



**Western Cape
Government**

Provincial Treasury

Boniswa Lurwayi
Provincial Government Accounting and Compliance
Email: Boniswa.Lurwayi@westerncape.gov.za
Tel: +27 21 483 8835

Reference: T7/2/1

TREASURY CIRCULAR NO...3/2014

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

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 (MR 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 (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 (MS N PETERSEN)

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: HUMAN SETTLEMENTS (MR F DE WET)

THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR T GILDENHUYS)

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 (MS B SEWLALL-SINGH)

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 Z HOOSAIN)

THE HEAD: PUBLIC POLICY SERVICES (MR A PHILLIPS)

THE HEAD: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS JD GANTANA)

THE HEAD: LOCAL GOVERNMENT PUBLIC FINANCE (MR F SABBAT) (ACTING)

THE HEAD: ASSET MANAGEMENT (MR IG SMITH)

THE HEAD: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)

THE HEAD: OFFICE OF THE FINANCE MINISTRY (MS T EVANS)

THE SENIOR MANAGER: BUSINESS INFORMATION AND DATA MANAGEMENT (MR PP PIENAAR)

} For information

THE SENIOR MANAGER: FINANCIAL GOVERNANCE (MR B VINK)
THE SENIOR MANAGER: FISCAL POLICY (MR A PHILIPS) (PRO TEM)
THE SENIOR MANAGER: INFRASTRUCTURE (MS JD GANTANA) (PRO TEM)
THE SENIOR MANAGER: LOCAL GOVERNMENT ACCOUNTING (MS N OLIPHANT)
THE SENIOR MANAGER: LOCAL GOVERNMENT BUDGET OFFICE (MR ML BOOYSEN)
THE SENIOR MANAGER: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR F SABBAT)
THE SENIOR MANAGER: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR M SIGABI)
THE SENIOR MANAGER: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN) (ACTING)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT ACCOUNTING (MR A REDDY)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS M KORSTEN)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS N EBRAHIM)
THE SENIOR MANAGER: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS A SMIT)
THE SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE)
THE PROVINCIAL AUDITOR
MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT
THE DEPUTY DIRECTOR-GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

ACCOUNTING STANDARDS BOARD (ASB) – INVITATION TO COMMENT ON THE PROPOSED INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARD BOARD’S RECOMMENDED PRACTICE GUIDELINE ON REPORTING SERVICE PERFORMANCE INFORMATION (ASB EXPOSURE DRAFT 121).

Purpose

- 1 The purpose of this circular is to seek comments on Exposure Draft 121 issued by the Accounting Standards Board.

Background

1. The ASB issued Exposure Draft 121 to obtain comments on Exposure Draft 54 of the IPSASB.
2. ED 54 builds on a consultation paper issued in 2011 and provides good practice guidelines on reporting service performance information. Development of ED 54 reflects the IPSASB’s commitment to addressing public sector-specific reporting issues, including those that relate to information additional to the financial statements.
3. In setting Standards of GRAP, the Accounting Standards Board develops its pronouncement using those of the IPSASB. It is therefore very important for the Board to receive comment on the proposals set out in the proposed RPG based on the South African experiences. As a result, the Board approved the concurrent exposure of the international RPG, issued by the IPSASB.

Action required

4. The Accounting Standards Board welcomes any comments from preparers, users, auditors, standard-setters and other parties with an interest in public sector financial reporting.
5. It is required of respondents to express an opinion on whether the EDs, in general, is supported and supplements this opinion with detailed comments, whether supportive or critical on the principles in the ED's.
6. **Invitation to comment on specific matters** as set out in this Exposure Draft 121: Practice Guideline on Reporting Service Performance Information

Specific Matter for Comment 1:

Do you generally agree with the proposals in the ED? If not, please provide reasons.

Specific Matter for Comment 2:

Do you agree with the definitions in paragraph 8? If not, how would you modify them?

Specific Matter for Comment 3:

Do you agree that the ED adequately addresses reporting of service performance information by entities at different levels within government, including situations where a controlling entity reports service performance information that encompasses that provided by controlled entities? If not, how would you modify the ED's coverage of this?

Specific Matter for Comment 4:

Do you agree that service performance information should:

(a) Be reported annually; and;

(b) Use the same reporting period as that for the financial statements?

If not how would you modify the ED's provision on these two matters?

Specific Matter for Comment 5:

Do you agree with the ED's proposed principles for presentation of service performance information (see paragraphs 31 to 39)? If not, how would you modify them?

Specific Matter for Comment 6:

Do you agree with:

(a) The factors identified for consideration when deciding whether to present service performance information as part of a report that includes the financial statements or in a separately issued report (see paragraphs 41 to 42); and

(b) The additional information to present when reporting service performance information in a separately issued report (see paragraph 43)?

If not, how would you modify them?

Specific Matter for Comment 7:

Do you agree with the ED's proposed approach to presentation of service performance information within a report which:

(a) Provides scope for entities or jurisdictions to decide how to present information, applying the presentation principles in the ED and further considerations applicable to this decision; and

(b) Does not specify one particular style of presentation such as, for example, a statement of service performance?

If not how would you modify this approach?

Specific Matter for Comment 8:

Do you agree with the ED's identification of service performance information that:

(a) Should be "displayed", where information selected for display should communicate the key messages in a general purpose financial report (see paragraph 50 to 51);

(b) Should be disclosed as part of narrative discussion and analysis (see paragraph 70 to 77); and,

(c) Should be considered for disclosure as part of the basis for the service performance information reported (see paragraph 80).

If not, how would you modify the ED's identification of information for display and for disclosure?

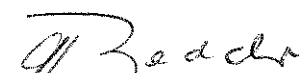
Specific Matter for Comment 9:

Do you agree with:

- (a) The ED's approach of providing principles and guidance on the identification of the type of performance indicators that entities present, rather than requiring entities to report on particular types of performance indicators, for example outcomes or outputs; and
- (b) The guidance and principles that the ED provides with respect to choice of performance indicators?

If not, how would you modify the description of performance indicators that should be presented and/or the guidance on selection of performance indicators?

- 7. The Accounting Standard Board (ASB) would welcome comments on all matters discussed in this Exposure Draft. Comments are most helpful if they indicate the specific paragraph or groups of paragraphs to which they relate, contain a clear rationale and where applicable, provide a suggestion for alternative wording.
- 8. Entities and departments should please forward their comments in writing using the **Annexure A provided**, to Ms Boniswa.Lurwayi@westerncape.gov.za **by no later than 30 April 2014** in order to enable **Provincial Accounting Service** to consolidate and provide inputs to the **Accounting Standards Board** by **16 May 2014**.
- 9. Thank you for your co-operation.



SENIOR MANAGER: PROVINCIAL ACCOUNTING SERVICES AND COMPLIANCE

DATE: 21/02/2014

Annexure A: Template to comment on this Exposure Draft

Exposure Draft 121: Practice Guideline on Reporting Service Performance Information		
Name of department or Entity:		
Respondent's name and surname:		
Designation:		
Contact no# and email address:		
Specific matter for comment	Comments	Suggestion (where relevant)

General comments:

Signature of respondent:

Date: