Post-graduate short learning programme in Municipal GRAP Implementation to become a Municipal GRAP Specialist

36-credit HEQF (2007) level 8 course: 120-hours contact

The implementation of Generally Recognised Accounting Practice (GRAP) requires a great extent of GRAP Standard knowledge and an in-depth understanding of its implementation. South African municipal officials, both financial and non-financial, aim for full compliance with the latest requirements of GRAP and seek solutions to the myriad of GRAP implementation challenges that exist.
Introduction

Accreditation:

This 36-credit HEQF (2007) level 8 short course covers knowledge of the Postgraduate Diploma in Public Finance Management approved and quality controlled as required by the South African Qualification Authority (SAQA) and the Higher Education Qualification Committee (HEQC).

Background:

There are a number of new GRAP Standards, improvements to existing Standards and other accounting issues that will have an impact on the 2013/2014 municipal reporting period and beyond. There are also, however, a number of accounting issues and aspects contained in the existing GRAP Standards and ASB Directives that many municipalities appear to have been struggling with for a number of years. The need exists for municipal officials to be empowered with technical and practical knowledge and updates about the GRAP Standards, thus it is vital that municipal officials gain a detailed understanding of the GRAP Standard requirements and the implementation of the requirements of these Standards for accounting purposes and for Annual Financial Statement compilation.

This course will provide attending officials with a detailed GRAP implementation manual that will provide insightful, practical proposals to address the related implementation challenges. It will specifically include:

- The accounting reporting framework applicable in the period 2013/2014 for municipalities. Detailed reference will be made to notices and directives issued by the National Treasury and the ASB.
- A detailed discussion of the accounting treatment and disclosure requirements of the Standards of GRAP, read along with the Interpretations of Standards of GRAP (iGRAPS), where relevant, and practical guidance on HOW TO implement the standards. Detailed examples will be given to the attending officials on the procedures to be implemented to ensure technical GRAP compliance, e.g. the process undertaken by an entity to account for its Heritage Assets in terms of GRAP 103.
- A focus on the latest approved GRAP Standards (relevant for 2013/2014 and future years).
- Implementation challenges for 2013/2014 and onwards and practical proposals on addressing these challenges (including proposals to address issues that have remained problematic for municipalities over the years). Please see below this paragraph for examples of critical GRAP implementation issues that will be discussed, where relevant.
- Frequently asked questions on the standards of GRAP, where relevant.

Examples of critical GRAP implementation issues and their practical implications that will be discussed during the course include, but are not limited to, the following:

- Interpretations of the standards of GRAP (iGRAP’s). The ASB has issued various applicable iGRAP’s. What are their practical implications?
- IPSAS 20 (GRAP 20) Related Party Disclosures. How does a municipality identify all relevant related party relationships that need to be accounted for, irrespective of whether transactions were incurred with such related parties?
- **GRAP 101 (GRAP 27) Agriculture.** How does a municipality account for living animals and/or plants that do not form part of an agricultural activity?
- **GRAP 17 Property, Plant and Equipment.** Did the municipality perform accurate and complete componentization of assets in the past? If not, what is a municipality to do now?
- **GRAP 17 Property, Plant and Equipment.** Fully depreciated assets still in use by the municipality – why is this scenario actually in contradiction with GRAP and how does a municipality account for it?
- **GRAP 23 Revenue from non-exchange transactions.** When accounting for conditional grants, what are the differences between restrictions and conditions? When does a municipality account for a creditor for related receipts and how does a municipality retrospectively correct creditors that should have been accounted for as revenue in the past?
- **GRAP 24 Presentation of Budget Information in Financial Statements.** How does a municipality disclose the accounting differences between its Budget and AFS? What are the implications of GRAP 24 on Comparison of Actual and Budgeted Amounts?
- **GRAP 19 Provisions/ GRAP 25 Employee Benefits.** How does a municipality classify social benefit liabilities?
- **GRAP 103 Heritage Assets.** How does a municipality identify and accurately measure Heritage Assets under its control? Why is it critical to identify all such Heritage Assets as early as possible? If such Heritage Assets cannot be measured reliably, what must a municipality do?

Discussion on the prescribed course material, the IPSAS/ GRAP Implementation Manual (IGIM):

