

PROVINSIALE TESOURIE • PROVINCIAL TREASURY •
UNONDYEBO WEPHONDO



Verwysing
Reference
Isalathiso

PT 7/1/1

Navrae
Enquiries
Imibuzo

N Schippers

TREASURY CIRCULAR NO. 31/2008

THE PREMIER

THE MINISTER OF AGRICULTURE
THE MINISTER OF COMMUNITY SAFETY
THE MINISTER OF CULTURAL AFFAIRS, SPORT AND RECREATION
THE MINISTER OF EDUCATION
THE MINISTER OF ENVIRONMENT, PLANNING AND ECONOMIC DEVELOPMENT
THE MINISTER OF FINANCE AND TOURISM
THE MINISTER OF HEALTH
THE MINISTER OF LOCAL GOVERNMENT AND HOUSING
THE MINISTER OF SOCIAL SERVICES AND POVERTY ALLEVIATION
THE MINISTER OF TRANSPORT AND PUBLIC WORKS

THE SPEAKER: PROVINCIAL PARLIAMENT
THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT

ALL OTHER MEMBERS OF PARLIAMENT

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (MS V PETERSEN)
THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MR P WILLIAMS)
THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (DR JC STEGMANN)
THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (DR GA LAWRENCE)
THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MR RB SWARTZ)
THE ACCOUNTING OFFICER: VOTE 6: HEALTH (PROF KG HOUSEHAM)
THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MS S FOLLENTINE) (ACTING)
THE ACCOUNTING OFFICER: VOTE 8: LOCAL GOVERNMENT AND HOUSING (MS S MAJIET)
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR R ELLIS) (ACTING)
THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MR T MANYATHI)
THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (MS J ISAACS)
THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR B ROBERTS)
THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR B WALTERS) (ACTING)

THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR H ARENDSE)
THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS A SMIT)
THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MR A GILDENHUYS)
THE CHIEF FINANCIAL OFFICER: VOTE 4: COMMUNITY SAFETY (MR M FRIZLAR)
THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)
THE CHIEF FINANCIAL OFFICER: VOTE 6: HEALTH (MR A VAN NIEKERK)
THE CHIEF FINANCIAL OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MR JO SMITH)
THE CHIEF FINANCIAL OFFICER: VOTE 8: LOCAL GOVERNMENT AND HOUSING (MR D BASSON)
THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR AA GAFFOOR)
THE CHIEF FINANCIAL OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MR CR ISMAY)
THE CHIEF FINANCIAL OFFICER: VOTE 11: AGRICULTURE (MR F HUYSAMER)
THE CHIEF FINANCIAL OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MS M ABRAHAMS)
THE CHIEF FINANCIAL OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR S BOWES) (ACTING)

THE HEAD OFFICIAL: PROVINCIAL TREASURY (DR JC STEGMANN)
THE HEAD: PUBLIC POLICY SERVICES (MR A PHILLIPS) (ACTING)
THE HEAD: ASSET MANAGEMENT (MR A BASTIAANSE) (ACTING)
THE HEAD: FINANCIAL GOVERNANCE (MR TC ARENDSE)
THE HEAD: PUBLIC FINANCE (MR H MALILA)
THE CHIEF AUDIT EXECUTIVE (MS H ROBSON)
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYS)
THE SENIOR MANAGER: HUMAN RESOURCE MANAGEMENT (MS PG PIEDT)
THE SENIOR MANAGER: ACCOUNTING: PROVINCIAL GOVERNMENT (MR A REDDY)
THE SENIOR MANAGER: ACCOUNTING: LOCAL GOVERNMENT (MS N OLIPHANT) (ACTING)
THE SENIOR MANAGER: CORPORATE GOVERNANCE (MR B VINK) (ACTING)
THE SENIOR MANAGER: INTERNAL AUDIT: G & A CLUSTER (MS B CAIRNCROSS)
THE SENIOR MANAGER: INTERNAL AUDIT: SOCIAL CLUSTER (MR V ZINGITWA)
THE SENIOR MANAGER: INTERNAL AUDIT: ECONOMIC CLUSTER (VACANT)
THE SENIOR MANAGER: ECONOMIC ANALYSIS (MS W MAPIRA) (ACTING)
THE SENIOR MANAGER: BUDGET MANAGEMENT (MR PP PIENAAR) (ACTING)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (MS A PICK)
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP ONE) (MR G PAULSE)
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP TWO) (MS N VAN WYK) (ACTING)
THE SENIOR MANAGER: PUBLIC FINANCE POLICY RESEARCH AND MODELLING (MS A PICK) (PRO TEM)
THE SENIOR MANAGER: IMMOVEABLE ASSET MANAGEMENT (MR NB LANGENHOVEN)
THE SENIOR MANAGER: MOVEABLE ASSET MANAGEMENT (MS N EBRAHIM)
THE SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE)
THE HEAD: OFFICE OF THE MINISTRY (MS J DAVIDS)

