

Reference: RCS/C.6

Private Bag X9165
CAPE TOWN
8000

TREASURY CIRCULAR NO. 17/2020

THE PREMIER
THE MINISTER OF AGRICULTURE
THE MINISTER OF COMMUNITY SAFETY
THE MINISTER OF CULTURAL AFFAIRS AND SPORT
THE MINISTER OF EDUCATION
THE MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES
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 EXECUTIVE AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MINISTER D MAYNIER)
THE EXECUTIVE AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (MINISTER A BREDELL)
THE EXECUTIVE AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MINISTER D MAYNIER)
THE EXECUTIVE AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (MINISTER D MAYNIER)
THE EXECUTIVE AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MINISTER A MARAIS)
THE EXECUTIVE AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MINISTER A MARAIS)
THE EXECUTIVE AUTHORITY: WESTERN CAPE HERITAGE (MINISTER A MARAIS)
THE EXECUTIVE AUTHORITY: CASIDRA (MINISTER IH MEYER)
THE EXECUTIVE AUTHORITY: WESTERN CAPE LIQUOR AUTHORITY (MINISTER A FRITZ)

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (MR H MALILA)
THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MR R ADAMS)
THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MR D SAVAGE)
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 K CLOETE)
THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (DR R MACDONALD)
THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MS J SAMSON)
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 (DR M SEBOPETSA)
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)

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 (MS A SMIT)
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 S KAYE)
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 (MS O SAMUELS)
THE CHIEF FINANCIAL OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (ADV. C SMITH)
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)

For information

THE ACCOUNTING AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MR D LAKAY)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (PROF. G MANEVELDT)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR B FIGAJI)
 THE ACCOUNTING AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (DR J STEGMANN)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MS J MOLELEKI)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MS J MOLELEKI)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE HERITAGE (MR M DLAMUKA)
 THE ACCOUNTING AUTHORITY: CASIDRA (MR A MOOS)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE LIQUOR AUTHORITY (ADV. T SIDAKI)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR P ABRAHAMS)
 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 (MS K BEUKES)
 THE CHIEF EXECUTIVE OFFICER: CASIDRA (MR A SEYMOUR)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR AUTHORITY (ADV L PETERSEN) (ACTING)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MS Z SIWA)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (MR M BHAYAT)
 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)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS B RUTGERS)
 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 (MR S GCWABE)
 THE DIRECTOR: GOVERNMENT MOTOR TRANSPORT (MR R WIGGILL)
 THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR D SAVAGE)
 THE DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES (MR AA PHILLIPS) (ACTING)
 THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MS J GANTANA)
 THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (MR M BOOYSEN) (ACTING)
 THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS A PICK) (ACTING)
 THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (VACANT)
 THE CHIEF DIRECTOR: ASSET MANAGEMENT (MR IG SMITH)
 THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)
 THE CHIEF FINANCIAL OFFICER (MS A SMIT)
 THE HEAD: OFFICE OF THE FINANCE MINISTRY (MS C GREEN)
 THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR P PIENAAR)
 THE DIRECTOR: FINANCIAL GOVERNANCE (MS M VAN NIEKERK)
 THE DIRECTOR: FISCAL POLICY (DR N NLEYA)
 THE DIRECTOR: INFRASTRUCTURE (MR K LANGENHOVEN)
 THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (VACANT)
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR D CRONJE) (ACTING)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR C MAPEYI)
 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 (VACANT)
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS T VAN DE RHEEDE) (ACTING)
 THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK) (PRO TEM)
 THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS N EBRAHIM)
 THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS N ISMAIL)
 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)

GUIDELINES: 2019/20 BOOK CLOSURE AND ANNUAL FINANCIAL STATEMENTS

PURPOSE

1. To provide **direction and guidance** to Accounting Authorities (AAs) and Chief Financial Officers (CFOs) of public and trading entities with the book-closure and compilation of the annual financial statements process for the year ending **31 March 2020**.
2. This circular replaces Treasury Circular 9 of 2019 dated 8 March 2019, in its entirety.

BACKGROUND

3. To ensure synergy with the annual financial statement process and the annual reporting process it is imperative that public and trading entities read **National Treasury Circular: 2020 Financial Year End Procedures, Closure and Submission Date for All Public Finance Management Act (PFMA) Compliant institutions dated 17 February 2020 (Annexure 1)**.
4. The 2019/20 financial year reporting framework is covered by **ASB Directive 5** on GRAP Standards and Interpretations effective and adopted for 2019/20. (**Annexure 2** and **Annexure 2.1**)
5. Any further changes and developments on GRAP standards will be communicated to public and trading entities.

LEGAL FRAMEWORK

6. In terms of sections 55(1)(b), (c) & (d) of the Public Finance Management Act (PFMA) (Act 1 of 1999), the accounting authority for a public entity –

“(b) prepare financial statements for each financial year in accordance with general accepted accounting practice, unless the Accounting Standards Board approves the application of general recognised accounting practice for that public entity.

(c) must submit those financial statements within two (2) months after the end of the financial year,

(i) the auditors of the public entity for auditing; and

(ii) if it is a business enterprise or other public entity under the ownership control of the national or provincial government, to the relevant treasury; and”

(d) must submit within five (5) months after the end of the financial year to the relevant treasury, to the executive authority responsible for that public entity and, if the Auditor-General did not perform the audit of the annual financial statements, to the Auditor-General.

(i) an annual report on the activities of the public entity during that financial year;

(ii) the financial statements for that financial year after those statements have been audited; and

(iii) the Auditor-General's report on those statements”

ANNUAL FINANCIAL STATEMENTS

7. The Annual Financial Statements of Public/Trading Entities must be prepared in terms of the applicable GRAP Reporting Framework for 2019/20 and any guidance provided by National Treasury. This is contained in Directive 5 determining the GRAP Reporting Framework issued by the Accounting Standards Board. Directive 5 outlines the list of standards and other pronouncements that must be applied by public and trading entities in preparing their financial statements. The appendices to Directive 5 outline the specific Standards and pronouncements to be applied by public and trading entities for a particular reporting period. It, *inter alia* includes the Standards of GRAP which were revised as well as the IGRAPs that must be complied with. These documents are available on the ASB website: <http://www.asb.co.za>.

Comparative figures (2018/19)

- Comparative (2018/19) figures must be restated to conform to changes in the presentation of the 2019/20 AFS as prescribed by GRAP, where appropriate. PT requires entities to submit their comparative AFS information as loaded on the 2019/20 AFS template before or on 30 April 2020 (Electronic copy of Excel template). Note, this date is subject to change pending further pronouncements on the lockdown period. PT will check the comparative AFS information against the published AFS to identify any changes that may require further explanations.

Audit Working File

- It is important that an Audit Information File be made available for audit purposes. The necessary working/supporting documentation and calculations must be available for audit purposes.
- A combined AFS review session with Public and Trading Entities will be conducted in the third week of June 2020 (pending the lockdown period) to discuss and seek resolutions for the 2019/20 AFS issues. To improve the quality of information in the 2019/20 AFS, PT requires all GRAP institutions to submit their AFS in **an electronic copy (Excel) and Word on or before Friday, 19 June 2020**. A review will be performed on the submitted documents, and feedback will be provided before the final submission date of 30 June 2020.

Submission to the AGSA and PT (Unaudited)

- On Tuesday, 30 June 2020 or on Friday, 31 July 2020 if lockdown period extended, (per Government Gazette, Vol. 657, 31 March 2020, No. 43188, National Treasury No. 437)** Public and Trading Entities must submit their unaudited AFS to both the Auditor-General and to Provincial Treasury, in both Excel and Word formats. GRAP compliant institutions are required to submit:
 - Confirmation certificate signed by the AA/CFO; **(Annexure 3)**
 - 3 hard copies (Word); and
 - Dropped in the following shared folder: - <http://lift.pgwc.gov.za/>
 - If accessibility to the above share folder is an issue, alternative online arrangements will be made.

