ACCOUNTING STANDARDS BOARD

ANNUAL PEFORMANCE PLAN FOR THE PERIOD 1 APRIL 2026 TO 31 MARCH 2027

Statement by the Minister

Building a stronger economy

During my Medium-Term Budget Policy Statement in November 2025, I outlined several fiscal challenges. We need to reduce unemployment, make household goods more affordable, stimulate investment, reduce debt, increase revenue collection, be more efficient in our spending, stop fiscal leakages, and increase service delivery.

I have put in place policies to address these challenges, including a revised inflation target of 3% (with a 1% tolerance). This is the first time the inflation target has changed in 25 years. This change, along with other fiscal anchors, will help to reduce inflation over time, which will reduce interest rates and support household spending and investment, which will in turn boost economic growth and job creation.

Unemployment 32%*

Economic growth 2.1%*

Debt 77.9% of GDP

Debt service costs to revenue 20.2%

**End Q3 2025, MTBPS*

We all have a role to play in addressing these fiscal challenges. Key to this is using relevant, credible information to measure progress. Much of the data used to produce economic statistics is generated from the same information used for the financial statements. As a result, the ASB plays a key role to ensure the information needed to make decisions – financial, economic and policy decisions – is provided in the financial statements. The information in the financial statements is also critical to hold officials accountable for the resources entrusted to them to meet the fiscal, economic, and social policies of government. When the ASB sets Standards of GRAP, it is important to consider who will use the financial statements and how this information can be used to improve financial and fiscal discipline.

The ASB can play a role in the broader ecosystem to assist preparers and users to better understand the Standards and use the financial statements. Co-operation and collaboration with assurance providers are also critical to ensure the financial statements fairly reflect the financial position, performance, and cash flow of government and its entities.

We look forward to continued support from the ASB for our fiscal and financial strategies over the next financial year.

Honourable Minister Godongwana

Minister of Finance

Statement from the Board

The ASB's role in building a stronger economy

It is indeed an exciting time to be a finance professional in the public sector! Apart from the various fiscal reforms in South Africa that will pose both interesting and complex accounting questions, the first sustainability standard for the public sector was approved by the IPSASB.

Fiscal reforms and the accounting consequences

The fiscal reforms planned by the National Treasury are wide reaching and affect all sectors of the economy. Highlights include:

- The first auction of the Infrastructure Development Bonds to the value of R11.8 billion in December 2025.
- The switch from JIBAR to ZARONIA (the benchmark risk-free overnight rate) which will increasingly affect the pricing of loans and investments.
- Leveraging partnerships with the private sector to access capital and expertise needed in the public sector.
- Initiatives to improve the trading services (water, electricity, etc.) of metropolitan municipalities. These initiatives are aimed at improving service delivery, as well as promoting re-investment of resources into the infrastructure used to provide these services.

New bonds, increased investment, revised interest rates, and improved debt management will coincide with the implementation of the revised Standard of GRAP on *Financial Instruments.* The financial statements for the years ended 31 March and 30 June 2026 will reflect the principles of the new Standard. The revised Standard includes different information requirements for the classification and measurement of financial assets; robust principles for assessing expected credit losses on investments and receivables; and a more limited use of fair value for financial liabilities.

The investment in infrastructure also coincides with the ASB's project on the measurement of assets and liabilities in the public sector. This will be an opportune time to test whether the ASB's measurement principles provide relevant information to decision-makers, and at the same time provide preparers with the guidance they need on how to measure and value assets.

The shift to sustainability reporting

The IPSASB approved its first Sustainability Reporting Standard on *Climate-Related Disclosures* and will no doubt bring about a shift in reporting globally that not only focuses on government's finances but also its sustainability and achievement of internationally agreed goals. While the ASB will not be issuing sustainability standards in the medium-term, activities such as commenting on the IPSASB's proposals, discussing implementation challenges, and raising awareness about these issues with stakeholders locally, will grow over the next few years. The National Treasury's budgetary frameworks – applied across government - are also being revised to include the tagging of climate and gender related items in entities' budgets.

Education material for users of the financial statements

The ASB will launch its education material for users of financial statements in early 2026. The purpose of this project is to explain to users what the financial statements are and how they can be used to hold officials accountable and make decisions. The material is aimed at users who do not necessarily understand finances and would hopefully be able to empower citizens represented in Parliament, Legislatures and Municipal Councils.

Looking ahead

The Board believes that the ASB's work will provide strong support to the National Treasury's initiatives by providing relevant information to decision-makers about government's progress towards meeting its financial and fiscal targets.

Mr Andrew van der Burgh

Chairperson of the Board

Accounting Standards Board

Official sign-off

It is hereby certified that this Annual Performance Plan:

- Was developed by the Board (which is the Accounting Authority) and management of the ASB for consideration by the Minister of Finance.
- Considers all the relevant policies, legislation, and other mandates for which the ASB is responsible.
- Accurately reflects the impact, outcomes, and outputs which the ASB endeavours to achieve over the financial year ending on 31 March 2027.

Jeanine Poggiolini
Chief Executive Officer

Andrew van der Burgh
Chairperson

Honourable Minister Godongwana
Minister of Finance

Part A: Our mandate

Legislative mandate

1.1 Section 89 of the Public Finance Management Act (PFMA) sets out the functions of the Board, which are to:

- Set Standards of GRAP for the financial statements of institutions in all spheres of government
- Prepare and publish directives, guidelines and interpretations concerning the Standards of GRAP
- Recommend to the Minister effective dates for the implementation of Standards of GRAP for the different categories of institutions to which these Standards apply
- Perform any other function incidental to advancing financial reporting in the public sector
- Consider all relevant factors in setting Standards of GRAP
- Set different Standards of GRAP, where necessary, for different categories of institutions to which these Standards of GRAP apply
- Promote accountability, transparency, and effective management of revenue, expenditure, assets, and liabilities of the institutions to which these Standards of GRAP apply

The entities that apply Standards of GRAP

1.2 In terms of the PFMA, the Board must determine GRAP for the following institutions (called "entities" in this document:

- departments (including national, provincial and government components);
- public entities;
- trading entities (as defined in the PFMA);
- constitutional institutions;
- municipalities, municipal entities, or any other entities under the ownership control of a municipality and, boards, commissions, companies, corporations, and funds; and

- Parliament and the provincial legislatures.

1.3 The ASB's key activity is setting Standards of GRAP and related pronouncements. The standard-setting policies are outlined in the Due Process Handbook.

1.4 Although the ASB develops Standards of GRAP for entities in the public sector, the Board approved the application of IFRS® Accounting Standards (IFRS) issued by the International Accounting Standards Board® for:

(a) public entities that meet the criteria outlined in the Directive on *The Selection of an Appropriate Reporting Framework by Public Entities;* and

(b) entities under the ownership control of any of these entities.

1.5 While the PFMA sets out the entities for whom the Board sets Standards, other legislation may require or permit the application of Standards of GRAP. As an example, the Minister of Higher Education and Training prescribes the reporting framework for tertiary learning institutions. The Minister of Higher Education and Training approved the use of Standards of GRAP by public Technical Vocational and Educational Colleges (TVET) and Continuing Educational Colleges (CET).

ASB’s policies and strategies

2.1 The government’s National Development Plan (NDP) 2030 is titled **“Our future – make it work”**. The NDP explains that accountability is essential to democracy. The financial statements are a key part of the accountability chain. Having robust, credible accounting standards which are applied when preparing the financial statements, is critical to hold entities accountable and for users to make financial, policy and other decisions.

2.2 To fully understand whether entities are achieving their stated objectives, financial statements and information on the achievement of non-financial performance are critical. When read together, decision-makers have information about the resources given to entities and how they were utilised to achieve their objectives.

2.3 Key to producing financial reports (whether financial statements, performance reports, budget reports, etc.), are capable state institutions. While the ASB’s mandate is not directly linked to capacity building, it is important that the accounting standards are appropriately applied by preparers, and the users of financial statements understand the information they receive. The ASB acknowledges the role it can play in building capable institutions by communicating the role, purpose and use of the Standards of GRAP to a wide range of stakeholders, including preparers and users of financial statements.

2.4 The NDP includes a priority to reduce carbon emissions in a just way. To understand how the government is reducing carbon emissions and/or considering how climate creates financial risk for entities, transparent reporting principles should be in place for entities to apply. While the setting of the policies on reducing greenhouse gases and related targets is not the ASB’s responsibility, it can assist with credible reporting in the financial statements and financial reports.

2.5 The ASB’s policies and strategies contribute to the achievement of the following priorities in the NDP 2030:

- Realise a developmental, capable, and ethical state that treats citizens with dignity.
- Play a leading role in continental development, economic integration and human rights.
- Transition to a low carbon economy.

2.6 The ASB’s standard-setting activities are driven by a three-year work programme. The work programme is developed after consultation with the ASB’s stakeholders. The theme for the work programme for 1 April 2026 to 31 March 2029 is “Financial Reporting for a Capable State”. During the consultation on the work programme, stakeholders again noted the need to maintain a stable platform and not introduce too many new requirements. Stakeholders expressed support for the increased communication from the ASB which aims to improve the application of the Standards and how the information in the financial statements and other reports is used.

Relevant court rulings

3.1 In recent years, entities challenged their audit outcomes by turning to the Courts. In at least one instance, the application of the Standards of GRAP was the subject of a Court case. This Court case focused on the Standards and other pronouncements that should have been applied by entities in a reporting period. The entity that brought the Court application was unsuccessful. The Appeals Court was petitioned for an appeal to be heard. To date, these petitions have been unsuccessful. After the unsuccessful bids in the High and Appeals Court, the case was referred by the entity to the Constitutional Court in mid-2025.

3.2 While the Court cases to date have primarily been between entities and the auditors, how the reporting frameworks (Standards of GRAP, IFRS Accounting Standards or the Modified Cash Standard (MCS)) are developed and applied could be the subject of the litigation. Apart from the legal risk affecting the ASB, legal challenges involving the AGSA and ASB impair the credibility, independence and objectivity of two key public sector institutions in the accountability "eco-system". Apart from the effect on the credibility of the institutions, resources that could be used in more meaningful ways have been wasted on unnecessary legal matters.

Part B: Our strategic focus

Situational analysis

4.1 The situational analysis is informed by a PESTEL analysis.

Political environment

4.2 The ASB's mandate and operations are governed by the PFMA. The ASB reports administratively to the National Treasury, and some of the decisions about the adoption and implementation of the Standards of GRAP are made by the Minister of Finance. As a result, it is important to have a stable environment within the finance portfolio.

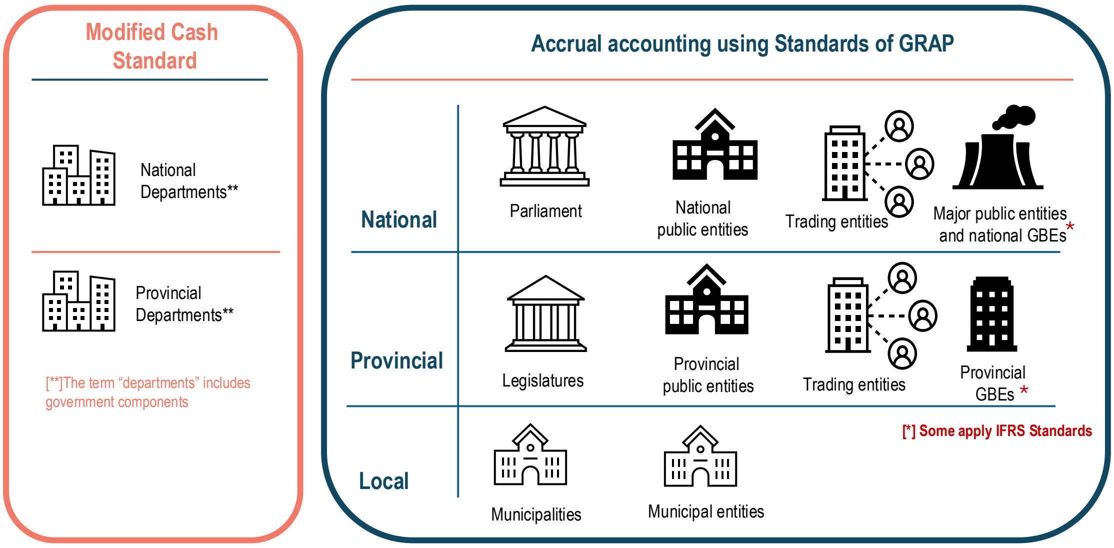
4.3 The ASB has benefitted from stable, strong political leadership at the Ministry, as well as in the positions of Director-General and Accountant-General. Over the last year, there has been increased collaboration between the Office of the Accountant-General and the ASB in several areas. These include the GRAP Knowledge Hub (the one-stop spot for everything GRAP-related), hosting events, communication, and improving support on applying the Standards of GRAP.

4.4 There are key matters that will affect the ASB's work over the next year. These are discussed below.

Adoption of Standards of GRAP by all entities in the public sector

4.5 Section 1 describes the entities that should apply accrual-based Standards of GRAP. At present, not all these entities apply accrual-based Standards of GRAP. The diagram explains which entities apply accrual accounting, or the modified cash basis of accounting determined by the National Treasury.

Adoption of accrual accounting and Standards of GRAP



4.6 The Minister of Finance (Minister) determines the implementation dates for the Standards of GRAP based on submissions made by the ASB. The submissions to the Minister to approve the implementation dates of Standards of GRAP are developed in consultation with the Office of the Accountant-General (OAG) and the Auditor-General of South Africa (AGSA). To date, no submissions were made to the Minister about the implementation of the Standards of GRAP for national and provincial departments as their environment does not support accrual accounting.

4.7 The implementation of an integrated financial management system is critical to the adoption of accrual accounting. The current systems in government are unable to produce accrual-based information. Until such time as a system is implemented at national and provincial departments, there is no reasonable expectation that accrual accounting will be applied. However, this does not mean that steps should not be taken by government to plan for the adoption of accrual accounting. A holistic plan should be developed indicating how people, processes, and policies will be changed to prepare for the adoption of accrual accounting. The ASB will continue to advocate for the adoption of accrual accounting by departments, and work with the OAG and other units in the National Treasury to develop an implementation strategy and plan.

4.8 Certain entities have been granted exemptions from applying Standards of GRAP. These are discussed in the "Section 5 - Local environment".

Increased focus on sustainability reporting

4.9 It has long been acknowledged that the financial statements alone cannot provide all the information that users need to make informed decisions about an entity's financial viability. The International Public Sector Accounting Standards Board (IPSASB) agreed in 2022 to issue sustainability standards.

4.10 At present, the ASB's mandate includes performing any other function incidental to advancing financial reporting in the public sector. The ASB has interpreted this as not having a specific mandate to deal with reporting outside the financial statements. As a result, the ASB's work to date has focused on monitoring the work of the IPSASB and soliciting feedback on their proposals from the South African market.

4.11 The National Treasury and Ministry are aware that there is no organisation responsible for sustainability reporting in the public sector. The proposed changes to the PFMA outline a widening in the ASB's scope to include issuing pronouncements for financial reporting. It will take time for the changes to the PFMA to be formally enacted as a public consultation process will need to be followed. As a result, it is unlikely that sustainability reporting will impact the ASB's strategy for 2026-2030.

<u>The need for accounting standards on climate and other ESG topics</u>

4.12 Loans are increasingly made available for government projects that link the cost of financing to the climate impact of new infrastructure builds. Information about the existence and features of these loans will be provided to users of the financial statements once the new Standard of GRAP on *Financial Instruments* is applied by entities in 2025/26. The guidance issued by the ASB staff in 2024 on *The Effect of Climate Related Matters on Financial Statements* also explains how the existing Standards can be used to respond to climate risks that may affect the financial performance and position of an entity. There is continuous monitoring of whether ESG risks affect the financial statements and if guidance is needed from the ASB.

4.13 As the IASB continues to address climate and other sustainability topics in the financial statements, the ASB will need to assess how these affect the standard-setting agenda.

<u>The need for reporting standards</u>

4.14 The IPSASB approved its first sustainability standard. The IPSAS Sustainability Reporting Standard is based on IFRS S2 issued by the IASB. Should the changes to the ASB's mandate be approved, the Board would need to assess how it responds to the sustainability-standards issued by the IPSASB. The response should consider what will be most effective from both a resourcing perspective, and the needs of preparers and users in the local market.

4.15 Given the time to approve the changes to the PFMA and for the IPSASB to finalise its first sustainability standard, it is unlikely that sustainability related standard-setting activities will be needed by the ASB during 2026-2027. The ASB will continue to monitor the work of the IPSASB and consult with stakeholders locally on key issues. This will provide invaluable information to the IPSASB, and the ASB Board will also gain an understanding of the needs in South Africa which can be used to inform the next strategy.

Finance professionals are critical to developing a capable state

<u>Attractiveness of the finance profession in the public sector</u>

4.16 Being a finance professional in the public sector can be dangerous, particularly for whistleblowers and those that discover or report fraud and corruption. The absence of finance professionals in all levels of government organisations will impair the implementation of strong, credible public financial management, including financial reporting. The National Treasury, professional bodies and others are working on strategies to protect whistleblowers as well as improving their investigation activities.

Professionalising the public sector

4.17 There is an increased focus by the National Treasury on professionalising the finance discipline in the public sector. There are competency frameworks in place that finance officials are required to meet. Professionalisation means that finance officials will need to belong to professional bodies, who require adherence to a Code of Conduct. Professionalisation will also focus on professionals at all levels across organisations – accounting technicians, middle management, and senior management/leadership.

4.18 In several of the ASB's past projects to assess whether the Standards could be simplified or their application differentiated, the most common feedback was that applying judgement, including materiality, is a complex area. As judgement is a key principle in any professional body's Code of Conduct, it is anticipated that there would be an improved application of the Standards. The professionalisation initiative would contribute positively to the improved application of the Standards.

The South African economy

4.19 The fiscus is under strain, largely due to high debt, resulting in a high proportion of the country's revenue going to service debt and interest costs. As the ASB is wholly reliant on a transfer from the National Treasury, any strain on the fiscus is felt directly by the entity. To operate optimally and execute all its planned activities, the ASB requires additional resources. A request for a baseline increase was not fully provided and this could impact on the ASB's delivery during the 26/27 financial year.

Technology at the ASB

4.20 The ASB operates in a completely virtual environment. This means that Information, Communication and Technology (ICT) is a key enabler of the ASB's operating environment. While this may increase the exposure to cyber-risks, the risk is low compared to the increase in benefits. The virtual operating environment is attractive for current and potential employees. It also allows the ASB better access to stakeholders who themselves operate under fiscal pressures. The ASB will need to invest more in hardware and software to ensure seamless operations and improve security.

4.21 Artificial intelligence (AI) can be used by the ASB to assist with activities that support standard-setting, for example, developing a first draft of summaries, formulating presentations and videos, and similar tasks. AI applications will be leveraged more in future to ensure that standard-setters and others focus their efforts in the areas of critical thinking and thought leadership.

Impact on the environment

4.22 As the ASB operates virtually, most of its operations have a low impact on the environment. Travel is also minimised as far as possible to save costs and reach a wider audience than is often possible through in-person meetings.

4.23 At present, there are two people that travel overseas to attend the IPSASB meetings (the IPSASB member and technical adviser roles are held by ASB representatives). Arguably, this travel benefits both the ASB and the IPSASB – and exposes both entities to carbon emissions.

4.24 No specific environmental initiatives, other than those discussed under sustainability reporting, are anticipated for the ASB.

Legal restrictions

4.25 The increased risk of litigation in the sector can affect the ASB (see the section on Relevant court rulings).

4.26 As noted earlier, the National Treasury intends proposing changes to the PFMA and MFMA. While these may only become effective later in this strategic period, it will be important for the Board to comments and consider the potential impacts on the ASB.

Social

4.27 There are no specific social issues affecting the ASB. Given the ASB's limited budget, there are no resources to be involved in social activities.

4.28 The most significant "social" part of the ASB's work relates to employee wellness and satisfaction. This is discussed in the section on the "internal environment".

The external environment

5.1 The ASB's policy is to converge with IPSAS, and where relevant, IFRS Accounting Standards. However, convergence is not automatic as the ASB considers whether convergence with an international standard meets its mandate and strategy. Given the role of the international standards in the ASB's work, influencing international standard-setters, and maintaining alignment with the international standards, is a key component of the ASB's work programme. Within the theme of "Financial Reporting for a Capable State" for the work programme for 2027 to 2029, the ASB will continue supporting initiatives that improve the application of the Standards and the use of financial information, and not over burden stakeholders with too many changes.

International environment

International Public Sector Accounting Standards Board

New leadership

5.2 The IPSASB has a new Chairman from 1 January 2026. New leadership will potentially bring a new direction, new ways of work, and new projects. To support the new leadership, the IPSASB is consulting on the standard-setting work it should undertake for the next three years. More certainty will be known about the IPSASB's new trajectory in the first half of 2026.

The IPSASB's current work

5.3 Reliance on the work of the IPSASB is critical to the ASB's standard-setting activities. It ensures that resources are maximised by not "re-inventing the wheel", as well as maintaining alignment (where relevant) with an internationally recognised reporting framework. As the ASB aims to align Standards of GRAP with IPSAS (where this meets its strategy and mandate) it is important that the IPSAS reflect issues facing both developing economies and the African continent.

5.4 The IPSASB's has several ongoing and recently completed projects where alignment should be considered by the ASB and has several ongoing projects. There are reflected below:

Current projects		Completed projects	
Sustainability Reporting – Climate Related Disclosures	Measurement – Application Phase	Revenue and transfer expenses	Updates to Recommended Practice Guidelines
Presentation of Financial Statements	Alignment with statistical reporting	Leases and "other" lease-type arrangements	Amendments to Property, Plant and Equipment (infrastructure and heritage assets)
Materiality Phase 2 – Making Materiality Judgements		Limited scope update of Conceptual Framework	Measurement
		Natural Resources	Materiality Phase 1 – Changes to the Definition

5.5 In approving the ASB's work programme for 2027-2029, the Board acknowledged the need to maintain alignment with international standards, but considered that alignment should enhance the information available to users, entities have sufficient resources to implement new or amended Standards, and officials have the requisite capacity and skill. The ASB will assess the impact of implementing the new IPSAS on *Revenue* and *Transfer Expenses*, and added *Leases* to the three-year work programme.

Participating in the IPSASB's work

5.6 A key strategy to ensure that IPSAS can be adopted locally, and are appropriate for developing economies and the African continent more broadly, is influencing the international standard-setting process. This is achieved by:

- Actively pursuing opportunities to serve on the IPSASB and its Task Forces.
- Submitting comprehensive, high quality comment letters to the IPSASB on proposed IPSAS and related matters.
- Ongoing collaboration with the IPSASB on matters of mutual interest.

5.7 The Chairman of the ASB represents South Africa on the IPSASB. He was re-appointed for a second three-year term which commences 1 January 2026 and ends 31 December 2028. The ASB's Head of Technical is his technical adviser. It is a great achievement for South Africa to continue to fly the flag high and be recognised as a world leader in public sector accounting and reporting.

5.8 The IPSASB meets in-person four times a year. The meetings are held in various locations which means that some of the ASB's expenses are affected by external economic factors that impact the cost of airfares, hotels, and other travel related expenditure.

International Accounting Standards Board and International Sustainability Standards Board

5.9 The IPSASB relies on the work of the IASB to develop IPSAS for sector neutral transactions like financial instruments, leases, investment properties, etc., where there is no reason for different accounting treatment between the public and private sector. The IPSASB's alignment projects include sustainability reporting, presentation of financial statements, applying materiality and the accounting for intangible assets.

Local environment

Standards that reflect the local environment

5.10 A suite of reporting standards is considered 'complete' when it deals with all material transactions and events. 'Complete' in this context does not mean that no additional Standards will be issued as new transactions and events will emerge in the sector. Financial accounting and reporting in the public sector are also a new discipline there will no doubt be advances in this area.

5.11 The approval of the Standard on *Social Benefits* (expected March 2026) will deal with a significant component of government expenditure and liabilities. Once the Standard is issued, work will commence on developing the transitional provisions and assessing how to best support the adoption of the Standard. The Board will commence work to assess if accounting guidance is needed for inter-entity transfers. These transfers are usually non-exchange transactions, so their accounting can be complex, particularly in assessing whether an asset should be recognised by the transferring entity.

Adoption of Standards

5.12 There are three reporting frameworks in the South African environment that are applied by public sector entities, i.e. Standards of GRAP, IFRS Accounting Standards, and the MCS issued by the OAG. The Board approved the application of IFRS Accounting Standards for public entities with listed equity, those who provide financial services or receive only an insignificant amount of funding from government. All other entities are directed to apply Standards of GRAP.

5.13 SARS, as well as the National and Provincial Departments were granted exemption and apply the MCS issued by the OAG. The exemptions expire in 2027 and 2026 respectively. There will likely need to be consultation between the trilateral parties on whether these exemptions will be granted again.

Application of Standards

5.14 The Minister of Finance is required in terms of the PFMA to approve the implementation dates of new Standards or amendments to existing Standards. When there are delays in approving the implementation dates of Standards this means that the most up-to-date reporting requirements are not applied by entities and results in information that is less relevant to users of the financial statements. The delays can create bottlenecks which mean that several new or revised requirements need to be applied at once by the sector. Given the constrained resources at entities, it is difficult for entities to adopt several changes at once.

5.15 Stakeholders expect the ASB to provide opinions on specific transactions and events when Standards are implemented. The ASB's policy is clear that neither the staff nor the Board issue opinions on specific transactions or events. There is also an expectation that the ASB will support the implementation of the Standards by providing training and similar initiatives. This is typically not the role of the standard-setter as it must remain independent and objective. The National Treasury, the National School of Government and the accounting profession have a role to play in capacitating government finance officials. The ASB began developing content for YouTube on the application of the Standards and related topics. The content has been well received by the sector. The ASB will continue publishing content that responds to stakeholder needs.

Use of financial statements

5.16 A key message from the evaluation of the ASB's previous strategy was that (a) the role and purpose of the financial statements is not well understood; and (b) the financial statements are not being used as intended. The true impact of the ASB's work will not be realised if the financial statements are not used.

5.17 Most of the ASB's outreach and communication activities to date were geared towards preparers of the financial statements. Going forward, the ASB will direct some of its efforts to users of the financial statements. Education material aimed at users of the financial statements will be completed by March 2026, which means that the material will need to be launched and socialised with users in 2026-2027.

Research on public financial management

5.18 The ASB established an informal Research Group a few years ago with the intention of understanding the research and academic landscape in the areas of financial accounting, reporting and public finance. In 2025, a research project was initiated with UNISA and the Public Sector Accounting Board in Türkiye to understand how IPSAS are adopted/adapted in developing economies. The final research output will be available in early 2026. This first project will provide the ASB with invaluable experience on how it could be involved in research in future.

