



Accounting Standards Board

# ANNUAL REPORT 2017/2018



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## LIST OF ABBREVIATIONS USED IN THE ANNUAL REPORT

AGSA	Auditor-General of South Africa
ASB	Accounting Standards Board
BBBEE	Broad-Based Black Economic Empowerment
BBBEE Act	BBBEE Act, Act No. 53 of 2003
CIGFARO	Chartered Institute of Government Finance, Audit and Risk Officers
Constitution	South African Constitution, Act No. 108 of 1996
FAQs	Frequently Asked Questions
GRAP	Generally Recognised Accounting Practice
IASB®	International Accounting Standards Board
IFRS® Standards	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
KING IV	The King IV Report on Corporate Governance
MFMA	Municipal Finance Management Act, Act No. 56 of 2003
mSCOA	Municipal Standard Chart of Accounts
MTEF	Medium-Term Expenditure Framework
OAG	Office of the Accountant-General
PFMA	Public Finance Management Act, Act No. 1 of 1999
PSAF	Public Sector Accounting Forum
SAICA	South African Institute of Chartered Accountants
SALGA	South African Local Government Association

# SECTION 1

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## MESSAGE FROM THE CHAIRPERSON

South Africa has shown her resilience in the past year, through a period of uncertainty citizens have become familiar with, recognised by unexpected changes that happen overnight, corruption that is reported on a daily basis, and persons with high ethical standards work alongside those with questionable ethics. What is certain is that South Africans continue to fight for the values in the Constitution. It was not surprising that new president Cyril Ramaphosa's call in his State of the Nation Address, for citizens to stand up and proclaim "*send me!*", spoke to the heart of many South Africans.

It was also a year that sparked new hope, renewed energy and commitment, and turned those despondent into positive action. It is in this time, when the public sector is "cleaning house", that the ASB's role, as the public sector accounting standard setter, is increasingly important. This speaks to the ASB's vision of advancing public sector financial reporting, while promoting accountability, transparency and effective financial management.

The term of six of the ten ASB Board members came to an end on 28 February 2018. The Minister of Finance appointed new Board members on 16 March 2018, with effect from 1 March 2018. The four continuing members' terms were renewed with effect from 1 March 2018. The ASB is fortunate to retain institutional memory through having continuing members, and to receive new members who bring a wealth of knowledge and experience to the Board, and who will contribute greatly to the Board's due process in delivering on its mandate.

The late appointment of the new members meant that the March 2018 meeting was delayed and the newly constituted Board met for the first time in May 2018. The ASB's performance for the last quarter was assessed based on the recommendations by the Technical Committee to the Board to approve documents for issue.

The activities undertaken by the ASB during 2017/2018 respond directly to the needs of users for relevant information to make decisions and hold entities accountable, as well as the need of preparers for guidance on accounting for certain transactions. The Board's activities focused on dealing with reporting on South African specific issues. These included finalising a Standard on natural resources, and commencing projects on accounting for adjustments to revenue, landfill sites, and applying materiality when preparing financial statements. Research was done on the preparation of interim financial statements, the way in which information is presented in the statement of financial performance, and practical issues with preparing consolidated financial statements.

Convergence with the work done by the IPSASB is a priority for the ASB to remain at the forefront of latest international developments and best practice in public sector financial management. A great deal of work is being done by the IPSASB on matters the Board views as relevant locally, including social benefits and related obligations, revenue, non-exchange expenses, financial instruments, leases, and public sector measurement.

The finalisation of guidance on these matters by the IPSASB will ensure more comprehensive information is available about government's assets, liabilities, revenue and expenses. Apart from financial instruments that is currently a project of the Board, the Board will decide which of the IPSASB projects will be added to the South African work programme during its next work programme consultation in late 2018.

The majority of public sector institutions in South Africa have migrated to accrual accounting by adopting the Standards of GRAP. National and provincial departments remain the only entities that have not yet migrated. The Board will continue engagements with the National Treasury on a clear strategy and timeframe for the implementation of Standards of GRAP by these entities, to give effect to the Constitutional requirement for a uniform reporting framework for the public sector.

In the spirit of achieving more, together, the Board values the trilateral relationship between the National Treasury, the AGSA and the ASB. The Board remains committed to meet on strategic matters important to improve public financial management.

The slow rate of approval by the Minister of Finance, to determine the implementation dates of approved Standards of GRAP, remains a concern for the Board, despite the Minister determining implementation dates for a number of Standards after year-end. The ASB and the acting Accountant-General agreed to enter into a Memorandum of Understanding dealing with, among other matters, the approval process for Standards. The timely approval of Standards is key to these Standards being relevant and useful. Although the Memorandum of Understanding has been drafted in 2016, it was signed by the Accountant-General on 6 July 2018.

The relevance of the Board's work is enhanced by regular engagements with stakeholders and remains a high priority. The ASB is increasingly using more efficient and effective ways to communicate with stakeholders. These include making use of interactive electronic communication mechanisms, which have the potential to reach a wide audience at a low cost, in collaboration with other organisations such as SAICA. The ASB is also revising its website, which is a key communication tool with stakeholders, and will consider how social media can be used more effectively.

The ASB continued to partner with organisations such as SAICA, SALGA and CIGFARO to consult on its pronouncements, to ensure it receives constructive feedback on application and implementation issues related to the Standards of GRAP, and to communicate with stakeholders through the publication of articles. More information on stakeholder outreach is included in Section 3 of this report.

The Board is pleased with the pro-active steps taken by the ASB to comply with the requirements of King IV, as it recognises the importance of sound governance practices to ensure the ASB achieves its strategic objectives.

I would like to take this opportunity to thank the ASB's stakeholders and partners, as well as the Standing Committee on Finance, the National Treasury and the AGSA, for their assistance and collaboration during the year and their role in contributing to the ASB's achievements.

I also express my sincere thanks to my fellow Board members, and to the Secretariat of the ASB. I look forward to working with all of you in the year ahead.



**Vincent Ndzimande**

**Chairperson**

**10 July 2018**

# REVIEW OF THE OPERATIONS BY THE CHIEF EXECUTIVE

## OVERVIEW

The responsibility of ensuring a uniform accounting framework that requires appropriate information be presented to users, rests with the ASB, which is mandated to develop Standards of GRAP for all institutions in the South African public sector.

The usefulness of financial statements prepared in accordance with the Standards of GRAP is publicly evident. Media reports frequently feature how information in the financial statements and other financial reports are interrogated by the public and governance structures, with the aim of holding officials accountable and to make decisions. Bi-annually when the Auditor-General tables his General Report, the media rigorously questions officials on how they managed public funds. It is clear that Standards of GRAP ensure relevant, comparable financial information is available that calls for accountability and facilitates sound decision-making.

The ASB has developed a full suite of Standards of GRAP, with the exception of a Standard on social benefits, which puts the ASB in a position to address users' more mature information needs. The Board's consultation on its work programme has ensured projects undertaken for the period 2017 to 2020 will focus on those needs.

The Board undertakes a number of activities in executing the responsibility to set Standards of GRAP. These are:

- Set Standards of GRAP
- Influence the development of international standards
- Promote the adoption of the Standards of GRAP
- Monitor the application of the Standards of GRAP

- Manage the resources to ensure the ASB is operationally effective

## PERFORMANCE FOR THE YEAR UNDER REVIEW

To hold the ASB accountable, external users are likely interested in information about the ASB's performance based on areas within the ASB's control. The ASB has achieved all the targets for its strategic objectives for the year under review. A significant challenge that had to be overcome was the postponement of the March Board meeting as a direct result of new Board members not being appointed in time to schedule the first Board meeting before the year end. The Operations Committee and Technical Committee agreed that, in the absence of a March Board meeting, the recommendations by the Technical Committee to the Board to approve documents for issue is the basis for assessing if targets were achieved in the last quarter.

Based on the Medium Term Strategic Framework, Cabinet developed and agreed to a set of 12 outcomes to provide strategic focus for the work of government. The ASB contributed to two of these outcomes:

- Outcome 9: *A responsive, accountable, effective and efficient local government system:*

The ASB facilitated discussions between preparers and auditors on accounting matters through the PSAF, which - among others - contributes to the improvement in audit outcomes (eight meetings were held in the year). The Secretariat issued a number of FAQs to respond to issues raised at this forum. The Secretariat also participated in meetings between the OAG and AGSA when transversal issues that could affect audit outcomes were identified.



- Outcome 12: *An efficient, effective and development oriented public service:*

The ASB engages with its stakeholders through various forums and communication mechanisms, to keep them informed of the ASB's activities. In addition to sending stakeholders ASB newsletters and meeting highlights after each Board meeting, the Secretariat has published guidance on the changes to the GRAP reporting framework for 2018/2019 for the first time. The National Treasury develops implementation guidance on the Standards of GRAP. The Secretariat held a number of engagements with the National Treasury during the year to ensure the guidance impart accurate knowledge to preparers of financial statements in the public sector.

The development of the Standards of GRAP is not possible without the continued involvement of the ASB's stakeholders. The ASB is thankful to the organisations that have provided technical assistance to the Board through participation in project groups during the year. The ASB does not have a budget to remunerate project group members for their time, and participation is on a voluntary basis. A list of these organisations is included in Annexure A to the financial statements. Other organisations assisted the ASB in facilitating its communication activities such as SAICA, through the use of webcasts, and the publication of articles on topics on the ASB work programme by organisations such as SAICA, SALGA and CIGFARO. The ASB is grateful for the co-operation received from these organisations and looks forward to continuing this in the future. A comprehensive report on stakeholder outreach is provided in Section 3 of this report.

The funding made available by the National Treasury is sufficient for the MTEF period for the ASB to fulfil its core activities. However, funding remains a constraint, resulting in the ASB being unable to undertake post-implementation reviews without reprioritising core activities.

A post-implementation review would entail:

- the assessment of whether information produced by applying the Standards of GRAP is relevant to users, and
- the identification of application and implementation issues that may require resolution.

The ASB needs a permanent increase in its baseline allocation to enable it to perform post-implementation reviews in future.

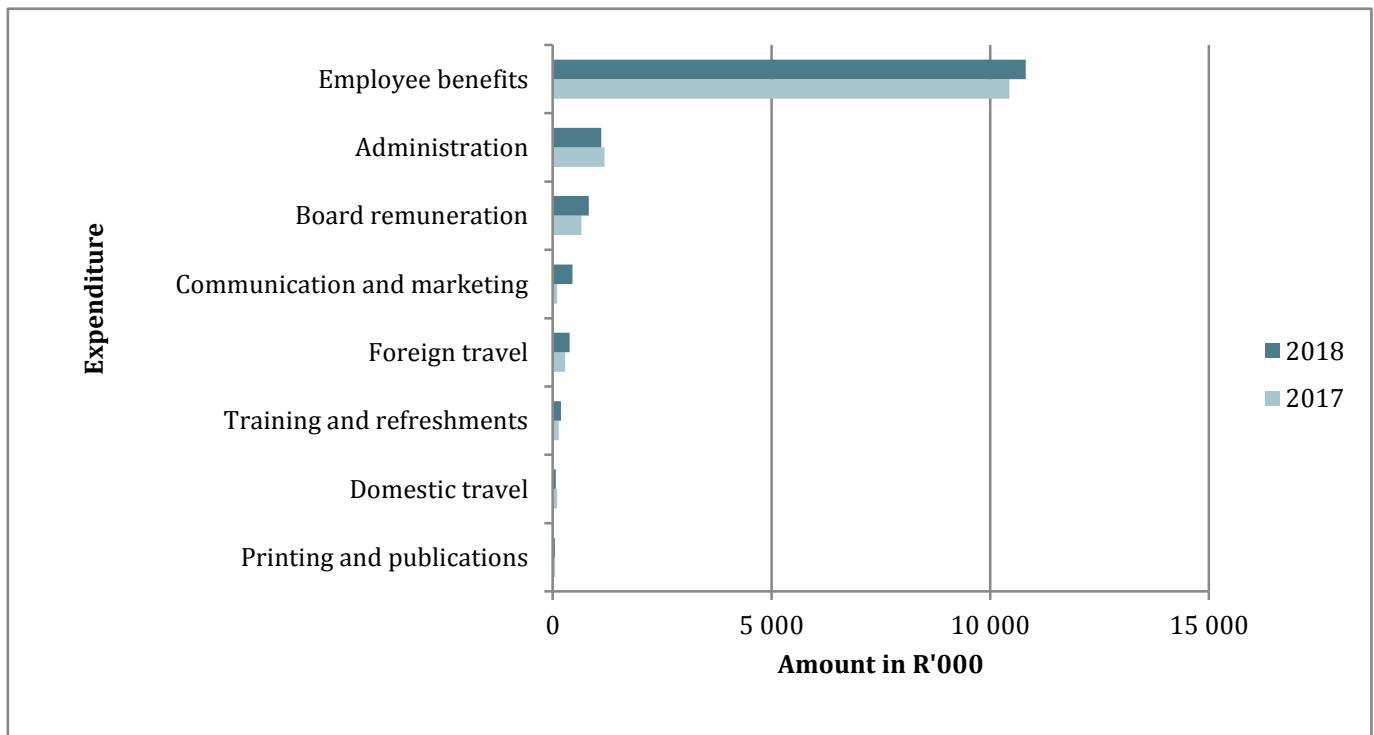
As the Standards of GRAP are based on IPSASs, the Board continues its efforts to influence international standard-setting. This is done through participation in the activities of the IPSASB, its task groups and task forces, as well as through commenting on any relevant pronouncements issued.