Submission to PT (Audited)

- On Monday, 31 August 2020 or on Wednesday, 30 September 2020 if the lockdown period is extended, (Per government gazette, vol. 657, 31 March 2020, no. 43188, National Treasury No. 437),** Public and Trading entities must submit their audited AFS to Provincial Treasury in both Excel and Word formats. GRAP compliant institutions are required to submit:
 - Confirmation certificate signed by the AA/CFO;
 - 3 hard copies (Word stamped by AGSA); and
 - Dropped in the following shared folder: - <http://lift.pgwc.gov.za/>
 - If accessibility to the above share folder is an issue, alternative online arrangements will be made.
 - External confirmation certificate from AGSA to confirm review of AFS Excel template.

Audit Process

13. Public and Trading Entities are encouraged to correct immaterial misstatements in the AFS as these may impact on the consolidated AFS.

Condonation of Irregular Expenditure

14. Note that all requests for condonation has been delegated to Provinces, and any such requests must be sent to PT after having followed due process.


Officials requiring assistance on accounting and/or audit issues must address them to PT.helpme@westerncape.gov.za.

PT OFFICIALS

15. The following officials may be contacted for assistance during this process:

Department/Entity	Name	Telephone number	E-mail address
Wesgro SBIDZ	Shaun Manuel	(021)483-6600	Shaun.Manuel@westerncape.gov.za
Cultural Commission Language Commission Heritage	Neil Schippers	(021)483-8666	Neil.schippers@westerncape.gov.za
GMT WCGRB	Yolanda Solomons	(021)483-6415	Yolanda.solomons@westerncape.gov.za
Casidra Liquor Authority	Loyiso Faniso	(021)483-5171	Loyiso.Faniso@westerncape.gov.za
CapeNature	Vurge van Rayner	(021)483-4583	Vurge.vanRayner@westerncape.gov.za
Annual Consolidated Financial Statements	Claire La Vita	(021)483-5427	Claire.LaVita2@westerncape.gov.za

Your co-operation in this regard would be highly appreciated.



MR A HARDIEN
PROVINCIAL ACCOUNTANT-GENERAL

DATE: 31 March 2020



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

TO ALL : ACCOUNTING OFFICERS OF DEPARTMENTS
: ACCOUNTING OFFICERS OF CONSTITUTIONAL INSTITUTIONS
: ACCOUNTING AUTHORITIES OF PUBLIC ENTITIES LISTED IN
SCHEDULES 2, 3A AND 3B TO THE PFMA
: HEAD OFFICIALS OF PROVINCIAL TREASURIES

CIRCULAR: 2020 FINANCIAL YEAR END PROCEDURES, CLOSURE AND SUBMISSION DATES FOR ALL PUBLIC FINANCE MANAGEMENT ACT (PFMA) COMPLIANT INSTITUTIONS.

1. PURPOSE

Section 40 and 55 of the Public Finance Management Act (PFMA) (Act 1 of 1999) requires Accounting Officers of departments and Accounting Authorities of public entities to prepare and submit Annual Financial Statements (AFS) and Annual Reports to the relevant treasury, the Auditor General of the South Africa (AGSA) and the Executive Authority. This circular serve to remind:

- Accounting Officers (AO) and Accounting Authorities (AA) of departments, constitutional institutions and public entities of important financial year end procedures and closure/submission dates relating to the preparation and auditing of AFS and preparation of Annual Reports (AR) where such institutions have 31 March as their financial year end, and
- Accounting Authorities of entities with a financial year end **other than** 31 March of important financial year end procedures and submission dates relating to preparation and auditing of AFS and preparation of AR.

2. FINANCIAL YEAR END CLOSURE AND SUBMISSION DATES FOR NATIONAL AND PROVINCIAL DEPARTMENTS

Annexures A and **B** stipulate the submission dates for the above mentioned institutions.

Table 1

FINANCIAL YEAR END AND ACCOUNTING CLOSURE FOR NATIONAL AND PROVINCIAL DEPARTMENTS		
ACTION	DATE	RESPONSIBILITY
Financial Year end closure		
<i>March 2020 Reporting to Vulindlela</i>	<i>08 April 2020</i>	Accounting Officer
<i>March 2020 – Preliminary</i>	<i>30 April 2020</i>	Accounting Officer

Whilst the above dates represent the latest time periods, earlier closure is always encouraged. Departments on BAS are required to perform their preliminary closure for March 2020 in accordance with BAS notice number 1 of 2019 as well as in accordance with Treasury Instruction 2 of 2018/19 which is available on the National Treasury website on the following link:

<http://www.treasury.gov.za/legislation/pfma/TreasuryInstruction/AccountGeneral.aspx>

The National Treasury does not prescribe accounting closure dates for Entities at this stage. Institutions that have 31 March 2020 as their financial year end are required to comply with the submission dates as prescribed by the PFMA and/or Treasury Regulations. **Refer to Annexure A.**

Institutions that have year ends other than 31 March 2020 are required to comply with the submission dates as prescribed by the PFMA and/or Treasury Regulations. **Refer to Annexure B.**

3. SPECIMEN AFS, AFS EXCEL TEMPLATES, MODIFIED CASH STANDARD AS WELL AS ACCOUNTING MANUAL FOR DEPARTMENTS

Departments and Entities can access the specimen AFS, Excel Template, the Modified Cash Standard (MCS) and the Accounting Manual for Departments (AMD) by following the links on the Office of the Accountant General's Website as illustrated in **Annexure C.**

4. IMPLEMENTATION PLANS ON AUDIT OUTCOMES (2019/20)

In December 2008, Cabinet passed a resolution that supported the need for accounting officers and accounting authorities to immediately implement recommendations contained in the AGSA's management letters for the past financial year. Cabinet also noted National

Treasury's request for institutions to provide corrective steps to be taken to address concerns raised in their audit reports on an annual basis.

It is therefore a requirement for all PFMA compliant institutions to submit implementation plans (corrective plans) detailing how the institutions plan to correct matters raised in their audit report.

For National Institutions, the implementation plans should be submitted, in the format prescribed by the National Treasury, to the relevant cluster manager by no later than 30 November 2020. For Provincial institutions, the implementation plans should be submitted to the relevant Treasury by no later than 30 November 2020.

5. ADDITIONAL NOTES

Accounting Officers and Accounting Authorities should take note of the following:

Accuracy of Information

- In terms of sections 40(1)(c) and 55(1)(c) of the PFMA, financial statements submitted to the AGSA and relevant treasury must be complete and accurate. Failure to submit accurate AFS constitutes non-compliance with the aforementioned sections of the PFMA and may be seen as an act of Financial Misconduct in terms of Section 81 and 83 of the PFMA.

.Misstatements by departments/entities

- Should there be misstatements that were identified during the audit process, the affected departments and entities must correct these. We urge departments and entities to also correct immaterial misstatements as these may have an impact on the consolidated AFS prepared by the relevant treasury.

Inter-departmental balances

- The consolidation process for departments requires the elimination of inter-departmental balances of advances received/paid. This elimination is based on information recorded by departments in annexures 8A and 8B. The National Treasury would therefore like to urge the departments to ensure that inter departmental balances are complete and accurately recorded in these annexures based on confirmed balances with the counter department. Departments are also requested to ensure that information is recorded under the correct headings in these annexures and that these balances are between departments and that no public entities balances are included. Departments are

therefore requested to follow up on these differences and ensure that accurate and complete figures are confirmed and recorded in 2019/20 financial year end.

Inter-entity transactions and balances

- Similarly, the consolidation process for public entities requires the elimination of inter-entity transactions and balances. The entity consolidation AFS template contains an “inter-entity” sheet where inter-entity transactions and balances should be recorded completely and accurately.

