

Background to the South African Accounting Standards Board




Accounting Standards Board






Introduction

- Legislative background to establishment of Accounting Standards Board (ASB)
 - Structure of the ASB
 - Role and responsibilities in implementing Standards
 - Due process in setting Standards
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Legislative background

- Constitution introduced generally recognised accounting practice for public sector
 - ASB to set Standards of GRAP for all spheres of government
 - Prepare directives and guidelines
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Structure of the ASB

- Board members
 - No more than 10 members appointed not representing any body/organisation
 - Appointed by the MoF
 - Consulting Auditor-General
 - Juristic person that establish own operating procedures
 - Regulations on ASB issued by MoF
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Role and responsibilities in implementing Standards

- **Accounting Standards Board**

- Sets Standards of GRAP as required by legislation
- Recommend implementation dates to MoF

- **Minister of Finance**

- Consult Auditor-General on implementation dates
 - Determines effective date after publishing a regulation
 - Exemption from complying with a Standard or specific requirement thereof
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Role and responsibilities in implementing Standards

- **National Treasury**

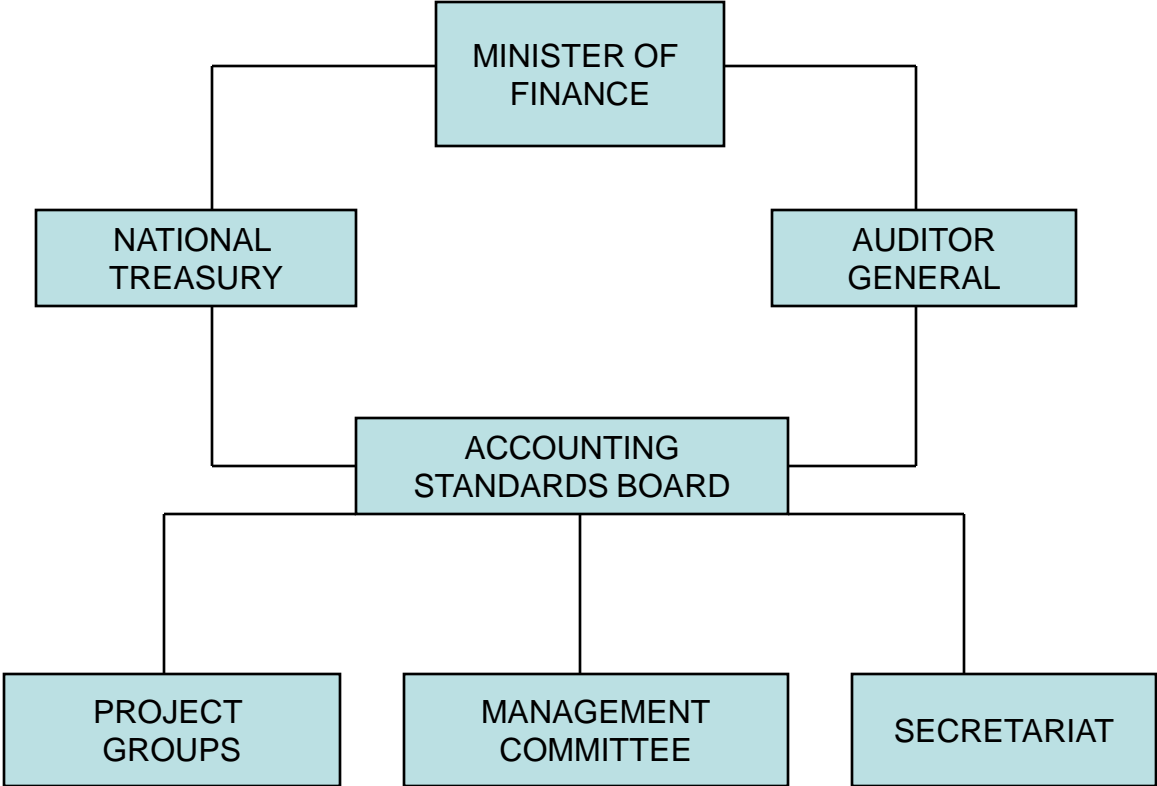
- Responsible for implementation of Standards
- Develop implementation guidance to assist entities with implementation
- Administer process of applying for exemptions from complying with a Standard or specific requirement thereof

- **Auditor-General**

- Ensure compliance with Standards



Role and responsibilities in implementing Standards





Due process in setting Standards

- PFMA requires ASB to consider
 - best accounting practices locally and internationally
 - capacity of relevant institutions
- ASB also considers:
 - legislative framework applicable in SA
 - recent developments in pronouncements





Due process in setting Standards

- Standard of GRAP based on IPSAS or IAS
- Amendments to IPSAS when:
 - revision of international accounting standards
 - fundamental issues
 - alternative treatments in international or national standards
 - statutory authority
 - disclosure requirements






Due process in setting Standards

- Work programme to develop core set of Standards by 2008/09
- Representation of stakeholders on project groups to advise on development of ED
- If insufficient material available then project group assist in development of discussion paper
- ED is then based on comment and input on proposals in discussion paper





Due process in setting Standards

- ED usually comment period of 3 months
 - ED published on website and notice in Government Gazette
 - Project group members consider all comment before recommendation to ASB
 - ASB considers all comment before approval as Standard of GRAP
 - ASB's response to all comment publicly available
 - Significant changes can results in re-exposure
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