

# **NATIONAL COUNCIL OF PROVINCES**

## **QUESTION FOR ORAL REPLY**

### **QUESTION NUMBER 5**

**16 NOVEMBER 2004**

#### **MR D J BOTHA TO ASK THE MINISTER OF FINANCE:**

Whether any new guidelines for the generally acceptable municipal accounting practices (GAMAP) have been or are being developed; if not, why not; if so, what are the relevant details? **C164E**

#### **REPLY:**

Yes, the Accounting Standards Board (ASB) reviewed the GAMAP standards in 2003, and issued eight GAMAP standards in March this year. The new GAMAP standards are being finalized in the development of GRAP, which will be the applicable standard.

These standards build on those first developed in 1997/1998, to ensure that the annual financial statements of municipalities and its entities are transparent, comparable and provide information that is consistent and understandable. The Board has decided that GAMAP standards should support and be consistent with the phase-in implementation strategy for the Municipal Finance Management Act, including budgeting and in-year reporting reforms.

A comprehensive guide, showing practical examples and accounting treatment and transactions required to translate the old reporting systems to the new was released at the launch of the Act. Also published was the specimen (example) annual financial statements that were GAMAP compliant. Ongoing discussions are being held between the National Treasury, the ASB, the Office of the Auditor-General and the Chief Finance Officer Forums of municipalities and government departments to provide further training and build capacity in the implementation of the new accounting standards. A final guide will be issued shortly by the National Treasury and posted on our website for easy access by all municipalities.