Executive overview

This template release contains various compliance changes brought about by amendments issued by the Accounting Standards Board (ASB) which affect the presentation of the financial statements and/or disclosure in the accompanying notes. We have also introduced some exciting new technology enhancements.

1. GRAP Compliance changes

Listed below are the issued amendments that had a bearing in this release. A summary of the resultant impact on the template has been provided:

**GRAP 1 – Presentation of financial statements**

- GRAP 1.79 lists the minimum line items to be presented on the face of the Statement of financial position. GRAP 1.62 also requires the presentation of assets and liabilities as current and non-current.
- The GRAP template has been amended to provide the option to present non-current line items for Receivables from non-exchange transactions (taxes and transfers) and non-current Receivables from exchange transactions.
- This impacted the following areas in the GRAP template:
  - Update to the face of the Statement of financial position for line items for non-current Receivables from non-exchange transactions (taxes and transfers) and for Receivables from exchange transactions.
  - Update to the notes for Receivables from non-exchange transactions (taxes and transfers) to split between current and non-current.
  - Update to the notes for Receivables from exchange transactions to split between current and non-current.
  - Update to the Cash generated from operations to include the movements in Receivables from non-exchange transactions (taxes and transfers) and Receivables from exchange transactions the movements of the non-current portion.
  - Update to the Statement of Comparison of Budget and Actual Amounts to include the Non-current Receivables from non-exchange transactions (taxes and transfers) and for Receivables from exchange transactions.
  - Update to the Consumer debtors disclosure note to include the Non-current portion.
  - Update to the Transfer of functions between entities not under common control note to include the Non-current portion.

**GRAP 3 – Accounting Policies, Changes in Accounting Estimates and errors**

- A new note, Prior-year adjustments has been provided as an alternate option to the existing notes that deal with prior period adjustments which are Prior period errors, Change in accounting policy and Comparative figures.
- The new note combines the disclosure of adjustments to prior periods due to Reclassifications, Correction of errors or Change in accounting policy in one note. This will allow the user to present how an amount change from “As previously reported” to “Restated”.
- The respective footer for the Statement of financial position and the Notes to the financial statements have also been updated to include the new note if restated.
- The New standards and Interpretations note is also updated with the latest standards approved but not yet effective.
GRAP 16 – Investment property

The amendments to GRAP 16 Investment property are required for years beginning after 1 April 2016. These amendments impacted the GRAP template as follows:

- The Investment property accounting policy now includes:
  - Nature or type of properties classified as held for strategic purposes.
  - Entity is now disclosing expenditure to repair and maintain Investment property in the note of Investment property.
  - Entity is now disclosing information relating to assets under construction or development of Investment property in the note of Investment property.
- The Investment property note has been updated to include:
  - Disclosure of Investment property in the process of being constructed or developed.
  - Disclosure of expenditure incurred to repair and maintain Investment property.

GRAP 17 – Property, plant and equipment

The amendments to GRAP 17 Property, plant and equipment are required for years beginning after 1 April 2016. These amendments impacted the GRAP template as follows:

- The Property, plant and equipment accounting policy now includes:
  - Entity is now disclosing expenditure to repair and maintain Property, plant and equipment in the note of Property, plant and equipment.
  - Entity is now disclosing information relating to Property, plant and equipment under construction or development in the note of Property, plant and equipment.
- The Property, plant and equipment note has been updated to include:
  - Disclosure of Property, plant and equipment in the process of being constructed or developed.
  - Disclosure of expenditure incurred to repair and maintain Property, plant and equipment.

GRAP 31 – Intangible assets

The amendments to Intangible assets are required for years beginning after 1 April 2016. These amendments impacted the GRAP template as follows:

- The Intangible assets accounting policy now includes:
  - Entity is now disclosing expenditure to repair and maintain Intangible assets in the note of Intangible assets.
  - Entity is now disclosing information relating to Intangible assets under construction or development in the note of Intangible assets.
- The Intangible assets note has been updated to include:
  - Disclosure of Intangible assets in the process of being constructed or developed.
  - Disclosure of expenditure incurred to repair and maintain Intangible assets.