5.19 As noted earlier, finance professionals are critical to the public sector. However, academic institutions frequently do not teach public sector principles (including public sector financial accounting and reporting) as part of their academic programmes. The ASB has identified a need to make education material available for academic institutions (most likely on YouTube) to use in their various finance programmes.

The internal environment

Work programme

5.20 The work programme for 2026-2027 is included as Annexure A. The activities on the work programme form the basis for the standard-setting activities for the year, and are used to develop the targets in this APP.

Resources – Time and money

5.21 To maximise the effect of the ASB's work, experienced standard-setting staff are required. The current staff complement is insufficient to fully deliver on the ASB's activities. An additional staff member would ensure that the more work could be done to assess the potential effect of international standards prior to convergence work commencing.

5.22 The shortest time within which a project at the ASB can be completed, should it require stakeholder consultation, is 15 months. Complex projects can take 48 months (or more) to complete. This demonstrates the high need to retain staff to ensure that projects are executed effectively and efficiently. Skilled, competent, and dedicated staff with a wide range of skills are needed to ensure the continuity of the ASB's work.

5.23 A range of retention strategies are employed, from allowing staff to serve on committees of other standard-setting or professional bodies, long-service leave, virtual working arrangements, and potential benchmarking salaries to 50% of the market median. When staff shortages arise, it is difficult for staff to take leave (whether sick leave, annual leave, or long-service leave). Any unplanned staff absences of more than one week can have a material impact on the execution of a project and achievement of the ASB's targets.

5.24 Resources are needed to mitigate legal risks arising from Court or other legal actions that presently involve the ASB or could involve the ASB in future. These cases are likely to arise where there are disputes between the auditors and auditees and the ASB is joined as a party with a material interest in the case. As the ASB does not have in-house legal counsel, attorneys and advocates need to be appointed. This can have an impact on the ASB's resources.

Operational environment

5.25 The laws, regulations, reporting, and procurement requirements governing public sector entities are complex and onerous – not just for entities, but potential suppliers too. Most of the ASB's discretionary spend is low and potential suppliers find that the cost of compliance outweighs the potential benefit. This can result in delays in appointing suitable suppliers.

Governance arrangements

5.26 At present, the Audit Committee is shared with the National Treasury, along with the internal audit services. This arrangement has been in place since the establishment of the ASB. A submission was made to the National Treasury for the ASB to establish its own Audit Committee.

5.27 Board members are appointed by the Minister and serve a three-year term. The current Board members were all appointed on 1 March 2024. Three of independent, non-executive members were appointed for a second term. At present, the Board is seeking to fill two vacancies on the Board.

5.28 Both the previous and current Board discussed the possibility of the CEO being part of the Board. This proposal will be investigated and benchmarked to other standard-setters.

Part C: Measuring performance

Institutional performance information

Programme: Administration

Purpose: To set Standards of GRAP for all spheres of the public sector.

Table 1 - Outcomes, outputs, performance indicators and targets

Outcome	Outputs	Output indicators	Annual targets						
			Audited Actual Performance			Estimated Performance	MTEF Period		
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2027/28
Improved financial reporting in all entities, in all three spheres of government	**Maintain and enhance existing Standards of GRAP and develop new Standards where gaps are identified**	Percentage of approved draft or final pronouncements issued as identified in the work programme approved by the Board quarterly	5	5	2	8	80%	80%	80%
		Percentage of reviews issued for consultation, and/or completed and/or research reports published according to the quarterly work programme approved by the Board	2	2	3	2	80%	80%	80%
		No. of work programmes issued	1	-	-	1	-	-	1
	Influence, and collaborate with, key stakeholders in the financial management system nationally and internationally	Percentage of IPSASB meetings attended (Virtual or physical)	4	4	4	100%	100%	100%	100%
		Percentage of relevant IPSASB Exposure Drafts commented on within the comment period set by IPSASB	100%	100%	100%	100%	100%	100%	100%
		Percentage of IASB Exposure Drafts that are relevant to the Public Sector commented on within the comment period set by IASB	100%	100%	Not applicable	Not applicable	100%	100%	100%

Outcome	Outputs	Output indicators	Annual targets						
			Audited Actual Performance			Estimated Performance	MTEF Period		
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2027/28
		Percentage of meetings attended as an observer at the Financial Reporting Standards Council (FRSC)	-	-	-	100%	100%	100%	100%
	Promote a culture of learning with preparers and users of the financial statements	Percentage of FAQs issued to respond to issues raised by stakeholders within the approved timeframe from date of identification of the need to develop a FAQ	100%	100%	100%	100%	100%	100%	100%
		No. of accounting forum meetings	8	8	8	8	8	8	8
		No. of articles on different topics to continue awareness raising amongst stakeholders	4	4	4	4	4	4	4
		No. of meeting highlights issued after Board meetings to create awareness of new developments	4	4	4	4	4	4	4
		Percentage of outputs met in the communication plan for Enhancing the Application of the Standards of GRAP	-	100%	-	100%	-	-	-
		Percentage of education material published for preparers according to a quarterly plan agreed with the Board.	-	-	-	-	80%	80%	80%
		Percentage of education material published for users according to a quarterly plan agreed with the Board.	-	-	-	-	80%	80%	80%
		Percentage of outputs met in the quarterly work plan for the GRAP 104 Reference Group	-	100%	0	100%	80%	80%	-
	Enhance the profile of the ASB	Percentage outputs met in the plan for the Language Project	-	-		100%	-	-	-

Outcome	Outputs	Output indicators	Annual targets						
			Audited Actual Performance			Estimated Performance	MTEF Period		
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2027/28
		Develop a Board approved communication strategy and plan	-	-		1	1	1	1
	Manage resources to ensure the ASB is operationally effective	Deliver an audit that is unqualified with no findings	-	-		-	1	1	1
		No. of audit findings	0	0		0	-	-	-

Table 2 - Indicators, annual and quarterly targets

Indicators	Annual Target	Q1	Q2	Q3	Q4
Percentage of approved draft or final pronouncements issued as identified in the work programme approved by the Board quarterly	80%	80%	80%	80%	80%
Percentage of reviews issued for consultation, and/or completed and/or research reports published according to the quarterly work programme approved by the Board	80%	80%	80%	80%	80%
No. of work programmes issued	0	0	0	0	0
Percentage of IPSASB meetings attended (Virtual or physical)	100%	100%	100%	100%	100%
Percentage of relevant IPSASB Exposure Drafts commented on within the comment period set by IPSASB	100%	100%	100%	100%	100%
Percentage of IASB Exposure Drafts that are relevant to the Public Sector commented on within the comment period set by IASB	100%	100%	100%	100%	100%
Percentage of meetings attended as an observer at the Financial Reporting Standards Council (FRSC)	100%	100%	100%	100%	100%
Percentage of FAQs issued to respond to issues raised by stakeholders within the approved timeframe from date of identification of the need to develop a FAQ	100%	100%	100%	100%	100%
No. of accounting forum meetings	8	2	2	2	2
No. of articles on different topics to continue awareness raising amongst stakeholders	4	1	1	1	1
No. of meeting highlights issued after Board meetings to create awareness of new developments	4	1	1	1	1
Percentage of education material published for preparers according to a quarterly ~~00~~plan agreed with the Board.	80%	80%	80%	80%	80%
Percentage of education material published for users according to a quarterly plan agreed with the Board.	80%	80%	80%	80%	80%
Percentage of outputs met in the quarterly work plan for the GRAP 104 Reference Group	80%	80%	80%	80%	80%
Develop a Board approved communication strategy and plan	1	1	-	-	-
Deliver an audit that is unqualified with no findings	1	-	1	-	-

Explanation of planned performance over the medium-term period

6.1 The indicative work programme for 1 April 2026 to 31 March 2027 is reflected in Annexure A. The standard-setting activities for the period 1 April 2026 to 31 March 2027 are drawn from the three-year plan.

6.2 The projects on the work programme are mostly complex from a technical and communication perspective. The Board has been conscious in its new three-year work programme to balance the needs of providing relevant reporting aligned with international standards and supporting credible, quality reporting that can be useful to users of the financial statements.

6.3 It is becoming increasingly evident that setting Standards of GRAP alone is insufficient to meet the ASB's mandate. The ASB needs to push the boundaries of traditional standard-setting and do more to promote a consistent understanding and application of the Standards and related pronouncements. A key output for the ASB is promoting a culture of learning with preparers and users of the financial statements. It is difficult to set specific targets for these activities as the ASB and the staff need to respond to the needs of the sector. All the ASB's activities in this area will be managed and measured using the ASB's annual plan. This includes a roll out and awareness raising of the education material developed for users of the financial statements.

6.4 The revised Standard on *Financial Instruments* was effective on 1 April 2025. The adoption of the revised Standard requires significant changes to entities' current reporting. A specific project – the GRAP 104 Reference Group - was initiated in 2021 to facilitate discussions on potential application and implementation issues with stakeholders in advance of the effective date. This project is executed through an external service provider for the duration of the project. While it was expected that the Reference Group would end on 31 March 2026, stakeholders requested the ASB to continue this group for another two years.

