions (National E)	
	(a) Not as yet – follow communication issued by our Technical team as well as on social media. (b) None specific.	Noted. No action required.
11.8	Auditor-General Product Champions (National)	
	No response.	Noted. No action required.
11.9	Altimax	
	Yes we receive the newsletters and the content is useful.	Noted. No action required.
11.10	SAICA	
	No response.	Noted. No action required.

11.11	SARS	
	(a) Yes (b) None	Noted. No action required.
12.	Do you follow any of our social media platforms? If yes, (a) Which platform do you follow the most – Facebook, LinkedIn or Twitter? (b) Are there other types of information, or specific topics, you might want us to address on social media?	
12.1	Auditor-General Product Champion (Free State)	
	N/A, not yet but will start following on social media.	Noted. No action required.
12.2	Auditor-General Product Champions (Gauteng)	
	LinkedIn.	Noted. No action required.
12.3	Auditor-General Product Champion (KZN)	
	Sometimes	Noted. No action required.
12.4	Auditor-General Product Champions (Northern Cape)	
	No.	Noted. No action required.
12.5	Auditor-General Product Champions (National C)	
	No, I don’t follow your news media but will consider doing so in the future.	Noted. No action required.
12.6	Auditor-General Product Champions (National D)	
	No.	Noted. No action required.
12.7	Auditor-General Product Champions (National E)	

	(a) LinkedIn. (b) Current coverage is relevant.	Noted. No action required.
12.8	Auditor-General Product Champions (National)	
	No response.	Noted. No action required.
12.9	Altimax	
	Yes we follow LinkedIn and Facebook.	Noted. No action required.
12.10	SAICA	
	No response.	Noted. No action required.
12.11	SARS	
	(a) No (b) Not applicable	Noted. No action required.
13.	Are there any other ways that we could improve our communication with you?	
13.1	Auditor-General Product Champions (Free State)	
	None, ASB website is useful. In addition, newsletter and social media will be sufficient.	Noted. No action required.
13.2	Auditor-General Product Champions (Gauteng)	
	More presence in the financial reporting sphere.	Noted. This will be considered as part of the communication strategy of the ASB.
13.3	Auditor-General Product Champion (KZN)	
	Pop-up mails when there are any changes.	Noted. This functionality will be improved on the website.



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13.4	Auditor-General Product Champions (Northern Cape)	
	None.	Noted. No action required.
13.5	Auditor-General Product Champions (National C)	
	No, we think your news letters will be sufficient.	Noted. No action required.
13.6	Auditor-General Product Champions (National D)	
	None.	Noted. No action required.
13.7	Auditor-General Product Champions (National E)	
	No Communication is sufficient.	Noted. No action required.
13.8	Auditor-General Product Champions (National)	
	No response.	Noted. No action required.
13.9	Altimax	
	None noted.	Noted. No action required.
13.10	SAICA	
	No response.	Noted. No action required.
13.11	SARS	
	None at the moment.	Noted. No action required.