

Update on Standards of GRAP

June 2019





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.





Reporting frameworks – 2018 to 2020

Effective 1 July 2018		Effective 1 July 2019		Effective 1 July 2020
Mandatory	Voluntary	Mandatory	Voluntary	Mandatory
Improvements 2016	IGRAP 18	GRAP 20	GRAP 34 to 38	GRAP 18
GRAP 21 and 26	IGRAP 19	GRAP 32	GRAP 110	GRAP 34 to 38
	Guideline on Housing Arrangements	GRAP 108	IGRAP 20	GRAP 110
		GRAP 109		IGRAP 20
		IGRAP 17, 18, 19, Guideline on Housing		
		IFRIC 22		



Key considerations

Standard	What to consider?
IGRAP 18	<p><i>Recognition and Derecognition of Land</i></p> <ul style="list-style-type: none"> • Recognition based on control, not legal title → need to assess all arrangements. • Examples: land used in national housing programme, arrangements with public works, arrangements with others for use of land.
IGRAP 19	<p><i>Liabilities to Pay Levies</i></p> <ul style="list-style-type: none"> • Levies = non-exchange transactions imposed by government on entities i.a.w. legislation or similar. Liability = when activity that triggers payment of liability occurs. • Review payments to other levels of government.



Key considerations

Standard	What to consider?
GRAP 32	<p><i>Service Concession Arrangements: Grantor</i></p> <ul style="list-style-type: none"> • Replaces Guideline on PPPs. • Scope wider, not only PPPs as outlined in legislation → arrangements where an operator provides a mandated function of the grantor using service concession assets. • Review all arrangements to assess if SCA.
GRAP 108	<p><i>Statutory Receivables</i></p> <ul style="list-style-type: none"> • Receivables that arise from legislation or similar means. • Accounted for differently and separately from contractual receivables. • Review current accounting policies and identify statutory receivables and change measurement principles, systems to identify presentation and disclosure requirements.



Key considerations

Standard	What to consider?
GRAP 109	<p><i>Accounting by Principals and Agents</i></p> <ul style="list-style-type: none"> • Assess whether a principal-agent arrangement exists. • Who is principal and agent. • Disclosure
IGRAP 20	<p><i>Adjustments to Revenue</i></p> <ul style="list-style-type: none"> • Statutory revenue transactions, subject to an appeal, objection or similar process → how to adjust revenue already recognised based on outcome of decision. • Error or change in estimate. • Review policies, systems to identify when each scenario occurs.





Key considerations

- GRAP Guidelines still need to be developed by OAG.
- If Standard is effective from 1 July 2019, do not wait until 30 June 2020 to understand the implications.
- Start early so that there is time to adjust policies, processes, systems.



Newly issued

Pronouncement	Status
Guideline on Accounting for Landfill Sites	Mandatory – date linked to amendments to GRAP 17
Guideline on The Application of Materiality in Financial Statements	Voluntary initially, will become mandatory
Amendments to GRAP 1	Proposed 1 April 2020
Amendments to GRAP 104 <i>Financial Instruments</i>	Transitional provisions being developed, effective date to be proposed
Feedback on GRAP for ‘small entities’	Research Paper



Contact details

Tel: (011) 697-0660

Fax: (011) 697-0666

Email: info@asb.co.za

Website: www.asb.co.za