6.5 The activities highlighted above mostly support the standard-setting activities and ensure improved application of the Standards. As indicated, the Board has balanced support versus issuing new or issuing amended Standards. The key standard-setting projects for the period are as follows:

- *Measurement* – The purpose of this project is to provide guidance on how to value assets and liabilities in the public sector. This is an important project as stakeholders have indicated in past projects that measurement of assets in the public sector is complex due to the lack of a market for certain assets, the objective of the public sector is often to deliver services rather than generate profits and acquiring assets where no value is provided in return.
- Amendments to the Standard of GRAP on *Accounting by Principals and Agents* – These changes result from the post-implementation review of the Standard and respond to stakeholders' comments.
- First-time adoption of the Standard of GRAP on *Social Benefits* – The expectation is that the final Standard will be approved in March 2026. The next step is identifying the key issues with the adoption of the Standard and what transitional provisions may be needed.
- Finalisation of the outcomes of the review of the application of the Standard of GRAP on *Segment Reporting* – The project will assess the practice in the sector, particularly, when the Standard is applied and how it has been implemented by entities.
- *Transfer Expenses* – This will include assessing whether the IPSAS on *Transfer Expenses* is suitable for the local environment.
- Sustainability risks and the effect on the financial statements – The ASB will continue to monitor whether guidance is needed on how climate and other risks could affect the accounting and presentation in the financial statements.
- The GRAP Reporting Framework is an annual project to explain to preparers which Standards should be applied in a particular reporting period.

Programme resource considerations - Medium-Term Expenditure Framework for 1 April 2026 to 31 March 2029

	Budget 2026/27		Budget 2027/28		Budget 2028/29	
REVENUE						
Grant	R	17 115 000	R	17 759 000	R	18 280 000
Interest	R	116 380	R	118 903	R	131 095
Sub-total	R	17 231 380	R	17 877 903	R	18 411 095
EXPENSES						
Staff costs	R	12 190 125	R	12 773 929	R	13 361 866
Board remuneration	R	1 444 998	R	1 492 610	R	1 539 001
Operating costs	R	3 689 599	R	3 703 376	R	3 409 827
Sub-total	R	17 324 722	R	17 969 915	R	18 310 693
Surplus/(deficit)	**-R**	**93 342**	**-R**	**92 012**	**R**	**100 402**
Add back non-cash items:						
Depreciation	R	93 342	R	92 012	R	99 598
Less: Capex	R	-	R	-	R	200 000
Cash Surplus/(deficit)	R	0	-R	0	-R	0

Programme resource considerations

7.1 The table on the previous page reflects the ENE submitted to the National Treasury in December 2025.

Revenue

7.2 The ASB's main source of revenue is the transfer from the National Treasury. Interest is received from the investment of surplus funds either during the year or from prior years' retention.

Expenditure

7.3 The expenditure of the ASB has increased in line with the CPI guidelines provided by the National Treasury. These are:

- 2026/27 – 3.604%
- 2027/28 – 3.295%
- 2028/29 – 3.108%

7.4 The most significant components of the ASB's spending are:

- Employee costs.
- International travel.
- Legal fees.
- Board remuneration and consultants.
- Information Communication and Technology (ICT) costs.
- Licencing fees to use IPSAS.
- Communication.

7.5 Most expenditure items are expected to increase within the amounts outlined in the Budget Guidelines. However, there are two areas where the expected cost escalation is above CPI:

- ICT costs – As the ASB operates completely virtually, it is critical that the ICT environment is safe, secure and is fit for the ASB's purpose. The ASB's ICT management is outsourced. Based on experience, the cost of ICT increases above CPI. While the ongoing ICT management can be managed within CPI, purchasing licences, upgrading security, etc. is often subjected to higher fluctuations in both prices and exposure to foreign exchange rates. An increase of between 25-30% is budgeted for increases in licencing costs in the first year to bring the resources in line with the market.
- Audit fees – Providing assurance services, particularly in the public sector, is complex and spans the audit of financial statements, reviews of performance information, and assessing compliance with legislation. As the complexity increases, so too does the cost. The audit profession is also not as attractive as it used to be, which means there is a shortage of skills. The cost escalations observed in the market for assurance services are well above CPI.

Employee costs

7.6 The ASB's staff complement, as currently approved by the Board, is seven employees. At present, all positions are filled. The ASB applied for an increase in its baseline which would have been used to support the appointment of an additional standard-setter. This increase was not approved.

7.7 An additional staff member is needed to assist the ASB to fully execute its planned projects and activities over the next three years, which include:

- Maintaining closer alignment to international standards, particularly by assessing their impact in advance of considering their adoption locally, and better contributing to building a capable, ethical state.

- Raising awareness about the role of the ASB, its activities and how it contributes to the sector.
- Educating users to understand the purpose of financial statements, what the information in the financial statements means, and how users can use the financial statements to make decisions and hold officials accountable.
- Educating preparers to improve the application of the Standards of GRAP.

7.8 Five out of the seven positions require professional staff that are experienced in the technicalities of financial accounting and financial reporting. Should the ASB have vacancies, the ASB would need to recruit from an accounting and auditing firm (or similar), the AGSA, or an organisation with an internal technical department. With new Standards being issued in the private sector requiring professional accountants for their implementation, the pool of potential candidates is becoming even more limited.

7.9 In recent recruitments, the ASB found it difficult to attract suitable candidates. Having an attractive compensation offering is vital to both attracting and retaining professionally qualified staff. The ASB's remuneration policies are executed within the Remuneration Framework approved by the Minister of Finance.

7.10 The Remuneration Framework requires that the compensation of employees be aligned to the National Treasury Guideline for Costing and Budgeting for Compensation of Employees. The Cost of Employees was determined using the CPI rates in paragraph 3.4 plus 1.5% to accommodate notch increases.

International travel to the IPSASB

7.11 The ASB pays for the South African member on the IPSASB to attend the IPSASB meetings. The current member is the Chairperson of the ASB. The member is also supported by a Technical Advisor who is the Head of Technical of the ASB.

7.12 Three of the four IPSASB meetings are likely to be held in North America. At present, the amounts in the budgets are sufficient based on current estimates. However, factors such as the volatile Rand-Dollar exchange rate and an unstable geopolitical climate could negatively affect the cost of international travel. It is important for the ASB to attend meetings in person as participants physically present have a greater impact on the Board discussions and enable networking with other standard-setters and financial professionals in the public sector.

Legal fees

7.13 The Court case between the RAF and the AGSA for the period 31 March 2021 has not been finally concluded. Although a judgement was handed down in favour of the AGSA, the RAF continues to appeal to higher Courts – most recently the Constitutional Court (April 2025). There is a similar case for the financial year ended 31 March 2022. The legal fees are funded from the surplus from 2021/22.

7.14 An insignificant amount is budgeted for legal costs the ASB may need to incur related to its operations.

Board remuneration and consultants

7.15 The Regulations of the ASB allow a maximum of eight independent, non-executive Board members. In addition, the Accountant-General and a representative of the AGSA serve as ex-officio members. The Board was fully constituted by the Minister of Finance, effective 1 March 2024. Six board members are remunerated; the other two work in the public sector and are not remunerated. Two paid board members resigned during the 2024/25 year and replacements for these Board members are underway.

7.16 Board members are remunerated for their attendance at Board, Technical Committee and Operations Committee meetings. Members are remunerated at rates prescribed by SAICA for work done in the public sector.

IFAC licence fees

7.17 The ASB uses IPSAS to develop Standards of GRAP. Where a solution is not available internationally, a "home-grown" Standard of GRAP is developed. The IPSAS are used under a licencing agreement with the IPSASB and the International Federation of Accountants (IFAC).

7.18 Until 2024, IFAC had not increased its licence fees. In 2024, it changed from USD5 000 to USD 17 000. To make the increase more affordable, the ASB negotiated with IFAC that the fees for 2024-2026 were paid in advance. This realised a significant saving. Our next payment will be made in January 2027 when the full amount of USD 17 000 will need to be made. The ASB is also required to pay VAT on these fees, which means that the total to be paid annually is approximately R420 000 from the 2026/27 MTEF. The team at IFAC have advised that there should not be a significant increase to the one in 2024. The IFAC team has committed to sharing any increases well in advance of their effective dates to ensure that budgets can be adjusted in time.

Shared services

7.19 The ASB continues to benefit from services shared with the National Treasury. At present, this includes facilities, e.g. potential office and meeting space (when needed), document storage, Internal Audit services, and an Audit Committee.

7.20 The Board submitted a request to the National Treasury to establish its own Audit Committee. The ASB's own Audit Committee will ensure more efficient use of the ASB's resources - both time supporting the current Audit Committee, and payment for attendance of meetings (i.e. the ASB would not pay for the Audit Committee Chairperson to attend the ASB Board meetings, and the Operations Committee Chairperson to attend the Audit Committee meetings). The ASB requested that the shared Internal Audit arrangements remain.