GRAP 103 – Heritage assets

The amendments to Heritage assets are required for years beginning after 1 April 2016. These amendments impacted the GRAP template as follows:

- The Heritage assets accounting policy now includes:
  - Entity is now disclosing expenditure to repair and maintain Heritage assets in the note of Heritage assets.
  - Entity is now disclosing information relating to Heritage assets under construction or development in the note of Heritage assets.
- The Heritage assets note has been updated to include:
  - Disclosure of Heritage assets in the process of being constructed or developed.
  - Disclosure of expenditure incurred to repair and maintain Heritage assets.
2. mSCOA Development

The following features have been updated and/or introduced in the template as part of our continuous drive to ensure your municipality will be able to comply with the latest mSCOA requirements:

- The face Statement of financial performance has been updated to present “Bad debts written off” as a separate line.
- Grouping codes for segments required in reporting have been updated to version 6.1 of mSCOA. This can be accessed from the Account | Assign Groupings menu, which includes:
  - Function - new
  - Regional Segment
  - Fund Segment
  - Project Segment
- The Auto assign which ensures that the Item Segment accounts are allocated to the correct financial statement line items have been updated to include the Function, Project and GFS groupings. This will further enhance the automation of your reports eliminating the need to do any manual grouping allocations. You can still access this feature from the layout or the document manager.

- **Note:** The Auto assign will allocate mSCOA accounts to their respective financial categories or groupings based on a predetermined best practice association and/or common logic. You are still required to verify that the allocations are correct.

3. Technical Enhancements

**New content and version management document simplifies update process**

We've changed the way of updating files by giving you more control over financial statement content changes and updates. An update notification still launches when opening a file after installing the latest template. This update, however, only applies the latest technology enhancements. To ensure that users enjoy the latest technological enhancements to the software, running the technology update is compulsory. Thereafter, users are in control of content updates, using the Content and Version Management document.
The new Content Version Management document empowers users to select which areas of the financial statements to update through the use of filtered views and content status tags.

<table>
<thead>
<tr>
<th>Content status type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>On</td>
<td>Content in use in the financial statements; most-likely to show in a printed set.</td>
</tr>
<tr>
<td>Outdated</td>
<td>Existing content is outdated; new content available by updating to the latest template.</td>
</tr>
<tr>
<td>Required</td>
<td>Sections to be updated consisting of compliance content or having a dependency on other parts of the financial statements.</td>
</tr>
<tr>
<td>Restricted</td>
<td>Existing sections in the financial statements where users have selected to “restrict content updates”.</td>
</tr>
<tr>
<td>User-created</td>
<td>Sections created by the user i.e. customised (new) note or accounting policy.</td>
</tr>
<tr>
<td>Alternate</td>
<td>Alternate content layout available in the template, i.e. Property, plant and equipment and Related parties notes.</td>
</tr>
<tr>
<td>Updated</td>
<td>Following an update, indicates the specific sections updated, allowing users to review the changes made to the content.</td>
</tr>
</tbody>
</table>

By default, the “Switched-on and New” filter is selected. This is the minimal recommended list of content to update to ensure that the file is updated with the latest available compliance features in the file. However, if extensive changes had been made to specific sections these can be deselected from the update. Users are however encouraged not to deselect these options.

Click on this link for a video guiding you through the new update process.

**Balance check enhanced for unmapped accounts**

A new line item, “Unmapped accounts”, has been added to the balance check. After running an update, it is possible that certain accounts have been unmapped. In the event that there are unmapped accounts, the following information is provided:

- A bubble appears on the balance check icon, informing users that there are accounts which are unmapped.
- The “Unmapped accounts” line item has been added to the Balance Check in the CaseView toolbar as well as on the control page and only populates if there are unmapped accounts, and those accounts have balances.

![Balance Check](image)

**New expand and collapse buttons**

The user interface has been updated with a modernised expand and collapse button. Functioning in the same manner as the old plus/minus button (+/−), clicking on expand button (⟩) unveils hidden content within that section. Similarly, clicking on the collapse button (▼) will hide the content. The right click on/off function is still available and performs the same function.
Keep together feature to avoid blank spaces

A keep together function has been added to the notes section of the financial statements, as part of the right click menu. This function allows users to control the way content prints when flowing over more than one page and will resolve many of the support queries related to ‘blank spaces’ in the financial statements.

Click on this link for a video guiding you through the use of the keep together feature.

Financial statement headers and footers renamed for easy referencing

The headers and footers in their respective libraries have been renamed from their previous generic descriptions (Header 1, 2, etc.) to be more specific; referencing the pages and/or sections to which they relate. This enables users to identify headers and footers at a glance and allows for easy referencing.

