

Topic	Issues deliberated	Decisions of the Board	Status	Effective date	Next steps
<p>Proposed Amendments to Directive 5 on Determining the GRAP Reporting Framework</p>	<p><i>Stakeholders expressed concern that the proposed changes to the Directive are inconsistent with GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors and removes management’s judgement when developing accounting policies in the absence of a Standard.</i></p>	<p>Directive 5 and the related Annexures were needed when the suite of Standards of GRAP was incomplete and did not deal with all transactions and events in the public sector. As the suite of Standards is substantially complete, the instances when there is no Standard of GRAP that deals with a transaction or event are likely to be rare. To ensure that entities do not compromise the application of the Standards of GRAP by applying inappropriate accounting Standards, including selectively applying parts of Standards or amendments to Standards, the Board was of the view that the amendments to the Directive are needed. This also improves comparability across entities and the sector.</p>	<p>Final amendments and reporting framework approved.</p>	<p>When issued, and/or when the respective reporting period commences.</p>	<p>None.</p>
	<p><i>Why can entities not apply amendments to Standards of GRAP in developing their accounting policies?</i></p>	<p>Where entities apply an existing Standard of GRAP they are required to apply <u>all</u> the requirements of that Standard (when they are relevant to an entity’s circumstances). It would be inappropriate for an entity to apply parts of a new Standard and parts of an old Standard. As a result, the Board agreed that the Directive should specifically indicate that amendments to Standards cannot be used to formulate accounting policies. Amendments should be adopted in their entirety (.).</p>			
	<p><i>Respondents indicated that the distinction between new and amended Standards may be difficult to apply in practice. The Board considered</i></p>	<p>The distinction between newly issued Standards and amendments are explained in the basis for conclusions. The Board noted that the Annexures to the Directive will indicate which Standards are new and which are amended.</p>			

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	<i>whether additional guidance should be provided.</i>				
Proposed Amendments to Directive 5 on Determining the GRAP Reporting Framework	<i>Should GRAP 3 be amended to explain the definition of new and amended Standards?</i>	The Board agreed that the same terms can be used across the Standards of GRAP (and related pronouncements). However, where the same terms are used with different meanings, this should be indicated as such. While the term “Standard of GRAP” is defined in GRAP, Directive 5 makes it clear that these terms are used within a specific context in this pronouncement. As a result, the Board agreed that no changes should be made to GRAP 3.	Final amendments and reporting framework approved.	When issued, and/or when the respective reporting period commences.	None.
	<i>Should the definition of “Standards of GRAP” in GRAP 3 be amended as the term “Standards of GRAP” is used differently in Directive 5?</i>	The term “Standards of GRAP” is defined in GRAP 3 and is an all-encompassing term that includes all pronouncements issued by the Board (except Guidelines). While the Board observed that the term “Standards of GRAP” is used differently in Directive 5, there may be a need to review the suite of Standards (and other pronouncements) to ensure that the intended use is correct for the context in which it is used. The Board agreed that this review would be done as part of the next Improvements Project.			
	<i>Respondents noted that transitional provisions are needed for instances when an entity develops an accounting policy using Standards that are not yet effective.</i>	The Board noted that GRAP 3 outlines the transitional arrangements that should be applied when an entity applies a voluntary change in accounting policy. As a result, there is no need for transitional provisions.			

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<p>Review Report on Results of the Post-implementation Review on GRAP 109 Accounting by Principals and Agents</p>	<p><i>The Board considered how to communicate the results of the post-implementation review (PIR) of GRAP 109 to stakeholders.</i></p>	<p>The Board agreed that the results of the PIR should be published in a Review Report.</p>	<p>Approved by the Board.</p>	<p>Not applicable</p>	<p>To be considered by entities to improve the application of the Standard and reporting practices in the sector.</p>