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File copy
22/09/08

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 THE ACCOUNTING AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (MS L MEYER)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE INVESTMENTS & TRADE PROMOTION AGENCY (MR A MANZONI)
 THE ACCOUNTING AUTHORITY: CAPE TOWN ROUTES UNLIMITED (DMO) (MR C GILFELLAN)
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 THE ACCOUNTING AUTHORITY: WESTERN CAPE HERITAGE COMMISSION (DR S TOWNSEND)
 THE ACCOUNTING AUTHORITY: CAPE MEDICAL DEPOT (CMD) (PROF KG HOUSEHAM)
 THE ACCOUNTING AUTHORITY: GOVERNMENT MOTOR TRANSPORT (GMT) (MR T MANYATHI)
 THE ACCOUNTING AUTHORITY: CASIDRA (MR TH DE WET)
 THE ACCOUNTING AUTHORITY: LIQUOR BOARD (MS J JOHNSTON) (ACTING)
 THE ACCOUNTING AUTHORITY: YOUTH COMMISSION (MS V PETERSEN)

THE CHIEF FINANCIAL OFFICER: WESTERN CAPE PROVINCIAL DEVELOPMENT COUNCIL (MR H ARENDSE)
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THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT

IMPLEMENTATION OF NEW STANDARDS OF GRAP ON 1 APRIL 2009

PURPOSE

The purpose of this circular is to inform all Constitutional Institutions and Public Entities listed in schedule 3A and 3C of the Public Finance Management Act, Act 1 of 1999 (as amended) [PFMA] of the effective dates of new standards of GRAP as formally announced in Government Gazette 31021 on 9 May 2008.

BACKGROUND

Standards of Generally Recognised Accounting Practice (GRAP) are set by the Accounting Standards Board (ASB) in terms of section 89(1) of the PFMA.

A Regulation was published in Government Gazette (No. 31021) on the 9th of May 2008 prescribing the effective date of 17 Standards of GRAP for public entities, constitutional institutions, municipalities and municipal entities. A copy of the Gazette and communication issued by the ASB on the implementation of the Standards of GRAP can be downloaded from the ASB's website. (<http://www.asb.co.za>). The new standards that will become effective from 1 April 2009 are GRAP 4 to 14, 16, 17, 19, and 100 to 102. The above standards are listed below, and can also be downloaded from the ASB's website. Executive summaries are available for most of the standards of GRAP, and it is suggested that public entities download these as well.

Standards of GRAP for public entities:

Reference	Topic
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associates
GRAP 8	Investment in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economies
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 100	Non-current Assets Held for Sale and Discontinued Operations
GRAP 101	Agriculture
GRAP 102	Intangible Assets

A comparative summary of International Financial Reporting Standards (IFRS) and Standards of GRAP, which compares and highlights differences between IFRS's and Standards of GRAP is also available on the ASB's website. Public entities should start preparing for the adoption of Standards of GRAP as soon as possible and not to underestimate the amount of time and effort this transition may require. This circular is provided to you in advance of effective date to ensure that all processes and procedures can be instituted.

In adopting the newly effective Standards of GRAP, entities should consider the specific transitional provisions pertaining to the Standards of GRAP being adopted as prescribed in the directives applicable to their entity. Transitional provisions have been issued by the ASB and prescribe how entities should account for the effect of the first time adoption of a particular Standard. Directive 2 – *Transitional Provisions for the Adoption of Standards of GRAP by Public Entities, Municipal Entities and Constitutional Institutions* – contains the

amended transitional provisions for public entities. This directive should be read in conjunction with the relevant Standard(s) of GRAP and it also indicates the specific paragraph(s) in existing Standards of GRAP that are to be withdrawn, if applicable. Please download the directive from the ASB's website.

REQUIRED

Entities should download the relevant documents as suggested in this circular and prepare for the implementation of the new standards with effect from 1 April 2009.

National and provincial public entities (Schedule 3A and 3C) must follow the effective standards of GRAP, and to the extent that no Standard of GRAP exists, statements of GAAP should be followed. Trading entities and government business enterprises (Schedule 3B and 3D entities per the PFMA) should continue to follow statements of GAAP.

As Standards of GRAP are being developed over a period of time and their effective dates being phased in, certain transactions or events undertaken by entities may not yet be covered in the GRAP reporting framework. Entities should continue to apply the hierarchy outlined in paragraph .12 of GRAP 3 in selecting appropriate accounting policies, as well as any additional guidance provided by the Office of the Accountant-General at National Treasury in this regard.

Thank you for your co-operation.



SENIOR MANAGER: ACCOUNTING

DATE: 22/09/2008