Lindy Bodewig, a member of the ASB Board from 1 March 2018, was appointed on the IPSASB Board from January 2017. Amanda Botha, a standard setter at the ASB, served as her Technical Advisor until 31 December 2017. Tsholo Tshoke, also a standard setter at the ASB, replaced her from 1 January 2018. These appointments ensure the ASB's ability to influence the decisions made by the IPSASB. The ASB entered into a Memorandum of Understanding with the National Treasury, which includes the matter of representation on the IPSASB, which will ensure the ASB can continue to participate at the IPSASB going forward.

As standard-setting is a unique discipline, it is often difficult to ensure employees are appropriately developed on an on-going basis. The technical employees are given access to an executive coach to assist with areas of development. This form of development has yielded positive results over the years.

A detailed analysis of the ASB's achievement of its targets for 2017/2018 is outlined in Section 2 of this report.

The ASB has spent its allocation as follows in 2018, compared to 2017:



Refer to Section 8 of this report for the ASB financial results.

The Board reviewed and updated a number of policies that govern the operations of the ASB in the year to ensure they remain relevant and consistent with best practice. The ASB strives to set an example that demonstrates how an effective Board exercises good governance.

The Audit and Risk Committee and the internal audit activity continued to be shared with the National Treasury. The ASB has established risk management processes and is further enhancing its risk management methodology.

The ASB has taken pro-active steps to be an early adopter of the King IV requirements. Refer to Section 5 of this report for an assessment of the current level of compliance.

#### *Appreciation*

I would like to express my thanks to the members of the Board for their leadership and guidance during the year, as well as to my employees for their hard work and dedication. I look forward to the ASB team working together to enhance financial reporting in the public sector.

**E Swart**  
**Chief Executive**  
**10 July 2018**



# SECTION 2

## REVIEW OF THE ASB'S PERFORMANCE FOR 2017/2018

The ASB has four values:

- We maintain a high standard of professional ethics.
- We set financial reporting standards in the public interest, which means we act with integrity and objectivity in our deliberations, decisions and actions and are seen to be independent.
- We consult widely and encourage public participation in our standard-setting process.
- We promote a culture of learning to realise the full potential of our people.

These values are entrenched in the ASB's five strategic objectives and evidenced through the achievement of its performance targets.

The ASB submits its approved strategy and annual performance plan to the Minister of Finance, who is the Executive Authority of the ASB, for his approval and for tabling by him in Parliament.

As the public sector accounting standard setter in South Africa, the ASB operates in an environment that faced instability and uncertainty in the year under review.

The frequency of changes in the Executive Authority impacted the ASB's operations. Most noticeably, the ASB was impacted by the late appointment of new Board members and effective dates for Standards approved by the Board only being gazetted by the Minister after year-end. The ASB is positive about sustaining a good working relationship with the Minister in future.

The performance targets set for 2017/2018 were based on consultation with external users. External users are likely to be interested in information relevant to the ASB's performance based on areas within the ASB's control.

### HOW WELL DID THE ASB PERFORM IN 2017/2018?

The assessment of the Board's performance in achieving its strategic objectives and, specifically, its annual targets for 2017/2018 is outlined in the diagram below.

The ASB achieved its performance targets, and in some cases exceeded the targets set for the 2017/2018 period for its five strategic objectives, as indicated in the diagram.

Diagram – Snapshot of the ASB's performance for 2017/2018

Outcome (Goal)	Improve financial reporting				
	Enhance financial reporting in all spheres of government over the next 5 to 10 years to improve accountability and decision-making				
Output (Strategic objectives)	Set Standards of GRAP	Monitor the application of Standards of GRAP	Promote the adoption of the Standards of GRAP	Influence the development of international standards	Manage the resources to ensure the ASB is operationally effective
	Issued 10 pronouncements, exceeding the target by 4	4 FAQs were issued 8 PSAF meetings were hosted	7 Standards were translated 5 Articles were published, exceeding the target by 1 4 Newsletters and Meeting Highlights were issued	4 Comment letters were submitted to IPSASB within the required timeframe All 4 IPSASB meetings were attended	No qualifications were reported by the external auditors for the 2016/2017 financial year

In previous years, the assessment of whether or not a performance target had been met was based on the approval for issue of a document at a Board meeting. Accordingly, it was agreed with the Operations Committee and the Technical Committee that it should not have an impact on the assessment of whether or not performance targets were achieved. Both these committees are subcommittees of the Board. Instead, the recommendations by the Technical Committee to the Board to approve the documents for issue were used as the basis for making the assessment this year.

### RESULTS OF ACTIVITIES AND ACHIEVEMENTS

#### **Set Standards of GRAP**

*Develop Standards of GRAP based on an approved work programme on an on-going basis, which:*

- *provide accounting requirements for all material transactions and events,*
- *are understandable, and*
- *can be implemented by entities in all three spheres of government.*

The Board exceeded the target of issuing six pronouncements in the year by issuing the six planned pronouncements and four additional pronouncements, totalling ten pronouncements. The ASB's performance is measured on the projects on the work programme. The work programme is developed through consultation with external stakeholders every three years. The last consultation took place in 2016, and the next consultation is planned for late 2018.

The majority of pronouncements issued in the reporting period respond directly to issues raised by stakeholders, or consider the impact of international developments on the local environment.

Most notably, the Board issued the following key documents in 2017/2018 as final pronouncements:

- *Conceptual Framework for General Purpose Financial Reporting.*
- *Interpretation of the Standards of GRAP on Liabilities to Pay Levies (IGRAP 19).*

- Transitional provisions for the five Standards of GRAP on *Interest in Other Entities* (GRAP 34 to GRAP 38) (also issued for comment).
- Transitional provisions for the Standard of GRAP on *Living and Non-living Resources* (GRAP 110).
- Revision of the Directive on *Determining the GRAP Reporting Framework* (Directive 5).
- Amendments to the Directive on *Transitional Provisions for Revenue Administered by SARS* (Directive 6).

The Technical Committee recommended to the Board in March 2018 that the following documents be issued for comment:

- Revision of the Standard of GRAP on *Financial Instruments* (GRAP 104).
- Draft Interpretation of the Standards of GRAP on *Accounting for Adjustments to Revenue* and amendments to the Interpretation of the Standards of GRAP on *Applying the Probability Test on Initial Recognition of Revenue* (IGRAP 1).
- Draft guideline on *Accounting for Landfill Sites*.

The Board completed research on users' need for Interim Financial Statements and agreed no further work in this area is necessary.

The Board also completed research on the way in which information is presented in the statement of financial performance. A Research Paper on the outcome of the research will be published in 2018/2019.

The Board is developing a guideline on the application of materiality in the preparation of financial statements. The guideline will be published for comment in 2018/2019.

In response to a request from preparers, research on practical difficulties being experienced when preparing consolidations is underway. The Board will consider the outcomes of the research in 2018/2019.

### **Monitor the application of the Standards of GRAP**

Monitor and evaluate the consistent application of the Standards of GRAP on an on-going basis by considering whether or not the needs of users are met.

Respond to issues identified by stakeholders by developing FAQs or adding projects to the work programme.

A key mechanism used to monitor the application of the Standards of GRAP is undertaking post-implementation reviews. This has proved to be a highly effective tool to identify whether the Standards are meeting the needs of users, and to identify key practice issues the Board may need to address.

The Board's policy does not require that a post-implementation review be undertaken for each Standard. Instead, reviews focus on those Standards where issues have been highlighted through audits and discussions with stakeholders. In response to the cost containment initiatives of the Minister of Finance, the Board has not undertaken post-implementation reviews since the 2015/2016 financial year as they require extensive travelling to stakeholders at municipalities, provinces and public entities.

In lieu of a post-implementation review, the ASB reviewed a sample of public sector entities' statements of financial performance and the related notes to assess the extent of compliance with GRAP 1, *Presentation of Financial Statements*. The review resulted in the amendment of three previous FAQs to provide additional guidance and clarify the requirements of the Standards. The Secretariat also engaged with issuers of guidance that the research found required clarity.

Based on on-going engagement with stakeholders, the Secretariat identified the need for clarity on two key issues. This resulted in the issue of FAQs which clarified the following topics:

- The items to be included in cash and cash equivalents,

- The interaction between the Standards of GRAP on *Service Concession Arrangements, Joint Ventures and Accounting by Principals and Agents*,
- The presentation of information on cumulative expenditure on assets in the process of being constructed where no comparative information is available, and
- The disclosure of information on projects that are taking significantly longer than expected to complete, and the meaning of the phrase “significantly longer”.

In addition, the Secretariat facilitates regular PSAF meetings to discuss issues related to financial accounting and reporting in the South African public sector. The Forum consists of representatives of the ASB, the National Treasury, the AGSA, professional bodies and practitioners with an interest in public sector financial accounting and reporting, including preparers, auditors, users, consultants, and academics. A total of eight PSAF meetings were held during the year.

The Secretariat works closely with the employees of the AGSA and the OAG to resolve issues that arise during the PFMA and MFMA audit cycles.

#### ***Promote the adoption of the Standards of GRAP***

Monitor and facilitate the adoption of the Standards of GRAP by public sector entities through the development of transitional provisions and transitional arrangements when the Minister of Finance approves a new Standard.

Respond to issues identified by stakeholders by developing FAQs or adding projects to the work programme.

A notice was published in the Government Gazette requesting comment on the implementation of the following Standards of GRAP:

- *Segment Reporting*
- *Related Party Disclosures*
- *Service Concession Arrangements: Grantor*

- *Transfers of Functions Between Entities Under Common Control*
- *Transfers of Functions Between Entities Not Under Common Control*
- *Mergers*
- *Statutory Receivables*
- *Accounting by Principals and Agents*
- *Living and Non-living Resources*

No comment was received and the final notice was published by the Minister of Finance after year-end.

The effective date for the majority of the pronouncements is 1 April 2019. The Secretariat will perform an analysis to determine whether any specific outreach should be considered during the 2019/2020 financial year to assist entities in implementing these Standards.

To raise awareness of current projects on the work programme, and to inform ASB stakeholders of new developments, articles are submitted to a range of stakeholders, including SAICA, SALGA, SAIGA and CIGFARO. Five such articles were submitted for publication:

- The amendments to the Standards on impairment of assets.
- An update on current technical activities.
- Results of the research on the review of the statement of financial performance presentation.
- The scope of the project on landfill sites.
- An update on new reporting requirements that will be effective for financial years commencing on or after 1 April 2018.

A newsletter and meeting highlights are published after each Board meeting to inform stakeholders of any technical developments. Even though the Secretariat endeavours to publish the newsletter within 30 days after the Board meeting, a change in software the Secretariat used for publication resulted in one newsletter being published a day late.

All the Standards of GRAP issued in the 2016/2017 financial year were translated during 2017/2018. The *Conceptual Framework for General Purpose Financial Reporting* was also translated. The Secretariat is monitoring the use of these translated documents to enable the Board to make a decision on whether or not to continue with translations, or to publish a summary of each Standard instead and have the summaries translated. A decision in this regard will be made in the new financial year.

### ***Influence the development of international standards***

*Influence the development on an on-going basis of:*

- *private sector standards to minimise differences between the private and public sectors, and*
- *IPSASs, as appropriate public sector standards, reduce the need for South African public sector amendments in the development of Standards of GRAP.*

The ASB influences the development of public sector reporting internationally by:

- ensuring South Africa is represented on the IPSASB,
- participating in task groups and task forces that assist in developing IPSASs, and
- commenting on relevant documents issued for comment.