The IGIM is a manual of approximately 900 pages that includes the following:
- The Accounting Reporting Frameworks applicable to municipalities for 2013/2014 and future years;
- An overview of the approved and effective GRAP and other relevant accounting standards (e.g. SA GAAP, IAS/ IFRS etc.);
- Prescribed accounting treatment for municipalities for the financial year ending 30 June 2014 and proposed steps for implementation to assist compliance with the Accounting Framework;
- The following for each of the GRAP standards:
  i. A detailed description of the accounting treatment and disclosure requirements of all the accounting standards which are relevant to the public sector, i.e. GRAP and also SA GAAP, IPSAS and IAS/IFRS.
  ii. A detailed description of the operating procedures that need to be implemented by municipalities in order to adhere to the requirements of the accounting standards. These procedures include guidance and examples on the conversion process from the cash/ modified cash accounting frameworks to the GRAP accounting framework. These procedures include practical examples, tools and templates explaining to staff how to execute procedures that will lead to GRAP compliant Annual Financial Statements for example illustrations for the completion of the lease register and more examples/templates to facilitate straight lining of operating leases as required by GRAP 13 Leases.
  iii. The identification of officials who are responsible for the execution of the accounting procedures.
  iv. The identification of target dates for the execution of the procedures.
Target Participants:
South African municipal officials, both financial and non-financial, e.g. Municipal Managers, Chief Financial Officers, Departmental/ Division Managers (e.g. Assets, Revenue, Expenditure etc.), officials from other Departments than the Finance Department and any officials involved in Annual Financial Statements (AFS) compilation or processing of information included in the AFS. Officials in the employ of the National Treasury as well as the various Provincial Treasuries who advise and guide SA municipalities in the application of GRAP will also immensely benefit from this seminar.

Course duration:
The duration of the Municipal GRAP Implementation Course is 15 days of class contact, excluding the time spent by participants completing the individual take home assignments, discussed in more detail below. The above-mentioned 15 days will be split into 3 separate class contact weeks, each consisting of 5 days, thus giving 15 days in total.

Course objective, topics and outcomes:
Given the above context, the overarching course objective is to equip participants with technical and practical implementation knowledge about the updated Standards of GRAP.

The following outcomes are to be achieved by the seminar:

- **Outcome 1:** Understanding the accounting reporting framework applicable in the period 2013/2014 for municipalities.
- **Outcome 2:** A detailed discussion of the accounting treatment and disclosure requirements of the Standards of GRAP, read along with the Interpretations of Standards of GRAP (iGRAPS), where relevant, and practical guidance on HOW TO implement the standards.
- **Outcome 3:** A focus on the latest approved GRAP Standards (relevant for 2013/2014 and future years).
- **Outcome 4:** Implementation challenges for 2013/2014 and onwards and practical proposals on addressing these challenges (including proposals to address issues that have remained problematic for municipalities over the years).
- **Outcome 5:** Frequently asked questions on the standards of GRAP, where relevant.

Assessment and credits:
After attending this course, participants should be able to fulfil the following assessment criteria through the indicated methods of assessment:

**Assessment criteria:**

Each participant must, through the assessments, provide proof that he / she has acquired a satisfactory level of knowledge on the Standards of GRAP and that he / she has mastered the practical applications of the Standards of GRAP to the extent that it can be applied in the work place.
Assessment method:

Participants will be individually assessed by means of the following method:

1. Three individual take home assignments on specific GRAP implementation topics, as determined by the seminar presenter. One assignment will be given to the participants at the end of each contact week, dealing with the content covered in that week, which needs to be individually completed by each participant at home and handed in electronically/ submitted on-line before the closing date for each specific assignment, as determined by the seminar presenter (3 separate assignments, each contributing 25 percent of the final mark).

2. One case-study-based open book individual written assessment during the last contact session, contributing 25 percent of the final mark.

Certificate upon completion:

After completion of this course a University certified certificate will be issued to all successful students.
Daily Programme of Activities (similar format for each of the 15 seminar days):

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<tr>
<th>Times</th>
<th>Days 1 - 15</th>
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<tbody>
<tr>
<td>08:00 to 08:30</td>
<td>Initial registration (day 1) or administrative related queries/ assistance</td>
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<td>(days 2 -15), tea &amp; coffee</td>
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<tr>
<td>08:30 to 10:30</td>
<td>Outcome 1: Understanding the accounting reporting framework applicable in</td>
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<td>the period 2013/2014 for municipalities.</td>
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<td>Outcome 2: A detailed discussion of the accounting treatment and disclosure</td>
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<td>requirements of the Standards of GRAP, read along with the Interpretations</td>
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<td>of Standards of GRAP (iGRAPS), where relevant, and practical guidance on</td>
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<td>HOW TO implement the standards.</td>
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<td>Outcome 3: A focus on the latest approved GRAP Standards (relevant for</td>
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<td>2013/2014 and future years).</td>
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<td>Outcome 4: Implementation challenges for 2013/2014 and onwards and practical</td>
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<td>proposals on addressing these challenges (including proposals to address</td>
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<td>issues that have remained problematic for municipalities over the years).</td>
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<td>Outcome 5: Frequently asked questions on the standards of GRAP, where relevant.</td>
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<td>Please note: outcomes 1 to 5 overlap continuously thus outcomes are presented</td>
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<td>concurrently (elements of outcomes are addressed, as and when relevant)</td>
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<td>Break</td>
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<td>10:45 to 13:00</td>
<td>Outcomes 1 to 5</td>
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<td>Lunch</td>
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<td>13:45 to 16:15</td>
<td>Outcomes 1 to 5</td>
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<td>16:15 to 16:30</td>
<td>Conclusion and reflection</td>
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Course leaders: Mr George Ducharme & Prof Johan Burger

Course facilitators: GE Ducharme; A Slabbert; L Theron

References:

Prescribed literature


Recommended additional sources