Spending focus areas – gender and climate-related expenditure

7.20 The ASB's activities relate to policy development. As a result, there is no allocation of the organisation's expenditure set aside to accomplish gender and climate policy objectives. However, some of the ASB's policy development support the initiatives on gender and climate.

Funding shortfalls

7.21 The additional funding of R916 000 and R827 000 for 2026/27 and 2027/28 will be used to fund the continuation of the project on Financial Instruments, and to partly fund communication activities. To fully fund the communication activities, staff development has been reduced.

7.22 The ASB has a shortfall in funding for the following:

- An additional standard-setter position.
- Communication activities through the appointment of an external service provider – without compromising funding made available for staff development.

Key risks

The ASB manages risk on an ongoing basis through the Operations Committee. The key risks for the strategic period are outlined in the table below. These risks affect the following outcomes:

- Maintain and enhance existing Standards of GRAP and develop new Standards where gaps are identified
- Influence and collaborate with key stakeholders in the financial management system nationally and internationally.

<table>
<tr><th>Risk description</th><th>Impact</th><th>Mitigation (if any)</th></tr>
<tr><td>Delay in approving the implementation date for standards approved by the Board</td><td>If new reporting requirements are not implemented, users may not have the most relevant information in the financial statements.</td><td>An updated memorandum of understanding was signed with the OAG which includes timeframes for agreed activities.</td></tr>
<tr><td>Insufficient resources to deliver the quantity and quality of outputs expected by the ASB's mandate</td><td>Work programme cannot be fully executed.</td><td rowspan="2">The potential to increase the ASB's funding is discussed with all key roleplayers when an opportunity arises. This includes the Deputy-Minister, the Accountant-General, PEOU, and relevant standing committees of Parliament.</td></tr>
<tr><td>Insufficient staff resources negatively affect the ASB's continuity</td><td>Unexpected staff absences of more than one week affect the execution of the work programme.</td></tr>
</table>

Part D: Technical indicator descriptions (TID)

	Maintain and enhance existing Standards of GRAP and develop new Standards where gaps are identified			Influence, and collaborate with, key stakeholders in the financial management system nationally and internationally			
Indicator title	Percentage of approved draft or final pronouncements issued as identified in the work programme approved by the Board quarterly	Percentage of reviews issued for consultation, and/or completed and/or research reports published according to the quarterly work programme approved by the Board	No. of work programmes issued	Percentage of IPSASB meetings attended (Virtual or physical)	Percentage of relevant IPSASB Exposure Drafts commented on within the comment period set by IPSASB	Percentage of IASB Exposure Drafts that are relevant to the Public Sector commented on within the comment period set by IASB	Percentage of meetings attended as an observer at the Financial Reporting Standards Council (FRSC)
Definition	To develop exposure drafts, Standards of GRAP and other pronouncements as identified in the work programme approved by the Board every quarter. Changes to the work programme will be permitted to meet the Board's Due Process Handbook.	To ensure consistent interpretation and application of Standards of GRAP and other pronouncements as identified in the work programme approved by the Board every quarter. Changes to the work programme will be permitted to meet the Board's Due Process Handbook.	To publish a draft three-year work programme for comment, and finalise the work programme based on feedback received from stakeholders.	Participation of South African member in the IPSASB's meetings. Provide technical support to the South African representative on the IPSASB at scheduled quarterly meetings (both "official" and "check-in" meetings)	Respond to international public sector developments by submitting a well-researched comment letter on relevant IPSASB exposure drafts issued	Identify potential public sector implications in any standards being developed by the private sector and ensure that the comment is included in the SAICA comment letter, or if deemed a significant issue, consider submitting an ASB comment letter	Participate as an observer at the FRSC meetings to share and gather information with/from the private sector standard-setter
Source of data	Pronouncements approved for issue by the ASB Quarterly work programme approved by the Board	Review reports or research reports tabled for consideration by the Board Quarterly work programme approved by the Board	Draft and final work programme approved for issue.	Minutes and/or airfare and accommodation for each meeting	Comment letters submitted on relevant projects. Exposure Drafts requiring comment are approved by the Board and/or Technical Committee	Comment letters submitted on relevant projects. Exposure Drafts requiring comment are approved by the Board and/or Technical Committee	Minutes of meetings
Method of calculation	No.of pronouncements issued divided by the no. of outputs agreed on the quarterly work programme (as approved by the Board for each quarter) X 100	No.of reviews or review reports issued divided by the no. of outputs agreed on the quarterly work programme (as last approved by the Board for each quarter) X100	Simple count of no. of draft or final work programmes	No. of meetings attended divided by the no. of meetings scheduled X 100	No. of comment letters submitted divided by the no. of relevant Exposure Drafts issued for comment X 100	No. of comment letters submitted divided by the no. of relevant Exposure Drafts issued for comment X 100	No. of meetings attended divided by the no. of meetings scheduled X 100

	Maintain and enhance existing Standards of GRAP and develop new Standards where gaps are identified			Influence, and collaborate with, key stakeholders in the financial management system nationally and internationally			
Means of verification	Board minutes Draft or final pronouncements issued Approved work programme for the year (Annexure A to the APP) Quarterly work programme approved by the Board	Board minutes Completed reviews Review Reports Approved work programme for the year (Annexure A to the APP) Quarterly work programme for the year	Board minutes and/or final work programme	Board minutes Meeting schedule	Confirmation emails received that comment letters were submitted Board papers indicating which Exposure Drafts are relevant	Emails with comment letters sent Board papers indicating which Exposure Drafts are relevant	FRSC minutes Meeting schedule
Assumptions	Board meetings to be held to discuss the draft and final pronouncements, and minutes of these meetings will be recorded Pronouncements finalised as per the work programme	Board meetings to be held to discuss documents issued of comment, results of reviews, Review Reports, and minutes of these meetings will be recorded Review/research reports finalised as per the work programme	Board meetings to be held to discuss the draft and final work programme, and minutes of these meetings will be recorded	Four "official" meetings will be held. Potentially four "check-in" meetings will be held. Travel budget is sufficient (if physical attendance is required)	IPSASB will issue Exposure Drafts for comment. Sufficient resources to respond to exposure drafts	IASB will issue Exposure Drafts for comment. Sufficient resources to respond to exposure drafts	FRSC will be properly constituted and meet regularly
Disaggregate beneficiaries	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Spatial transformation	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Calculation type	Quantitative	Quantitative	Cumulative (Year-End)	Quantitative	Quantitative	Quantitative	Quantitative
Reporting cycle	Quarterly	Quarterly	Annually (or as long as finalisation of work programme takes)	Quarterly	Quarterly	Quarterly	Quarterly

	Maintain and enhance existing Standards of GRAP and develop new Standards where gaps are identified			Influence, and collaborate with, key stakeholders in the financial management system nationally and internationally			
Desired performance	Draft and final pronouncements are issued based on the work programme developed in consultation with stakeholders While 100% is desirable, 80% is the target as this reflects the ASB's insufficient staff resources which could be affected by uncertainties.	Reviews completed and/or review reports issued based on the work programme developed in consultation with stakeholders While 100% is desirable, 80% is the target as this reflects the ASB's insufficient staff resources which could be affected by uncertainties.	A three-year work programme is issued for 2027-2029, and consultation commenced on the work programme for 2030-2032	Attend four "official" IPSASB meetings and four "check-in" meetings (if held)	Submit a well-researched comment letter on all relevant IPSASB Exposure Drafts within the comment period	Participate in private sector project groups to draft comment letters on standards relevant to the public sector and submit own comment letter if subject deemed significant	Attend all scheduled FRSC meetings
Indicator responsibility	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer

	Promote a culture of learning with preparers and users of the financial statements				
Indicator title	Percentage of FAQs issued to respond to issues raised by stakeholders within the approved timeframe from date of identification of the need to develop a FAQ	No. of accounting forum meetings	No. of articles on different topics to continue awareness raising amongst stakeholders	No. of meeting highlights issued after Board meetings to create awareness of new developments	Percentage of education material published for preparers according to a quarterly ~~an annual~~ plan agreed with the Board.
Definition	Issue FAQs identified by stakeholders in accordance with the ASB's policy.	To facilitate and encourage stakeholder engagement and support	Engage stakeholders to facilitate strategic discussions	Share current developments as discussed at Board meeting	To enhance the application of the Standards of GRAP through guidance to preparers
Source of data	FAQs issued within the approved timeframe. The approved timeframe is outlined in the ASB's policy on responding to queries	Agenda and minutes of meetings	Articles submitted	Meeting highlights	Communication outputs in terms of the quarterly plan. Outputs published
Method of calculation	No. of FAQs issued divided by the FAQs identified X 100	Simple count of no. of meetings held	Simple count of no. of articles submitted for publication	Simple count of the number of meeting highlights issued	Communication outputs published divided by those identified in the quarterly work plan X 100
Means of verification	FAQs discussed at the PSAF and subsequently published on website	Meeting minutes	Copy of article	Copies of meeting highlights (website)	Quarterly work plan for preparers approved by Technical Committee and/or Board
Assumptions	Stakeholders will identify matters requiring clarification through FAQs	Interest from stakeholders Sufficient resources available	Sufficient resources are available	Four Board meetings will be held per year	There is a need for stakeholders to receive communication of this nature
Disaggregate beneficiaries	N/	N/A	N/A	N/A	N/A

