



ACCOUNTING STANDARDS BOARD

STANDARD OF GENERALLY RECOGNISED ACCOUNTING PRACTICE

EVENTS AFTER THE REPORTING DATE (GRAP 14)

Acknowledgement

The Standard of Generally Recognised Accounting Practice (GRAP) on *Events After the Reporting Date* is based on the International Public Sector Accounting Standard (IPSAS) 14 on *Events After the Reporting Date* from the *Handbook of International Public Sector Accounting Pronouncements* of the International Public Sector Accounting Standards Board (IPSASB), published by the International Federation of Accountants (IFAC) and is used with the permission of the IFAC.

Handbook of International Public Sector Accounting Pronouncements © by the International Federation of Accountants (IFAC). All rights reserved.

The approved text of IPSAS is that published by the IFAC in the English language, and copies may be obtained directly from:

International Federation of Accountants

529 Fifth Avenue, 6th Floor

New York, New York 10017 USA

Internet: <http://www.ifac.org>

Copyright on IPSAS, exposure drafts and other publications of the IPSASB are vested in IFAC and terms and conditions attached should be observed.

Copyright © 2025 by the Accounting Standards Board

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior permission of the Accounting Standards Board. The approved text is published in the English language.

Permission to reproduce limited extracts from the publication will not usually be withheld.

Contents

Standard of Generally Recognised Accounting Practice

Events After the Reporting Date

	Paragraphs
Introduction	
Objective	.01
Scope	.02
Definitions	.03
Authorising the financial statements for issue	.04 - .05
Recognition and measurement	.06 - .13
Adjusting events after the reporting date	.07 - .08
Non-adjusting events after the reporting date	.09 - .10
Dividends or similar distributions	.11 - .13
Going concern	.14 - .22
Restructuring	.22
Disclosure	.23 - .28
Disclosure of date of authorisation for issue	.23 - .24
Updating disclosure about conditions at the reporting date	.25 - .26
Disclosure of non-adjusting events after the reporting date	.27 - .28
Effective date	.29 - .30A
Initial adoption of the Standards of GRAP	.29
Entities already applying Standards of GRAP	.30A
Withdrawal of the Standard of GRAP on <i>Events After the Reporting Date</i> (2007)	.31
Comparison with the International Public Sector Accounting Standard on <i>Events After the Reporting Date</i> (January 2007)	



GRAP 14

EVENTS AFTER THE REPORTING DATE

This Standard was originally issued by the Accounting Standards Board (the Board) in May 2007. Since then, it has been amended by:

- Improvements to the Standards of GRAP, issued by the Board in February 2010.
- Consequential amendments when GRAP 25 *Employee Benefits* became effective.
- Consequential amendments following the revisions to GRAP 100 *Discontinued Operations* in 2013.
- Consequential amendments from the amendments to GRAP 104 *Financial Instruments*, issued by the Board in April 2019.



Introduction

This pronouncement is set out in paragraphs .01 to .31. 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*¹.

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.

¹ 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 The objective of this Standard is to prescribe:
- (a) when an entity should adjust its financial statements for events after the reporting date; and
 - (b) the disclosures that an entity should give about the date when the financial statements were authorised for issue and about events after the reporting date.

This Standard also requires that an entity should not prepare its financial statements on a going concern basis if events after the reporting date indicate that the going concern assumption is not appropriate.

Scope

- .02 *An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in the accounting for, and disclosure of, events after the reporting date.*

Definitions

- .03 *The following terms are used in this Standard with the meanings specified:*

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- (a) *those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and*
- (b) *those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).*

Management comprises those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Reporting date means the date of the last day of the reporting period to which the financial statements relate.

Terms defined in other Standards of GRAP are used in this Standard with the same meaning as in those other Standards.

