

Reference: RCS/C.6

TREASURY CIRCULAR NO. 19/2018

THE PREMIER

THE MINISTER OF AGRICULTURE AND RURAL DEVELOPMENT
THE MINISTER OF COMMUNITY SAFETY
THE MINISTER OF CULTURAL AFFAIRS AND SPORT
THE MINISTER OF EDUCATION
THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND TOURISM
THE MINISTER OF HEALTH
THE MINISTER OF HUMAN SETTLEMENTS
THE MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING
THE MINISTER OF SOCIAL DEVELOPMENT
THE MINISTER OF TRANSPORT AND PUBLIC WORKS

For information

THE SPEAKER: PROVINCIAL PARLIAMENT

THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (ADV B GERBER)
THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (DR G LAWRENCE)
THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MR Z HOOSAIN)
THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (MR G MORRIS)
THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MR BK SCHREUDER)
THE ACCOUNTING OFFICER: VOTE 6: HEALTH (DR B ENGELBRECHT)
THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (DR R MACDONALD)
THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR T MGULI)
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR P VAN ZYL)
THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MS J GOOCH)
THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (MS J ISAACS)
THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR S FOURIE)
THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR B WALTERS)
THE ACCOUNTING OFFICER: VOTE 14: LOCAL GOVERNMENT (MR G PAULSE)

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THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)
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THE CHIEF FINANCIAL OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MR JO SMITH)
THE CHIEF FINANCIAL OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR F DE WET)
THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR T GILDENHUYS)
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THE CHIEF FINANCIAL OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MS BG RUTGERS)
THE CHIEF FINANCIAL OFFICER: VOTE 14: LOCAL GOVERNMENT (MS B SEWLALL-SINGH)

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THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (DR R OMAR)
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR T HARRIS)
THE CHIEF EXECUTIVE OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MR D SOUTHGATE) (ACTING)
THE CHIEF EXECUTIVE OFFICER: CASIDRA (MR M BRINKHUIS)
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR AUTHORITY (DR L MDUNYELWA)

THE CHIEF FINANCIAL OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MS Z SIWA)
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 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MS K ZAMA)
 THE CHIEF FINANCIAL OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MR H BONESCHANS)
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 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LANGUAGE COMMITTEE (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE HERITAGE (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: CASIDRA (MR F VAN ZYL)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LIQUOR AUTHORITY (MS V LETSWALO)
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 THE DEPUTY DIRECTOR GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MR IG SMITH) (ACTING)
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 THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS JD GANTANA)
 THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (VACANT)
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 THE DIRECTOR: FINANCIAL GOVERNANCE (MS N PALMER) (ACTING)
 THE DIRECTOR: FISCAL POLICY (DR N NLEYA)
 THE DIRECTOR: INFRASTRUCTURE (MR K LANGENHOVEN)
 THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR L BRINDERS)
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR D CRONJÉ) (ACTING)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (VACANT)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR M SIGABI)
 THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)
 THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MR A REDDY)
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 THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK)
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 THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A MAZOMBA)
 THE PROVINCIAL AUDITOR
 MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT
 THE DEPUTY DIRECTOR GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

IMPLEMENTATION OF STANDARDS OF GENERALLY RECOGNISED ACCOUNTING PRACTICES EFFECTIVE FROM OR AFTER 1 APRIL 2019

PURPOSE

1. To inform Public and Trading Entities as well as Provincial Parliament of the New Standards of GRAP effective on or after 1 April 2019.
2. The Minister of Finance has, in terms of section 91 of the Public Finance Management Act, 1999 (Act No. 1 of 1999 – “the Act”), made regulations prescribing the following Standards as set by the Accounting Standards Board in terms of section 89 of the Act and set out below.
3. To ensure that Public and Trading Entities as well as Provincial Parliament develop Generally Recognised Accounting Practices (GRAP) Implementation Plans to ensure that annual financial statements for 2019/20, comply with the new Standards of GRAP.

BACKGROUND

4. A Notice was published in the Government Gazette (No. 207 of 2018) indicating the effective dates of Standards of GRAP for inter alia public and trading entities, Parliament and the provincial legislatures, constitutional institutions, municipalities and municipal entities.
5. The Standards of GRAP will apply as follows for financial years beginning on or after 1 April 2019:

Standard	Topic	Application
GRAP 18	Segment Reporting	Applies to Trading Entities, as well as Parliament and the provincial legislatures, on or after 1 April 2019. (Public Entities already comply.)
GRAP 20	Related Parties	Applies to Public Entities, as well as Parliament and the provincial legislatures, on or after 1 April 2019.
GRAP 32	Service Concession Arrangements: Grantor	
GRAP 105	Transfers of Functions Between Entities Under Common Control	Applies to Trading Entities, as well as Parliament and the provincial legislatures, on or after 1 April 2019. (Public Entities already comply.)
GRAP 106	Transfers of Functions Between Entities Not Under Common Control	
GRAP 107	Mergers	
GRAP 108	Statutory Receivables	Applies to Public Entities, as well as Parliament and the provincial legislatures, on or after 1 April 2019.
GRAP 109	Accounting by Principals and Agents	
GRAP 110	Living and Non-Living Resources	Applies to Public Entities, as well as Parliament and the provincial legislatures, on or after 1 April 2020.

In preparing for the adoption of these Standards of GRAP, it is important that public and trading entities as well as Provincial Parliament consider Directive 5 on the GRAP reporting framework applicable for the financial year as well as the applicable transitional provisions.

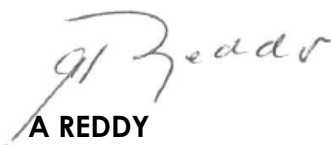
Directive 2 contains the transitional provisions for Public Entities, Directive 8 for Parliament and Provincial Legislatures whilst Trading Entities must comply with Directive 9.

Directive 7 on the application of deemed cost on the adoption of standards of GRAP as well as Directive 11 on the changes in measurement bases following the initial adoption of Standards of GRAP must also be considered.

6. The above Standards and Directives on each of the standards listed above as well as Executive Summaries and Frequently Asked Questions are available on the Accounting Standard Board's (ASB's) website at (<http://www.asb.co.za>).
7. The Office of the Accountant-General has developed Guidelines to assist with the implementation of these Standards of GRAP and it is available on the OAG's website at (<http://oag.treasury.gov.za>) via the following link:
[Office of the Accountant-General](#) > [Publications](#) > [06. GRAP](#) > [01. Standards](#) > 01. Approved and effective standards / 02. Approved and not effective standards.

REQUIRED

8. Entities and Provincial Parliament must introduce the abovementioned standards of GRAP with effect from 1 April 2019. This implies that entities must report in terms of these standards at the end of the 2019/20 financial year.
9. Earlier application/adoption is permitted Please refer to GRAP 3, paragraphs 32 and 33 regarding the disclosure requirements.
10. To facilitate this, entities and Provincial Parliament are advised to compile an implementation plan as an aid towards achieving full compliance with these new standards and should also make use of the guidelines provided on the OAG's website.
11. Entities and Provincial Parliament must bring the content of these Standards to the attention of the relevant accounting officials and any enquiries in this regard should be directed to PT: Provincial Government Accounting and Compliance (PT.helpme@westerncape.gov.za).



A REDDY

DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING AND COMPLIANCE

DATE: 16 May 2018