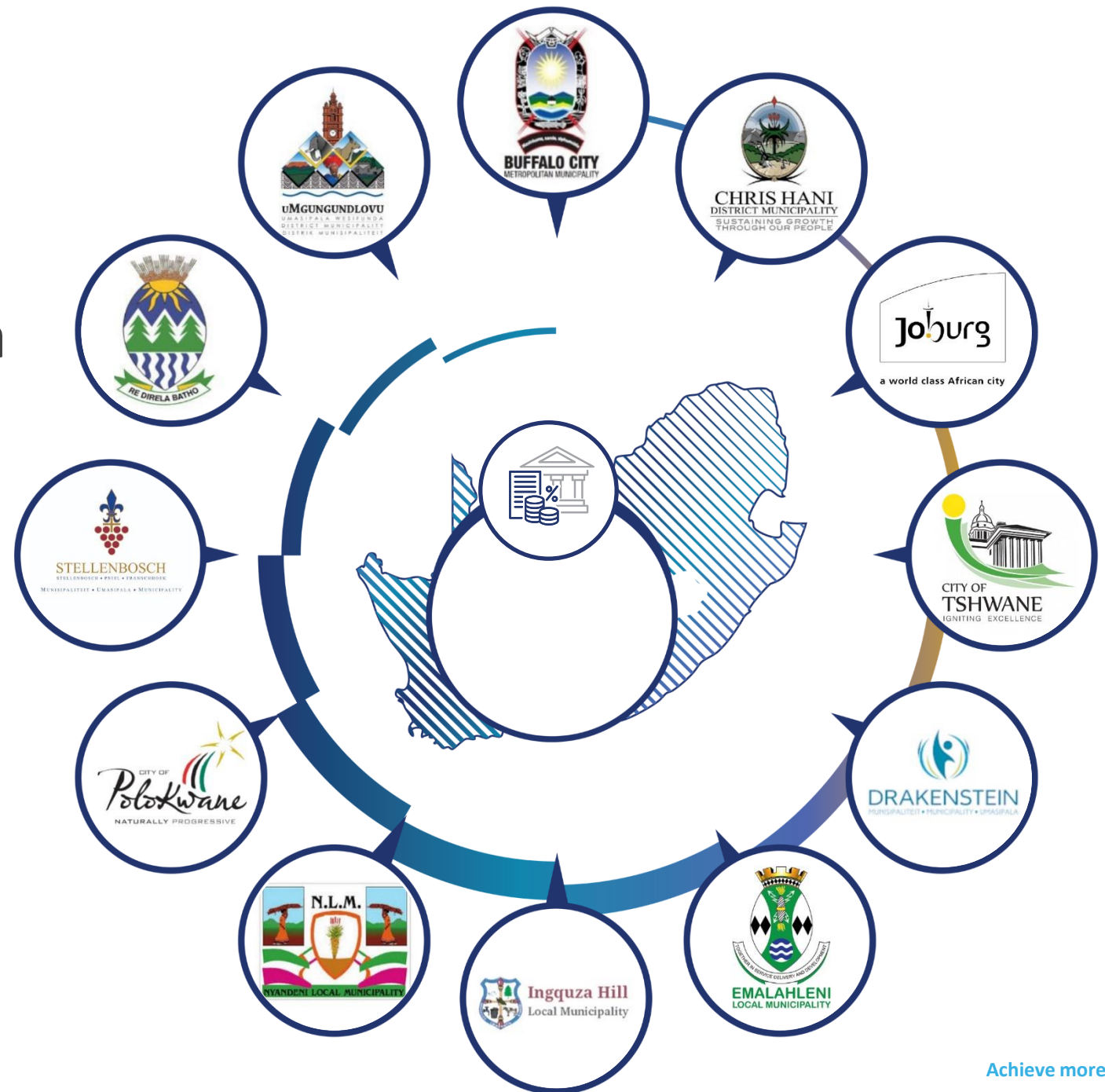


Nigeria
Kenya
Zambia
Zimbabwe
Botswana
Mauritius
South Africa

Top Clients - Southern Africa Public Sector





Stephan van der
Merwe (CA) SA

GRAP and mSCOA Compliance for 2021 – A practical view on presentation and disclosure on Financial Statements

Big “Thank you!”

- Accounting Standards Board
- National Treasury
- Leading the way in serving in a digital world

How is this year different to 2020?

