



240 Madiba Street
Pretoria
0002
Tel. 011 697 0660
Fax. 011 697 0666
www.asb.co.za

MINUTES OF THE PROJECT GROUP MEETING OF THE ACCOUNTING STANDARDS BOARD ON ED 201 – *IMPROVEMENTS TO THE STANDARDS OF GRAP AND ED 202 – IGRAP ON FOREIGN CURRENCY TRANSACTIONS AND ADVANCE CONSIDERATION HELD ON 14 JUNE 2023*

Present:	M Mentz	AGSA
	D Pienaar	Altimax
	K Sahedee	W Consulting
	S van der Merwe	Adapt IT
Secretariat:	A Botha	Project Manager
	N Imam-Shah	Project Manager
	S Nondlazi	Project Manager

Board Members: Ms P Moalusi (Chair), Mr C Braxton, Ms W de Jager, Mr D Dlamini,
Mr S Khan, Ms A Muller, Ms N Themba, Mr A van der Burgh
Chief Executive Officer: Ms J Poggiolini Technical Director: Ms E van der Westhuizen

1. WELCOME AND APOLOGIES

Members were WELCOMED to the project group meeting. Apologies were NOTED from T Christoforou, C Henning, N Soopal, M Wanland, A van der Burgh, M van der Mescht, L Thoka, E van der Westhuizen and K Vanmali.

2. MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 3 October 2022 were NOTED and ACCEPTED.

3. TECHNICAL MATTERS

ED 201 on *Improvements to the Standards of GRAP*

3.1 The following was TABLED at the meeting:

- Memorandum from the Secretariat.
- Summaries of written and verbal comment received on ED 201.
- Proposed amendments to ED 201 incorporating the comment received.

ED 202 on the IGRAP on *Foreign Currency Transactions and Advance Consideration*

3.2 The following was TABLED at the meeting:

- Memorandum from the Secretariat.
- Summaries of written and verbal comment received on ED 202.
- Proposed amendments to ED 202 incorporating the comment received.

Consultation process

3.3 It was NOTED that a notice outlining a request to comment on the Exposure Drafts (EDs) was published in the Government Gazette. The Secretariat engaged with stakeholders during various sessions to discuss the proposals in ED 201 and ED 202. Articles on the proposed amendments were published on various ASB social media platforms.

3.4 Five engagements were held with stakeholders. The Board received two comment letters on both EDs from the Office of the Accountant-General and the Office of the Provincial Accountant-General: Free State Provincial Treasury. The Secretariat also received comment on ED 201 from Swartland Municipality.

3.5 It was NOTED that the Secretariat is of the view that sufficient awareness of the EDs were raised, and that the stakeholders as identified in the project brief, were given sufficient opportunity to participate in the comment process.

Amendments to the Exposure Drafts

3.6 It was NOTED that stakeholders were supportive of the amendments proposed in the EDs.

Summaries of written and verbal comment

Members RAISED the following comment on the summaries:

Summary and analysis of the written comment received on the Improvements to the Standards of GRAP (ED 201)

Comment 13

- 3.7 Members AGREED with the Secretariat's response but QUESTIONED whether something could be done by a body other than the ASB, to mandate entities to show their accountability towards their budgets to the citizens of the country.
- 3.8 The Secretariat NOTED the Member's concern that an entity's accountability towards its budget is not always visible to the general public. This concern will be raised with the National Treasury.

Secretariat

Comment 21.1

- 3.9 Members NOTED that the comment requested for an additional example on the economic classification presentation. A Member QUESTIONED whether the current example could be amended to reflect the economic classification presentation rather than including an additional example. This may be more relevant if most entities use the economic classification presentation for their budgets.
- 3.10 A Member EXPLAINED that for municipalities, budgets are prepared using three different classifications – per vote, per economic classification, and per functional classification. Because three budgets are prepared using the different classifications, there is no single classification that is mostly used.
- 3.11 Members AGREED with the Secretariat's response. No amendments were proposed.

Comment 23

- 3.12 Members DISAGREED with the comment we received. A Member REFERRED to the adjustment budget process of a municipality. The Member NOTED that the adjustments to the budget go through a robust public consultation process. The documentation for the budget adjustments forms part of this process and it is unnecessary to duplicate this information in the financial statements.
- 3.13 Members AGREED with the Secretariat's response. No amendments were proposed.

Summary and analysis of the verbal comment received on the Improvements to the Standards of GRAP (ED 201)

Comment 7.2

- 3.14 A Member REQUESTED that the Secretariat's response be updated for the reason why the Estimates of Provincial Revenue and Expenditure is not considered as the entity's approved budget.

Secretariat

Proposed changes to ED 201 and ED 202 incorporating the comment received

- 3.15 Project group members RECOMMENDED the proposed changes to ED 201 and ED 202 to the Technical Committee for its consideration.

Secretariat

NEXT STEPS

3.16 It was NOTED that the next steps of the project are for the Technical Committee and Board to consider the comment and proposed amendments at their August and September 2023 meetings, respectively. If the Board approves the final amendments, a recommendation will be made to the Minister of Finance to determine the effective date as 1 April 2025 for ED 201.

CLOSING REMARKS

Project group members were THANKED for their participation and input during the engagement.

Prepared by: N Imam Shah 14 June 2023

Reviewed by: E van der Westhuizen 14 June 2023