As the South African government is one of the early adopters of IPSASs, local experience enables the ASB to make valuable inputs into key issues faced by governments with regards to applying accrual accounting. The development of South Africa-specific standards in areas such as heritage assets, transfers of functions and mergers, ensures the ASB is able to contribute innovative thinking on new issues considered by the IPSASB.

The Secretariat issued the following concurrent Exposure Drafts issued by the IPSASB locally:

- Consultation paper on *Revenue and Non-exchange Expenses*.
- Exposure draft on *Financial Instruments*.

- Consultation paper on *Heritage*.
- Exposure draft on *Social Benefits*.
- Exposure draft on *Leases*.
- Consultation paper on *Proposed Strategy and Work Plan 2019 to 2023*.

The issuing of the international documents locally for comment enables engagement with the stakeholders that will likely be affected by the proposals. Comments received locally are communicated to the IPSASB to influence the development of the international document before it is finalised. It means fewer changes are needed to respond to issues when considering the document for issue locally.

The Secretariat has commented on all of the proposed pronouncements issued by the IPSASB during the year under review and all four IPSASB meetings were attended.

The Secretariat also participated in the task group on Heritage and continues to be involved in the task force to review the existing guidance on Public Sector Specific Financial Instruments and Financial Instruments.

The Secretariat also actively monitors developments at the IASB, the global standard setter for private sector financial reporting standards. In particular, the Secretariat participates in the following local committees:

- sub-committees facilitated by SAICA to discuss comments on proposed pronouncements and amendments to IFRS Standards,
- the Accounting Practices Committee of SAICA,
- the Financial Reporting Technical Committee of the Financial Reporting Standards Council, and
- the Financial Reporting Standards Council meetings as observer.

When these committees consider comments on pronouncements issued by the IASB for comment, any public sector issues are raised as part of that process.



***Manage the resources to ensure the ASB is operationally effective***

To ensure the development of the Standards of GRAP is done in the most efficient, effective and economic way.

The ASB has received an unqualified audit opinion since its establishment in 2002, and complies with all regulatory requirements.

No adverse findings were reported by the internal audit activity, and any

recommendations for improvements in processes and policies, all classified as administrative matters, have been implemented.

**STRATEGIC OBJECTIVES OF THE ASB FOR 2018/2019**

The strategic objectives for 2018/2019 are unchanged from those reported for the 2017/2018 reporting period.

**Diagram – Strategic objectives, indicators, and targets of the ASB for 2018/2019**

<i>Strategic objectives</i>	<i>Measurable indicator and related target</i>
Set Standards of GRAP	Present seven documents as identified in the work programme.  Present the completed research for two projects as identified in the work programme.
Influence the development of international standards	Comment within the comment period set by IPSASB on those IPSASB Exposure Drafts relevant to the ASB.  Attend all four IPSASB meetings.
Promote the adoption of the Standards of GRAP	Translate final Standards and amendments to Standards within 12 months after approval date by the Board.  Submit four different articles on different topics for publication to professional bodies per year.  Issue a newsletter and meeting highlights within one month after a Board meeting.
Monitor the application of the Standards of GRAP	Issue a FAQ within six months of the identification of the need to develop a FAQ.  Monitor effectiveness of amendments to the Standards of GRAP on <i>Investment Property</i> and <i>Property, Plant and Equipment</i> by issuing a completed Research Paper.  Host at least eight PSAF meetings per year.
Manage resources to ensure the ASB is operationally effective	No qualifications reported by external auditor.

After the expected national elections in 2019, the Board will develop a new strategic plan. This may give rise to new strategic objectives once the newly elected government has announced its strategic imperatives for the next five years.



# SECTION 3

## STAKEHOLDER OUTREACH

The key to ensuring that the work of the Board remains relevant and credible is regular dialogue with stakeholders. The Board's stakeholders primarily include preparers of the financial statements, auditors, professional bodies, and users of the financial statements (as well as representatives of any of these stakeholders). When requested, the Secretariat engages with regional or international bodies or organisations on the adoption of accrual accounting in the public sector and the South African experience.

### CONSULTATION AT EACH STAGE OF OUR STANDARD-SETTING PROCESS

Consultation is important at each phase of the standard-setting process. This means:

- consultation when pronouncements are developed,
- raising awareness about pronouncements once they are issued,
- discussions with stakeholders about the application of the pronouncements once implemented, and
- discussions with stakeholders when the effectiveness of pronouncements is tested through post-implementation or similar reviews.

The Board undertook a total of 42 local (2017: 53) consultations during the year. There were no international outreach events undertaken for the year (2017: 2). The table below outlines the type of engagements undertaken during the year.

Nature of engagement	No. of consultations		% consultations	
	2017/2018	2016/2017	2017/2018	2016/2017
Due process engagements	30	33	71%	60%
Sharing information with stakeholders	12	13	29%	23%
Engagements with users of the financial statements	0	5	0	9%
Engagement with academics	0	2	0	4%
<b>Total local</b>	<b>42</b>	<b>53</b>		
International	0	2	0	4%
<b>Total</b>	<b>42</b>	<b>55</b>		

The number of local consultations has decreased when compared to the prior year for the following reasons:

- There were fewer Exposure Drafts issued for comment. The focus of the Board's work this year has been on developing proposed pronouncements, and proposed revisions to existing Standards which will be issued in 2018 for comment.

- In the previous reporting period the Board engaged with users of the financial statements through initiatives with SALGA. SALGA has changed its approach to engaging with councillors which has resulted in less involvement by the Secretariat.
- The engagements with academics last year was to stimulate interest in undertaking research on public sector issues. This has led to work being done on heritage assets by the North West University. There has been no specific need to engage further with academics during the year.
- International outreach events are driven by invitations from organisations to participate in their events.

While the Board aims to undertake outreach in each of the nine provinces, this is dependent on invitations from the relevant organisations in the respective provinces. This year the Board did undertake outreaches in the Eastern Cape and KwaZulu-Natal, which it did not reach in the prior year. Information about the geographic distribution of the consultations undertaken during the year is outlined in the table below.

Province	No. of consultations	
	2017/2018	2016/2017
Eastern Cape	1	0
Free State	0	0
Gauteng	0	3
KwaZulu-Natal	1	0
Limpopo	0	1
Mpumalanga	0	1
Northern Cape	0	1
North West	1	2
Western Cape	2	3
National	37	42
<b>Total</b>	<b>42</b>	<b>53</b>

### EXPANDING OUR REACH THROUGH INNOVATION

The Board's stakeholder outreach has traditionally focused on face-to-face interactions through workshops, conferences, and meetings. This is resource intensive, in terms of both employees time and travel costs, particularly if the aim is to reach stakeholders in all nine provinces every year. It is equally resource intensive for stakeholders to travel to a central venue to participate in a discussion, workshop or meeting. The Secretariat, with the assistance of SAICA, presents a bi-annual "GRAP Update" through a webcast. These updates keep stakeholders nationally and in each of the nine provinces informed, and provide them an opportunity to comment on new developments at the ASB or IPSASB. The Secretariat also records videos with SAICA on topical issues which are made available on SAICA's and the ASB's websites. Positive feedback has been received on these initiatives.

### MAKING PRONOUNCEMENTS MORE ACCESSIBLE

To facilitate better accessibility to, and understanding of, the Standards of GRAP issued by the Board, the Standards have been translated into isiZulu, Sesotho and Afrikaans.

# SECTION 4

## IMPACT OF THE ASB'S OPERATIONS ON THE ENVIRONMENT

Being a good corporate citizen, as defined in King IV, means being conscious about the effect the ASB's operations have on the workplace, the economy, society and the environment. This section outlines the ASB's impact on the environment while other aspects are dealt with elsewhere in this report.

### OVERVIEW

The ASB's activities comprise two key aspects – research and development of pronouncements and related activities, and consultation with stakeholders on the development, adoption and implementation of the ASB's pronouncements.

The ASB's activities are mostly office-based, but travel is necessary, either by road or by air, to engage with stakeholders. The resources that the ASB uses that impact on the environment are:

- Water
- Energy
- Paper
- CO2 emissions through travel

### CONSUMPTION FOR THE YEAR

The table below outlines the ASB's use of these resources during the 2017/2018 reporting period.

**Table - Consumption levels for the year under review, compared to those of the prior year**

	2017/2018	2016/17	Change
Water	91.5 kL	95 kL	-4%
Electricity	12 403 kW	13 764 kW	-10%
Paper	311 kg	205 kg	52%
International air travel	125 026 km	95 130 km	31%
Domestic air travel	24 274 km	31 780 km	-24%

### WATER

The water consumption for the period has remained relatively unchanged compared to the prior year.

### ENERGY

The electricity consumption has reduced by 10% from 2016/2017. While no new measures have been implemented, the lights in the office and communal areas of the building are switched off every evening, and the air conditioners are only used when needed.

### PAPER

The ASB's paper usage has increased during the year by 52%. While the ASB makes every effort to reduce paper usage, the nature of the ASB's work necessitates printing of documents. Paper usage is often dependent on the nature of the documents being developed (or reviewed in the case of reviews of the IPSASB's documents) and their stage of development.

It is often necessary to print lengthy documents to enable effective internal and other reviews.

In the current year, the project on financial instruments resulted in the development of an exposure draft with application guidance, illustrative examples and a basis for conclusions which exceeds 370 pages. Although not common practice, the ASB has also had to make hard copies of documents available at some project group meetings to allow effective participation in the discussions.

To date, the ASB has implemented the following measures to reduce the consumption of paper:

- All printers are set to print double side, and in most instances, printing is done with four pages of text on a single page.
- Board and committee documents are no longer printed, unless specifically requested.

Printed paper is recycled wherever possible.

### CARBON EMISSIONS

The Secretariat undertakes air travel domestically to engage with stakeholders, and internationally to attend IPSASB meetings. The ASB measures its impact on the environment by calculating the distance travelled by air as this mode of travel results in the most significant output of carbon emissions. The Board does not measure kilometres travelled by car to attend meetings, workshops and other engagements, nor does it measure the resources consumed by stakeholders to attend ASB meetings and project groups.

There has been a reduction in domestic air travel by 24% when compared to the prior year and an increase in international air travel by 31%. These differences are because the December 2016 IPSASB meeting was held in Cape Town. This meant less international travel and more domestic travel being reflected in the prior year. An additional trip was also made overseas in 2017/2018 to participate in the IPSASB's Task Force on *Financial Instruments*.

In an effort to reduce travel both domestically and internationally, the ASB:

- Presents information on its Exposure Drafts or shares information on its activities by way of webcasts.
- Makes recordings of particular topics available on the web.
- Participates in the IPSASB's activities out of session, e.g. reviews of documents or participation in Task Based Groups or Task Forces, via teleconference.

The participation in webcasts and the recording of videos on particular topics has been made possible by working with partners such as SAICA.

The negative effects that air travel has on the environment have not been offset in any way, as contributing to carbon offset programmes offered by airlines is often prohibitive in terms of cost, and the ASB has insufficient resources to spend on such programmes.

# SECTION 5

## GOVERNANCE OF THE ASB

Effective governance processes and systems have been implemented and ensure the Board and its employees are held accountable. These structures are supported by the Board's strategic plan and annual performance plan.

The Board, which is the Accounting Authority of the ASB, is responsible for corporate governance and establishing its own operating procedures. The Board fulfils these responsibilities by approving and implementing the necessary policies to ensure the ASB adheres not only to the legislative requirements as set out in the PFMA, but also to the principles in the Protocol on Corporate Governance and King IV.

### APPLICATION OF KING IV

The Board has benchmarked its governance policies and practices to the recommended principles set out in King IV. The Board is an early adopter of the principles of King IV, and has identified the following gaps.

- Neither the Chief Executive nor the Technical Director are members of the Board, but attend all Board meetings and meetings of committees of the Board to ensure members are provided with all information they may require. As a change in the composition and the structure of the Board would require an amendment to legislation, it will not be pursued at present.
- The employment contracts of key employees do not address any contractual termination conditions, other than a standard calendar month notice period.

This will be revisited by the Board at a future date in conjunction with the Minister of Finance to ensure any amendments are funded.

The Board, in compliance with King IV, is applying the principles and explaining its practices. A detailed report on the Board's progress on complying with KING IV is available on the ASB website at <http://www.asb.co.za/>.

### PORTFOLIO COMMITTEES

Parliament exercises its role of evaluating the performance of the ASB by considering its annual financial statements, which, together with other documents, must be tabled from time to time. The Standing Committee on Public Accounts is required to review the ASB's annual financial statements and the auditor's reports of the external auditor. The Standing Committee on Finance provides oversight over the ASB, as an entity in the portfolio of the Minister of Finance.