Final AFS templates and other documents submission

- Where institutions do not submit a final audited AFS template that agrees to published AFS by the 31 July 2020, together with the other required documentation, the relevant treasury will record the submission as late and all late recordings will be disclosed in the consolidated financial statements.
- Submissions by Provincial Institutions should follow relevant Provincial circulars.
- Submission to the relevant treasury means relevant cluster managers at the Office of Accountant General (OAG) for National Institutions or relevant contacts at the PAG offices for Provincial Institutions.

Other matters

- It is the responsibility of the Executive Authority to advise the relevant treasury of any entity under its ownership or control that the relevant treasury may not be aware of. All public institutions under the control of government must be consolidated.
- Accounting Officers and Authorities who are unable to comply with any of the submission requirements of this circular must promptly report that inability together with reasons to the relevant treasury. This requirement to report is in line with section 40(5) and 51(2) of the PFMA, and does not absolve an entity of its responsibility.
- The accounting framework to be used for departments is Modified Cash Standard (MCS), while, the reporting framework for schedules 1, 3A and 3C (including unlisted entities) public entities is Generally Recognised Accounting Practice (GRAP). Government business enterprises that meet the criteria, apply IFRSs. The entities' AFS template for 2019/20 is a GRAP compliant template and entities are required to complete and submit the template in line with the Consolidation Group Instructions for 2019/20 issued by OAG and available on the OAG website.

2019/20 FINANCIAL YEAR END PROCEDURES, CLOSURE AND SUBMISSION DATES

It is imperative for PFMA compliant institutions to adhere to the requirements of this circular, especially those requirements relating to the submission of audited AFS. This will assist the NT in compiling the consolidated AFS as prescribed by Section 8(1)(a) of the PFMA.

6. CONTACT DETAILS

National Departments, Constitutional Institutions, National Trading Entities and National Public Entities

National Institutions that require further information and clarity on the contents of this circular and any issue relating to the preparation, submission and audit of AFS and AR should contact the relevant cluster manager as detailed below:

CLUSTER	CONTACT NAME	TELEPHONE
SOCIAL SERVICES	Thomas Matjeni	(012) 315 5792
	Nthua Motlhala	(012) 315 5244
JUSTICE AND PROTECTION SERVICES	Star Ngozi	(012) 315 5763
	Musa Ndlovu	(012) 315 5741
ECONOMIC SERVICE AND INFRASTRUCTURE DEVELOPMENT	Esther Magopa	(012) 315 5281
	Andrea Wolfaardt	(012) 406 9091
CENTRAL GOVERNMENT ADMINISTRATION	Thokozile Motsweni	(012) 315 5233
FINANCIAL AND ADMINISTRATIVE SERVICES	Keitumetse Malebye	(012) 315 5989
	Gomotsegang Tsatsimpe	(012) 395 6542

All submissions by National Institutions relating to this circular must be submitted via the relevant OAG cluster managers.

Provincial Departments and Provincial Public and Trading Entities

Provincial Institutions that have to submit information to the relevant treasury and require further information or clarity on the contents of this circular and any issue relating to the preparation, submission and audit of AFS and AR should contact the relevant provincial treasury.


KAREN MAREE
ACTING ACCOUNTANT-GENERAL
DATE: 17/02/2020

2019/20 FINANCIAL YEAR END PROCEDURES, CLOSURE AND SUBMISSION DATES

ANNEXURE A

SUBMISSION DATES – PUBLIC INSTITUTIONS WITH 31 MARCH YEAR END			
ACTION	PFMA/ TR	DATE	RESPONSIBILITY
Commence preparation of AFS	40(1)(b) & 55(1)(b)	1 April 2020	Accounting Officer/Accounting Authority
Submit prepared AFS and AFS template to external auditor and relevant Treasury: <ul style="list-style-type: none"> ▪ Electronic copy on CD or USB ▪ Hard copy, duly signed off by the AO/AA or CFO Additional instructions included in Consolidation Group Instructions for 2019/20.	40(1)(c) & 55(1)(c)	31 May 2020	Accounting Officer/Accounting Authority
Submission of draft Annual Report (including performance information and report of Accounting Officer) to external audit for final review.	41 & 51(1)(f) & 76	29 May 2020	Accounting Officer
Submission of the Audited AFS to the Audit committee for final evaluation	Treasury Regulation 3.1.13(c)	Preferably by 15 July 2020	Accounting Officer/Accounting Authority
Submit final and audited AFS template to the relevant Treasury as follows: <ul style="list-style-type: none"> ▪ Electronic copy on CD or USB ▪ Hard copy, duly signed off by the AO/AA or CFO Additional instructions included in Consolidation Group Instructions for 2019/20.	41 & 51(1)(f) & 76 To finalise consolidation on audited figures as per Sec 8.	31 July 2020	Accounting Officer
Submission of Annual report, audited AFS & audit report to relevant Treasury and the executive authority	40(1)(d) & 55(1)(d)	Not later than 31 August 2020	Accounting Officer/Authority
Tabling of Annual report and AFS to Parliament or Relevant Legislature	65(1)(a) & 65(2)	30 September 2020	Executive Authority
Where the Executive Authority fails to table the annual report by 30 September 2020 – Executive Authority must table an explanation to Parliament or Relevant Legislature	65(2)(a)	Immediately after 30 September 2020	Executive Authority

ANNEXURE B

SUBMISSION DATES – PUBLIC INSTITUTIONS WITH FINANCIAL YEAR END OTHER THAN 31 MARCH (30 JUNE)			
ACTION	PFMA	DATE	RESPONSIBILITY
Commence preparation of AFS	55(1)(b)	1 July 2020	Accounting Authority
Submit prepared AFS and AFS template to external auditor and relevant Treasury: <ul style="list-style-type: none"> ▪ Electronic copy on CD or USB ▪ Hard copy, duly signed off by the AO/AA or CFO Additional instructions included in Consolidation Group Instructions for 2019/20.	55(1)(c)	Not later than 31 August 2020	Accounting Authority
Submission of draft Annual Report (including performance information) to external audit for final review.	51(1)(f)	Not later than 31 August 2020	Accounting Authority
Submission of the Audited AFS and AFS template to the Audit committee for final evaluation	Treasury Regulation 3.1.13(c)	Preferably by 14 September 2020	Accounting Authority
Submit final and audited AFS template to the Relevant Treasury as follows: <ul style="list-style-type: none"> ▪ Electronic copy on CD or USB ▪ Hard copy, duly signed off by the AO/AA or CFO Additional instructions included in Consolidation Group Instructions for 2019/20.	To finalise consolidation on audited figures as per Sec 8.	30 September 2020	Accounting Authority
Submission of Annual report, audited AFS & audit report to relevant Treasury and the executive authority	40(1)(d) & 55(1)(d)	Not later than 30 November 2020	Accounting Officer/Authority
Tabling of Annual report and AFS to Parliament or Relevant Legislature	65(1)(a) & 65(2)	30 December 2020	Executive Authority
Where the Executive Authority fails to table the annual report by 31 December 2020 – Executive Authority must table an explanation to Parliament or Relevant Legislature	65(2)(a)	Immediately after 30 December 2020	Executive Authority

ANNEXURE C

Departments can access the specimen AFS, Excel Template and the MCS by following the links on the Office of the Accountant General's Website as illustrated below:

(i) NATIONAL AND PROVINCIAL DEPARTMENTS

Step 1: Go to <http://oag.treasury.gov.za> and then select "**Publications**" from the menu

Step 2: Select "**01. Annual Financial Statements**"

Step 3: Select "**03. For Prov. And Nat. Departments**"

Step 4: Select "**GRAP for Departments for year ending 31 March 2020**".