	Promote a culture of learning with preparers and users of the financial statements				
Spatial transformation	N/A	N/A	N/A	N/A	N/A
Calculation type	Non-cumulative	Cumulative (Year-end)	Cumulative (Year-end)	Cumulative (Year-end)	Non-cumulative
Reporting cycle	Quantitative	Quantitative	Quantitative	Quantitative	Quantitative
Desired performance	Develop or amend FAQs that aid the application of the Standards of GRAP	Eight meetings per year	At least four articles submitted	Meeting highlights published for each Board meeting	Develop understandable, relevant education material for preparers of the financial statements (new indicator) While 100% is desirable, 80% is the target as this reflects the ASB's insufficient staff resources which could be affected by uncertainties.
Indicator responsibility	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer

	Promote a culture of learning with preparers and users of the financial statements		Raise the profile of the ASB	Manage resources to ensure the ASB is operationally effective
Indicator title	Percentage of education material published for users according to a quarterly plan agreed with the Board	Percentage of outputs met in the quarterly work plan for the GRAP 104 Reference Group	Develop a Board approved communication strategy and plan	Deliver an audit that is unqualified with no findings
Definition	To enhance the use of financial statements prepared using Standards of GRAP	To facilitate stakeholder discussions on revised GRAP 104 to identify implementation issues in advance of the date of implementation. Publish FAQs, Fact Sheets or other tools identified by the Reference Group	To develop a Board approved communications strategy and plan	Monitor the effective management of the ASB's resources
Source of data	Communication outputs issued in terms of the quarterly plan	Discussions based on quarterly work plan agreed by the Reference Group Tools identified and published by the Group	Board approved communication strategy and plan	External auditors report and management letter
Method of calculation	Communication outputs published divided by those identified in the quarterly work plan X 100	Topics and other matters addressed divided by total number of outputs in the quarterly work plan X 100	Communication strategy and plan approved by the Board	Status of audit report to be unqualified with no findings [Based on the audit of the previous financial statements – only applicable to the 2^{nd} quarter of each year]
Means of verification	Quarterly work plan for users approved by Technical Committee and/or Board Outputs published	Quarterly work plan and meeting minutes Published FAQs, Fact Sheets or other tools identified by the Reference Group	Approved communication strategy and plan Board minutes	External auditors report and management letter
Assumptions	There is need for stakeholders to receive communication of this nature	Interest from stakeholders Sufficient resources available	Board agrees with the communication strategy and plan developed by the Secretariat. External assistance required (either from another public entity or external service provider)	Financial statements and performance information will be produced by management and audited by the external auditors
Disaggregate beneficiaries	N/A	N/A	N/A	N/A

	Promote a culture of learning with preparers and users of the financial statements		Raise the profile of the ASB	Manage resources to ensure the ASB is operationally effective
Spatial transformation	N/A	N/A	N/A	N/A
Calculation type	Quantitative	Quantitative	Quantitative	Quantitative
Reporting cycle	Quarterly	Quarterly	Quarterly	Annually
Desired performance	Develop understandable, relevant education material for users of the financial statements (new indicator) While 100% is desirable, 80% is the target as this reflects the ASB's insufficient staff resources which could be affected by uncertainties.	Publish FAQs, Fact Sheets or other tools identified by the Reference Group While 100% is desirable, 80% is the target as this reflects the ASB's insufficient staff resources which could be affected by uncertainties.	Approve communication strategy and plan	No matters must be reported, i.e., a clean audit opinion and no matters in the Management Report
Indicator responsibility	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer

Annexure A to the Annual Performance Plan

Final work programme for 1 April 2026 to 31 March 2027

	Project	Quarter 1 1 April to 30 June 2026	Quarter 2 1 July 2026 to 30 September 2026	Quarter 3 1 October 2026 to 31 December 2026	Quarter 4 1 January 2027 to 31 March 2027
Maintain and enhance the existing Standards of GRAP and develop Standards where gaps are identified	GRAP Reporting Framework		**Annexure**	Communication	
	Improvements to the Standards of GRAP (2026)	Communication Submission			
	Social Benefits Consolidation of Directives	Communication		LED Issues paper	Communication
	Measurement – Conceptual Framework		Comments Framework	Communication	
	Measurement – Standard of GRAP				LED
	Transfer Expenses			Issues paper	
	Amendments to Accounting by Principals and Agents	Comments GRAP	Communication Submission		
	Desktop Review of Segment Reporting			Review Report	
		1	**2**	**2**	**1**

LED – Local Exposure Draft

GRAP - Final Standard of GRAP

Annexure B to the Annual Performance Plan

Part A – Amendment to performance measures

This Annexure outlines proposed change to the Strategic Plan for 2026-2030. The changes are reflected in the table on the next page.

Change #1 - Maintain and enhance existing Standards of GRAP and develop new Standards where gaps are identified

The indicators have been refined to reflect that the Board may need to amend the work programme to (a) ensure the Board makes decisions in the public interest and ensures a robust, credible due process, and (b) responds to needs in the sector.

The change from a specific number to a percentage of outputs on the workplan reflects the uncertain nature of standard-setting work, particularly where reliance is placed on the work of other standards setters such as the IPSASB and IASB. The pronouncements issued by the Board are based on feedback from stakeholders based on their needs, and/or the ASB's need to align with international standards. This means that there is no baseline that exists. The baseline varies depending on the three-year work programme.

Change #2 – Promote a culture of learning with preparers and users of the financial statements

The activities previously included in the project on "Enhancing the Application of the Standards of GRAP" are now included in the measure and indicator to develop education material for preparers of financial statements.

Change #3 – Enhance the profile of the ASB

The Language project is now included in the measure and indicator to develop education material for users of the financial statements.

The measuring of the outputs met on the Communication Strategy and Plan are not entirely within the ASB's control. As a result, this indicator was deleted.

Outputs	Output indicators Original	Output indicators Revised
Maintain and enhance existing Standards of GRAP and develop new Standards where gaps are identified	No. of approved draft or final pronouncements issued as identified in the work programme for the year approved	Percentage of approved draft or final pronouncements issued as identified in the work programme approved
	Percentage ~~No.~~ of reviews issued for consultation, and/or completed and/or research reports published according to the quarterly work programme approved by the Board	Percentage of reviews issued for consultation, and/or completed and/or research reports published according to the quarterly work programme approved by the Board
Influence, and collaborate with, key stakeholders in the financial management system nationally and internationally	Percentage of meetings attended as an observer at the Financial Reporting Standards Council (FRSC) (and the relevant structure for Sustainability Reporting once established)	Percentage of meetings attended as an observer at the Financial Reporting Standards Council (FRSC)
Enhance the profile of the ASB	Develop a final communication strategy and plan	Develop a Board approved communication strategy and plan
	Percentage outputs met in the plan for the Language Project	[Deleted]
	Percentage outputs met in the ASB's communication plan	[Deleted]

Part B – Amendment to Technical Indicator Descriptions (TID)

The following changes need to be made to the TIDs in the Strategic Plan for 2026-2030 because of the changes to the indicators and measures outlined in Part A. The changes are underlined and struck through.

	Maintain and enhance existing Standards of GRAP and develop new Standards where gaps are identified		**Influence, and collaborate with, key stakeholders in the financial management system nationally and internationally**	**Promote a culture of learning with preparers and users of the financial statements**		
Indicator title	Percentage ~~No.~~ of approved draft or final pronouncements issued as identified in the work programme ~~for the year~~ approved by the Board quarterly	Percentage ~~No.~~ of reviews issued for consultation, and/or completed and/or research reports published according to the quarterly work programme approved by the Board	Percentage of IPSASB meetings attended (Virtual or physical)	Percentage of education material published for preparers according to a quarterly ~~an annual plan~~ agreed with the Board.	Percentage of education material published for users according to ~~an annual~~ a quarterly plan agreed with the Board	Percentage of outputs met in the quarterly work plan for the GRAP 104 Reference Group
Definition	To develop exposure drafts, Standards of GRAP and other pronouncements as identified in the ~~annual~~ work programme approved by the Board every quarter. Changes to the work programme will be permitted to meet the Board's Due Process Handbook.	To ensure consistent interpretation and application of Standards of GRAP and other pronouncements as identified in the ~~annual~~ work programme approved by the Board every quarter. Changes to the work programme will be permitted to meet the Board's Due Process Handbook.	Participation of South African member in the IPSASB's meetings. Provide technical support to the South African representative on the IPSASB at scheduled quarterly meetings (both "official" and "check-in" meetings)	To enhance the application of the Standards of GRAP through guidance to preparers	To enhance the use of financial statements prepared using Standards of GRAP	To facilitate stakeholder discussions on revised GRAP 104 to identify implementation issues in advance of the date of implementation. Publish FAQs, Fact Sheets or other tools identified by the Reference Group
Source of data	Pronouncements approved for issue by the ASB Quarterly work programme approved by the Board	Review reports or research reports tabled for consideration by the Board Quarterly work programme approved by the Board	Minutes and/or airfare and accommodation for each meeting	Communication outputs in terms of the quarterly plan. Outputs published	Communication outputs issued in terms of the quarterly plan	Discussions based on quarterly work plan agreed by the Reference Group Tools identified and published by the Group
Method of calculation	No.of pronouncements issued divided by the no. of outputs agreed on the quarterly work programme (as approved by the Board for each quarter) X 100 ~~Simple count of no. of pronouncements issued~~	No.of reviews or review reports issued divided by the no. of outputs agreed on the quarterly work programme (as last approved by the Board for each quarter) X100 ~~Simple count of reviews completed and/or research reports issued~~	No. of meetings attended divided by the no. of meetings scheduled X 100	Communication outputs published divided by those identified in the quarterly work plan X 100	Communication outputs published divided by those identified in the quarterly work plan X 100	Topics and other matters addressed divided by total number of outputs in the quarterly work plan X 100