### EXECUTIVE AUTHORITY

The Minister of Finance is the Executive Authority responsible for the ASB. The Minister of Finance is responsible for appointing Board members and for ensuring those members have the necessary skills and expertise in accounting and public sector finance. Board members should also have the knowledge and understanding of financial reporting and governance to guide the ASB as a public entity. In addition to appointing the Board members, the Minister of Finance determines the implementation dates for Standards of GRAP developed by the Board.

## THE BOARD

The Board consists of ten non-executive members. Board members have a dual function.

Firstly, they are responsible for governance and accountability, and as Accounting Authority, for ensuring the ASB meets the objectives set out in the strategic plan. This activity is executed through the Operations Committee and the Chief Executive.

Secondly, the Board is responsible for setting Standards of GRAP. This activity is executed through the Technical Committee and the Technical Director. The Chief Executive is a member of the Technical Committee.

The Board has delegated a number of functions to the Technical Committee. To ensure the Board maintains its integrity and fulfils its governance and accountability responsibilities, it has further delegated some of its functions to the Operations Committee, to assist with the effective performance of its functions.

In its capacity as standard setter, the Board develops and approves Standards of GRAP, Interpretations of Standards of GRAP, Directives, Discussion Papers, Exposure Drafts, and Guidelines for those entities required to comply with the Standards of GRAP. Once a Standard of GRAP has been approved by the Board, an implementation date is recommended to the Minister of Finance. Such a recommendation follows consultation with the AGSA and the National Treasury.

The Board is also required to promote transparency in, and effective financial management of, revenue, expenditure, assets and liabilities in the public sector.

## AUDIT AND RISK COMMITTEE

Due to the size and nature of the ASB, it shares the National Treasury's Audit and Risk Committee. The National Treasury appoints and remunerates the members of the Audit and Risk Committee.

The National Treasury is responsible for the governance and accountability of the Audit and Risk Committee. An unimpeded direct link to the ASB's Board and committees is ensured by the Chairperson of the Audit and Risk Committee attending the Board meetings, and the Chief Audit Executive attending the meetings of the Operations Committee.

Information on attendance of the Audit and Risk Committee members at meetings and remuneration is included in the annual report of the National Treasury. The ASB remunerates the Chairperson of the Audit and Risk Committee for attendance of Board meetings. The total remuneration of the Board of R588 662, as included in section 8 of this report, comprise the remuneration of Board members and remuneration of the Chairperson of the Audit and Risk Committee, as identified by asterisks (\*\*) in the tables on page 25.

Information on the members of the Audit and Risk Committee is set out in the Committee's report on page 32.

## COMPOSITION AND REMUNERATION OF BOARD MEMBERS

Remuneration of Board members is determined by the Minister of Finance. Employees of national, provincial and local government and any of their agencies, entities, or organs of state are not remunerated. Those members are identified by an asterisk (\*) in the tables below.

Actual expenses incurred by Board members to attend meetings are refunded.

The tables reflect actual meeting attendance and remuneration for the year. The fourth Board meeting, deferred to 16 May 2018, is excluded from the information in the tables. A commitment for costs related to the meeting has been included in the financial statements in Section 8 of this report.



### REMUNERATION STRATEGY

Board members are remunerated at the rate of a specialist in accordance with the SAICA Guideline on *Fees for Audits Done on Behalf of the AGSA*. Board members are remunerated at an hourly rate for the length of the meeting.

### EVALUATION OF PERFORMANCE OF THE BOARD

The annual evaluation of Board members' own performance recognises the relevant roles and responsibilities and cohesion of the Board. The evaluation distinguishes members based on the number of years over the three year term of appointment that individual Board members have been in service.

Based on the assessment in the current year, the Board is satisfied no significant issues were identified in the performance of individuals and as a group, other than the need to strengthen the contribution from the representatives of the National Treasury. The Board agreed with the National Treasury that the contribution from the representatives is both in attendance and providing strategic direction. The proposed Memorandum of Understanding with the Office of the Accountant-General aims at driving the contributions from representatives from the National Treasury. The agreement was drafted in 2016 but has still not been signed by the Accountant-General.

**Table - Composition and attendance of Board meetings: Board members whose term ended during the year**

<b>Name of Board member</b>	<b>Designation in terms of Public Entity Board structure</b>	<b>Date appointed</b>	<b>Qualifications</b>	<b>Area of Expertise</b>	<b>No. of Board meetings attended</b>
<b>L Bodewig*</b>	Non-executive member Member of the Technical Committee Alternate to Acting Accountant-General	23 November 2011 Role as alternate ended 28 February 2018	CA(SA)	Public sector finance	2 of 2
<b>T Coetzer</b>	Chairperson of the Board from 1 March 2015 Chairperson of the Operations Committee from 1 March 2015 Independent non-executive member	Re-appointed for a second term on 1 March 2015 Term ended on 28 February 2018	CA(SA)	Public and private sector finance	3 of 3
<b>B Colyvas</b>	Independent non-executive member Member of the Operations Committee Chairperson of the Technical Committee	Re-appointed for a second term on 1 March 2015 Term ended on 28 February 2018	CA(SA)	Technical accounting and auditing (public and private sector)	3 of 3
<b>M Kunene*</b>	Independent non-executive member Member of the Technical Committee	1 March 2015 Term ended on 28 February 2018	CA(SA)	Public sector finance	2 of 3
<b>J Nair* (Acting Accountant-General)</b>	Non-executive member	18 May 2016 Term ended on 5 September 2017	B Com National Diploma: Government Finance	Public sector finance	0 of 1
<b>N Ranchod</b>	Independent non-executive member Member of the Technical Committee	Re-appointed for a second term on 1 March 2015 Term ended on 28 February 2018	CA(SA)	Technical accounting and auditing (public and private sector)	3 of 3
<b>R Rasikhinya*</b>	Independent non-executive member Member of the Operations Committee	Re-appointed for a second term on 1 March 2015 Term ended on 28 February 2018	CA(SA)	Public sector finance	1 of 3
<b>C Wurayayi*</b>	Independent non-executive member Member of the Operations Committee	1 March 2015 Term ended on 28 February 2018	ACCA	Public sector accounting	0 of 3

**Table - Composition and attendance of Board meetings: New, permanent, and reappointed Board members**

Name of Board member	Designation in terms of Public Entity Board structure	Date appointed	Qualifications	Area of Expertise	No. of Board meetings attended
<b>New Board members</b>					
<b>F Abba</b>	Independent non-executive member	1 March 2018	CA(SA)	Technical accounting and auditing (public and private sector)	-
<b>L Bodewig*</b>	Non-executive member	1 March 2018	CA(SA)	Public sector finance	-
<b>C Braxton</b>	Independent non-executive member	1 March 2018	CA(SA)	Technical accounting, auditing and training (public and private sector)	-
<b>K Hoosain</b>	Independent non-executive member	1 March 2018	CA(SA)	Technical accounting and auditing (public and private sector)	-
<b>P Moalusi</b>	Independent non-executive member	1 March 2018	CA(SA)	Public sector finance	-
<b>N Themba</b>	Non-executive member	Appointed on 1 March 2018	SAIPA B Com Hons Diploma in Internal Auditing B ED	Public sector finance and internal audit	-

**Table - Composition and attendance of Board meetings: New, permanent, and reappointed Board members (continued)**

Name of Board member	Designation in terms of Public Entity Board structure	Date appointed	Qualifications	Area of Expertise	No. of Board meetings attended
<b>Permanent and reappointed Board members</b>					
<b>I Lubbe</b>	Independent non-executive member Member of the Technical Committee	1 March 2015 Re-appointed for a second term on 1 March 2018	CA(SA)	Academic (public and private sector accounting)	3 of 3
<b>K Makwetu* (Auditor-General)</b>	Non-executive member	1 December 2013	CA(SA)	Public sector audit	0 of 3
<b>Z Mxunyelwa* (Acting Accountant-General)</b>	Non-executive member	Appointed on 5 September 2017	Certified Internal Auditor	Public sector finance and internal audit	0 of 2
<b>V Ndzimande</b>	Independent non-executive member Member of the Operations Committee Member of the Technical Committee	1 March 2015 Re-appointed for a second term on 1 March 2018	CA(SA)	Public sector finance and consulting	3 of 3
<b>M Sedikela* (Alternate: K Makwetu)</b>	Non-executive member	Appointed on 19 October 2017	CA(SA)	Public sector audit	1 of 1

**Table - Composition and attendance of Operations Committee meetings**

Name of Board member	Date appointed	Term ended on	No. of meetings attended
T Coetzer	1 March 2015	28 February 2018	4 of 4
B Colyvas	1 March 2015	28 February 2018	3 of 4
R Rasikhinya*	1 March 2015	28 February 2018	2 of 4
C Wurayayi*	1 March 2015	28 February 2018	2 of 4
V Ndzimande	31 August 2017	Re-appointed	3 of 3

**Table - Composition and attendance of Technical Committee meetings**

Name of Board member	Date appointed	Term ended on	No. of meetings attended
B Colyvas	21 July 2015	28 February 2018	4 of 4
N Ranchod	21 July 2015	28 February 2018	3 of 3
M Kunene*	21 July 2015	28 February 2018	0 of 4
V Ndzimande	21 July 2015	Re-appointed	4 of 4
I Lubbe	21 July 2015	Re-appointed	3 of 4
L Bodewig*	21 July 2015	Appointed	3 of 4
M Mentz*	10 February 2016	Representative of AGSA	4 of 4
E Swart*	21 July 2015	N/A	4 of 4

**Table - Remuneration of Board members**

Name of Board member	Board	Operations Committee	Technical Committee	Fee for Chair	Total 2018	Total 2017
<i><u>Paid to Members</u></i>						
T Coetzer	34 512	25 884	-	109 607	170 003	186 294
B Colyvas	37 388	25 884	43 140	-	106 412	126 972
I Lubbe	41 702	-	28 760	-	70 462	89 090
V Ndzimande	41 702	17 256	60 396	-	119 354	104 523
<i><u>Paid to Employer</u></i>						
N Ranchod	39 344	-	44 261	-	83 605	91 966
<b>Total</b>	<b>194 648</b>	<b>69 024</b>	<b>176 557</b>	<b>109 607</b>	<b>**549 836</b>	<b>598 845</b>

**Table - Remuneration of Chairperson of the Audit and Risk Committee**

Name of Chairperson	Board	Total 2018	Total 2017
O Matloa	38 826	**38 826	58 225

## INTERNAL CONTROL AND RISK MANAGEMENT

The Board, with the assistance of the internal audit activity and the Audit and Risk Committee, ensures an effective, efficient and transparent system of internal control is implemented and maintained for the ASB to meet its strategic objectives. This is done through the establishment of an appropriate control environment.

Due to the size and the nature of the ASB's operations, a comprehensive system of internal control and risk management is not feasible. The Chief Executive is responsible for supervising the day-to-day operations of the ASB while the Operations Committee monitors compliance with applicable legislation against

the Board's approved operating policy and procedures to ensure goals and objectives are achieved.

## EXTERNAL AUDIT

Morar Incorporated are the external auditors of the ASB. No non-audit services were provided by the external auditors. Their report is set out on pages 36 to 39.

## COMBINED ASSURANCE

The combined assurance model is an essential and fundamental element relied on by the Board in forming its view of the adequacy of risk management and internal control in the ASB.

The combined assurance model recognises three lines of defence, which are as follows:

**Table – Combined assurance**

Level 1	Level 2	Level 3
Operational management	Risk resilience and compliance management	Internal and external audit
<p>Assurance over:</p> <ul style="list-style-type: none"> <li>the adequacy of risk management,</li> <li>effective adherence to systems of internal control, and</li> <li>delivery against predetermined strategic objectives and performance measures.</li> </ul>	<p>Oversight by the Operations Committee, Technical Committee and Audit and Risk Committee.</p> <p>Oversight over:</p> <ul style="list-style-type: none"> <li>the implementation of risk and compliance management, and</li> <li>policies and processes.</li> </ul> <p>The National Treasury shares risk management services with the ASB through its Enterprise Risk Management unit.</p>	<p>The internal audit activity provides assurance over:</p> <ul style="list-style-type: none"> <li>the adequacy of the systems of internal control,</li> <li>risk management, and</li> <li>control and governance processes.</li> </ul> <p>External audit provides independent reasonable assurance that:</p> <ul style="list-style-type: none"> <li>the financial statements are free from material misstatement, and</li> <li>are prepared in all material respects in accordance with the Standards of GRAP.</li> </ul> <p>External audit also has a responsibility to report in the auditor's report findings on:</p> <ul style="list-style-type: none"> <li>the reported performance against predetermined objectives, and</li> <li>compliance with legislation.</li> </ul>



### COMPLIANCE WITH LEGISLATION

The Board has established a framework and implemented various policies to ensure compliance with the applicable legislation. The register of applicable legislation is updated on a regular basis. The ASB is fully compliant with applicable legislation.

