

NON-DELEGATED MUNICIPALITIES CFO FORUM




Accounting Standards Board





Disclaimer

The views and opinions expressed in this presentation are those of the individual. Official positions of the ASB on accounting matters are determined only after extensive due process and deliberation.





GRAP Reporting Framework



Snapshot - Reporting framework

	31 March (30 June) 2016	31 March (30 June) 2017
GRAP	Report in terms of new Standards: GRAP 1, 2, 3, 10, 11, 13, 17, 18, 19, 21, 23, 24, 25, 26, 31, 103,104, 105, 106, 107 Directive 11	Report in terms of new Standards: GRAP 16, 17
IFRS/ IPSAS	IFRIC 21	No change
Not yet effective	Accounting policy: •GRAP 32, 108 •IGRAP 17 Disclosure: •GRAP 20 or IPSAS 20 Early adopt: •GRAP 16, 17	Accounting policy: •GRAP 32, 108, 109 •IGRAP 17 Disclosure: •GRAP 20 or IPSAS 20 Early adopt: •GRAP 21, 26 •Directive 12
Not	GRAP 18 [for some entities]	GRAP 18 [for some entities]



New developments in 2015 & upcoming projects



Highlights from 2015

Pronouncements

- Amendments to *Investment Property* (GRAP 16) & *Property, Plant and Equipment* (GRAP17)
- Amendments to the Impairment Standards (GRAP 21 and GRAP 26)
- Directive 12 – *The Selection of an Appropriate Reporting Framework by Public Entities*
- GRAP 109 *Accounting by Principal and Agents*

Objective

- Simplify and clarify certain principles.
- Additional disclosure for users for improved decision-making.
- Effective date 1 April 2016
- Simplify and clarify approach to assess for impairment of cash/non-cash generating assets.
- Proposed effective date 1 April 2017.
- Prescribes the reporting framework for entities on IFRS or GAAP.
- Self assessment using criteria prescribed.
- Effective date 1 April 2018
- Prescribes accounting for principal-agent arrangements.
- Proposed effective date 1 April 2017

Maintenance projects

Pronouncements

- *GRAP Reporting Framework for 2016/17 and Amendments to Directive 5*
- *Proposed Amendments to the Directives (ED 135)*

Objective

- Prescribes the reporting framework for entities for financial periods commencing on or after 1 April 2016.
- Includes GRAP 109 in formulating accounting policy → no new standards effective for 2016.
- Repeals certain sections in Directives 2,3, and 4 relating to the 3-year measurement period for assets and liabilities resulting from Transfers of Functions and Mergers.
- Now prescribes 2-year measurement period as a result of the development of GRAP 105,106 and 107.
- Comment deadline date 29 January 2016.



Current Exposure Drafts





IGRAP on Recognition and Derecognition of Land

- ED 139 – Comment due 15 June 2016
- Indicators of control
 - Legal ownership; or
 - Right to access land and to restrict or deny the access of others to the land; and/or
 - The existence of an enforceable right to service potential or ability to generate future economic benefits





Proposed Housing Guideline

- ED 140 – Comment due 15 June 2016
- Proposed accounting for arrangements undertaken in terms of the national housing programme
 - Project developer and project manager
 - Accounting for land





Public Sector Combinations

- ED 142 → Concurrent exposure of IPSASB Exposure Draft – comment due 11 June 2016
- Classification of combinations
 - Amalgamation (no control is gained)
 - Acquisition (control is gained and assumptions not rebutted)





Living and Non-living resources

- ED 143 – Comment due 29 July 2016
- Living resources
 - Resources that undergo biological transformations → animals and plants
- Non-living resources
 - Resources other than living resources that occur naturally and have not been extracted





Stakeholder outreach and communication



Outreach activities


- Continuous promotion of GRAP by improving outreach to stakeholders (workshops, meetings, seminars, SAICA webinars)
- Stakeholders should liaise with ASB when requiring any engagements
- Newsletters & Meeting Highlights
- Social media
- Handbook

Translation

- Standards translated into isiZulu, Sesotho and Afrikaans
- The official version is the English language version
- Available on website



Website

- Overview of changes made to Standards with effect from 1 April 2016.
 - Three set of Standards:
 - Those entities with a December yearend
 - The Standards applicable for the current year
 - The Standards applicable for the next financial year
 - Please register on website if you want to be advised of changes:
<http://www.asb.co.za/GRAP/Subscribe-to-email-alerts>
- 



THANK YOU





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