Authorising the financial statements for issue

- .04 In order to determine which events satisfy the definition of events after the reporting date, it is necessary to identify both the reporting date and the date on which the

GRAP 14

financial statements are authorised for issue. The reporting date is the last day of the reporting period to which the financial statements relate. The date of authorisation for issue is the date on which the financial statements have received approval from management to be issued to the executive authority or municipal council. The audit opinion is provided on those finalised financial statements. For example, the accounting officer of the Department of Defence approves the financial statements for the year ended 31 March 20X1 on 28 May 20X1 and submits the financial statements to the auditors for auditing. The financial statements are approved by the accounting officer for issue to the executive authority on 30 July 20X1. On 31 August 20X1, the accounting officer submits the annual report, including the financial statements and the audit report on those financial statements, to the executive authority for tabling in the National Assembly. The executive authority tables the approved annual report to the National Assembly on 15 September 20X1. The financial statements are authorised for issue on 30 July 20X1, as the audit opinion was provided on those financial statements. Events after the reporting date are all events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue, even if those events occur after the publication of an announcement of the surplus or deficit, the authorisation of the financial statements of a controlled entity, or publication of other selected information relating to the financial statements.

- .05 The process involved in preparing and authorising financial statements for issue may vary depending upon the management structure, the statutory requirements relating to that entity and the procedures followed in preparing and finalising the financial statements. Responsibility for authorisation of financial statements of individual entities rests with management.

Recognition and measurement

- .06 In the period between the reporting date and the date of authorisation for issue, elected government officials may announce a government's intentions in relation to certain matters. Whether or not these announced government intentions would require recognition as adjusting events would depend upon whether they provide more information about the conditions existing at reporting date and whether there is sufficient evidence that they can and will be fulfilled. In most cases, the announcement of government intentions will not lead to the recognition of adjusting events. Instead, they would generally qualify for disclosure as non-adjusting events.

Adjusting events after the reporting date

- .07 ***An entity shall adjust the amounts recognised in its financial statements to reflect adjusting events after the reporting date.***
- .08 The following are examples of adjusting events after the reporting date that require an entity to adjust the amounts recognised in its financial statements, or to recognise items that were not previously recognised:



GRAP 14

- (a) The settlement after the reporting date of a court case that confirms that the entity had a present obligation at the reporting date. The entity adjusts any previously recognised provision related to this court case in accordance with the Standard of GRAP on *Provisions, Contingent Liabilities and Contingent Assets* (GRAP 19) or recognises a new provision. The entity does not merely disclose a contingent liability because the settlement provides additional evidence that would be considered in accordance with GRAP 19.
- (b) The receipt of information after the reporting date indicating that an asset was impaired at the reporting date, or that the amount of a previously recognised impairment loss for that asset needs to be adjusted. For example:
 - (i) the insolvency of a debtor that occurs after the reporting date usually confirms that the debtor was credit-impaired at the end of the reporting period and
 - (ii) the sale of inventories after the reporting date may give evidence about their net realisable value at the reporting date.
- (c) The determination after the reporting date of the cost of assets purchased, or the proceeds from assets sold, before the reporting date.
- (d) The determination after the reporting date of the amount of revenue collected during the reporting period to be shared with another entity under a revenue sharing agreement in place during the reporting period.
- (e) The determination after the reporting date of the amount of bonus, incentive and performance related payments to be made to staff if the entity had a present legal or constructive obligation at the reporting date to make such payments as a result of events before that date (see the Standard of GRAP on *Employee Benefits*).
- (f) The discovery of fraud or errors that show that the financial statements are incorrect.

Non-adjusting events after the reporting date

.09 An entity shall not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the reporting date.

.10 The following are examples of non-adjusting events after the reporting date:

- (a) Where an entity has adopted a policy of regularly revaluing property to fair value, a decline in the fair value of property between the reporting date and the date when the financial statements are authorised for issue. The fall in fair value does not normally relate to the condition of the property at the reporting date, but reflects circumstances that have arisen in the following period. Therefore, despite its policy of regularly revaluing, an entity would not adjust the amounts recognised in its financial statements for the properties. Similarly, the entity does not update the amounts disclosed for the property as at the reporting date, although it may need to give additional disclosure under paragraph .27.

- (b) Where an entity charged with operating particular community service programmes decides after the reporting date, but before the financial statements are authorised, to provide or distribute additional benefits directly or indirectly to participants in those programmes. The entity would not adjust the expenses recognised in its financial statements in the current reporting period, although the additional benefits may meet the conditions for disclosure as non-adjusting events under paragraph .28.