### FRAUD AND CORRUPTION

The Board has developed and implemented a fraud prevention plan to address the risk of fraud and corruption. No incidents were identified or reported during the financial year.

### MINIMISING CONFLICTS OF INTEREST

To minimise conflicts of interest, the Board has developed and implemented appropriate procedures to deal with any conflicts. All Board members and the Secretariat are required to complete an annual declaration of interests.

At each Board meeting, the declarations of Board members are updated. Newly appointed employees are required to declare all actual or perceived conflicts of interest on appointment. When new conflicts of interest arise, employees are required to declare such interests in the appropriate register, and changes to declarations are reported to the Board. No violations of conflicts of interest occurred in the year.

### CODE OF CONDUCT

The Board has approved and implemented a Code of Conduct that requires all Board members and the Secretariat to conduct the ASB's operations fairly, impartially, in an ethical and proper manner, and in full compliance with all known and applicable legislation. The Board expects all employees to share its commitment to high moral, ethical and legal standards. Any violations of the Code of Conduct are reported to the Chief Executive, the Chairperson of the Board and to the internal and external audit, where applicable. No violations of the Code of Conduct occurred in the year.

### STRATEGIC PLAN, ANNUAL PERFORMANCE PLAN AND BUDGET

The Chief Executive prepares the strategic plan, annual performance plan and budget after consulting the Operations Committee and the Secretariat, for consideration and approval by the Board. The Board submits these documents to the National Treasury for consideration. The documents are submitted to the Minister of Finance for approval and tabled in Parliament. Quarterly performance reports, financial statements and reports on compliance with legislation are submitted to the Public Entity Oversight Unit in the National Treasury. The annual performance plan serves as the performance agreement between the ASB and the Minister of Finance.

### FINANCIAL SUSTAINABILITY

The current allocations made over the MTEF period are sufficient to allow the ASB to undertake its core activities, but funding is insufficient to allow for post-implementation reviews of the Standards of GRAP for 2017/2018. Any further reductions in the allocation would mean the ASB would need to curtail its core activities.

The ASB is conscious of expenditure control and complied with the National Treasury's cost containment measures.

### SOCIAL RESPONSIBILITY

The ASB is funded through the National Treasury allocation, which is indirectly funded through taxpayer and other public contributions, so its policy is not to make donations or contributions for social responsibility.

The ASB aligned its procurement policies with the Constitution, the PFMA and Treasury Regulations, and the B-BBEE Act. The ASB only does business with suppliers registered on the National Treasury Central Supplier Database and gives preference to suppliers that have achieved the highest score in terms of, among others, B-BBEE rating and price.

In selecting suppliers the ASB gives preference to small, medium and micro enterprises. The ASB further supports small businesses through its procurement policies and pays well within the legislated 30 day period.

The ASB is a Level 8 contributor in accordance with the requirements of the B-BBEE Act, based on the application of its procurement policy. It does not qualify for any rating on enterprise and supplier development.

### **HEALTH, SAFETY AND ENVIRONMENTAL ISSUES**

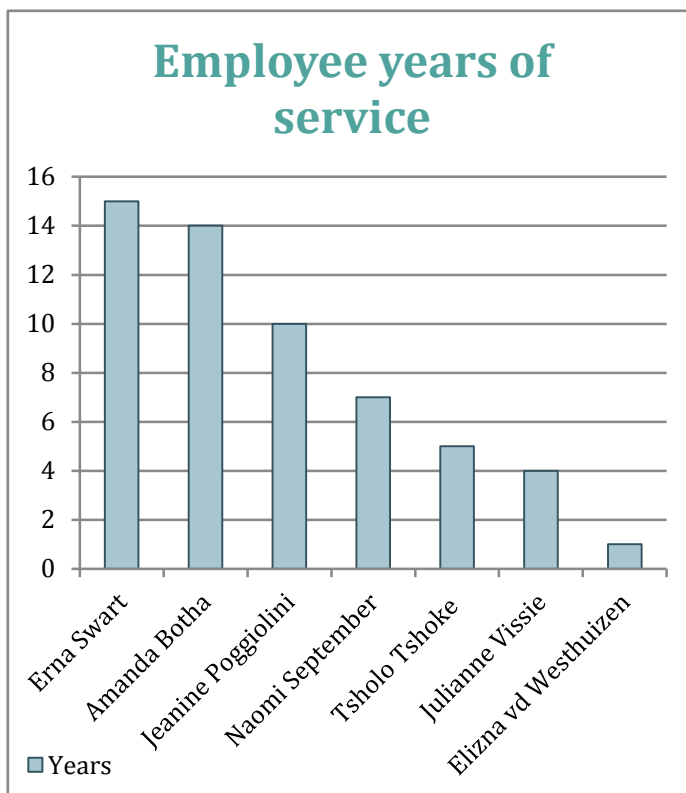
The Board has approved an occupational health and safety policy aimed at providing and maintaining a safe and healthy working environment for its employees. This policy is regularly reviewed.

No breakdowns in the ASB's policy concerning health, safety and other environmental issues were recorded in the reporting period. Refer to Section 4 of this report for the ASB's report on environmental sustainability.

# SECTION 6

## MANAGING AND DEVELOPING THE PEOPLE OF THE ASB

During the reporting period, the employees complement remained unchanged from the previous period. The ASB team has remained relatively stable since the establishment of the Board which is evident by several long-serving employees members.



This has enabled the ASB to develop human capital and retain institutional knowledge, to ensure sustainability.

### OVERVIEW OF HUMAN RESOURCES

*Human resource priorities and key strategies to attract and retain capable workforce*

The ASB prioritises providing all employees with equal opportunities to develop their full potential in an environment that promotes both individual performance and teamwork. Standard setting is not done in a silo; a common objective is shared to support stakeholders in their efforts to improve financial reporting and accountability.

Every employee plays a critical role in the success of the organisation and it is therefore important that each employee feels included and understands the importance of his or her work. At the beginning of each year, clear and measurable objectives are set as individual performance objectives for the year.

In a bid to retain employees, the Board has a suite of policies that sets out a well-developed, articulated and compelling “people promise” to attract and retain the best people. This value proposition is designed to appeal to existing employees and convince potential employees to join the ASB. The “people promise” also intends to differentiate the ASB from other employers and position the organisation as an employer of choice.

The retention of key employees and the recruitment of suitably skilled technical employees, when a vacancy arises, remain significant challenges. Experienced employees are a valuable resource in an increasingly mobile market environment. The ASB is proud to have had a zero vacancy rate for the year under review.

## HUMAN RESOURCE OVERSIGHT STATISTICS

### *Remuneration of employees*

The Board, through the Operations Committee, regularly reviews existing policies and procedures to address all human resource related matters and any challenges faced by the ASB.

The ASB has a remuneration policy that establishes and maintains competitive, fair, equitable and market-related compensation to attract, motivate and retain employees. Employees are recognised in accordance with their current skills and competency levels while giving them the opportunity to develop. Details of the Chief Executive's and Technical Director's remuneration are provided in the notes to the financial statements.

All the positions in the ASB have been graded using the Patterson scale of grading as this grading scale is sufficiently flexible to determine pay scales for each employee. Current remuneration is determined by reference to the qualifications and experience when recruited, time at the ASB, time in the particular job grade and work performance. Consideration is also given to the National Treasury's recommendations on remuneration.

Remuneration is based on the total cost to the ASB, which includes a requirement to belong to a medical aid and to contribute to retirement funding.

**Table - Personnel cost by salary band**

Level	Personnel Expenditure	% of Personnel Expenditure to total Personnel Cost	Number of Employees	Average Personnel Cost per Employee
	(R'000)			(R'000)
Management	4 040	44.80%	2	2 020
Professional qualified	3 829	44.35%	3	1 276
Skilled	568	6.57%	1	568
Semi-skilled	197	2.0%	1	197
<b>SUB-TOTAL</b>	<b>8 634</b>		<b>7</b>	
Movement in leave provision	86			
Accrual for performance bonus	2 080			
<b>TOTAL</b>	<b>10 800</b>			

### *Performance rewards*

The clear and measurable objectives set for the organisation at the beginning of the year are based on the performance objectives approved by the Board. The key performance indicators agreed with the Chief Executive filter through the organisation with each employee aligning personal objectives according to their role. This allows each employee to understand how their role and effort contribute to the overall success of the ASB.

The ASB sets ambitious targets and achieves these by creating a sense of purpose and commitment. While achieving objectives is crucial, the ASB is conscious that the behaviour displayed in doing so matches the core values.

The ASB's compensation philosophy is to pay for performance. Performance is recognised by compensating employees for sustained performance that helps deliver timely and tangible results. By doing so, employees are not only retained and motivated, but better results and an equitable work environment are created.

The Board has an incentive scheme with a variable component allocated based on 40% in favour of organisational performance and 60% in favour of individual performance. At the discretion of the Board, and when funds are available, incentives to a maximum of 30% of guaranteed remuneration are paid.

The Chairperson evaluates the Chief Executive's performance and the Operations Committee oversees the performance reviews and remuneration of the Secretariat. The Operations Committee makes recommendations to the Board on proposed changes to remuneration and incentives.

During the period under review, the Operations Committee, in its capacity as remuneration committee, made recommendations to the Board to reward performance, but due to the delay in the appointment of the new Board members, the process could not be completed before year-end. A provision of R2 080 000, as recommended by the Operations Committee, has been included in the financial statements.

#### *Development of employees*

The Board is committed to develop each individual employee's talent, skills and ability to deliver quality services to its stakeholders. It thus ensures all employees receive up-to-date, relevant and effective training and development so the Board can fulfil its mandate. Various policies and procedures concerning the training and development of employees have been developed and approved by the Board. These policies and procedures are aimed at ensuring employees develop at both a personal and a career level.

**Table - Expenditure on training and development**

Personnel Exp.	Training Exp.	Training Exp.	No. of empl. trained	Average Training Cost per Employee
(R'000)	(R'000)	% of Personnel Exp.		(R'000)
8 634	184	2.1%	7	26

W.consulting provided an in-kind service to the Secretariat to attend training courses free of charge. Refer to Section 8 of this report.

#### **LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION**

There was no disciplinary action taken during the period under review.

#### **EMPLOYMENT EQUITY**

The ASB is committed to employment practices based on equality of opportunity and the ability of the person to perform the essential functions of the role, regardless of colour, creed, race, nationality, gender, age, marital status, sexual orientation, or mental or physical disability. The ASB regards diversity as an asset and this is demonstrated by our policies and practices. The demographic composition of the ASB at reporting date is illustrated in the table below.

**Table - Demographic composition of the ASB**

Level	FEMALES		
	African	Coloured	White
Management	-	-	2
Professional qualified	1	-	2
Skilled	-	1	-
Semi-skilled	-	1	-
<b>TOTAL</b>	<b>1</b>	<b>2</b>	<b>4</b>

# SECTION 7

## REPORT OF THE AUDIT AND RISK COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2018.

### BACKGROUND

- The Audit and Risk Committee (the Committee) is established as a statutory committee in terms of section 51 (1) (a) of the Public Finance Management Act and Treasury Regulation 27.1.
- The Committee has adopted formal terms of reference as the Committee charter and has fulfilled its responsibilities for the year, in compliance with its terms of reference.

### MEMBERSHIP AND ATTENDANCE

- The Committee consists solely of independent members who are financially literate and also have appropriate experience.
- The Committee met five times during the year.
- The following is a list of its members, qualifications and a record of their attendance:

Name of member	Qualifications	Appointment Date	Number of meetings attended
Ms Octavia Matloa (Chairperson)	Chartered Accountant (SA), B.Com (Hons) and CTA.	1 July 2013	5 of 5
Ms Anna Badimo	B.Sc Computer Science B.Sc Hons Computer Science MBA, MSC, CISM, CGEIT, CRISC M. InstD, Cobol Programming Diploma, Project Management Diploma and Certificate in IT Auditing.	1 July 2015	5 of 5
Mr Ameen Amod	Master in Business Administration, Bachelor of Commerce, Certificate in Internal Audit (CIA), Certified Government Auditing Professional Auditor and Certification in Risk Management Assurance, Chartered Director (SA)	1 July 2015	4 of 5
Mr Brandon Furstenburg	Master of Science (MSc) in Financial Management, Master of Commerce (MCom) in Economics, BCom Hons, BCom and FAIS exams: RE1, RE3 & RE5. M.InstD	1 June 2017	4 of 5
Mr Charl de Kock	Masters in IT Auditing, Honours degree in Accounting, Certified Information Systems Auditor (CISA), Certified Internal Auditor (CIA), South African Institute of Professional Accountants (SAIPA)	1 February 2017	5 of 5
Mr Luyanda Mangquku	Chartered Accountant (SA), Masters in Business Leadership, Honours Bachelor of Accounting and Honours Bachelor of Commerce, Advanced Company Law I & II	1 July 2015	5 of 5



### THE AUDIT COMMITTEE'S RESPONSIBILITIES

The Committee in conjunction with the Risk Committee is satisfied that it has discharged its responsibilities in assisting the Accounting Authority with the following activities:

- Reviewing the adequacy, reliability and accuracy of the financial information provided by management and other users of such information,
- Overseeing the activities of, and ensuring coordination between, the activities of internal and external audit,
- Providing a forum for discussing exposures to financial and enterprise-wide risks and monitoring of controls designed to minimise these risks,
- Reviewing the entity's quarterly performance information, annual report, including annual performance information and annual financial statements, and any other public reports or announcements containing financial & non-financial information,
- Receiving and dealing with any complaints concerning the accounting practices, internal and external audit or the content and audit of its financial statements or related matters, and
- Annually reviewing the Committee's work in line with the charter and making recommendations to the Accounting Authority to ensure the Committee's effectiveness.

### RISK MANAGEMENT

- Management is responsible for the establishment and maintenance of an effective system of governance, risk management, the prevention and detection of fraud and internal controls.
- Internal Audit was guided by the consolidated risk profile, provided by the Enterprise Risk Management unit, critical audit areas and managements inputs in the formulation of its three-year strategic and annual plans.

- The entity has a Risk Committee which is chaired by an independent member who reports directly to the Audit Committee.
- The Risk Management Committee met four times during the year under review.
- A risk register is updated annually to ensure that all the major risks including emerging risks facing the organisation are effectively managed. The Committee monitors management's implementation of the risk management plans on a quarterly basis.

### INTERNAL AUDIT

The Committee approved a risk based three-year rolling Strategic Plan and an Annual Internal Audit Coverage Plan for periods 1 April 2017 to 31 March 2020 covering the following key audit activities for the 2017/2018 financial year:

Type	Total Planned Audits	% Completed
Regularity Audit	2	100%
Information Technology Audit	1	100%
<b>Total planned audits</b>	<b>3</b>	

The Committee reviewed all the internal audit reports; and is satisfied:

- With the activities of the internal audit function, including its annual work program, co-ordination with the external auditors and the responses of management to specific recommendations.
- That internal audit is conducted in accordance with the standards set by the Institute of Internal Auditors.

### ACCOUNTING AND AUDITING CONCERNS IDENTIFIED BY INTERNAL AUDIT

There are no accounting and auditing concerns that have been noted and brought to our attention.

### OTHER IDENTIFIED CONCERNS

The Committee noted the following areas of concern:

- Financial constraints limiting the organization's ability to deliver on its mandate, and
- Challenges in recruiting and retaining specialised skills.

Other than these matters, nothing significant has come to our attention to indicate any material breakdown in the functioning of controls, procedures and systems.

The Committee is therefore of the opinion that Internal Audit is independent, has provided objective assurance and consulting activities that were designed to add value and improve the organisation's operations; and it is satisfied with the effectiveness of the Chief Audit Executive.

### THE ADEQUACY, RELIABILITY AND ACCURACY OF THE FINANCIAL INFORMATION

The Committee is of the opinion, based on the information and explanations provided by management as well as the results of audits performed by the internal auditors, and Morar Incorporated, that the financial information provided by management to users of such information is adequate, reliable and accurate.

The external auditors commended management for submitting financial statements that were free from material misstatements and the Committee is satisfied with the effectiveness of the Chief Financial Officer and the finance function.

### EXTERNAL AUDIT

- The Committee has reviewed the independence and objectivity of the external auditors; noted that there were no non-audit services rendered by them during the year.
- In line with the legislative requirements we have also considered the external auditors' independence declaration in the auditors'

report, *"We are independent of the entity in accordance with the Independent Regulatory Board for Auditors' Code of professional conduct of registered auditors (IRBA code) and other independence requirements applicable to performing audits of the financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IESBA code and in accordance other ethical requirements applicable to performing audits in South Africa. The IRBA code is consistent with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (parts A and B)";* and the Committee is therefore satisfied with their independence.

- Morar Incorporated is the auditor of the Accounting Standards Board for the first year as at 31 March 2018 and will continue for a further four years.
- The external auditors attended four meetings of the Committee.
- The Committee did not have any in-camera meetings with the external auditors.
- The Committee reviewed and approved the external audit report and no accounting and auditing concerns were noted.

### THE EFFECTIVENESS OF INTERNAL CONTROLS

- The Committee considered all the reports issued by the various assurance providers e.g. Internal and External auditors, Risk Committee, etc.
- Noted managements' actions in addressing identified control weaknesses and is satisfied with the following achievements reported for the year:

Assurance Provider	Total Findings	Resolved Findings	Unresolved Findings
Internal Audit	9	1	8
External Audit	0	0	0

The eight (8) unresolved findings are in relation to the review of Enterprise Risk

Management processes that the ASB shares with the National Treasury.

In light of the above we report that the system of internal control for the period under review is considered to have been adequate.

#### **COMPLIANCE WITH LEGAL AND REGULATORY PROVISIONS**

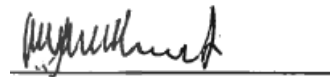
- The Committee has reviewed the in-year management and quarterly reports submitted in terms of the Public Finance Management Act and the Division of Revenue Act and are satisfied that no material deviations were noted.
- The Committee also noted managements' policies and procedures to ensure compliance with applicable laws and regulations.
- The Committee also noted the external auditor's report highlighting that no instances of non-compliance were identified.

#### **EVALUATION OF FINANCIAL STATEMENTS AND ANNUAL REPORT**

The Committee has evaluated the annual financial statements and performance information for the year ended 31 March 2018 and duly recommended it for the Accounting Authority's approval prior to being submitted to the external auditors for audit.

The Committee considered the Auditors' Management and Audit reports; and concurs with their conclusions. The Committee therefore accepts the audit opinion expressed by the external auditors on the annual financial statements, and annual report.

We would like to express our appreciation to the Board for their leadership and support; Chief Executive Officer, Internal Audit and management for their commitment and achievement of an unqualified audit opinion.



**Octavia M. Matloa**

**Chairperson**

**10 July 2018**

## INDEPENDENT AUDITOR'S REPORT

To the Accounting Authority of Accounting Standards Board

### Unqualified Audit Opinion

We have audited the financial statements of the Accounting Standards Board set out on pages 45 to 60 which comprise the statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Accounting Standards Board as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with Generally Recognised Accounting Practice and the requirements of the Public Finance Management Act of South Africa.

### Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of this auditor's report.

We are independent of the entity in accordance with the Independent Regulatory Board for Auditors' Code of professional conduct of registered auditors (IRBA code) and other independence requirements applicable to performing audits of the financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IESBA code and in accordance other ethical requirements applicable to performing audits in South Africa. The IRBA code is consistent with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (parts A and B).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Accounting Authority for the financial statements

The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice and the requirements of the Public Finance Management Act, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting authority is responsible for assessing the Accounting Standards Board's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting authority either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Reg. No: 2000/008551/21

IRBA Reg. No: 901449

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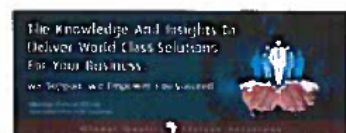
#### Offices In:

Centurion  
Pietermaritzburg  
Kimberley  
Cape Town  
East London  
Durban  
Bloemfontein  
Polokwane  
Rustenburg  
Mbombela

#### Directors:

R. Morar CA (S.A.), CFE  
Z. Zikalala CA (S.A.)  
C. Machiri CA (S.A.)  
S. Mahadea CA (S.A.)  
K. Naidoo CA (S.A.)  
V. Samarjith CA (S.A.)  
J. Reddy CA (S.A.)  
N. Cupido CA (S.A.)  
E. Polgieter CA (S.A.)  
B. Temba CA (S.A.)  
M. Naicker CA (S.A.)  
A. Bikram CA (S.A.)  
S. Oosthuizen CA (S.A.)

*me*





## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority.
- Conclude on the appropriateness of the accounting authority's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the accounting authority with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on the audit of the annual performance report

### Introduction and scope

In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, we have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. We performed procedures to identify findings but not to gather evidence to express assurance.

Our procedures address the reported performance information, which must be based on the approved performance planning documents of the entity. We have not evaluated the completeness and

appropriateness of the performance indicators/ measures included in the planning documents. Our procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, our findings do not extend to these matters.

We evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual performance report of the entity for the year ended 31 March 2018:

Objectives	Pages in the annual performance report
Objective 1: Set Standards of GRAP	10
Objective 2: Monitor the application of the Standards of GRAP	11
Objective 3: Promote the adoption of the Standards of GRAP	12
Objective 4: Influence the development of international standards	13
Objective 5: Manage the resources to ensure the ASB is operationally effective	14

We performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. We performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

We did not identify any material findings on the usefulness and reliability of the reported performance information for the following objectives:

Objective 1: Set Standards of GRAP.  
 Objective 2: Monitor the application of the Standards of GRAP.  
 Objective 3: Promote the adoption of the Standards of GRAP.  
 Objective 4: Influence the development of international standards.  
 Objective 5: Manage the resources to ensure the ASB is operationally effective.

#### **Other matters**

Although we identified no material findings on the usefulness and reliability of the reported performance information for the selected objectives, we draw attention to the following matter:

#### **Achievement of planned targets**

Refer to the annual performance report on pages 9 to 15 for information on the achievement of planned targets for the year and explanations provided for the under/over achievement of targets.

#### **Report on the audit of compliance with legislation**

##### **Introduction and scope**

In accordance with the PAA and the general notice issued in terms thereof we have a responsibility to report material findings on the compliance of the entity with specific matters in key legislation. We performed procedures to identify findings but not to gather evidence to express assurance.

*Wno*

We did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of PAA.

#### **Other information**

The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the accounting authority's report, the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.

Our opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

#### **Internal control deficiencies**

We considered internal control relevant to our audit of the financial statements, annual performance report and compliance with legislation; however the objective is not to express any form of assurance thereon. We did not identify any significant deficiencies in internal control.

#### **Auditor tenure**

In terms of the IRBA rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Morar Incorporated is the auditor of the Accounting Standards Board for the first year as at 31 March 2018, which will continue for a further four years, subject to reappointment.



---

**Per: Roshan Morar**  
**Director**  
**Morar Incorporated**  
**Chartered Accountants (S.A.)**  
**Registered Auditors**

**Eco Fusion 6,**  
**Block C, Unit 25**  
**324 Witch-Hazel Avenue**  
**Highveld**  
**Centurion**  
**0169**

**17 July 2018**



# SECTION 8

## STATEMENT OF BOARD MEMBERS' RESPONSIBILITY

To the best of our knowledge and belief, we confirm the following:

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by Morar Incorporated, the independent external auditors.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared having regard to the guidelines on the annual report as issued by the National Treasury.

The annual financial statements have been prepared in accordance with the Standards of GRAP and the PFMA.

The Board is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Board is responsible for establishing and implementing a system of internal control, which has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The independent external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2018.

Signed on behalf of the Board by:



**E Swart**  
**Chief Executive**  
**10 July 2018**



**Vincent Ndzimande**  
**Chairperson of the Board**  
**10 July 2018**

# ANNUAL FINANCIAL STATEMENTS

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## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2018

Figures in Rand	Note	2018	2017
<b>Revenue</b>			
Non-exchange revenue			
Transfer		13 463 000	12 517 000
Exchange revenue			
Interest		245 025	191 284
Other revenue		231 242	168 700
		476 267	359 984
		<b>13 939 267</b>	<b>12 876 984</b>
<b>Expenditure</b>			
Depreciation	1, 7	25 896	(69 735)
Employee benefits	2	(10 812 042)	(10 438 889)
Operating expenditure	3	(2 874 229)	(2 453 916)
		(13 660 375)	(12 962 540)
<b>Surplus/(deficit) for the year</b>		<b>278 892</b>	<b>(85 556)</b>

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

Figures in Rand	Note	2018	2017
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	2 796 248	442 820
Receivables from exchange transactions	6	61 181	68 504
		<u>2 857 429</u>	<u>511 324</u>
<b>Non-current assets</b>			
Property, plant and equipment	7	233 437	191 318
<b>Total assets</b>		<u>3 090 866</u>	<u>702 642</u>
<b>Net assets and liabilities</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables from exchange transactions	8	281 242	185 179
Employee benefit provisions	9	2 492 870	479 601
<b>Net assets</b>		<u>2 774 112</u>	<u>664 780</u>
Accumulated surplus		316 754	37 862
<b>Total net assets and liabilities</b>		<u>3 090 866</u>	<u>702 642</u>

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2018

Figures in Rand

**Balance at 01 April 2016**

Deficit for the year

**Balance at 01 April 2017**

Surplus for the year

**Balance at 31 March 2018**

Accumulated surplus	Total net assets
123 418	123 418
(85 556)	(85 556)
<b>37 862</b>	<b>37 862</b>
278 892	278 892
<b>316 754</b>	<b>316 754</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

Figures in Rand

**Cash flow from operating activities**

Cash receipts

Transfer

Other revenue

Cash payments

Employees

Suppliers and other service providers

**Net cash flows from operating activities****Cash flows from investing activities**

Interest

Acquisition of property, plant and equipment

Proceeds on disposal of non-current assets

**Net cash flows from investing activities****Net increase in cash and cash equivalents**

Cash and cash equivalents at the beginning of the year

**Cash and cash equivalents at the end of the year**

Note	2018	2017
	13 463 000	12 517 000
	230 893	168 700
	13 693 893	12 685 700
	(8 798 773)	(10 320 222)
	(2 770 844)	(2 478 297)
	(11 569 617)	(12 798 519)
10	<b>2 124 276</b>	<b>(112 819)</b>
	245 025	191 284
7	(17 373)	(76 902)
7	1 500	-
	<b>229 152</b>	<b>114 382</b>
	<b>2 353 428</b>	<b>1 563</b>
	442 820	441 257
5	<b>2 796 248</b>	<b>442 820</b>

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2018

Figures in Rand

	Note	Actual	Last Publicly Available Budget	Reprioritisation	Adjustment Budget	Variance
<b>Revenue</b>						
Transfer		13 463 000	13 463 000	-	13 463 000	-
Interest	16a	245 025	143 388	-	143 388	101 637
Other revenue		231 242	211 093	-	211 093	20 149
		<b>13 939 267</b>	<b>13 817 481</b>	<b>-</b>	<b>13 817 481</b>	<b>121 786</b>
<b>Less: operating expenditure</b>		<b>13 660 375</b>	<b>13 970 408</b>	<b>194 527</b>	<b>13 775 880</b>	<b>(115 505)</b>
Employee benefits	16b	10 812 042	10 208 441	603 301	10 812 042	-
Board remuneration	16c	588 662	979 225	(153 272)	825 953	(237 291)
Domestic travel	16d	68 557	125 303	(56 746)	68 557	-
Foreign travel	16e	388 877	476 100	(87 223)	388 877	-
Training and refreshments	16f	188 492	237 408	(48 916)	188 492	-
Communication and marketing	16g	450 701	589 057	(138 356)	450 701	-
Printing and publications		51 591	67 124	(15 533)	51 591	-
Administration	16h	1 111 454	1 287 750	(298 082)	989 668	121 786
<b>Surplus/(deficit) for the year</b>		<b>278 892</b>	<b>(152 927)</b>	<b>194 528</b>	<b>41 601</b>	<b>237 291</b>

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**SUMMARY OF MATERIAL ACCOUNTING POLICIES**

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**GENERAL INFORMATION**

The ASB is a juristic person established in accordance with the PFMA, and listed in Schedule 3A of that Act. The principal activity of the ASB is the setting of Standards of GRAP.

**MATERIAL ACCOUNTING POLICIES**

The material accounting policies applied in the preparation and presentation of these financial statements are set out below. These policies were consistently applied for the years presented, unless otherwise stated. The material accounting policies relate to the revenue of the ASB and employment benefits, which are the main activities of the ASB. A statement of accounting policies used by the ASB is published on the ASB website at [www.asb.co.za](http://www.asb.co.za).

**BASIS OF PREPARATION**

The annual financial statements have been prepared in accordance with Standards of GRAP, as set out in the ASB's Directive on *Determining the GRAP Reporting Framework*. They are presented in South African Rand, which is the functional currency of the Republic of South Africa.

These financial statements are prepared using the going-concern principle and on an accrual basis, in line with the historical cost measurement basis, unless stated otherwise.

**EMPLOYEE BENEFITS***Short-term employee benefits*

The cost of short-term employee benefits is recognised in the period in which the service is rendered.

*Provision for leave pay*

Provision for employee entitlement to annual leave represents the present obligation the ASB has to pay as a result of employees' services provided up to the reporting date. The provision is calculated at undiscounted amounts based on salary rates effective at the reporting date.

*Provision for performance bonuses*

The provision for performance bonuses represents the obligation to reward performance based on the performance incentive arrangements in place for services rendered up to the reporting date. The provision is the best estimate of performance bonuses payable in accordance with the rules of the arrangements at the reporting date.

*Post-retirement employee benefits*

The ASB contributes to a retirement annuity fund on behalf of its employees and is not liable for any actuarial loss sustained by the fund. Accordingly, no provision has been made for any such losses. As the contributions made are those of the employees from guaranteed remuneration, the contributions paid are expensed as remuneration.

**TRANSFER FROM THE NATIONAL TREASURY**

The transfer from the National Treasury is recognised when it is probable that future economic benefits will flow to the ASB and when the amount can be reliably measured. The ASB determines this to be the transfer the ASB is entitled to on a quarterly basis in accordance with the National Treasury payment schedules. There are no conditions attached to the transfer and the ASB recognises the full amount as revenue when the ASB becomes entitled to it.

**SERVICES RECEIVED IN KIND**

The ASB recognises services received in kind in the statement of financial performance at the fair value of these services received, to the extent that a fair value can be determined reliably. Where fair value cannot be determined reliably, the nature and type of services received are disclosed. Services received in kind include shared services with the National Treasury, unremunerated project group members and Board members in public service, and training.



## PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The depreciable amounts of property, plant and equipment are allocated on systematic bases over their useful lives. Management expects to use the assets for their full useful lives and therefore the residual values are estimated to be negligible. Useful lives and residual values are assessed on an annual basis.

The estimated useful lives of property, plant and equipment are currently as follows:

<i>Item</i>	<i>Average useful life</i>
Furniture and fittings	12 - 20 years
Office equipment	3 - 12 years

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in surplus or deficit for the period.

## COMPARATIVE INFORMATION

Where necessary, the comparative figures have been adjusted to confirm to changes in presentation in the current year.

For the current financial period, comparative figures have been adjusted on the face of the statement of financial position and related notes to reflect a short term provision for performance bonuses separate from payables from exchange transactions.

## BUDGET INFORMATION

The financial statements and the budget are prepared on the same basis of accounting and are presented as a separate statement.

## CRITICAL ACCOUNTING JUDGEMENTS

Aspects where judgement has been exercised that may have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial period are discussed below.

### *Determination of useful lives for property, plant and equipment*

The nature of the ASB's operations results in difficulties in determining the useful lives of items of property, plant and equipment. The asset lives exceed industry norms for similar assets. In re-assessing useful lives, the depreciation charge in the statement of financial performance is adjusted. Refer to note 1.

### *Adequacy of provision for leave pay*

The leave pay provision is based on actual days accrued at the rate of remuneration at the reporting date. Changes in the rate of remuneration are determined annually and are effective from the first date of the financial year.

### *Adequacy of provision for performance bonuses*

In the current year, the provision is based on the recommendation by the Operations Committee, in its capacity as remuneration committee, to the Board, which is deemed to be a reliable estimate.

**STANDARDS AND AMENDMENTS TO STANDARDS ISSUED BUT NOT EFFECTIVE**

The following Standards of GRAP and amendments to Standards of GRAP have been issued, but are not yet effective:

Standard	Summary and impact	Effective date
<b>GRAP 20 Related Party Disclosures</b>	<p>This Standard establishes principles on related party disclosure.</p> <p>The impact on the financial results and disclosure is considered to be minimal when the Standard is adopted as it has been used to inform current disclosures.</p>	<p>Issued by the ASB in June 2011.</p> <p>No effective date has been determined by the Minister of Finance during the year. The Minister published an effective date of 1 April 2019 after year-end.</p>
<b>GRAP 108 Statutory Receivables</b>	<p>This Standard prescribes the accounting treatment and disclosure for statutory receivables.</p> <p>The impact on the financial results and disclosure is considered to be minimal when the Standard is adopted as it has been used to inform current disclosures.</p>	<p>Issued by the ASB in September 2013.</p> <p>No effective date has been determined by the Minister of Finance during the year. The Minister published an effective date of 1 April 2019 after year-end.</p>

Those Standards of GRAP and amendments to Standards of GRAP that have been issued and are not yet effective, which are not relevant to the ASB, are not included in the list above.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

**1. Change in accounting estimate and reclassification****Change in useful lives**

The useful lives of certain furniture and fittings have been extended to 20 years, resulting in a decrease in depreciation for the current year of R65 095 and an increase of R2 502 per annum in future reporting periods.

The useful lives of certain office equipment has been extended to between five and 12 years, resulting in a decrease in depreciation for the current year of R34 005 and an increase of R14 989 per annum in future reporting periods.

**Reclassification of short term liabilities**

A short term provision for performance bonuses was included in payables from exchange transactions in 2017. A material provision for performance bonuses is presented separately in 2018 as an employee benefit provision. The comparative amount has as a result been reclassified. The amount of each item reclassified is as follows:

Figures in Rand

Amounts as reported in 2017

Reclassification

Comparative amounts reclassified in 2018

Payables from exchange transactions	Employee benefit provisions
337 981	326 799
(152 802)	152 802
<b>185 179</b>	<b>479 601</b>

**2. Employee benefit costs**

Employee costs – cost to company

Contribution to the UIF

2018	2017
10 799 550	10 426 991
12 492	11 898
<b>10 812 042</b>	<b>10 438 889</b>

**3. Operating expenditure has been arrived at after charging**

Auditors' remuneration - Fees

Domestic travel

Foreign travel

Operating lease expense

138 590	109 051
68 557	103 986
388 877	285 855
581 642	551 319

#### 4. Taxation

The ASB is exempt from income tax in accordance with Section 10(1)(cA)(i) of the Income Tax Act, Act No. 58 of 1962, as more than 80% of its expenditure is defrayed from funds voted by Parliament.

The ASB is exempt from the payment of Value Added Tax (VAT) on the transfer received. As a result, any VAT paid by the ASB is also not refundable by SARS. Accordingly, some of the items of revenue and expenditure and assets and liabilities include VAT.

#### 5. Cash and cash equivalents

Cash and cash equivalents consist of the following:

##### Financial assets

	2018	2017
Cash on hand and at bank	88 162	69 259
Interest bearing call account	2 708 086	373 561
	<b>2 796 248</b>	<b>442 820</b>

Refer to note 11 on financial instruments for how risk is managed in relation to the financial assets listed above.

#### 6. Receivables from exchange transactions

Deposits	55 186	55 186
Prepayments	5 996	13 318
	<b>61 181</b>	<b>68 504</b>

#### 7. Property, plant and equipment

	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fittings	390 618	(240 131)	150 487	390 618	(282 756)	107 862
Office equipment	239 813	(156 863)	82 950	257 359	(173 903)	83 456
<b>Total</b>	<b>630 431</b>	<b>(396 994)</b>	<b>233 437</b>	<b>647 977</b>	<b>(456 659)</b>	<b>191 318</b>

**Reconciliation of property, plant and equipment**

	<b>Furniture and fittings</b>	<b>Office equipment</b>	<b>Total</b>
<b>Balance 1 April 2016</b>	<b>136 284</b>	<b>47 867</b>	<b>184 151</b>
Additions	-	76 902	76 902
Disposals at cost	-	(42 704)	(42 704)
Depreciation on disposals	-	42 704	42 704
Depreciation	(28 422)	(41 313)	(69 735)
<b>Balance 1 April 2017</b>	<b>107 862</b>	<b>83 456</b>	<b>191 318</b>
Additions	-	17 373	17 373
Disposals at cost	-	(34 919)	(34 919)
Depreciation on disposals	-	33 769	33 769
Depreciation	42 625	(16 729)	25 896
<b>Balance 31 March 2018</b>	<b>150 487</b>	<b>82 950</b>	<b>233 437</b>

**8. Payables from exchange transactions**

	<b>2018</b>	<b>2017</b>
Payables at amortised cost	124 284	-
Accruals for goods and services	53 232	87 949
Payroll related accruals	9 333	4 506
	186 849	92 455
Straight-lining of operating lease	94 393	92 724
	<b>281 242</b>	<b>185 179</b>

Refer to note 11 on financial instruments for how risk is managed in relation to the financial liabilities listed above.