	Maintain and enhance existing Standards of GRAP and develop new Standards where gaps are identified		Influence, and collaborate with, key stakeholders in the financial management system nationally and internationally	Promote a culture of learning with preparers and users of the financial statements		
Means of verification	Board minutes Draft or final pronouncements issued Approved work programme for the year (Annexure A to the APP) Quarterly work programme approved by the Board	Board minutes Completed reviews Review Reports Approved work programme for the year (Annexure A to the APP) Quarterly work programme for the year	Board minutes Meeting schedule	Quarterly work plan for preparers approved by Technical Committee and/or Board	Quarterly work plan for users approved by Technical Committee and/or Board Outputs published	Quarterly work plan and meeting minutes Published FAQs, Fact Sheets or other tools identified by the Reference Group
Assumptions	Board meetings to be held to discuss the draft and final pronouncements, and minutes of these meetings will be recorded Pronouncements finalised as per the work programme	Board meetings to be held to discuss documents issued of comment, results of reviews, Review Reports, and minutes of these meetings will be recorded Review/research reports finalised as per the work programme	Four "official" meetings will be held. Potentially four "check-in" meetings will be held. Travel budget is sufficient (if physical attendance is required)	There is a need for stakeholders to receive communication of this nature	There is need for stakeholders to receive communication of this nature	Interest from stakeholders Sufficient resources available
Disaggregate beneficiaries	N/A	N/A	N/A	N/A	N/A	N/A
Spatial transformation	N/A	N/A	N/A	N/A	N/A	N/A
Calculation type	Quantitative	Quantitative	Quantitative	Non-cumulative	Quantitative	Quantitative
Reporting cycle	Quarterly	Quarterly	Quarterly	Quantitative	Quarterly	Quarterly

	Maintain and enhance existing Standards of GRAP and develop new Standards where gaps are identified		Influence, and collaborate with, key stakeholders in the financial management system nationally and internationally	Promote a culture of learning with preparers and users of the financial statements		
Desired performance	Draft and final pronouncements are issued based on the work programme developed in consultation with stakeholders While 100% is desirable, 80% is the target as this reflects the ASB's insufficient staff resources which could be affected by uncertainties.	Reviews completed and/or review reports issued based on the work programme developed in consultation with stakeholders While 100% is desirable, 80% is the target as this reflects the ASB's insufficient staff resources which could be affected by uncertainties.	Attend four "official" IPSASB meetings and four "check-in" meetings (if held)	Develop understandable, relevant education material for preparers of the financial statements (new indicator) While 100% is desirable, 80% is the target as this reflects the ASB's insufficient staff resources which could be affected by uncertainties.	Develop understandable, relevant education material for users of the financial statements (new indicator) While 100% is desirable, 80% is the target as this reflects the ASB's insufficient staff resources which could be affected by uncertainties.	Publish FAQs, Fact Sheets or other tools identified by the Reference Group While 100% is desirable, 80% is the target as this reflects the ASB's insufficient staff resources which could be affected by uncertainties.
Indicator responsibility	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer

	Promote a culture of learning with preparers and users of the financial statements				
Indicator title	Percentage of FAQs issued to respond to issues raised by stakeholders within the approved timeframe from date of identification of the need to develop a FAQ	No. of accounting forum meetings	No. of articles on different topics to continue awareness raising amongst stakeholders	No. of meeting highlights issued after Board meetings to create awareness of new developments	Percentage of education material published for preparers according to a quarterly ~~an annual~~ plan agreed with the Board.
Definition	Issue FAQs identified by stakeholders in accordance with the ASB's policy.	To facilitate and encourage stakeholder engagement and support	Engage stakeholders to facilitate strategic discussions	Share current developments as discussed at Board meeting	To enhance the application of the Standards of GRAP through guidance to preparers
Source of data	FAQs issued within the approved timeframe. The approved timeframe is outlined in the ASB's policy on responding to queries	Agenda and minutes of meetings	Articles submitted	Meeting highlights	Communication outputs in terms of the quarterly plan. Outputs published
Method of calculation	No. of FAQs issued divided by the FAQs identified X 100	Simple count of no. of meetings held	Simple count of no. of articles submitted for publication	Simple count of the number of meeting highlights issued	Communication outputs published divided by those identified in the quarterly work plan X 100
Means of verification	FAQs discussed at the PSAF and subsequently published on website	Meeting minutes	Copy of article	Copies of meeting highlights (website)	Quarterly work plan for preparers approved by Technical Committee and/or Board
Assumptions	Stakeholders will identify matters requiring clarification through FAQs	Interest from stakeholders Sufficient resources available	Sufficient resources are available	Four Board meetings will be held per year	There is a need for stakeholders to receive communication of this nature
Disaggregate beneficiaries	N/	N/A	N/A	N/A	N/A

	Promote a culture of learning with preparers and users of the financial statements				
Spatial transformation	N/A	N/A	N/A	N/A	N/A
Calculation type	Non-cumulative	Cumulative (Year-end)	Cumulative (Year-end)	Cumulative (Year-end)	Non-cumulative
Reporting cycle	Quantitative	Quantitative	Quantitative	Quantitative	Quantitative
Desired performance	Develop or amend FAQs that aid the application of the Standards of GRAP	Eight meetings per year	At least four articles submitted	Meeting highlights published for each Board meeting	Develop understandable, relevant education material for preparers of the financial statements (new indicator) While 100% is desirable, 80% is the target as this reflects the ASB's insufficient staff resources which could be affected by uncertainties.
Indicator responsibility	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer

	Promote a culture of learning with preparers and users of the financial statements		Raise the profile of the ASB	Manage resources to ensure the ASB is operationally effective
Indicator title	Percentage of education material published for users according to ~~an annual~~ a quarterly plan agreed with the Board	Percentage of outputs met in the quarterly work plan for the GRAP 104 Reference Group	Develop a Board approved communication strategy and plan	Deliver an audit that is unqualified with no findings
Definition	To enhance the use of financial statements prepared using Standards of GRAP	To facilitate stakeholder discussions on revised GRAP 104 to identify implementation issues in advance of the date of implementation. Publish FAQs, Fact Sheets or other tools identified by the Reference Group	To develop a Board approved communications strategy and plan	Monitor the effective management of the ASB's resources
Source of data	Communication outputs issued in terms of the quarterly plan	Discussions based on quarterly work plan agreed by the Reference Group Tools identified and published by the Group	Board approved communication strategy and plan	External auditors report and management letter
Method of calculation	Communication outputs published divided by those identified in the quarterly work plan X 100	Topics and other matters addressed divided by total number of outputs in the quarterly work plan X 100	Communication strategy and plan approved by the Board	Status of audit report to be unqualified with no findings [Based on the audit of the previous financial statements – only applicable to the 2nd quarter of each year]
Means of verification	Quarterly work plan for users approved by Technical Committee and/or Board Outputs published	Quarterly work plan and meeting minutes Published FAQs, Fact Sheets or other tools identified by the Reference Group	Approved communication strategy and plan Board minutes	External auditors report and management letter
Assumptions	There is need for stakeholders to receive communication of this nature	Interest from stakeholders Sufficient resources available	Board agrees with the communication strategy and plan developed by the Secretariat. External assistance required (either from another public entity or external service provider)	Financial statements and performance information will be produced by management and audited by the external auditors
Disaggregate beneficiaries	N/A	N/A	N/A	N/A

	Promote a culture of learning with preparers and users of the financial statements		Raise the profile of the ASB	Manage resources to ensure the ASB is operationally effective
Spatial transformation	N/A	N/A	N/A	N/A
Calculation type	Quantitative	Quantitative	Quantitative	Quantitative
Reporting cycle	Quarterly	Quarterly	Quarterly	Annually
Desired performance	Develop understandable, relevant education material for users of the financial statements (new indicator) While 100% is desirable, 80% is the target as this reflects the ASB's insufficient staff resources which could be affected by uncertainties.	Publish FAQs, Fact Sheets or other tools identified by the Reference Group While 100% is desirable, 80% is the target as this reflects the ASB's insufficient staff resources which could be affected by uncertainties.	Approve communication strategy and plan	No matters must be reported, i.e., a clean audit opinion and no matters in the Management Report
Indicator responsibility	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer