

PREFACE

The Accounting Standards Board (ASB) develops Standards of Generally Recognised Accounting Practice (GRAP). The ASB gives effect to the constitutional requirement that uniform standards should be developed to ensure the achievement of consistent and comparable financial information across all spheres of government.

The adoption of Standards of GRAP by all reporting entities in the public sector in South Africa will improve the quality and comparability of financial information reported and enable those charged with governance to hold entities to account for those resources entrusted to them by citizens, taxpayers and ratepayers.

Changes in this edition

This edition of the handbook incorporates changes made to the handbook since the 2018 edition. These changes include the following pronouncements issued by the ASB as at 1 April 2019.

- The Interpretation of the Standards of GRAP on *Accounting for Adjustments to Revenue* (IGRAP 20).
- Consequential amendments to existing Standards of GRAP resulting from new Standards of GRAP becoming effective.

New pronouncements

Interpretation of the Standards of GRAP on *Accounting for Adjustments to Revenue* (IGRAP 20)

IGRAP 20 was issued by the Board in December 2018. This Interpretation deals with the accounting for adjustments to exchange and non-exchange revenue charged in terms of legislation or similar means as a result of the completion of a review, appeal or objection process, as well as interest and penalties that arise from revenue already recognised. It clarifies when adjustments to revenue are either accounted for as a change in an accounting estimate, or a correction of an error, in accordance with the Standard of GRAP on *Accounting Policies, Changes in Accounting Estimates and Errors* (GRAP 3).

IGRAP 20 becomes effective for annual financial statements covering periods beginning on or after 1 April 2020. Earlier application is permitted.

Amendments to pronouncements

Consequential amendments to existing Standards of GRAP resulting from new Standards of GRAP becoming effective

Several amendments are made to the existing Standards of GRAP as a consequence of the issue of new Standards of GRAP becoming effective. The following existing Standards of GRAP had consequential amendments:

- GRAP 9 *Revenue from Exchange Transactions*
- GRAP 13 *Leases*
- GRAP 16 *Investment Property*
- GRAP 17 *Property, Plant and Equipment*
- GRAP 23 *Revenue from Non-exchange Transactions (Taxes and Transfers)*
- GRAP 31 *Intangible Assets*
- GRAP 103 *Heritage Assets*
- GRAP 104 *Financial Instruments*
- IGRAP 3 *Determining whether an Arrangement Contains a Lease*

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