



# PROVINCIAL TREASURY

Provincial Government of the Western Cape

PROVINCIAL GOVERNMENT: ACCOUNTING SERVICES

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REFERENCE: T 7/2/1  
ENQUIRIES: N van Niekerk

## TREASURY CIRCULAR NO. 11 /2011

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  
THE SPEAKER: PROVINCIAL PARLIAMENT  
THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT  
ALL OTHER MEMBERS OF PARLIAMENT

For information

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (ADV B GERBER)  
THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MR R HINDLEY)  
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 (MS P VINJEVOLD)  
THE ACCOUNTING OFFICER: VOTE 6: HEALTH (PROF KC HOUSEHAM)  
THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MS K LUBELWANA)  
THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR M TSHANGANA)  
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR T GILDENHUYIS)  
THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MR J FOURIE)  
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 (DR H FAST)

THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR D BASSON)  
THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MR R HINDLEY) (ACTING)  
THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MR A GILDENHUYIS)  
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: HUMAN SETTLEMENTS (MR F DE WET) (ACTING)  
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 (MS BG RUTGERS)  
THE CHIEF FINANCIAL OFFICER: VOTE 14: LOCAL GOVERNMENT (MR F DE WET) (ACTING)

THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE PROVINCIAL DEVELOPMENT COUNCIL (MR E THERON)  
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR C SEPTEMBER)  
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE HOUSING DEVELOPMENT BOARD (MR DP DANIELS) (ACTING)  
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (MS L MEYER)  
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR N FLAATTEN) (ACTING)  
THE CHIEF EXECUTIVE OFFICER: CAPE TOWN ROUTES UNLIMITED (DMO) (MR C GILFELLAN)  
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS J MOLELEKI)  
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LANGUAGE COMMISSION (MS J MOLELEKI)  
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE HERITAGE COMMISSION (MS J MOLELEKI)  
THE CHIEF EXECUTIVE OFFICER: CASIDRA (MS T MLONYENI) (ACTING)  
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR BOARD (MR B ROBERTS)

THE CHIEF FINANCIAL OFFICER: WESTERN CAPE PROVINCIAL DEVELOPMENT COUNCIL (MR A SABAN)  
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR P ABRAHAMS)  
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE HOUSING DEVELOPMENT BOARD (MR D BASSON)  
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (MR A PRESTON)  
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR W DE JONGH) (ACTING)  
THE CHIEF FINANCIAL OFFICER: CAPE TOWN ROUTES UNLIMITED (DMO) (MR H BONESCHANS)  
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS B RUTGERS)  
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LANGUAGE COMMISSION (MS B RUTGERS)  
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE HERITAGE COMMISSION (MS B RUTGERS)  
THE CHIEF FINANCIAL OFFICER: CASIDRA (MR F VAN ZYL)  
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LIQUOR BOARD (MS M ABRAHAMS)



THE HEAD OFFICIAL: PROVINCIAL TREASURY (DR JC STEGMANN)  
 THE HEAD: BRANCH FISCAL AND ECONOMIC SERVICES (MR H MALILA)  
 THE HEAD: BRANCH GOVERNANCE AND ASSET MANAGEMENT (MR TC ARENDSE)  
 THE HEAD: PUBLIC POLICY SERVICES (MR A PHILLIPS)  
 THE HEAD: PUBLIC FINANCE (MR H MALILA) (PRO TEM)  
 THE HEAD: FINANCIAL GOVERNANCE (MR A REDDY) (ACTING)  
 THE HEAD: ASSET MANAGEMENT (MS N EBRAHIM) (ACTING)  
 THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYS)  
 THE SENIOR MANAGER: ACCOUNTING SERVICES: PROVINCIAL GOVERNMENT (MR A REDDY)  
 THE SENIOR MANAGER: ACCOUNTING SERVICES: LOCAL GOVERNMENT (MR A REDDY) (PRO TEM)  
 THE SENIOR MANAGER: CORPORATE GOVERNANCE (MR B VINK)  
 THE SENIOR MANAGER: BUDGET MANAGEMENT: PROVINCIAL GOVERNMENT (MS M SHERATON)  
 THE SENIOR MANAGER: BUDGET MANAGEMENT: LOCAL GOVERNMENT (MR ML BOOYSEN)  
 THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (MS A PICK)  
 THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP ONE) (MR F SABBAT)  
 THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP TWO) (MR M SIGABI)  
 THE SENIOR MANAGER: PUBLIC FINANCE POLICY RESEARCH AND MODELLING (MS C HORTON)  
 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 FINANCE MINISTRY (MS A SMIT)  
 THE PROVINCIAL AUDITOR  
 MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT

## IMPLEMENTATION OF STANDARDS OF GENERALLY RECOGNISED ACCOUNTING PRACTICES EFFECTIVE FROM 1 APRIL 2012

### Purpose

1. The purpose of this circular is to ensure that Public Entities develop Generally Recognised Accounting Practices (GRAP) Implementation Plans to ensure that annual financial statements for 2012/13, comply with the new Standards of GRAP.