- No exemptions on submitting financial statements, even though COVID challenges are still with us. Impact of it starting to really become a reality.
- **Impact of the AGSA MFMA 2019/2020 General report**
- **GRAP requirements on AFS**
 - GRAP 110 – Living and non-living resources
 - IGRAP 20 – Adjustments to revenue
 - GRAP 18 – Segmental reporting applicable to MFMA Clients (Directive 5)
 - GRAP 34-38 – Interest in other entities
- **mSCOA requirements on AFS**
 - Using version 6.4 and alignment of datastrings to Annual Financial Statements
 - Specimen Financial Statements

What does it practically mean?

- Impact of AGSA MFMA GR:
 - Focus on used of consultants – AG is focusing on the effectiveness of these expenditure
 - Completeness of disclosure especially regarding
 - Irregular expenditure
 - Fruitless and wastefull expenditure
 - Unauthorised expenditure

What does it practically mean? - Continue

- GRAP 2021 requirements on AFS:
 - GRAP 18 – Segmental reporting
 - Keep it simple, overarching requirements of management use of segments for decision making
 - Direct impact on level of disclosure
 - GRAP 110 – Living and non-living resources
 - Use your materiality assessment
 - New asset class on face of BS (living resources) switch on a lot of additional disclosure throughout AFS

What does it practically mean? - Continue

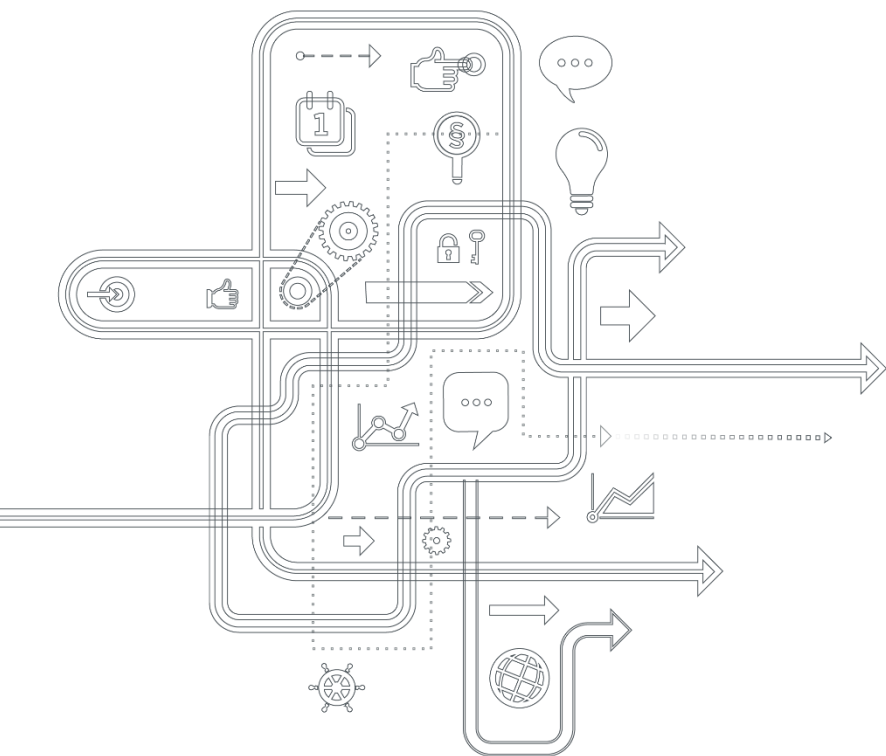
- GRAP 2021 requirements on AFS:
 - IGRAP 20 – Adjustments to revenue
 - Impact on recognition and measure, disclosure remains unchanged
 - GRAP 34-38 – Interest in other entities
 - Only for consolidations

What does it practically mean? - Continue

- mSCOA requirements on AFS
 - Use of mSCOA version 6.4 – Capital work in progress ect.
 - Ensure datastrings are aligned with Audited financial Statements (AUDA and RAUD)
 - Use of specimen AFS issued by National Treasury
 - Alignment to goal that all municipalities use this guide by 2022
 - Getting uniformity and providing assistance but does not remove compliance burden from Municipality

Conclusion

- All municipal officials I know want to improve the lives of the people in their communities and in South Africa.
- The challenges with COVID 19 will still continue in 2021, therefore lets plan as best we can for it.
- Be focused on dealing with new requirements, be practical and ensure the old and new still get the same attention.
- Use the risk assessments and focus areas as provided by the AGSA to guide you on preparing your AFS, as the AG will continue to measure these areas for 2021 and we want to improve as preparers the financial statements of municipalities.



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