

**PROVINSIALE TESOURIE • PROVINCIAL TREASURY •
UNONDYEBE WEPHONDO**



Verwysing
Reference
Isalathiso

PT 7/1/3

Navrae
Enquiries
Imibuzo

N Schippers

TREASURY CIRCULAR NO. 28/2007

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

For information

THE SPEAKER: PROVINCIAL PARLIAMENT
THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT

ALL OTHER MEMBERS OF PARLIAMENT

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (MS V PETERSEN) (ACTING)
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 K LUBELWANA) (ACTING)
THE ACCOUNTING OFFICER: VOTE 8: LOCAL GOVERNMENT AND HOUSING (MS S MAJLET)
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR T TOLMAY)
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 (MS J JOHNSTON) (ACTING)
THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR MN LINDIE)

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 MACIKAMA) (ACTING)
THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)
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THE CHIEF FINANCIAL OFFICER: VOTE 8: LOCAL GOVERNMENT AND HOUSING (MR PAE BREDEKAMP)
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 A ASSIM)

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THE HEAD: ASSET MANAGEMENT (MR TD PILLAY)
THE HEAD: FINANCIAL GOVERNANCE (MR TC ARENDSE)
THE HEAD: PUBLIC FINANCE (MR H MALILA)
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYS)
THE SENIOR MANAGER: HUMAN RESOURCE MANAGEMENT (MS PG PIEDT)
THE SENIOR MANAGER: ACCOUNTING (MR A REDDY)
THE SENIOR MANAGER: NORMATIVE FINANCIAL MANAGEMENT (MR F JACOBS) (ACTING)
THE SENIOR MANAGER: ENTERPRISE RISK MANAGEMENT AND GOVERNANCE SYSTEMS (MR L NENE)
THE CHIEF AUDIT EXECUTIVE (MS R JAFTHA)
THE SENIOR MANAGER: ECONOMIC ANALYSIS (MS B BOQWANA)
THE SENIOR MANAGER: FISCAL POLICY: PROVINCIAL GOVERNMENT (MR D BASSON) (PRO TEM)
THE SENIOR MANAGER: FISCAL POLICY: LOCAL GOVERNMENT (MR G PAULSE) (PRO TEM)
THE SENIOR MANAGER: BUDGET MANAGEMENT (MS AJ HICKEY)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (MR DG BASSON)
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (MR G PAULSE)
THE SENIOR MANAGER: IMMOVEABLE ASSET MANAGEMENT (MR NB LANGENHOVEN)
THE SENIOR MANAGER: MOVEABLE ASSET MANAGEMENT (MS N EBRAHIM) (ACTING)
THE SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE)
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 THE ACCOUNTING AUTHORITY: WESTERN CAPE INVESTMENTS & TRADE PROMOTION AGENCY (MR I DOCKRAT)
 THE ACCOUNTING AUTHORITY: CAPE TOWN ROUTES UNLIMITED (DMO) (MR C GILFELLAN) (ACTING)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MR H VENTER) (ACTING)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE LANGUAGE COMMISSION (MR H VENTER) (ACTING)
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 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) (ACTING)

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

MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT

ACCOUNTING STANDARDS BOARD: EXPOSURE DRAFTS 38, 39, 40, 41, 42 AND 43

PURPOSE

1. The purpose of this document is to obtain your inputs on the exposure drafts issued by the Accounting Standards Board (ASB) on the:
 - *Revenue from Non-Exchange Transactions (Taxes and Transfers) (ED 38)*
 - *Invitation to Comment on the Proposed Deletion of Transitional Provisions in Standards of GRAP (ED 39)*
 - *Invitation to Comment on the Directive on Transitional Provisions for Public Entities and Constitutional Institutions (ED 40)*
 - *Invitation to Comment on the Directive on Transitional Provisions for High Capacity Municipalities (ED 41)*
 - *Invitation to Comment on the Directive on Transitional Provisions for Medium and Low Capacity Municipalities (ED 42)*
 - *Invitation to Comment on the Direction on Transitional Provisions for Parliament (ED 43)*

ACTION REQUIRED

2. Departments, Entities and components within Provincial Treasury must forward their inputs via e-mail to the Provincial Treasury (Accounting) **one month before the ASB due date below**. A Task Team has been established from representatives of departments to analyse and critically comment on the ED's issued by the ASB. The Task Team would also appreciate any upfront inputs that you would like to make, prior to the due date, so that a consolidated input could be forwarded to the ASB.

The ASB due date is as follows:

Comment on ED's 38 to 43: **31 October 2007**

3. Copies of the exposure drafts can be downloaded from the ASB web site <http://www.asb.co.za>, however electronic copies of the ED's will be forwarded via email to Departments, Entities and components within Provincial Treasury.
4. Please e-mail inputs to the Provincial Treasury, Directorate Accounting, Mr. Neil Schippers: Nschippe@pgwc.gov.za

BACKGROUND AND SPECIFIC QUESTIONS RAISED BY THE ASB

5. The ASB requires that respondents express an overall opinion on whether they support the exposure draft in general and supplement this opinion with detailed comments, whether supportive or critical, on the principles in the exposure draft. Respondents are also invited to provide detailed comments identifying the specific paragraphs to which the comments relate, explaining the issue and suggesting alternative wording, with supporting reasoning, where this is appropriate.

In developing these exposure drafts the ASB has adopted the International Public Sector Accounting Standards (IPSAS), amended by the following:

- The legislative framework applicable in South Africa.
- Recent developments in pronouncements issued by other authoritative accounting standard setters.


Specific Matters for Comment in the Exposure Draft on Revenue from Non-Exchange Transactions (Taxes and Transfers)

- The proposed Standard of GRAP encourages but does not require the disclosure of the nature and type of major classes of services in-kind received, including those not recognised (Paragraph .106). Do you agree with this approach or should the Board require the disclosure of services in-kind?
- Appendix B contains illustrative examples to assist in clarifying the meaning of the principles contained in the proposed Standard. Do these examples reflect the South African context? If not how would you modify them and why?

Other matters

As with any ASB exposure draft, comments on any other matter are welcomed. Comments are most helpful if reference is made to a specific paragraph or group of paragraphs.

6. Thank you for your co-operation.


SENIOR MANAGER: ACCOUNTING
DATE: 6/8/2007