



PROJECT BRIEF FOR APPROVAL				
Name of project	Post-implementation review of GRAP 108 on <i>Statutory Receivables</i>			
Project timeframe	Project commence – Q2 2023/24 Project complete – Q <del>14</del> <sup>14</sup> 202 <del>54</del> <sup>54</sup> / <del>265</del> <sup>265</sup>			
Project manager	Amanda Botha			
Complexity of project	The project is complex as it requires (a) consultation with a range of stakeholders – with varying backgrounds and level of proficiency in accounting/finances; and (b) a critical analysis of the comments received to identify trends and proposed actions.			
Rating	Urgency	High	Medium	Low
	Impact	High	Medium	Low
	Resources required	High	Medium	Low
PROJECT OVERVIEW				
Area of consideration	Comment			
<i>Project outcome</i>				
Project objective	The purpose of the project is to consult with stakeholders to assess if the Standard is meeting its intended objective and to identify application or other issues.			
Key issues that need to be addressed as part of this project	<p><i>Scope of the post-implementation review (PIR)</i></p> <p>The PIR will:</p> <ul style="list-style-type: none"> <li>(a) assess whether the Standard is meeting its intended objective; and</li> <li>(b) identify application and other issues related to the implementation of GRAP 108.</li> </ul> <p>The stakeholders to be consulted include:</p> <ul style="list-style-type: none"> <li>(a) Users of the financial statements.</li> <li>(b) Preparers of financial statements.</li> <li>(c) Auditors and other technical specialists.</li> </ul>			
	<p><i>Nature of output to be developed</i></p> <p>The project will be undertaken in three phases:</p> <ul style="list-style-type: none"> <li>• Phase 1 – Desktop review of financial statements and targeted stakeholder engagement to identify potential issues with the application of GRAP 108. The desktop review will be limited to assessing compliance with the requirements of GRAP 108. The outcomes of the desktop review and stakeholder engagement will be used to develop the Exposure Draft in Phase 2.</li> </ul>			



	<ul style="list-style-type: none"> <li>• Phase 2 – Development of the Exposure Draft on The Invitation to Participate (ED) to be used during the consultation with stakeholders. The ED outlines the key questions that will be the subject of discussions with stakeholders or stakeholder groups. Questionnaires to users and preparers will also be developed for publication on the website.</li> <li>• Phase 3 – Analyse comments received during consultations and propose actions to the Technical Committee and Board.</li> </ul> <p>Any subsequent phases will be identified based on the proposals and recommended actions approved by the Board.</p>
	<p><i>Previous deliberations by the Board</i></p> <p>There have been no specific deliberations by the Board to date.</p>
	<p><i>Guidance developed by the Secretariat in response to issues raised by stakeholders</i></p> <p><u>Frequent Asked Questions</u></p> <p>The Secretariat developed a FAQ to explain how statutory receivables arise (FAQ 11.1). The FAQ was issued in May 2020.</p> <p><u>Discussions at GRAP 104 Reference Group</u></p> <p>Financial Instruments Fact sheets on Applying the definition of Financial Instruments and VAT</p> <p><u>Queries</u></p> <p>The Secretariat also responded to a number of queries received on GRAP 108 that include (among others)</p> <ul style="list-style-type: none"> <li>• The scope of GRAP 108</li> <li>• Classification of receivables as statutory</li> <li>• Presentation of statutory receivables</li> <li>• Transitional relief on adoption of GRAP 108 and aligning accounting policies during the transitional period</li> </ul>
	<p><i>Key issues to be considered</i></p> <p>GRAP 108 became effective for Public entities, Constitutional Institutions, Municipalities and municipal entities, TVETs and Parliament and the Provincial Legislatures for periods commencing on or after 1 April 2019. CET colleges applied GRAP 108 for periods commencing on or after 1 April 2020, while GRAP 108 became effective for Trading entities for periods commencing on or after 1 April 2021.</p> <p>Issues will be identified during Phase 1 of the review. In addition, the project will also consider the following:</p>



- Do the users of financial statements find the information reported in accordance with GRAP 108 useful and does it meet their information needs?
- Are there any challenges in applying the classification and measurement principles in GRAP 108?
- Were there any other issues that arose as a result of the application of GRAP 108?
- Were there any audit-related issues identified in the AGSA's general report and/or through engagements with the auditors?
- Were any implementation matters raised with the National Treasury on the application of GRAP 108?

This project brief will be updated with any issues noted when the project brief is re-tabled for consideration by the Technical Committee and Board prior to the project commencing.

<b>Environment</b>	
<b>Legislation or regulatory requirements affecting the project</b>	Various legislation governing the levying of revenue.
<b>Existing accounting guidance in the Standards of GRAP, IPSASs or IFRSs</b>	GRAP 108 on <i>Statutory Receivables</i> . Frequently Asked Questions dealing with GRAP 108. Discussions at GRAP 104 Reference Group - Financial Instruments Fact sheets on Applying the definition of Financial Instruments and VAT Assess guidance included in the final IPSAS on <i>Revenue with Performance Obligations, Revenue without Performance Obligations and Transfer Expenses</i> if available.
<b>Practices in other countries</b>	Review limited to GRAP 108 and its application. Practices in other countries were assessed during the development of the Standard.
<b>Use of experts</b>	It is not anticipated that an expert will be necessary.
<b>Stakeholders</b>	
<b>Entities in the public sector affected by this project</b>	All entities that prepare their financial statements using Standards of GRAP.
<b>Key stakeholders to be consulted during the development of the project</b>	Internal stakeholders (Secretariat, Technical Committee and Board) to be consulted on revision of project brief, development of an Issues Paper outlining results of the initial phase, and development of an Invitation to Participate.  External stakeholders will be consulted to provide comment on the development of an Invitation to Participate.  Consult with the AGSA and National Treasury to identify if any issues have arisen during audit process.



<p><b>Key stakeholders to be consulted as part of the <u>public consultation</u> process</b></p>	<p>Stakeholder input and/or consultation is anticipated from the following stakeholders:</p> <p><i>General</i></p> <p>Stakeholder participation will primarily include preparers, auditors, users and other interested parties.</p> <p><i>Preparers</i></p> <p>A representative group of preparers from public entities, local government, legislatures, and colleges.</p> <p>Consultants involved in the preparation of financial statements on behalf of these entities.</p> <p>National Treasury: Office of the Accountant-General (including mSCOA team) and provincial treasuries (in their capacity as supporting implementation of the Standards).</p> <p><i>Auditors</i></p> <p>Audit firms (specifically technical divisions).</p> <p>A representative group of auditors from the AGSA (specifically ARD and if needed, product champions).</p> <p><i>Representatives of auditors and accountants</i></p> <p>Professional bodies (SAICA, CIGFARO, SAIPA, and SAIGA).</p> <p>SALGA</p> <p><i>Users</i></p> <p>Members of Municipal Finance Committees.</p> <p>National Treasury – Office of the Accountant-General.</p> <p>Audit committee members.</p>
<p><b>Linkages</b></p>	
<p><b>ASB projects</b></p>	<p>GRAP 104 Reference Group</p>
<p><b>IPSASB projects</b></p>	<p>Potential IPSAS on <i>Revenue with Performance Obligations, Revenue Without Performance Obligations, and Transfer Expenses.</i></p>
<p><b>IASB projects</b></p>	<p>None.</p>
<p><b>Local reforms in public financial management</b></p>	<p>None.</p>
<p><b>Project plan</b></p>	
<p><b>Key milestones and timing</b></p>	<p>See Annexure for roadmap.</p>



## Annexure – Road map for Post-implementation Review of GRAP 108

Milestone		Timing	Stakeholder	Linkages
1.	Revise project brief and draft issues paper identifying key issues to be addressed	July 2023 [Q2 2023/24]	Internal discussion	
			Stakeholder engagement	
			Technical Committee	
			Board	
2.	Draft Exposure Draft for review and approval	Nov 2023 [Q3 2023/24]	Internal review	
			Project group engagements	
			Technical Committee	
			Board	
3.	Consultation on Exposure Draft	Jan 2024 to <del>Sept</del> <u>Oct</u> 2024 [Q4 2023/2024 to <del>Q3</del> <u>Q3</u> 2024/2025]	Public consultation process	
3.1	Analysis of comments received on Exposure Draft	<del>Mar</del> <u>Mar</u> 2025 [ <del>Q4</del> <u>Q4</u> 2024/25] <del>Nov</del> <u>Nov</u> 2024 [ <del>Q3</del> <u>Q3</u> 2024/25]	Internal review	
			Project group engagements	
			Technical Committee	
			Board	
3.2	Communication material	<del>Mar</del> <u>Mar</u> <del>June</del> 2025 [ <del>Q14</del> <u>Q14</u> 2025/ <del>4</del> <u>4</u> 2025]	Internal review	
3.3	Action recommendations		To be determined.	

Document management		
Prepared by:	A Botha	17 October 2022
Revised by:	J Poggiolini	24 October 2022
Approved by:	Board	30 November 2022