



# **ACCOUNTING STANDARDS BOARD**

## **DIRECTIVE**

### **APPLICATION OF THE STANDARDS OF GRAP BY PUBLIC TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING COLLEGES (DIRECTIVE 10)**



**Directive 10**

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## Introduction

This pronouncement is set out in paragraphs .01 to .08. All paragraphs in this pronouncement have equal authority. The status and authority of appendices are dealt with in the preamble to each appendix. This pronouncement should be read in the context of its objective, its basis for conclusions and/or the basis for conclusions of its international equivalent, if applicable, the *Preface to the Standards of GRAP* and the *Framework for the Preparation and Presentation of Financial Statements*<sup>1</sup>.

Standards of GRAP and Interpretations of the Standards of GRAP should also be read in conjunction with any directives issued by the Board prescribing transitional provisions, as well as any regulations issued by the Minister of Finance regarding the effective dates of the Standards, published in the Government Gazette.

Directives should be read in conjunction with the applicable Standards of GRAP and Interpretations of the Standards of GRAP.

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<sup>1</sup> In June 2017, the Board replaced the *Framework for the Preparation and Presentation of Financial Statements* with the *Conceptual Framework for General Purpose Financial Reporting*.



## Objective

- .01 Public Technical and Vocational Education and Training Colleges (hereafter referred to as “TVET colleges”) have historically been required by the Minister of Higher Education and Training to apply Statements of Generally Accepted Accounting Practice (GAAP<sup>2</sup>) in preparing their financial statements. As Statements of GAAP have been withdrawn from 1 December 2012, TVET colleges will be required to apply another reporting framework in future.
- .02 The Minister of Higher Education and Training approved the application of Standards of GRAP, along with any transitional arrangements approved by the Board, by TVET colleges in preparing their financial statements from 1 January 2013 (see FET Circular 05/2013). The purpose of this Directive is therefore to outline the application of the Standards of GRAP by TVET colleges and any transitional arrangements relating to the first time adoption of those Standards.

## Scope

- .03 This Directive shall be applied by TVET colleges. TVET colleges are those public TVET colleges to which the Continuing Education and Training Act, Act No. 16 of 2006, as amended, applies.

## Application of the Standards of GRAP

- .04 As a transitional arrangement, TVET colleges shall apply Statements of GAAP in preparing their financial statements for the reporting period commencing 1 January 2013.
- .05 TVET colleges shall apply Standards of GRAP in preparing their financial statements for periods commencing on or after 1 January 2014. In preparing the financial statements on initial adoption and subsequently, a TVET college shall apply the reporting framework applicable to such colleges, as outlined in the relevant appendix to the Directive on *Determining the GRAP Reporting Framework*.
- .06 On initial adoption of the Standards of GRAP, TVET colleges shall apply the transitional provisions in the Directive on *Transitional Provisions for Public Entities, Trading Entities, Municipal Entities, Public Technical and Vocational Education and Training Colleges, and Constitutional Institutions*.
- .07 TVET colleges may also apply the Directive on *The Application of Deemed Cost*.

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<sup>2</sup> Statement of GAAP refers to those statements codified by the Accounting Practices Board and issued by the South African Institute of Chartered Accountants as at 1 April 2012.



## Directive 10

### Effective date

.08 This Directive shall be applied by TVET colleges in preparing their financial statements for periods commencing on or after 1 January 2013.