### Background

2. A Notice was published in the Government Gazette (No. 33991) on 2 February 2011 indicating the effective date of 5 Standards of GRAP for public entities, constitutional institutions, municipalities and municipal entities.
3. The following Standards of GRAP will apply from 1 April 2012:

Reference	Topic
GRAP 21	Impairment of Non- cash-generating Assets
GRAP 23	Revenue from Non-exchange Transactions (Taxes and Transfers)
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 26	Impairment of Cash-generating Assets
GRAP 103	Heritage Assets

4. In preparing for the adoption of these Standards of GRAP, it is important that public entities consider the transitional provisions which are outlined in Directive 2, as well as the prescripts of Directive 5 on the GRAP reporting framework that is updated annually and Directive 7 on the application of deemed cost on the adoption of standards of GRAP.
5. The above Standards, Directives and Executive summaries and frequently asked questions on each of the standards listed above are available on the Accounting



Standard Board's (ASB's) website at (<http://www.asb.co.za>).

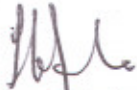
## Required

6. Entities must introduce the abovementioned standards of GRAP with effect from 1 April 2012. This implies that entities must report in terms of these standards at the end of the 2012/13 financial year. Paragraph 10 of Directive 5 states that, when an effective date has been determined for GRAP standards, entities are permitted to adopt the standards of GRAP and /or any related Interpretations of Standards of GRAP earlier than the date specified.
7. To facilitate this, entities must compile an implementation plan and submit it to the Provincial Treasury, Provincial Government Accounting Services, by 31 August 2011. Thereafter entities must submit their progress reports together with the IYM reports. The OAG's website should be consulted for further developments in this regard at (<http://oag.treasury.gov.za>).
8. Annexure 1 provides the format of an action plan.
9. The Chief Financial Officer (CFO), or equivalent, within each entity should ensure that the entity meets its responsibilities under the GRAP Implementation Plan. This should include:
  - ◆ Raise awareness of changes and implications of adopting Standards of GRAP.
  - ◆ Determine the relevant Standards of GRAP that will impact on the Entity.
  - ◆ Assess the implications of the Standards of GRAP adoption on:
    - values presented in budgets and financial reports;
    - financial management systems, processes and policies; and
    - capacity, e.g. training needs and workloads over the implementation period.
  - ◆ Ensure all relevant staff are fully informed of the changes associated with the implementation of the standards of GRAP.
  - ◆ Consult on any significant financial reporting impacts of the Standards of GRAP with Provincial Treasury when required.
  - ◆ Adapt the systems, internal Standard Chart of Account items, and financial reporting to accommodate the requirements of the Standards of GRAP.
  - ◆ Restate the 31 March 2012 Statement of Financial Position on the basis of the new Standards of GRAP.
  - ◆ Prepare 2012/13 interim and annual financial statements on the basis of the new Standards of GRAP.
  - ◆ Review and amend financial, reporting and budget systems, as required.

- ◆ Advise Provincial Treasury on progress in implementing Standards of GRAP.

### Way forward

10. Throughout the implementation period, the Provincial Treasury, Provincial Government Accounting Services, will monitor the progress of entities in implementing the standards, against the implementation plans. The main focus of the progress review will be to identify and assess any new information or new issues that would affect the implementation of the standards and to fine tune implementation plans.



**Provincial Accountant-General**

DATE: 31/03/2011



Annexure 1

**GRAP IMPLEMENTATION PLAN FOR PUBLIC ENTITIES W.E.F 1 APRIL 2012**

Name of Entity		Date Completed	
Name of Preparer		Financial Period	
Contact Details		Contact Number	

	Issues to be Addressed	Target Date	Progress	Person Responsible

Financial Reporting Standard	Milestones to be achieved to comply with Standard	Target Date	Progress	Person Responsible
GRAP 21- Impairment of Non-Cash-Generating Assets				
GRAP 103- Heritage Assets				
GRAP 23				

Signature Accounting Officer:

Date:

Signature Chief Financial Officer:

Date: