ACCOUNTING STANDARDS BOARD
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MINUTES OF THE ASB'S BOARD MEETING HELD VIRTUALLY ON 27 NOVEMBER 2025

PRESENT

CHAIRPERSON	A van der Burgh	
MEMBERS OF THE BOARD		
	W de Jager	
	D Dlamini	
	S Gcwabe	
INVITEES	P Kubai (MGI RAS)	
	P Mzizi (Chairperson of the Audit Committee)	
EX OFFICIO	J Poggiolini	Chief Executive Officer
	E van der Westhuizen	Head of Technical
	A Botha	Standard-setter
	S Nondlazi	Standard-setter

1. WELCOME AND APOLOGIES

Members were WELCOMED to the meeting. Apologies were NOTED from:

- A Carstens
- A Hardien
- S Khan

2. CONFIRMATION OF AGENDA

The agenda was CONFIRMED without amendment.

3. CONFLICTS OF INTEREST

Members were ASKED to confirm any conflicts of interest. None were NOTED.

4. MINUTES OF THE PREVIOUS MEETINGS

The minutes of the meetings held on 30 September and 22 October 2025 were APPROVED, subject to an editorial correction of a Board member's initial on both sets of minutes.

MATTERS ARISING NOT DEALT WITH ELSEWHERE ON THE AGENDA

5.1 A memorandum was TABLED on the matters arising from previous meetings.

5.2 The Secretariat EXPLAINED the following:

- The CEO presented the ASB's annual report for 2025/26 to the Standing Committee on Finance.
- The Chairperson, CEO and Head of Technical met with the Deputy Minister to present the ASB's second quarter results. The Deputy Minister understood the delays in completing the projects and hoped that the baseline increase would be granted.
- The CEO accompanied the officials from the Office of the Accountant-General (OAG) at SCOPA's special hearing on the RAF.

5.3 The Secretariat INDICATED that changes were made to the Annual Performance Plan (APP) prior to its submission to the PEOU. After meeting with the Strategic Planning Unit at the National Treasury, the range provided in the targets was updated to 100% in consultation with the Chairperson. The description of the indicators could also be improved by including less detail in the indicator and more detail in the Technical Indicator Descriptions (TIDs). The APP is currently being reviewed by the IAU, and these comments were shared with them.

5.4 The Chairperson of the Audit Committee ASKED what role the ASB plays in resolving findings received by entities as part of the JSE's Proactive Monitoring. The Secretariat EXPLAINED that if entities require assistance with the issues raised by the JSE, they should raise these with the OAG.

FEEDBACK FROM THE TECHNICAL COMMITTEE

6. The Chairperson of the Technical Committee PROVIDED feedback from the last meeting. The draft minutes of the meeting held on 3 November 2025 were also TABLED.

PROPOSED AMENDMENTS TO THE CONCEPTUAL FRAMEWORK

7.1 The Secretariat TABLED the following at the meeting:

- Memorandum from the Secretariat
- Invitation to Comment on Exposure Draft on *Proposed Amendments to Chapter 7 of The Conceptual Framework for General Purpose Financial Reporting – Limited Scope Amendments* (ED 217)
- Project brief on Measurement (for information purposes)

Background and objective

7.2 The Secretariat EXPLAINED the background and the timeline of the measurement project.

7.3 A Member ASKED whether there is an opportunity to make changes to the *Conceptual Framework for General Purpose Financial Reporting* (Conceptual Framework), if required, when developing the Standard of GRAP on *Measurement*. It was NOTED that there is an opportunity to do this, similar to the Secretariat's proposals with respect to the assessment of value in use when developing the Standard of GRAP on *Measurement*. Another time when changes may be required is after the Standard of GRAP on *Measurement* is effective, and implementation experiences indicate a need for amendments to the Conceptual Framework.

Minor differences between ED 217 and the IPSAS Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities (IPSAS Conceptual Framework)

7.4 The Secretariat EXPLAINED the minor differences proposed in the ED compared to the IPSAS Conceptual Framework. Members SUPPORTED these differences.

Secretariat

7.5 Members POSED the following questions and SUPPORTED the responses for these:

- Paragraphs 7.4A and 7.4B

  Will the deletion of the text *"Transaction price plus transaction costs is the historical cost for an asset"* (and similar text with respect to liabilities) leave a gap in determining the initial measurement of assets and liabilities?

  The Secretariat RESPONDED that the reference to "historical cost" in the initial measurement of assets and liabilities may cause confusion, as it is a measurement basis for subsequent measurement. A Member also NOTED that as stakeholders mature in their understanding of historical cost and initial measurement in the local environment, the text may not be required.

- Paragraph 7.23D

  Is the principle in the paragraph still clear after the proposed deletion of the last sentence?

  The Secretariat RESPONDED in the affirmative and NOTED that the Technical Committee found the inclusion of the sentence to be unclear and confusing.