**9. Employee benefit provisions**

Provision for leave pay	412 870	326 799
Provision for performance bonuses	2 080 000	152 802
	<b>2 492 870</b>	<b>479 601</b>

	2018	2017
<b>Provision for leave pay</b>		
Opening balance	326 799	207 652
Increase in provision	755 349	698 727
Change in estimate	15 112	22 034
Leave paid	-	(23 874)
Amounts utilised during the year	(684 390)	(577 740)
Closing balance	<b>412 870</b>	<b>326 799</b>

In terms of the ASB's leave pay policy, employees are entitled to accumulated vested leave pay benefits not taken within a leave cycle, provided that any leave pay benefits not taken within a period of one year after the end of a leave cycle are forfeited.

#### **Provision for performance bonuses**

Opening balance	152 802	-
Increase in provision	2 080 000	152 802
Performance bonuses paid	(152 802)	-
Closing balance	<b>2 080 000</b>	<b>152 802</b>

During the period under review, the Operations Committee, in its capacity as remuneration committee, made recommendations to the Board to reward performance. Due to the delay in the appointment of the new Board members, the process could not be completed before the year end. A provision, based on the recommendation by the Operations Committee, has been recognised.

#### **10. Net cash flows from operating activities**

Surplus/(deficit) for the year	278 892	(85 556)
<b>Adjustments for:</b>		
Depreciation	(25 896)	69 735
Increase in provisions	2 166 071	119 147
Interest	(245 025)	(191 284)
Profit on disposal	(349)	-
<b>Changes in working capital:</b>		
Receivables from exchange transactions	7 322	(13 196)
Payables from exchange transactions	(56 739)	(11 665)
	<b>2 124 276</b>	<b>(112 819)</b>

**11. Financial instruments****Financial assets**

Cash and cash equivalents

Note	2018	2017
5	2 796 248	442 820

**Financial liabilities**

Payables from exchange transactions

8	281 242	185 179
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**12. Financial risk management****Credit risk***Cash and cash equivalents*

The ASB holds cash and cash equivalents with an investment grade rated registered banking institution, which it regards as having an insignificant credit risk. The balance is held at the Corporation for Public Deposits (CPD), which has the same rating as the South African Reserve Bank. Funds deposited with the CPD are kept at a maximum in order to maximise interest earned. The interest rates on this account fluctuate in line with movements in current money market rates. Rates earned on funds deposited with the CPD are higher than those earned on funds in the short-term money market account.

**Liquidity risk***Payables from exchange transactions*

The Board is only exposed to liquidity risk with regard to the payment of its payables. These payables are all due within the short-term. The ASB manages its liquidity risk by holding sufficient cash in its bank account, supplemented by cash available in investment accounts.

**13. Related parties****Compensation of key management***Chief Executive's remuneration*

Salary	2 236 000	2 181 000
Performance bonus	576 485	764 018
UIF contributions	1 785	1 785
	<b>2 814 270</b>	<b>2 946 803</b>

*Technical Director*

Salary	1 800 000	1 756 000
Performance bonus	427 766	582 931
UIF contributions	1 785	1 785
	<b>2 229 551</b>	<b>2 340 716</b>

The Board appointed the Chief Executive, Ms E Swart, on 1 March 2003 on a permanent basis.



	2018	2017
<i>Chairperson's fee</i>		
Fee	109 607	113 338
Board meetings	34 512	44 896
Operations Committee meetings	25 884	28 060
	<b>170 003</b>	<b>186 294</b>
<i>Other Board members' fees</i>		
Board meetings	198 962	263 048
Operations Committee meetings	43 140	28 060
Technical Committee meetings	176 557	179 668
	<b>418 659</b>	<b>470 776</b>
	<b>588 662</b>	<b>657 070</b>

Those Board members employed by national, provincial, or local government or other organs of state are not remunerated.

*Average number of members*

Board	10	10
Technical Committee	8	8
Operations Committee	4	4
<i>Average number of employees</i>		
Secretariat	7	7

The Minister of Finance is the Executive Authority and the National Treasury has the responsibility to make provision for funding the activities of the ASB by way of a transfer listed in the Estimates of National Expenditure. The ASB also receives Audit and Risk Committee and internal audit services that are paid for by the National Treasury.

By virtue of the fact that the ASB is a national public entity and controlled by the national government, any other controlled entity of the national government is a related party. All transactions with such entities are at arm's length and on normal commercial terms, except where employees of national departments or national public entities participate in the ASB's processes and do not receive any remuneration.

## 14. Commitments

### Lease commitments

At the reporting date, the ASB had commitments outstanding under a non-cancellable operating lease, which fall due as follows:

	2018	2017
<b>Office building and parking</b>		
Due within one year	619 015	581 642
Due within 2-5 years	653 061	1 261 014
	<b>1 272 076</b>	<b>1 842 656</b>

The ASB renewed the lease agreement for five year term with effect from 1 April 2015. There was no increase in the rental in the first year with an escalation of rental of 5.5% per annum thereafter. The cost of the lease is straight-lined over the period of the lease.

### Other commitments

Board remuneration	237 291	-
	<b>237 291</b>	<b>-</b>

A commitment has been made for the induction of new Board members and the remuneration of Board members for the fourth meeting of 2017/2018, scheduled for 16 May 2018. Estimation was based on the expected attendance and duration of the meeting. Due to the delay in the appointment of the new Board, the meeting could not be held before the year end.

## 15. Services received in kind

The ASB received services in kind from:

- The National Treasury for the shared internal audit activity and remuneration paid to the members of the Audit and Risk Committee.
- Members of project groups who are not remunerated by the ASB for their contributions to standard-setting. Refer to Annexure A for the detail of support received.
- Board members who are employees of organs of state who are not remunerated.
- W.consulting for allowing the Secretariat to attend training courses free of charge. A previous Board member, B. Colyvas, is an employee of W.consulting. The value of services received in kind during the reporting period is R19 161 (2017: R11 155).

**16. Budget variances**

The Board approved the budget and submitted it to the Executive Authority in terms of section 53(1) of the PFMA.

Explanations for significant variances from the publicly available budget are:

- a. The transfer is deposited directly into the account held at the CPD, which meant the balance available for earning interest was higher than previous years and the interest rates earned on funds held at the CPD is higher than interest rates offered by commercial banks.
- b. An accrual was made for bonuses of R2 080 000 on the basis that the Operations Committee had made the recommendation to the Board. In the previous year the bonuses were paid before the year end.
- c. A commitment of R237 291 was made for the fourth Board meeting that was delayed until 16 May 2018. Board members are paid at an hourly rate rather than a day rate. The length of Board, Operations Committee and Technical Committee meetings were shorter than planned, resulting in a saving of Board remuneration.
- d. The number of Exposure Drafts issued for comment that required consultation across the country reduced resulting in less domestic travel. The focus of the Board's work this year has been on developing proposed pronouncements and proposed revisions to existing Standards which will be issued in 2018 for comment. Meeting costs were lower as more meetings were held in Gauteng with national departments and national public entities as a result of the nature of the documents on which stakeholders were consulted.
- e. The cost of international travel was lower than expected due to the strengthening of the Rand.
- f. The amount of coaching employees received was less than anticipated.
- g. The planned development of a social media presence for the ASB was delayed until the redevelopment of the web site is completed.
- h. The impact of cost containment on procurement of maintenance, usage of water and electricity, and external service providers for human resource consultation and other professional fees resulted in savings on most line items that are required to maintain a physical establishment.

### ANNEXURE A - TECHNICAL SUPPORT RECEIVED IN THE DEVELOPMENT OF THE BOARD'S PRONOUNCEMENTS

The table below outlines the technical support received from representatives of the following organisations, in the form of participation in project groups, during the development of pronouncements issued by the Board.

Organisation	Financial Instruments	Presentation in the Statement of Financial Performance	Materiality	Landfill Sites	Adjustments to Revenue	Conceptual Framework	Liabilities to Pay Levies	Transitional Provisions for Living and Non-living Resources	Transitional Provisions for Interests in Other Entities
	6 meetings (3 for preparers and 3 for firms*)	2 meetings (1 for preparers and 1 for firms)	4 meetings (2 for preparers and 2 for firms)	4 meetings (2 for preparers and 2 for firms)	4 meetings (2 for preparers and 2 for firms)	1 meeting	1 meeting	2 meetings (1 for preparers and 1 for firms)	4 meetings (2 for preparers and 2 for firms)
	No. attended	No. attended	No. attended	No. attended	No. attended	No. attended	No. attended	No. attended	No. attended
<b>PREPARERS</b>									
<i>Public entities</i>									
Unemployment Insurance Fund						1	1		
Independent Communications Authority of South Africa	1	1							
Road Traffic Infringement Agency	2	2							
Property Management Trading Entity	1	1	1		1				1
South African Revenue Service	1	1	2		2			1	
Cape Nature			1						
SANParks			1						

Organisation	Financial Instruments	Presentation in the Statement of Financial Performance	Materiality	Landfill Sites	Adjustments to Revenue	Conceptual Framework	Liabilities to Pay Levies	Transitional Provisions for Living and Non-living Resources	Transitional Provisions for Interests in Other Entities
	6 meetings (3 for preparers and 3 for firms*)	2 meetings (1 for preparers and 1 for firms)	4 meetings (2 for preparers and 2 for firms)	4 meetings (2 for preparers and 2 for firms)	4 meetings (2 for preparers and 2 for firms)	1 meeting	1 meeting	2 meetings (1 for preparers and 1 for firms)	4 meetings (2 for preparers and 2 for firms)
	No. attended	No. attended	No. attended	No. attended	No. attended	No. attended	No. attended	No. attended	No. attended
National Research Foundation			1		1			1	
<b>Municipalities</b>									
City of Joburg	2	2		1					1
Nelson Mandela Bay	1	1	2	2	1	1	1		2
Sol Plaatje	2	2	1						
City of Cape Town				1					
Ekurhuleni				1					
Drakenstein				2		1	1		
Ethekwini				1	1				1
City of Tshwane					1				1
<b>TREASURIES</b>									
Limpopo Provincial Treasury	1	1	2						
Gauteng Provincial Treasury	1	1							
Western Cape Provincial Treasury			1						
National Treasury	2	2	2	2	2	1	1	1	2
<b>AUDITORS AND CONSULTANTS</b>									
AGSA			2	1	2	1	1	1	2

Organisation	Financial Instruments	Presentation in the Statement of Financial Performance	Materiality	Landfill Sites	Adjustments to Revenue	Conceptual Framework	Liabilities to Pay Levies	Transitional Provisions for Living and Non-living Resources	Transitional Provisions for Interests in Other Entities
	6 meetings (3 for preparers and 3 for firms*)	2 meetings (1 for preparers and 1 for firms)	4 meetings (2 for preparers and 2 for firms)	4 meetings (2 for preparers and 2 for firms)	4 meetings (2 for preparers and 2 for firms)	1 meeting	1 meeting	2 meetings (1 for preparers and 1 for firms)	4 meetings (2 for preparers and 2 for firms)
	No. attended	No. attended	No. attended	No. attended	No. attended	No. attended	No. attended	No. attended	No. attended
EY	3	3	2	2	2	1	1	1	1
KPMG	3	3	2	2	2			1	1
Deloitte	1	1	1	1	1			1	
SNG	2	2							
IDG Consulting	2	2	1						
Adapt IT	1	1	1						
Altimax				1					
Ayema Consulting				1					
Ducharme Consulting			1	1					
Environmental and Sustainability Solutions				1					
<b>OTHER INTERESTED PARTIES</b>									
SAIPA	1	1							
SAICA	1	1	2		1	1	1	1	
CIGFARO	1	1		1	1			1	
SALGA				1	1				1



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