Revamped Report of the Auditor General

All outdated Audit report content has been removed from the template and replaced with two options. The first option is to include a blank report. This will be used for when you insert your own report after printing the financial
A category sorting function has been added to the Statement of financial position as part of the right click menu. This function allows users who require a different layout of the statement to sort between the main Asset and Liabilities categories as well as between Current and Non-current within those categories while still maintaining a balanced statement. The sort option can also be accessed while on the Statement of financial position, from the main Document and Section menus.
GRAP 2016.10.02

Executive overview

The GRAP 2016.10.02 release is an updated version of the GRAP 2016.10.01 template which contains more compliance changes required for 2016 financial year, but with an MFMA focus.

This update will add all the changes included in the GRAP 2016.10.01 release and the changes listed below to your GRAP financial statements.

If you have not installed the GRAP 2016.10.01 template, you only need to install the GRAP 2016.10.02 template as this update will also add all the changes included in the 2016.10.01 together with the changes in 2016.10.02 in one update to your financial statements.

GRAP 1 – Presentation of Financial Statements

GRAP 1 (revised 2013) introduced some terminology changes. This update will, therefore, rename “Minority Interest” to “Non-controlling interest” throughout the whole file.

The Comparative figures note has also been improved to more easily disclose when an entity needs to restate due to the amendments to the presentation or classification of items in the financial statements. This could be especially applicable due to the mSCOA project.

GRAP 6 – Consolidated and Separate Financial Statements

In order to comply with the amendments to the standard, the following changes are made to your file:

- Accounting policy for “Consolidation” is updated.
- Accounting policy for “Investments in controlled entities” is updated.
- Note to “Investment in controlled entities” is amended to add disclosure for “Inability to affect adjustments in order to eliminate the effect of different accounting policies”.

GRAP 7 – Interests in joint ventures

In order to comply with the amendments to the standard, the following changes are made to your file:

- Accounting policy for “Consolidation” is updated.
- Accounting policy for “Interest in joint ventures” is updated.
- Note to “Interest in joint ventures” is amended to add disclosure for “Inability to affect adjustments in order to eliminate the effect of different accounting policies”.

GRAP 8 – Investments in associates

In order to comply with the amendments to the standard, the following changes are made to your file:

- Accounting policy for “Consolidation” is updated.
- Accounting policy for “Investments in associates” is updated.
- Note to “Investments in associates” is amended to add disclosure for “Significant restrictions to transfer funds”.

GRAP 106 – Transfer of functions between entities not under common control

In order to comply with this new standards, the following changes are made to your file:

- Added a new accounting policy for “Transfer of functions between entities not under common control”.
- Add a new line item for “Gains/Loss from transfer of functions between entities not under common control” to the Statement of Financial Performance.
• The previous “Entity combinations” note has been reworked to comply with the requirements of GRAP 106, which includes changing terminology and adding additional disclosure requirements. The note also has been renamed to “Transfer of functions between entities not under common control”.

**GRAP 107 – Mergers**

In order to comply with this new standard, the following changes are made to your file:
• The accounting policy for Mergers was added to your file in a previous release to assist in development of an accounting policy
• This release added a brand new note for Mergers to your file.

**GRAP 32 – Service concession arrangements: Grantor**

Even though the Standard of GRAP on Service concession arrangements: Grantor (GRAP 32) is not yet effective, it has been approved and may be used in developing an accounting policy. We, therefore, have included a new accounting policy. The rest of disclosure changes will be implemented as and when the standard is made effective.

**GRAP 108 – Statutory receivables**

Even though the Standard of GRAP on Statutory receivables (GRAP 108) is not yet effective, it has been approved and may be used in developing an accounting policy. We, therefore, have included a new accounting policy. The rest of disclosure changes will be implemented as and when the standard is made effective.

**GRAP 109 – Accounting by principals and agents**

Even though the Standard of GRAP on Accounting by principals and agents (GRAP 109) is not yet effective, it has been approved and may be used in developing an accounting policy. We, therefore, have included a new accounting policy. The rest of disclosure changes will be implemented as and when the standard is made effective.

**mSCOA Development**

As part of our continuous development to ensure your municipality will be able to comply with the mSCOA requirements we made available the following features.
• Auto assign item segment has been updated to Version 5.4 of mSCOA. You can access this feature from the layout or the document manager.
• Grouping codes for segments required in reporting have been added under Account | Assign Groupings, which include:
  ▪ Regional Segment
  ▪ Fund Segment
  ▪ Project Segment
Main Contact Details

CQS Reception: +27 11 507 0000

Help Desk Direct Extension

CaseWare Working Papers: +27 11 507 0101
CaseWare Time: +27 11 507 0102
TaxWare: +27 11 507 0103
SecWare: +27 11 507 0104
E-mail CQS Support: support@cqs.co.za
CQS Web Support: www.cqs.co.za

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