Value in use

7.6 Members AGREED with the proposal to reassess the section on value in use in ED 217 when developing the Standard of GRAP on *Measurement.*

Secretariat

7.7 Members RECOMMENDED that the Invitation to Comment (ITC) specifically note that the section on value in use will be reconsidered when the Standard of GRAP on *Measurement* is developed.

Secretariat

Page-by-page review of ED 217

7.8 A Member ENQUIRED how the Secretariat intends to explain the impact of the changes between the old and the proposed principles to stakeholders, specifically with the use of examples.

7.9 The Secretariat NOTED that examples will be provided with education material and during education discussions with stakeholders on the ED. Members SUPPORTED this.

Secretariat

7.10 A Member NOTED that there is a change in the inclusion of credit risk in the measurement of liabilities on the market value measurement basis versus the proposed fair value measurement basis. On the market value measurement basis, it is unclear whether credit risk is included in the measurement of the liability when the liability is settled/extinguished. Under the fair value measurement basis, credit risk is explicitly included in the measurement of the liability, as the definition refers to the transfer of the liability. Members AGREED to include this difference in Table 2 of the ITC.

Secretariat

Approval

7.11 Members APPROVED ED 217, subject to the agreed changes being made to the ITC.

Secretariat

DRAFT REVIEW REPORT ON STATUTORY RECEIVABLES

8.1 The Secretariat TABLED the following at the meeting:

- Memorandum from the Secretariat
- Draft Review Report on *Post-implementation Review of GRAP 108 on Statutory Receivables.*

8.2 Members APPROVED the Review Report for publication.

Secretariat

EMERGING ISSUES

9.1 The Secretariat TABLED a memorandum at the meeting.

9.2 The Secretariat NOTED that the DTI and CIPC established an “Adoption Readiness Working Group” to work on proposals for amending the Companies Act so that an international sustainability reporting framework could be adopted by companies locally. The CEO serves on the committee. The Terms of Reference are yet to be finalised. The primary concern for the ASB is that public sector companies would be included in the amendments.

9.3 The Secretariat NOTED an additional issue related to questions in practice on the OAG's guidance on accounting for the ESKOM debt repayment scheme. The OAG and AGSA are responding to these questions, and the OAG issued further guidance on subsequent events related to the scheme.

9.4 Members AGREED to remove the item on the regulation of the mSCOA AFS template and for the Secretariat to report if there are any new developments.

Secretariat

9.5 A Member ENQUIRED about the reference in the Technical Committee minutes to changes that may be needed to the retention of surplus funds process, and whether this was reflected in the latest Instruction Note and accounting guidance issued by the OAG. The Secretariat EXPLAINED that the change referred to in the Technical Committee minutes is broader. It requires consideration of the timelines in the process to allow entities that retain surpluses time to spend the funds in accordance with the procurement regulations.

9.6 The representative from the AGSA NOTED that the letter to management on the adoption of GRAP 104 *Financial Instruments* (revised) will be shared with the trilateral parties before being sent to CFOs.

9.7 A Member PROPOSED that education material for students and other new entrants to the sector also consider the education material for users that is currently being developed.

Secretariat

9.8 Members NOTED that the curriculum of the new UNISA public sector diploma should be developed more widely than SAIGA's competency framework to ensure the sector can benefit more broadly.

ADMINISTRATION

Work programme for 2025-2026

10.1 The Secretariat TABLED the following at the meeting:

- Memorandum from the Secretariat
- Work programme for 2025/26
- Monitoring convergence with the IPSASB
- Education material for preparers 2025/26 workplan
- Education material for users (update)
- GRAP 104 Reference Group workplan
- FAQ register

Work programme

10.2 Members NOTED the Secretariat's progress to deliver on the work programme. The progress on the development of educational material for users was NOTED.

IPSASB projects

10.3 Members NOTED the IPSASB's ongoing consultations and that there were no significant amendments to their work programme.

Projected results for the quarter ending 31 December 2025

10.4 Members NOTED the projected results for the quarter. It was NOTED that the Secretariat plans to write an article next quarter on the outcomes of the GRAP 104 readiness assessment.

INTERNATIONAL STANDARD-SETTING ACTIVITIES

11.1 The Secretariat PRESENTED on the IPSASB's mid-period work programme consultation. The comments provided by members will be incorporated in the comment letter to the IPSASB.

11.2 It was AGREED that the item will be added to the March 2026 Board meeting agenda, and the Secretariat will prepare a write-up of the comments received to date for discussion.

