ACCOUNTING STANDARDS BOARD
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MINUTES OF THE ASB'S BOARD MEETING HELD VIRTUALLY ON 30 SEPTEMBER 2025

PRESENT

CHAIRPERSON	A van der Burgh	
MEMBERS OF THE BOARD		
	A Carstens	
	W de Jager	
	D Dlamini	
	S Gcwabe	
	S Hardien	
	S Khan	
	N Ngaka (for A Muller)	
INVITEES	P Kubai (MGI RAS)	
	P Mzizi (representing Chairperson of the Audit Committee) (joined 11:10)	
OBSERVERS	H Fortuin	
EX OFFICIO	J Poggiolini	Chief Executive Officer
	E van der Westhuizen	Head of Technical
	A Botha	Standard-setter
	N Imam-Shah	Standard-setter
	S Nondlazi	Standard-setter
	S Peter	Accountant

1. **WELCOME AND APOLOGIES**

Members were WELCOMED to the meeting. A Muller RENDERED an apology and communicated that N Ngaka would represent the AGSA for this meeting. Mr A Hardien INDICATED that he is unable to attend due to ill health, and Ms P Mzizi INDICATED she would miss the first part of the meeting. She joined at 11.10.

2. **CONFIRMATION OF AGENDA**

The agenda was CONFIRMED without amendment.

3. **CONFLICTS OF INTEREST**

3.1 Members were ASKED to confirm any conflicts of interest.

3.2 The standing declaration from A Carstens was NOTED.

4. **MINUTES OF THE PREVIOUS MEETINGS**

The minutes of the meetings held on 23 July were TABLED and APPROVED without amendment.

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 INDICATED the following:

- The status of the MSCOA template was discussed by the OAG with the Intergovernmental Relations Unit (IGR) who issues the template. It was confirmed that the intention is not to regulate the template and format of the financial statements. A meeting will be arranged with the CEO and the IGR Unit to discuss the matter.

Secretariat

- Various submissions were made to the National Treasury and the Minister after the last Board meeting. An update on the status of these submissions is provided separately.
- The Internal Audit Unit (IAU) will review the revised risk register and risk management policies in October 2025 to identify changes (if any) to the Internal Audit plan.

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 4 September 2025 were TABLED.

PROPOSED AMENDMENTS TO THE STANDARD OF GRAP ON *ACCOUNTING BY PRINCIPALS AND AGENTS*

7.1 The Secretariat TABLED the following at the meeting:

- Memorandum from the Secretariat
- Invitation to Comment on Exposure Draft (ED) on *Proposed Amendments to the Standard of GRAP on Accounting by Principals and Agents* (ED 215)
- Exposure Draft on *Proposed Amendments to the Standard of GRAP on Accounting by Principals and Agents* (ED 215).

Summary of proposed changes

7.2 The Secretariat EXPLAINED the key proposed changes to GRAP 109.

7.3 Members AGREED with the proposed amendments.

Secretariat

Proposed ITC and ED on *Proposed Amendments to the Standard of GRAP on Accounting by Principals and Agents*

7.4 Members NOTED a proposal from project group members to include additional illustrative examples in GRAP 109 and the Technical Committee's view that the current GRAP 109 illustrative examples are sufficient. It was NOTED that the Technical Committee agreed that any additional examples should be considered when practical guidance is developed by the Secretariat, the OAG, and AGSA.

7.5 A member QUESTIONED this decision. It was NOTED that the illustrative examples in GRAP 109 are generic, but that the project to develop practical guidance will consider specific scenarios and provide a detailed analysis of whether an arrangement constitutes a principal-agent arrangement. Both the illustrative examples in GRAP 109 and the practical guidance to be developed will be non-authoritative.

7.6 Members AGREED that it is best to avoid including explicit examples in the Standard for the Standard to remain principle-based. Any additional examples should not be included in GRAP 109 to ensure that entities consider their specific circumstances, practices and agreements to conclude on the nature of the arrangement.

Secretariat

7.7 It was AGREED that the ITC should highlight that additional non-authoritative guidance will be developed when the amendments to GRAP 109 are finalised.

Secretariat

7.8 A member QUESTIONED the principle that an agent only recognises compensation for undertaking transactions on behalf of a principal where it also has the power to enforce the collection of revenue from third parties. The Secretariat NOTED that during the development of the Standard, guidance was included in the Standard for the recognition of assets and liabilities where an entity acts as an agent and is given specific rights to enforce collection and take other actions under legislation. As no concerns were raised during the PIR on how this principle is applied, no amendments to GRAP 109 were agreed by the Board.

7.9 Members APPROVED the ITC and ED for publication.

Secretariat

PROPOSED IMPROVEMENTS TO THE STANDARDS OF GRAP

8.1 The Secretariat TABLED the following at the meeting:

- Memorandum from the Secretariat
- Invitation to Comment on *Proposed Improvements to the Standards of GRAP (2026)* (ED 216)

- Attachment on Matters considered in developing ED 216 [For information purposes]
- Project brief on Improvements to Standards of GRAP (2026) [For information purposes]

8.2 A member ENQUIRED about the proposal to apply the improvements retrospectively rather than prospectively. The Secretariat EXPLAINED that the improvements do not introduce new requirements for transactions or events but rather clarify existing requirements. Therefore, retrospective application is appropriate in terms of GRAP 3.