Step 5: Select the relevant folder and documents

(ii) PUBLIC ENTITIES, CONSTITUTIONAL INSTITUTIONS AND TRADING ENTITIES

Step 1: Follow steps 1 and 2 as for National and Provincial Departments above, then.

Step 2: Select "**04. For Entities**"

Step 3: Select "**For fin. Year ending 31-03-2020**"

Step 4: Select the relevant folder and documents

Please note that the public entity AFS template for 2019/20 will not be published on the OAG website but rather emailed to each entity individually as in previous years.

REPORTING FRAMEWORKS AT A GLANCE – FINANCIAL YEARS COMMENCING ON OR AFTER 1 APRIL 2019

Entity	Reporting framework	Directive 5						
		Appendix in Directive 5	Standards of GRAP	IPSASs	IFRS Standards	Formulating an accounting policy using pronouncements approved, not yet effective	Transitional arrangements	Transitional provisions
National and provincial departments	Modified Cash Standard (MCS)							
Trading entities	Standards of GRAP	C1 and C3	Paragraph C1 – C4, C8 – C10	None.	Paragraph C5	<p><u>Formulate an accounting policy using the following pronouncements:</u></p> <p>GRAP 32, 34 to 38, 108, 109, 110 and IGRAP 17, and Guideline on <i>Accounting for Housing Arrangements Undertaken in terms of the National Housing Programme</i>.</p> <p><u>Choices regarding disclosures in the financial statements:</u></p> <p>An entity must disclose information on related parties. An entity can however continue to use IPSAS 20 (which was required in previous reporting periods), or it can use GRAP 20 to inform these disclosures.</p>	Directive 7	Directive 9, with reference to Directive 2 or 4.
National and provincial public entities (PFMA schedule 3A and 3C)	Standards of GRAP	C1	Paragraph C1 – C4	None.	Paragraph C5	<p><u>Formulate an accounting policy using the following pronouncements:</u></p> <p>GRAP 34 to 38, and 110.</p>	Directive 7	Directive 2
Constitutional Institutions	Standards of GRAP	C1	Paragraph C1 – C4	None.	Paragraph C5		Directive 7	Directive 2
High capacity municipalities	Standards of GRAP	C1 and C2	Paragraph C1 – C4, C7	None.	Paragraph C5		Directive 7	Directive 3
Medium capacity municipalities	Standards of GRAP	C1 and C2	Paragraph C1 – C4, C7	None.	Paragraph C5		Directive 7	Directive 4

Entity	Reporting framework	Directive 5						
		Appendix in Directive 5	Standards of GRAP	IPSASs	IFRS Standards	Formulating an accounting policy using pronouncements approved, not yet effective	Transitional arrangements	Transitional provisions
Low capacity municipalities	Standards of GRAP	C1 and C2	Paragraph C1 – C4, C7	None.	Paragraph C5		Directive 7	Directive 4
Municipal entities	Standards of GRAP	C1 and C2	Paragraph C1 – C4, C7	None.	Paragraph C5		Directive 7	Directive 2
Parliament	Standards of GRAP	C1	Paragraph C1 – C4	None.	Paragraph C5		Directive 7	Directive 8
Provincial legislatures	Standards of GRAP	C1	Paragraph C1 – C4	None.	Paragraph C5		Directive 7	Directive 8
Public TVET colleges ¹	Standards of GRAP	B1	Paragraph B1 – B4	None.	Paragraph B5	Formulate an accounting policy using the following pronouncements: GRAP 34 to 38, and 110.	Directive 7	Directive 10, with reference to Directive 2
Major public entities, national and provincial government business enterprises (PFMA schedule 2, 3B and 3D)	IFRS Standards or Standards of GRAP	Directive 12	Paragraph C1 – C4	None.	Paragraph C5	Formulate an accounting policy using the following pronouncements: GRAP 34 to 38, and 110.	Directive 7	Directive 2
Entities not listed in the PFMA	Standards of GRAP (Public Audit Act)							

Note: The “reporting Framework at a Glance for 2020” should be read in conjunction with any Frequently Asked Questions published on the ASB’s website.

¹ The Minister of Higher Education and Training approved the application of Standards of GRAP by Public TVET Colleges for periods commencing on or after 1 January 2014.



ACCOUNTING STANDARDS BOARD

DIRECTIVE

DETERMINING THE GRAP REPORTING FRAMEWORK

(UPDATED OCTOBER 2018)

(DIRECTIVE 5)

**Issued by the
Accounting Standards Board**

March 2009



Directive 5

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DIRECTIVE ON DETERMINING THE GRAP REPORTING FRAMEWORK

This Directive was originally issued by the Accounting Standards Board (the Board) in March 2009. Since then, it has been amended by:

- Directive 7 *The Application of Deemed Cost on the Adoption of Standards of GRAP* which was issued by the Board in December 2009. Directive 7 has been added to the appendix outlining the GRAP Reporting Framework for periods commencing on or after 1 April 2009.
- An appendix prescribing the GRAP Reporting Framework for financial periods commencing on or after 1 April 2010, approved by the Board on 23 February 2010, has been added.
- Paragraph .06 has been added to the main body of the Directive explaining the approval process for the application of the GRAP Reporting Framework by Parliament. Appendix D has been added, which prescribes the standards and pronouncements applicable to Parliament for financial periods commencing on or after 1 April 2010. With the addition of Appendix D, the application of the Appendices A to C has been clarified by indicating the types of entities that are required to apply them.
- Paragraph .06 and Appendix D were amended to include provincial legislatures.
- Paragraph .01 of Appendix A was amended in April 2011 to reflect the Notices issued by the Minister of Finance in the Government Gazette indicating approval of the adoption of Standards of GRAP by Parliament and the provincial legislatures.
- Appendices prescribing the GRAP Reporting Framework for financial periods commencing on or after 1 April 2011, approved by the Board on 25 February 2011, have been added.
- Appendices prescribing the GRAP Reporting Framework for financial periods commencing on or after 1 April 2012, approved by the Board on 27 March 2012, have been added. In addition, Appendices A to D have been deleted as these relate to earlier reporting periods.
- An appendix prescribing the GRAP Reporting Framework for financial periods commencing on or after 1 April 2013, approved by the Board on 21 February 2013, has been added. In addition, Appendices E and F have been deleted as these relate to earlier reporting periods. An additional appendix has been added and outlines “Statements of GAAP” for application by Government Business Enterprises. References to the Accounting Practices Board have been deleted from the main text and have been replaced with references to the Financial Reporting Standards Council (FRSC). These amendments arise from the promulgation of the new Companies Act in 2009 which establishes the FRSC.

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- Paragraphs .06 and .29 and relevant appendices were amended as a result of Directive 10 *The Application of Standards of GRAP by Technical and Vocational Education and Training Colleges*.
- An appendix prescribing the GRAP Reporting Framework for financial periods commencing on or after 1 April 2014, approved by the Board on 28 March 2014, has been added. In addition, Appendix G has been deleted as this relates to earlier reporting periods. The remaining Appendices have been renumbered.
- An appendix prescribing the GRAP Reporting Framework for financial periods commencing on or after 1 April 2015, approved by the Board on 27 March 2015, has been added. Appendix A has been deleted as this relates to earlier reporting periods, and the remaining Appendices have been renumbered.
- An appendix prescribing the GRAP Reporting Framework for financial periods commencing on or after 1 April 2016, approved by the Board on 3 December 2015, has been added, and the remaining appendix on “GAAP Reporting Framework” has been renumbered. Appendix A outlining the reporting framework for 2014/15 has not been deleted. This is because the reporting period for public TVET colleges is 1 January to 31 December, and they require this appendix in preparing their financial statements for the period 1 January 2015 to 31 December 2015.
- Consequential amendments resulting from the issue of Directive 12 *The Selection of an Appropriate Reporting Framework by Public Entities*.
- An appendix prescribing the GRAP Reporting Framework for financial periods commencing on or after 1 April 2017, approved by the Board on 29 September 2016, has been added. Appendix A outlining the reporting framework for 2014/15 has been deleted. The new and remaining appendices have been renumbered accordingly.
- Following the September 2017 Board meeting:
 - The text was modified following the approval of the IPSASB’s policy on *Convergence with International Standards*.
 - An appendix prescribing the GRAP Reporting Framework for financial periods commencing on or after 1 April 2018 was added.
 - Appendix A outlining the reporting framework for 2015/16 was deleted, and the new and remaining appendices have been renumbered accordingly.
 - Appendix D outlining Statements of GAAP has been deleted.
- Following the September 2018 Board meeting an appendix prescribing the GRAP Reporting Framework for financial periods commencing on or after 1 April 2019 was added. Appendix A outlining the reporting framework for 2016/17 was deleted, and the remaining appendices have been renumbered accordingly.

Introduction

Directive

The Accounting Standards Board (Board) is required in terms of the Public Finance Management Act, Act No. 1 of 1999, as amended (PFMA), to determine generally recognised accounting practice referred to as Standards of Generally Recognised Accounting Practice (GRAP).

The Board must determine GRAP for:

- (a) departments (including national, provincial and government components);
- (b) public entities;
- (c) trading entities (as defined in the PFMA)
- (d) constitutional institutions;
- (e) municipalities and boards, commissions, companies, corporations, funds or other entities under the ownership control of a municipality; and
- (f) Parliament and the provincial legislatures.

The above are collectively referred to as “entities” in Standards of GRAP.

The Board has approved the application of International Financial Reporting Standards (IFRS[®] Standards) issued by the International Accounting Standards Board[®] for:

- (a) public entities that meet the criteria outlined in the Directive on *The Selection of an Appropriate Reporting Framework by Public Entities*; and
- (b) entities under the ownership control of any of these entities.

Section 56 of the Financial Management of Parliament Act (Act No 10 of 2009) requires that Parliament prepares its financial statements in accordance with standards of generally recognised accounting practice. “Standards of generally recognised accounting practice” in that Act means an accounting practice complying with the standards approved by the Minister of Finance on the advice of the Accounting Standards Board.

A similar definition is included in the legislation governing the financial management of each provincial legislature.

Parliament and the provincial legislatures thus apply the Standards of GRAP as issued by the Accounting Standards Board and approved by the Minister of Finance.

Section 89(1)(b) of the PFMA requires the Board to prepare and publish directives and guidelines concerning the Standards of GRAP as set out in section 89(1)(a) of the PFMA. The *Preface to the Standards of GRAP* determines that directives will be used to set transitional provisions and transitional arrangements for the entities required to comply with Standards of GRAP. Directives issued by the Board in terms of section 89(1)(b) of the PFMA therefore have the same authority as the Standards.



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Directives should be read in conjunction with the applicable Standards of GRAP and Interpretations of the Standards of GRAP, as well as the *Preface to the Directives*.

Objective

- .01 The reporting framework comprises the Standards of GRAP, Interpretations of the Standards of GRAP, guidelines and directives issued by the Board and standards and pronouncements of other standard setters that should be applied when entities prepare and present their financial statements in accordance with Standards of GRAP, referred to as the GRAP Reporting Framework elsewhere in this Directive.
- .02 The objective of this Directive is to set out the principles in determining the GRAP Reporting Framework. The aim is to ensure consistent application of the GRAP Reporting Framework by entities that apply Standards of GRAP.

Scope

- .03 This Directive applies to all entities that apply Standards of GRAP.

Effective date

- .04 The Minister of Finance determines the effective dates for Standards of GRAP. This Directive shall be applied for financial periods commencing on or after 1 April 2008 taking into account the applicable effective dates of the Standards published in the relevant Government Gazette.

GRAP Reporting Framework

- .05 The appendices list the standards and pronouncements that form the GRAP Reporting Framework. The appendices will be updated on an annual basis to recognise new Standards of GRAP that have become effective and standards and pronouncements issued by other standard setters.
- .06 The appendices prescribing the GRAP Reporting Framework for:
- public entities, including those entities that do not meet the criteria to apply International Financial Reporting Standards (IFRS[®] Standards) as outlined in the Directive on *The Selection of an Appropriate Reporting Framework by Public Entities* (Directive 12);
 - constitutional institutions;
 - municipalities, municipal entities;
 - trading entities as outlined in the Directive on *The Application of Standards of GRAP by Trading Entities*; and

are amended or issued after following the Board's normal due process.

The Reporting Frameworks for Parliament, the Legislatures and public Technical and Vocational Education and Training (TVET) colleges as outlined in the Directive on *Application of Standards of GRAP by Public Technical and Vocational Education and*

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Training Colleges are amended after following the Board's normal due process and, after obtaining the necessary approval from:

- (a) the Secretary to Parliament and, if relevant, the Speaker of each Legislature in the case of Parliament and the Legislatures; or
- (b) the Minister of Higher Education and Training in the case of the public TVET colleges.

Hierarchy

- .07 The GRAP Reporting Framework is based on the hierarchy outlined in paragraph .11 of the Standard of GRAP on *Accounting Policies, Changes in Accounting Estimates and Errors* (GRAP 3).
- .08 Paragraph .11 states that, in the absence of a Standard of GRAP dealing with a particular transaction or event, the accrual based pronouncements of the following standard setters should be used, in descending order, to develop an appropriate accounting policy. Note, however, that this should only be done to the extent that the requirements are not in conflict with the Standards of GRAP or the *Framework for the Preparation and Presentation of Financial Statements*¹:
 - (a) International Public Sector Accounting Standards Board (IPSASB), including the *Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities*.
 - (b) International Accounting Standards Board (IASB®), including the *Conceptual Framework for Financial Reporting*.
 - (c) Financial Reporting Standards Council (FRSC).

Pronouncements by the Board

Standards of GRAP and Interpretations of the Standards of GRAP

- .09 Standards of GRAP for which the Minister of Finance has determined an effective date form part of the GRAP Reporting Framework.
- .10 Interpretations of the Standards of GRAP form part of the GRAP Reporting Framework based on the effective date specified in the Interpretation. An Interpretation of the Standards of GRAP is only applied if the applicable Standard of GRAP to which it relates has been adopted.
- .11 When an effective date has been determined, entities are permitted to adopt the Standards of GRAP and/or any related Interpretations of the Standards of GRAP earlier than the date specified.

¹ In June 2017, the Board replaced the *Framework for the Preparation and Presentation of Financial Statements* with the *Conceptual Framework for General Purpose Financial Reporting*.

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- .12 Standards of GRAP that have been issued by the Board, but for which an effective date has not yet been determined by the Minister of Finance, may be applied in developing an appropriate accounting policy dealing with a particular transaction or event before applying paragraph .11 of GRAP 3. Interpretations of the Standards of GRAP related to Standards that are not yet effective may also be applied in developing accounting policies.
- .13 Where a Standard of GRAP that forms part of the GRAP Reporting Framework is based on a standard or pronouncement of another standard setter and that standard setter subsequently amends its standards or pronouncements, such amendments shall not form part of the GRAP Reporting Framework.

Directives

- .14 Directives form part of the GRAP Reporting Framework.

Guidelines

- .15 Guidelines form part of the GRAP Reporting Framework.

