

GRAP ACCOUNTING FRAMEWORK: YEAR END SUPPORT

ARE YOU STRIVING FOR FULL COMPLIANCE WITH THE GRAP STANDARDS?



The pervasive effect of the application of the **Standards of Generally Recognised Accounting Practice (GRAP)**, on the deliverables of **public sector entities** is far greater than just the preparation of GRAP compliant Annual Financial Statements.

The effect of GRAP compliance also has a fundamental impact on the entity's Asset Register, Budget, Standard Chart of Accounts, and on training and capacity development of both finance and non-finance staff.

We can assist those entities on GRAP (**Schedule 3A & 3C entities, Municipalities, certain Legislatures, Constitutional Entities, FET Colleges, etc.**) with year-end **Annual Financial Statement** services, e.g.:

- i. AFS preparation support
- ii. AFS Quality review
- iii. Automated AFS reporting tools
- iv. Audit file preparation assistance
- v. Audit process assistance

(i) GRAP AFS preparation support

Apart from our core support and focus in the **preparation of GRAP-Compliant AFS and Fixed Asset Registers**, we can also provide our **updated GRAP Compliant AFS template**, with accounting policies, to assist entities with the compilation of the accounting information within an updated **GRAP framework applicable for 2013/2014** year.

This is supported by our **IPSAS / GRAP Implementation Manual** which sets out detailed prescribed GRAP accounting treatment (recognition, measurement, presentation & disclosure), with standard operating procedures (actions, responsible parties, and target dates). The IGIM is the culmination of the latest legislation & accounting pronouncements, circulars, directives, NT guides, GRAP challenges as per the AGSA Audit Reports and our practical public sector experience.

(ii) AFS Quality review

We will do a quality review of the AFS of your entity to assess compliance with the GRAP standards. We will:

- **Review the AFS** to determine whether all relevant disclosures have been made;
- **Report to management** on what to adjust in the AFS to be GRAP compliant;
- **Provide** you with a **GRAP disclosure checklist** as supporting documentation;

- **Prepare a report** for use at the Audit Committee.

The compilation of the above-mentioned review is divided into the following 3 activities:

1. **Obtaining** the relevant documentation / information from the entity;
2. **Analysing** the documentation / information obtained;
3. **Presentation** of a one day workshop on the review findings and the presentation of a report to management on what to adjust in the AFS to comply with the GRAP standards.

We can also assist with the GRAP-compliance and quality review of your Asset Register.

(iii) Ducharme's automated reporting tools

We have developed the DC AFS Reporting Tool, which allows for the automation and population of AFS data and information, **mapping account balances and transactions** from the trial balance and applicable Chart of Accounts / Vote Structure, with linking and population of the detail statements (performance, position, cash flow, etc.) and notes. This core system can be used for the preparation of the Annual Financial Statements as well as the Monthly and Quarterly Financial Statements.

Our AFS Reporting Tool includes that latest changes applicable to the GRAP accounting reporting framework, accounting policies and NT requirements.

Advantages of the DC AFS Reporting Tool include:

- **Detailed reporting functions** based on the populated information (cost centre vote number);
- **Once-off license** fee for the applicable version. No annual license fees for use of applicable version in subsequent years.
- **High-compatibility** as the tool is developed in Visual Basic on an Excel Base and can therefore be operated on all computers within the entity that have a copy of Microsoft office software;
- Additional modules are also available. These include **options** to prepare **GRAP Compliant Budgets; monthly reporting** tasks of the entity; etc. For e.g. the implementation of the budget modules will ensure that the chart of accounts utilised for budgeting and AFS purposes will be exactly the same and this will ensure consistency in reporting;
- The implementation of the tool will enable proper **alignment of the organisational structure** of the entity to the organisational structure as prescribed by NT; etc.

Application training on the working of the AFS Reporting tool is provided to staff members of the entity. It is imperative that the entity allocate at least one specific staff member to manage the

AFS Reporting Tool, understanding its application and underlying processes. The DC AFS Reporting Tool is updated annually to reflect the latest changes and amendments to GRAP.

(iv) Audit File Preparation assistance

Our team of expert consultants, including Chartered Accountants and Professional Accountants, will assist your entity with:

- Performing of all relevant **reconciliations** e.g. bank accounts, suspense accounts, debtors and creditors;
- Compilation of relevant **registers**;
- Clearing of **suspense accounts** by investigating transactions and searching for relevant supporting documentation;
- **Validation** of **debtors** and **creditors**;
- Performance of interim and year-end **inventory counts**;
- Physical **verification of movable and immovable assets**;
- Implementation of **GRAP**;
- Compilation of annual and consolidated **financial statements**;
- **On-site assistance** during the audit process, ranging from adjustments to financial statements to providing responses to audit findings.