Secretariat

OPERATIONS AND AUDIT COMMITTEES

Feedback from the Operations Committee

12.1 The Secretariat TABLED a memorandum outlining the key recommendations and discussions of the Operations Committee.

12.2 The Secretariat EXPLAINED that a meeting was held with the relevant officials in SARS to understand the tax implications for remuneration paid to Board members of public entities. The Secretariat NOTED the following:

- Binding General Rules 40 and 41 apply (along with the respective FAQs). Although the BGRs are applicable to companies, they can be applied by other organisations such as statutory bodies.
- Non-executive directors (NED) are individuals and are not employed by entities. As a result, there are no PAYE implications. PAYE can be deducted if the members so wish.
- If a NED in his/her own right earns taxable supplies more than R1million, then VAT should be levied. VAT should not be paid in other situations.

12.3 The Secretariat AGREED that they would send a confirmation to Board members asking members to confirm they want PAYE to be deducted, and if yes, at what rate. Members will also be ASKED to confirm if they earn taxable supplies above R1million.

Secretariat

12.4 The Secretariat TABLED a report on the communication activities to date. Members SUPPORTED the way in which the Secretariat analyses the ASB's reach on social media and incorporates the results in the communication strategy and plan.

Feedback from the Audit Committee

12.4 The Chairperson of the Audit Committee TABLED a report outlining the discussions from the October 2025 meeting.

12.5 It was NOTED that two items require correction in the report – there are dates that refer to 2024/25 when they should be 2025/26; and the surpluses for the prior year should be R4.8 million and not R238 000.

12.6 A member ASKED about the escalation of items to the Minister and whether the escalation should be to the Board first (unless the matter is about the Board).

12.7 The Chairperson of the Board INDICATED that the escalation should be to the Board first, and if the Board agrees, these matters can be escalated to the Minister.

12.8 It was AGREED that the items have been superseded by events since the meeting, and escalation is no longer required.

12.9 The following reports from the IAU were TABLED:

- Report on the second quarter activities.
- Updated internal audit plan for 2025/26, which outlined a reduction in audit hours as agreed.
- Report on the review of the Artificial Intelligence Policy.

12.10 The reports were NOTED by members.

FINANCES

Quarterly report

13.1 The Secretariat TABLED the second quarterly report. It was EXPLAINED that the report was reviewed by the Operations Committee, which recommended its submission to the PEOU.

Budget execution and forecast for the year

13.2 The Secretariat TABLED a memorandum explaining the budget execution to 31 October 2025 and the forecast revenue and spending for the year.

13.3 A member INDICATED that the R336 000 allocated from the current year's budget for the Education Material should be utilised first, before using the retained funds.

13.4 Members ASKED whether it is an appropriate time to ask the Minister to revise the bonus allocation in the Remuneration Framework. It was AGREED that the Accountant-General should be consulted.

Secretariat

Procurement

13.5 The Secretariat TABLED a report on the procurement for the year as well as the planned activities for the year. An amount of R31 in fruitless and wasteful expenditure was recovered from the CEO relating to interest on the late payment of VAT for the monthly fee on the QR code generator.

Risk management

14.1 The Secretariat TABLED the risk management report and the risk register. The Secretariat NOTED that there were no changes to the risk register since the last meeting.

14.2 A member ASKED if the review of the communication strategy and plan was in the IAU plan. This was confirmed by the Secretariat.

Policies

14.3 The Secretariat TABLED a report explaining the development of the AI policy and requesting a deviation from the Virtual Working Policy.

Deviation from the Virtual Working Policy

14.4 Members DISCUSSED the proposed deviation from the Virtual Working Policy for the Head of Technical when she travels to the IPSASB meetings. The proposed deviation would be to use Cape Town and not Johannesburg as the "home base". The principles in the travel policy will still be applied.

14.5 Members SUPPORTED the deviation.

Draft AI policy

14.6 The draft AI policy was TABLED. The Secretariat EXPLAINED that this is an evolving area and will no doubt need to be revised.

14.7 Members IDENTIFIED areas where the policy may be too restrictive, for example, there may be AI applications that are useful for researching topics, designing documents and generating graphics, etc. It was AGREED that these are helpful and should be allowed. A register should be maintained of what AI applications are used for research, "design", or other activities that do not result in the generation of work product. The register should be reviewed by the Head of Technical and/or the CEO.

Secretariat

14.8 As the meeting was not quorate, it was AGREED that the policy will need to be tabled at the next meeting for approval. Members AGREED that the draft policy will be piloted in the first quarter of next year, and a standing item added to the Board agenda to discuss the use of AI.

Secretariat

CALENDAR OF DATES

15.1 The Secretariat TABLED the calendar of dates for 2026/2027.

15.2 A member NOTED that the submission on the new Board members should be added to the calendar.

Secretariat

CLOSING REMARKS

16. Members were THANKED for their participation, and the meeting ADJOURNED at 12:55.

Prepared by: **J Poggiolini**

9 December 2025

Reviewed by: **A van der Burgh**

Date: **11 December 2025**

Approved: ______________________________

Date: ______________________________