Application of other pronouncements

Pronouncements of the IPSASB and IASB

- .16 When there is no equivalent Standard of GRAP, an International Public Sector Accounting Standard (IPSAS) or IFRS Standard should be used in formulating an accounting policy, unless:
 - (a) that IPSAS or IFRS Standard is in conflict with the current *ASB Framework for the Preparation and Presentation of Financial Statements*¹ or existing Standards of GRAP; or
 - (b) it is not applicable to entities that currently apply the Standards of GRAP.
- .17 An IPSAS or IFRS Standard, or parts thereof, are in conflict with the *ASB Framework for the Preparation and Presentation of Financial Statements*¹ or Standards of GRAP when they deal with an issue differently to the *ASB Framework for the Preparation and Presentation of Financial Statements*¹ or a Standard of GRAP.
- .18 An IFRS Standard is not applicable to an entity where its scope limits the application to specific circumstances.
- .19 An entity assesses whether an industry specific standard or other standard or pronouncement is applicable based on the transactions and events of the entity.
- .20 Where a Standard of GRAP that has been issued by the Board, but for which an effective date has not yet been determined by the Minister of Finance, is based on an IPSAS or IFRS Standard, that IPSAS or IFRS Standard does not form part of the GRAP Reporting Framework.



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- .21 Where an IPSAS that forms part of the GRAP Reporting Framework is based on a standard or pronouncement of another standard setter and that standard setter subsequently amends its standards or pronouncements, such amendments shall not form part of the GRAP Reporting Framework.

Application of IFRS Standards

- .22 The Board has approved the application of IFRS Standards issued by the IASB for:
- (a) public entities that meet the criteria outlined in Directive 12; and
 - (b) entities under the ownership control of any of these entities.

APPENDIX A: 1 APRIL 2017

This appendix consists of the following three Appendices:

- Appendix A1: Public Entities, Constitutional Institutions and Public TVET Colleges
- Appendix A2: Municipalities and Municipal Entities
- Appendix A3: Trading Entities, Parliament and the Provincial Legislatures

APPENDIX A1: PUBLIC ENTITIES, CONSTITUTIONAL INSTITUTIONS AND PUBLIC TVET COLLEGES

This appendix forms part of this Directive.

This appendix lists the standards and pronouncements that are the GRAP Reporting Framework for public entities, constitutional institutions, and Public TVET Colleges effective for financial periods commencing on or after 1 April 2017 and should be applied as set out in paragraphs .05 and .06 of this Directive.

- A1. Entities are required to apply the Standards of GRAP where the Minister has determined the effective date. The Minister has determined the effective date for the Standards of GRAP outlined below (paragraph .09 of this Directive).

Reference	Topic
GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
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	Interests 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

Reference	Topic
GRAP 17	Property, Plant and Equipment
GRAP 18	Segment Reporting
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
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 25	Employee Benefits
GRAP 26	Impairment of Cash-generating Assets
GRAP 27	Agriculture
GRAP 31	Intangible Assets
GRAP 100	Discontinued Operations
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments
GRAP 105	Transfer of Functions Between Entities Under Common Control
GRAP 106	Transfer of Functions Between Entities Not Under Common Control
GRAP 107	Mergers

- A2. Directives issued and effective that entities are required to apply (paragraph .14 of this Directive):

Reference	Topic
Directive 1	Repeal of Existing Transitional Provisions in, and Consequential Amendments to, Standards of GRAP
Directive 2	Transitional Provisions for Public Entities, Trading Entities, Municipal Entities, Public Technical and Vocational Education and Training Colleges and Constitutional Institutions
Directive 3	Transitional Provisions for High Capacity Municipalities
Directive 4	Transitional Provisions for Medium and Low Capacity Municipalities and Trading Entities
Directive 5	Determining the GRAP Reporting Framework
Directive 6	Transitional Provisions for Revenue Collected by the South African Revenue Service (SARS)
Directive 7	The Application of Deemed Cost

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Reference	Topic
Directive 8	Transitional Provisions for Parliament and the Provincial Legislatures
Directive 9	The Application of the Standards of GRAP by Trading Entities
Directive 10	Application of the Standards of GRAP by Public Training and Vocational Education and Training Colleges
Directive 11	Changes in the Measurement Bases Following the Initial Adoption of the Standards of GRAP

A3. Interpretations of the Standards of GRAP approved that entities are required to apply (paragraph .10 of this Directive):

Reference	Topic
IGRAP 1	Applying the Probability Test on Initial Recognition of Revenue
IGRAP 2	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IGRAP 3	Determining whether an Arrangement Contains a Lease
IGRAP 4	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IGRAP 5	Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies
IGRAP 6	Loyalty Programmes
IGRAP 7	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IGRAP 8	Agreements for the Construction of Assets from Exchange Transactions
IGRAP 9	Distributions of Non-cash Assets to Owners
IGRAP 10	Assets Received from Customers
IGRAP 11	Consolidations – Special Purpose Entities
IGRAP 12	Jointly Controlled Entities – Non-monetary Contributions by Venturers
IGRAP 13	Operating Leases – Incentives
IGRAP 14	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IGRAP 15	Revenue – Barter Transactions Involving Advertising Services
IGRAP 16	Intangible Assets – Website Costs

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- A4. Approved guideline of Standards of GRAP that entities are required to apply (paragraph .15 of this Directive):

Reference	Topic
Guideline	Guideline on Accounting for Public Private Partnerships

- A5. Effective IFRS Standards and IFRIC Interpretations² that entities may apply, to the extent that they are applicable (paragraphs .16 to .21 of this Directive):

Reference	Topic
IFRS [®] 4	Insurance Contracts
IFRS [®] 6	Exploration for and Evaluation of Mineral Resources
IAS [®] 12	Income Taxes
SIC [®] – 25	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
SIC [®] – 29	Service Concession Arrangements – Disclosures
IFRIC [®] 12	Service Concession Arrangements
IFRIC [®] 20	Stripping Costs in the Production Phase of a Surface Mine
IFRIC [®] 21	Levies

- A6. Standards of GRAP approved, but for which the Minister of Finance has not yet determined an effective date, and Interpretations of Standards of GRAP that are not yet effective, that entities may consider in formulating an accounting policy (paragraph .12 of this Directive):

Standards of GRAP that may be used in developing an accounting policy:

Reference	Topic
GRAP 32	Service Concession Arrangements: Grantor
GRAP 108	Statutory Receivables
GRAP 109	Accounting by Principals and Agents
IGRAP 17	Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset

Standards of GRAP that an entity may use to disclose information in its financial statements:

Reference	Topic
GRAP 20	Related Party Disclosures ³

² IFRS Standards and IFRIC Interpretations can be downloaded from <http://www.ifrs.org>



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A7. Directives approved by the Board, which are not yet effective, but can be early adopted:

Reference	Topic
Directive 12	The Selection of an Appropriate Reporting Framework by Public Entities

APPENDIX A2: MUNICIPALITIES, MUNICIPAL ENTITIES

This appendix forms part of this Directive.

This appendix lists the standards and pronouncements that are the GRAP Reporting Framework for municipalities and municipal entities effective for financial periods commencing on or after 1 April 2017 and should be applied as set out in paragraphs .05 and .06 of this Directive.

A8. Municipalities and municipal entities are required to apply the Standards and pronouncements outlined in Appendix A1, except for the application of:

- GRAP 18, as the Minister of Finance has not yet determined the effective date for GRAP 18 for application by municipalities and municipal entities.
- Directive 12, as it only applies to public entities that are not currently applying Standards of GRAP.

APPENDIX A3: TRADING ENTITIES, PARLIAMENT AND THE PROVINCIAL LEGISLATURES

This appendix forms part of this Directive.

This appendix lists the standards and pronouncements that are the GRAP Reporting Framework effective for financial periods commencing on or after 1 April 2017 and should be applied as set out in paragraphs .05 and .06 of this Directive.

A9. The Financial Management of Parliament Amendment Act, Act No. 34 of 2014, requires Parliament and the Provincial Legislatures to prepare their financial statements in accordance with the Standards of GRAP. Any notice published by the Minister of Finance outlining the effective dates of the Standards of GRAP should be read in conjunction with the Financial Management of Parliament Act.