Dividends or similar distributions

- .11 *If an entity declares dividends or similar distributions after the reporting date, the entity shall not recognise those dividends or similar distributions as a liability at the reporting date.***
- .12 Dividends or similar distributions may arise when, for example, an entity controls and consolidates the financial statements of a Government Business Enterprise (GBE) that has outside ownership interests to whom it pays dividends or similar distributions. In addition, some entities adopt a financial management framework that requires them to pay income distributions to their controlling entity, such as the national government.
- .13 If dividends or similar distributions to owners are declared after the reporting date but before the financial statements are authorised for issue, the dividends or similar distributions are not recognised as a liability at the reporting date because no obligation exists at that time. Such dividends or similar distributions are disclosed in the notes in accordance with the Standard of GRAP on *Presentation of Financial Statements* (GRAP 1). Dividends or similar distributions do not include a return of capital.

Going concern

- .14 The determination of whether the going concern assumption is appropriate needs to be considered by each entity. However, the assessment of going concern is likely to be of more relevance for individual entities than for a government as a whole. For example, an individual entity may not be a going concern because the government of which it forms part has decided to transfer all its activities to another entity. However, this restructuring has no impact upon the assessment of going concern for the government itself.
- .15 *An entity shall not prepare its financial statements on the going concern basis if management determines after the reporting date either that there is an intention to liquidate the entity or to cease operating, or that there is no realistic alternative but to do so.***
- .16 In assessing whether the going concern assumption is appropriate for an individual entity, management needs to consider a wide range of factors. Those factors will include the current and expected performance of the entity, any announced and potential restructuring of organisational units, the likelihood of continued government

funding and, if necessary, potential sources of replacement funding.

- .17 In the case of entities whose operations are substantially budget-funded by government, going concern issues generally only arise if the government announces its intention to cease funding the entity.
- .18 Some entities, although not GBEs, may be required to be fully or substantially self-funding, and to recover the cost of goods and services from users. For any such entity, deterioration in financial performance and financial position after the reporting date may indicate a need to consider whether the going concern assumption is still appropriate.
- .19 If the going concern assumption is no longer appropriate, this Standard requires an entity to reflect this in its financial statements. The impact of such a change will depend upon the particular circumstances of the entity, for example, whether operations are to be transferred to another entity, sold or liquidated. Judgement is required in determining whether a change in the carrying value of assets and liabilities is required.
- .20 When the going concern assumption is no longer appropriate, it is also necessary to consider whether the change in circumstances leads to the creation of additional liabilities or triggers clauses in debt contracts leading to the reclassification of certain debts as current liabilities.
- .21 GRAP 1 requires certain disclosures if:
 - (a) the financial statements are not prepared on a going concern basis. GRAP 1 requires that when the financial statements are not prepared on a going concern basis, this must be disclosed, together with the basis on which the financial statements are prepared and the reason why the entity is not considered to be a going concern; or
 - (b) management is aware of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. The events or conditions requiring disclosure may arise after the reporting date. GRAP 1 requires such uncertainties to be disclosed.

Restructuring

- .22 Where a restructuring announced after the reporting date meets the definition of a non-adjusting event, the appropriate disclosures are made in accordance with this Standard. Guidance on the recognition of provisions associated with restructuring is found in GRAP 19. Simply because a restructuring involves the disposal of a component of an entity this does not in itself bring into question the entity's ability to continue as a going concern. However, where a restructuring announced after the reporting date means that an entity is no longer a going concern, the nature and amount of assets and liabilities recognised may change.

Disclosure

Disclosure of date of authorisation for issue

- .23** *An entity shall disclose the date when the financial statements were authorised for issue and who gave that authorisation.*
- .24** It is important for users to know when the financial statements were authorised for issue, as the financial statements do not reflect events after this date. As explained in paragraph .04, the date of authorisation for issue is the date on which the financial statements have received approval from management to be issued to the executive authority or municipal council. For example, the accounting authority is required to issue its annual report, including the financial statements and the audit report on those financial statements to the executive authority for tabling in the National Assembly. The executive authority has the responsibility to approve the annual report before submission to the National Assembly. In such cases, the financial statements are authorised for issue when the accounting authority authorises the financial statements for issue to the executive authority. The audit opinion is provided on those finalised financial statements.