(v) Audit Process assistance

Annual AFS preparation and audit process challenges experienced by our clients include:

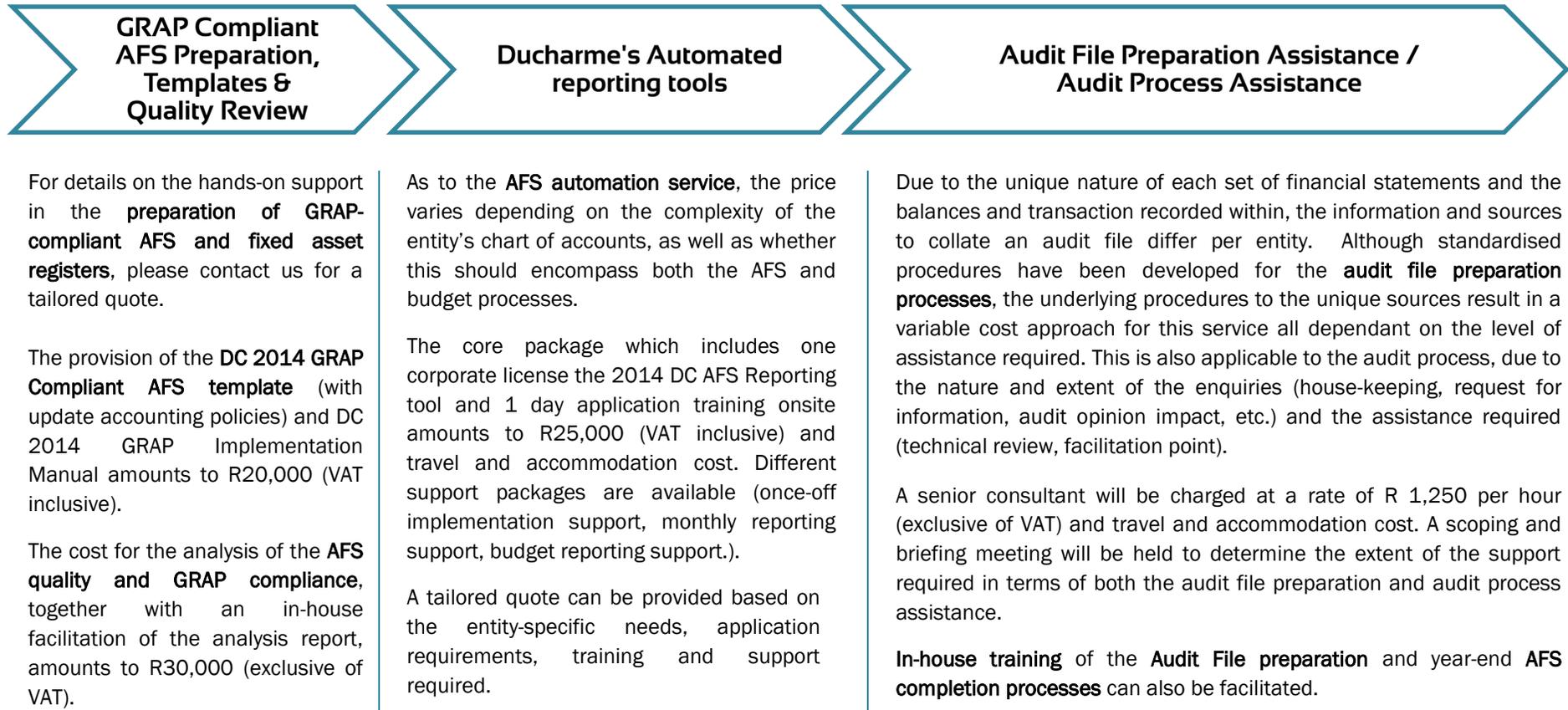
- Keeping up to date with **complex and highly technical accounting** and auditing standards;
- Extremely **rigid reporting timelines**.

- **Restricted response time** available as service delivery should always be a continuous process.
- **Different opinions** between preparers and the Auditor General of South Africa (AGSA) on technical issues raised by the AGSA.

We believe that our assistance provided to your entity during the audit process together with the timing, quality and validity of explanations for audit findings will have a **positive impact** on the audit opinion expressed by the Auditor-General of South Africa. Our **hands-on approach** to providing solutions to these challenges includes:

- Exercising **control over issued audit findings** and responses provided;
- **Evaluation of audit findings** and management responses through expert technical knowledge;
- Assistance with **timely compilation of quality responses** to audit findings;
- **Review of client prepared responses** to ensure that audit findings are appropriately addressed;
- **Audit file preparation** assistance;
- **Compilation** of an **action plan** based on audit findings including detailed corrective measures;
- Assistance in **executing the action plan** ranging from housekeeping issues to highly technical issues;
- **Monitoring progress** of action plans executed by staff members;
- **AFS Quality review**;
- Automated **reporting** tools.

Cost summary



For more information

For more information as to AFS and Fixed Asset Registration assistance or any of these year-end support functions, give us a call or send us an email:

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