A10. Trading entities, Parliament and the Provincial Legislatures are required to apply the Standards and pronouncements outlined in Appendix A1, except for:

³ In previous reporting periods entities were required to apply IPSAS 20. With the subsequent issue of GRAP 20, an entity may either continue to disclose this information using IPSAS 20 or, it may consider GRAP 20 in formulating these disclosures.



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- GRAP 18
- GRAP 105
- GRAP 106
- GRAP 107

as the Minister of Finance has not yet determined the effective date for these Standards of GRAP; and

- Directive 12, as it only applies to public entities that are not currently applying Standards of GRAP.

Trading entities, Parliament and the Provincial Legislatures may consider GRAP 105, GRAP 106 and GRAP 107 in formulating an accounting policy as outlined in paragraph .12 of this Directive.

APPENDIX B: 1 APRIL 2018

This appendix consists of the following three Appendices:

- Appendix B1: Public Entities, Constitutional Institutions and Public TVET Colleges
- Appendix B2: Municipalities and Municipal Entities
- Appendix B3: Trading Entities, Parliament and the Provincial Legislatures

APPENDIX B1: PUBLIC ENTITIES, CONSTITUTIONAL INSTITUTIONS AND PUBLIC TVET COLLEGES

This appendix forms part of this Directive.

This appendix lists the standards and pronouncements that are the GRAP Reporting Framework for public entities, constitutional institutions, and Public TVET Colleges effective for financial periods commencing on or after 1 April 2018 and should be applied as set out in paragraphs .05 and .06 of this Directive.

- B1. Entities are required to apply the Standards of GRAP where the Minister has determined the effective date. The Minister has determined the effective date for the Standards of GRAP outlined below (paragraph .09 of this Directive).

Reference	Topic
GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
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	Interests 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

Reference	Topic
GRAP 17	Property, Plant and Equipment
GRAP 18	Segment Reporting
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
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 25	Employee Benefits
GRAP 26	Impairment of Cash-generating Assets
GRAP 27	Agriculture
GRAP 31	Intangible Assets
GRAP 100	Discontinued Operations
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments
GRAP 105	Transfer of Functions Between Entities Under Common Control
GRAP 106	Transfer of Functions Between Entities Not Under Common Control
GRAP 107	Mergers

B2. Directives issued and effective that entities are required to apply (paragraph .14 of this Directive):

Reference	Topic
Directive 1	Repeal of Existing Transitional Provisions in, and Consequential Amendments to, Standards of GRAP
Directive 2	Transitional Provisions for Public Entities, Trading Entities, Municipal Entities, Public Technical and Vocational Education and Training Colleges and Constitutional Institutions
Directive 3	Transitional Provisions for High Capacity Municipalities
Directive 4	Transitional Provisions for Medium and Low Capacity Municipalities and Trading Entities
Directive 5	Determining the GRAP Reporting Framework
Directive 6	Transitional Provisions for Revenue Collected by the South African Revenue Service (SARS)
Directive 7	The Application of Deemed Cost

Directive 5

Reference	Topic
Directive 8	Transitional Provisions for Parliament and the Provincial Legislatures
Directive 9	The Application of the Standards of GRAP by Trading Entities
Directive 10	Application of the Standards of GRAP by Public Technical and Vocational Education and Training Colleges
Directive 11	Changes in the Measurement Bases Following the Initial Adoption of the Standards of GRAP
Directive 12	The Selection of an Appropriate Reporting Framework by Public Entities

- B3. Interpretations of the Standards of GRAP approved that entities are required to apply (paragraph .10 of this Directive):

Reference	Topic
IGRAP 1	Applying the Probability Test on Initial Recognition of Revenue
IGRAP 2	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IGRAP 3	Determining whether an Arrangement Contains a Lease
IGRAP 4	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IGRAP 5	Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies
IGRAP 6	Loyalty Programmes
IGRAP 7	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IGRAP 8	Agreements for the Construction of Assets from Exchange Transactions
IGRAP 9	Distributions of Non-cash Assets to Owners
IGRAP 10	Assets Received from Customers
IGRAP 11	Consolidations – Special Purpose Entities
IGRAP 12	Jointly Controlled Entities – Non-monetary Contributions by Venturers
IGRAP 13	Operating Leases – Incentives
IGRAP 14	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IGRAP 15	Revenue – Barter Transactions Involving Advertising Services
IGRAP 16	Intangible Assets – Website Costs

- B4. Approved guideline of Standards of GRAP that entities are required to apply (paragraph .15 of this Directive):

Reference	Topic
Guideline	Guideline on Accounting for Public Private Partnerships

- B5. Effective IFRS Standards and IFRIC Interpretations⁴ that entities may apply, to the extent that they are applicable (paragraphs .12 to .21 of this Directive):

Reference	Topic
IFRS [®] 4	Insurance Contracts
IFRS [®] 6	Exploration for and Evaluation of Mineral Resources
IAS [®] 12	Income Taxes
SIC [®] – 25	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
SIC [®] – 29	Service Concession Arrangements – Disclosures
IFRIC [®] 12	Service Concession Arrangements
IFRIC [®] 20	Stripping Costs in the Production Phase of a Surface Mine

- B6. Standards of GRAP approved, but for which the Minister of Finance has not yet determined an effective date, Interpretations of the Standards of GRAP not yet effective, and guidelines that entities may consider in formulating an accounting policy (paragraph .12 of this Directive):

Standards of GRAP that may be used in developing an accounting policy:

Reference	Topic
GRAP 32	Service Concession Arrangements: Grantor
GRAP 108	Statutory Receivables
GRAP 109	Accounting by Principals and Agents
IGRAP 17	Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset
IGRAP 18	Recognition and Derecognition of Land
IGRAP 19	Liabilities to Pay Levies
Guideline	Accounting for Arrangements Undertaken in terms of the National Housing Programme

⁴ IFRS Standards and IFRIC Interpretations can be downloaded from <http://www.ifrs.org>

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Standards of GRAP that an entity may use to disclose information in its financial statements:

Reference	Topic
GRAP 20	Related Party Disclosures ⁵

APPENDIX B2: MUNICIPALITIES, MUNICIPAL ENTITIES

This appendix forms part of this Directive.

This appendix lists the standards and pronouncements that are the GRAP Reporting Framework for municipalities and municipal entities effective for financial periods commencing on or after 1 April 2018 and should be applied as set out in paragraphs .05 and .06 of this Directive.

- B7. Municipalities and municipal entities are required to apply the Standards and pronouncements outlined in Appendix B1, except for the application of:
- GRAP 18, as the Minister of Finance has not yet determined the effective date for GRAP 18 for application by municipalities and municipal entities.
 - Directive 12, as it only applies to public entities that are not currently applying Standards of GRAP.

APPENDIX B3: TRADING ENTITIES, PARLIAMENT AND THE PROVINCIAL LEGISLATURES

This appendix forms part of this Directive.

This appendix lists the standards and pronouncements that are the GRAP Reporting Framework effective for financial periods commencing on or after 1 April 2018 and should be applied as set out in paragraphs .05 and .06 of this Directive.

- B8. The Financial Management of Parliament Amendment Act, Act No. 34 of 2014, requires Parliament and the Provincial Legislatures to prepare their financial statements in accordance with the Standards of GRAP. Any notice published by the Minister of Finance outlining the effective dates of the Standards of GRAP should be read in conjunction with the Financial Management of Parliament Act.
- B9. Trading entities, Parliament and the Provincial Legislatures are required to apply the Standards and pronouncements outlined in Appendix B1, except for:
- GRAP 18

⁵ In previous reporting periods entities were required to apply IPSAS 20. With the subsequent issue of GRAP 20, an entity may either continue to disclose this information using IPSAS 20 or, it may consider GRAP 20 in formulating these disclosures.



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- GRAP 105
- GRAP 106
- GRAP 107

as the Minister of Finance has not yet determined the effective date for these Standards of GRAP; and

- Directive 12, as it only applies to public entities that are not currently applying Standards of GRAP.