Updating disclosure about conditions at the reporting date

- .25** *If an entity receives information after the reporting date, but before the financial statements are authorised for issue, about conditions that existed at the reporting date, it shall update disclosures that relate to these conditions, in the light of the new information.*
- .26** In some cases, an entity needs to update the disclosures in its financial statements to reflect information received after the reporting date but before the financial statements are authorised for issue, even when the information does not affect the amounts that it recognises in its financial statements. One example of the need to update disclosures is when evidence becomes available after the reporting date about a contingent liability that existed at the reporting date. In addition to considering whether it should now recognise a provision an entity updates its disclosures about the contingent liability in the light of that evidence.

Disclosure of non-adjusting events after the reporting date

- .27** *If non-adjusting events after the reporting date are material, non-disclosure could influence the economic decisions of users taken on the basis of the financial statements. Accordingly, an entity shall disclose the following for each material category of non-adjusting event after the reporting date:*
- (a) The nature of the event.*
 - (b) An estimate of its financial effect, or a statement that such an estimate cannot be made.*

- .28 The following are examples of non-adjusting events after the reporting date that would generally result in disclosure:
- (a) An unusually large decline in the value of property carried at fair value, where that decline is unrelated to the condition of the property at reporting date, but is due to circumstances that have arisen since reporting date.
 - (b) The entity decides after reporting date, to provide or distribute substantial additional benefits in the future directly or indirectly to participants in community service programmes that it operates, and those additional benefits have a major impact on the entity.
 - (c) An acquisition or disposal of a major controlled entity or the outsourcing of all or substantially all of the activities currently undertaken by an entity after the reporting date.
 - (d) Announcing a plan to discontinue an operation or major programme.
 - (e) Major purchases of assets, major disposals of assets, groups of assets and liabilities, components (see the Standard of GRAP on *Discontinued Operations*) or expropriation of major assets by government.
 - (f) The destruction of a major building by a fire after the reporting date.
 - (g) Announcing, or commencing the implementation of, a major restructuring (guidance on accounting for provisions associated with restructuring is found in GRAP 19).
 - (h) The introduction of legislation to forgive loans made to entities or individuals as part of a programme.
 - (i) Abnormally large changes after the reporting date in asset prices or foreign exchange rates.
 - (j) In the case of entities that are liable for income tax or income tax equivalents (where applicable), changes in tax rates or tax laws enacted or announced after the reporting date that have a significant effect on current and deferred tax assets and liabilities (guidance on accounting for income taxes can be found in the IAS Standard on *Income Taxes*).
 - (k) Entering into significant commitments or contingent liabilities, for example, by issuing significant guarantees after the reporting date.
 - (l) Commencing major litigation arising solely out of events that occurred after the reporting date.

Effective date

Initial adoption of the Standards of GRAP

- .29 *This Standard becomes effective for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance***



GRAP 14

in a regulation to be published in accordance with section 91(1)(a) of the Public Finance Management Act, Act No. 1 of 1999, as amended.

Entities already applying Standards of GRAP

- .30** *An entity shall apply this Standard for annual financial statements covering periods beginning on or after 1 April 2011. Earlier application is encouraged. If an entity applies this Standard for a period beginning before 1 April 2011, it shall disclose that fact.*
- .30A** *Paragraph .08 was amended by the revision of the Standard of GRAP on Financial Instruments issued in April 2019. An entity shall apply these amendments for annual financial statements covering periods beginning on or after 1 April 2025. An entity shall apply these amendments retrospectively.*

Withdrawal of the Standard of GRAP on *Events After the Reporting Date* (2007)

- .31** This Standard supersedes the Standard of GRAP on *Events After the Reporting Date* issued in 2007.



GRAP 14

Comparison with the International Public Sector Accounting Standard on *Events After the Reporting Date* (January 2007)

This Standard is drawn primarily from the International Public Sector Accounting Standard on *Events After the Reporting Date* (IPSAS 14). The main differences between this Standard and IPSAS 14 are as follows:

- This Standard uses different terminology in certain instances, for example IPSAS 14 refers to “operating results”, whereas this Standard refers to “financial performance”.
- The requirement that allows another body to amend the financial statements after issue has been deleted from this Standard, as it is not applicable to the South African environment.
- Clarification has been provided on the meaning of “authorised for issue” by including an example and additional explanatory guidance in this Standard.