Trading entities, Parliament and the Provincial Legislatures may consider GRAP 105, GRAP 106 and GRAP 107 in formulating an accounting policy as outlined in paragraph .12 of this Directive.

APPENDIX C: 1 APRIL 2019

This appendix consists of the following three Appendices:

- Appendix C1: Public Entities, Constitutional Institutions, Parliament and the Provincial Legislatures, and Public TVET Colleges
- Appendix C2: Municipalities and Municipal Entities
- Appendix C3: Trading Entities

APPENDIX C1: PUBLIC ENTITIES, CONSTITUTIONAL INSTITUTIONS, PARLIAMENT AND THE PROVINCIAL LEGISLATURES, AND PUBLIC TVET COLLEGES

This appendix forms part of this Directive.

This appendix lists the standards and pronouncements that are the GRAP Reporting Framework for public entities, constitutional institutions, Parliament and the Provincial Legislatures, and Public TVET Colleges effective for financial periods commencing on or after 1 April 2019 and should be applied as set out in paragraphs .05 and .06 of this Directive.

C1. Entities are required to apply the Standards of GRAP where the Minister has determined the effective date. The Financial Management of Parliament Amendment Act, Act No. 34 of 2014, requires Parliament and the Provincial Legislatures to prepare their financial statements in accordance with the Standards of GRAP. Any notice published by the Minister of Finance outlining the effective dates of the Standards of GRAP should be read in conjunction with the Financial Management of Parliament Amendment Act. The Minister has determined the effective date for the Standards of GRAP outlined below (paragraph .09 of this Directive).

Reference	Topic
GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
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	Interests in Joint Ventures
GRAP 9	Revenue from Exchange Transactions

Reference	Topic
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 18	Segment Reporting
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 20	Related Party Disclosures
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 25	Employee Benefits
GRAP 26	Impairment of Cash-generating Assets
GRAP 27	Agriculture
GRAP 31	Intangible Assets
GRAP 32	Service Concession Arrangements: Grantor
GRAP 100	Discontinued Operations
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments
GRAP 105	Transfer of Functions Between Entities Under Common Control
GRAP 106	Transfer of Functions Between Entities Not Under Common Control
GRAP 107	Mergers
GRAP 108	Statutory Receivables
GRAP 109	Accounting by Principals and Agents

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- C2. Directives issued and effective that entities are required to apply (paragraph .14 of this Directive):

Reference	Topic
Directive 1	Repeal of Existing Transitional Provisions in, and Consequential Amendments to, Standards of GRAP
Directive 2	Transitional Provisions for Public Entities, Trading Entities, Municipal Entities, Public Technical and Vocational Education and Training Colleges and Constitutional Institutions
Directive 3	Transitional Provisions for High Capacity Municipalities
Directive 4	Transitional Provisions for Medium and Low Capacity Municipalities and Trading Entities
Directive 5	Determining the GRAP Reporting Framework
Directive 6	Transitional Provisions for Revenue Collected by the South African Revenue Service (SARS)
Directive 7	The Application of Deemed Cost
Directive 8	Transitional Provisions for Parliament and the Provincial Legislatures
Directive 9	The Application of the Standards of GRAP by Trading Entities
Directive 10	Application of the Standards of GRAP by Public Technical and Vocational Education and Training Colleges
Directive 11	Changes in the Measurement Bases Following the Initial Adoption of the Standards of GRAP
Directive 12	The Selection of an Appropriate Reporting Framework by Public Entities

- C3. Interpretations of the Standards of GRAP approved that entities are required to apply (paragraph .10 of this Directive):

Reference	Topic
IGRAP 1	Applying the Probability Test on Initial Recognition of Revenue
IGRAP 2	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IGRAP 3	Determining whether an Arrangement Contains a Lease
IGRAP 4	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IGRAP 5	Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies
IGRAP 6	Loyalty Programmes
IGRAP 7	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and

Reference	Topic
	their Interaction
IGRAP 8	Agreements for the Construction of Assets from Exchange Transactions
IGRAP 9	Distributions of Non-cash Assets to Owners
IGRAP 10	Assets Received from Customers
IGRAP 11	Consolidations – Special Purpose Entities
IGRAP 12	Jointly Controlled Entities – Non-monetary Contributions by Venturers
IGRAP 13	Operating Leases – Incentives
IGRAP 14	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IGRAP 15	Revenue – Barter Transactions Involving Advertising Services
IGRAP 16	Intangible Assets – Website Costs
IGRAP 17	Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset
IGRAP 18	Recognition and Derecognition of Land
IGRAP 19	Liabilities to Pay Levies

- C4. Approved guideline of Standards of GRAP that entities are required to apply (paragraph .15 of this Directive):

Reference	Topic
Guideline	Accounting for Arrangements Undertaken in terms of the National Housing Programme

- C5. Effective IFRS Standards and IFRIC Interpretations⁶ that entities may apply, to the extent that they are applicable (paragraphs .12 to .21 of this Directive):

Reference	Topic
IFRS [®] 4	Insurance Contracts
IFRS [®] 6	Exploration for and Evaluation of Mineral Resources
IAS [®] 12	Income Taxes
SIC [®] – 25	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
SIC [®] – 29	Service Concession Arrangements – Disclosures

⁶ IFRS Standards and IFRIC Interpretations can be downloaded from <http://www.ifrs.org>

Reference	Topic
IFRIC [®] 12	Service Concession Arrangements
IFRIC [®] 20	Stripping Costs in the Production Phase of a Surface Mine
IFRIC [®] 22	Foreign Currency Transactions and Advance Consideration
IFRIC [®] 23	Uncertainty Over Income Tax Treatments

- C6. Standards of GRAP approved which are not yet effective, or for which the Minister of Finance has not yet determined an effective date, that entities may consider in formulating an accounting policy (paragraph .12 of this Directive):

Standards of GRAP that may be used in developing an accounting policy:

Reference	Topic
GRAP 34	Separate Financial Statements
GRAP 35	Consolidated Financial Statements
GRAP 36	Investments in Associates and Joint Ventures
GRAP 37	Joint Arrangements
GRAP 38	Disclosure of Interests in Other Entities
GRAP 110	Living and Non-living Resources

APPENDIX C2: MUNICIPALITIES, MUNICIPAL ENTITIES

This appendix forms part of this Directive.

This appendix lists the standards and pronouncements that are the GRAP Reporting Framework for municipalities and municipal entities effective for financial periods commencing on or after 1 April 2019 and should be applied as set out in paragraphs .05 and .06 of this Directive.

- C7. Municipalities and municipal entities are required to apply the Standards and pronouncements outlined in Appendix C1, except for the application of GRAP 18. This Standard is only effective for financial years commencing on or after 1 April 2020 for municipalities and municipal entities.

APPENDIX C3: TRADING ENTITIES

This appendix forms part of this Directive.

This appendix lists the standards and pronouncements that are the GRAP Reporting Framework effective for financial periods commencing on or after 1 April 2019 and should be applied as set out in paragraphs .05 and .06 of this Directive.

C8. Trading entities are required to apply the Standards and pronouncements outlined in Appendix C1, C3 and C4, except for:

- GRAP 20
- GRAP 32
- GRAP 108
- GRAP 109

as the Minister of Finance has not yet determined the effective date for these Standards of GRAP.

C9. As the Minister has not determined an effective date for GRAP 32 and GRAP 109, trading entities are also not required to apply IGRAP 17 or the Guideline on *Accounting for Arrangements Undertaken in Terms of the National Housing Programme*.

C.10 Trading entities may consider the pronouncements in C8 (except GRAP 20) and C9 in formulating an accounting policy as outlined in paragraph .12 of this Directive, and may use GRAP 20 to disclose information in their financial statements.