8.3 Members APPROVED the ITC and ED for publication.

Secretariat

PROPOSED GRAP REPORTING FRAMEWORK FOR THE YEAR ENDING 31 MARCH 2027

9.1 The Secretariat TABLED the following at the meeting:

- Memorandum from the Secretariat
- Proposed GRAP Reporting Framework for 2026/2027
- Full GRAP Reporting Framework (for publication on the website)
- Communication on GRAP Reporting Framework

9.2 The Secretariat PRESENTED the key proposed changes to the GRAP Reporting Framework for the 2026/27 financial year.

9.3 Members APPROVED the GRAP Reporting Framework for the 2026/27 financial year.

Secretariat

EMERGING ISSUES

10.1 The Secretariat TABLED a memorandum at the meeting.

10.2 A member ASKED about the progress with departments moving to Standards of GRAP, seeing as the exemption expires 2026. The Accountant-General RESPONDED that the matter will likely be dealt with through an updated exemption by the Minister of Finance, and amendments to the PFMA. The DG of National Treasury and Minister of Finance appointed a team to resolve issues with the IFMS system.

10.3 A member SHARED a concern that the delay in the AGSA issuing guidance on the measurement of infrastructure assets could lead to disagreements. Members DISCUSSED the authority of the guidance, how it is perceived by various role-players, the role of each of the trilateral parties in providing accounting guidance and the risk of disagreements between preparers and auditors. A representative from the AGSA NOTED that the guidance has been issued to auditors. The guidance responds to an area of audit risk and is based on existing principles. Members AGREED that the next trilateral meeting agenda should include an item on the responsibilities of the parties, audit focus areas and how auditors and preparers are supported.

Secretariat

10.4 Members DISCUSSED the readiness of entities to implement GRAP 104 *Financial Instruments* (revised) and SHARED concerns about the survey results showing poor levels of awareness and readiness among stakeholders. It was NOTED that the AGSA will include the matter as an emerging risk and is considering entities' disclosure on the impact of the Standard on their financial statements in 2024/25. It was also NOTED that the survey was shared with the AGSA to test with auditors.

10.5 Members SHARED the following for the Secretariat's consideration:

- An important message that should be shared in the Secretariat's awareness campaigns is that entities should ensure they have high-quality data, as this forms the foundation for the successful implementation of the Standard.
- Entities and auditors should consider the disclosures on not yet effective Standards earlier in the future, given that the Standard was approved by the Board in 2019. The disclosures are likely to be relevant for complex Standards that the Board will develop in the next work programme.

Secretariat

10.6 Members AGREED with the observation from the Research Group that universities need guidance on incorporating public sector aspects into their curriculum.

GRAP IMPLEMENTATION

11. The representative of the OAG PROVIDED the following feedback:

- There are >400 registrants on the Knowledge Hub.
- The individual assigned to assist with asset management and accounting guidance has so far identified accounting for agricultural activities to be a challenge. Entities are unsure when they are in the scope of GRAP 27 *Agriculture,* GRAP 12 *Inventory* or other Standards of GRAP. The issues will be shared with the ASB in due course.
- They are considering the Secretariat's comment on guidance on accounting for retention of surplus funds.
- After the AFS consistency workshop, they considered what could be improved in future. These will be continued in future, and the next workshop is planned for March 2026.
- The PAGs considered the guidance on accounting for VAT published by the Secretariat in the past. There are mixed views and remaining questions. These can be considered further in the VAT education session on 1 October 2025.

EDUCATION MATERIAL FOR USERS OF THE FINANCIAL STATEMENTS

12. The Secretariat TABLED a memorandum on the status of the education material for users of the financial statements. The development of the material is progressing well. However, as the Secretariat reviews the material when time is available, it has been difficult to commit to a specific plan with dates. This means that committing to quarterly targets is not feasible. The plan is still to complete the material in this reporting period.

ADMINISTRATION

Work programme for 2025-2026

13.1 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
- GRAP 104 Reference Group workplan
- FAQ register

Work programme

13.2 Members NOTED the Secretariat's progress to deliver on the work programme.

13.3 Members DISCUSSED the comment period for *Improvements to the Standards of GRAP, 2026.* A comment period until December 2025 allows the Board to approve the final pronouncement in March 2026, while the standard comment period of 3 months means the Board will likely approve the pronouncement in July 2026. This would mean the target is not achieved. Members CONSIDERED the following:

- The nature of the proposed amendments is minor and non-urgent. However, some of the proposed amendments require due consideration, such as the classification of liabilities as current / non-current.
- Due process should not be compromised to achieve the performance target.

13.4 On balance, members APPROVED the shorter comment period.

Secretariat

IPSASB projects

13.5 Members APPROVED to not concurrently expose two upcoming IPSASB Exposure Drafts, although the Secretariat may submit comment letters from staff:

- The Consultation on their mid-period work programme.
- Exposure Draft on *Strengthening linkages between GFSM and IPSAS – amendments to IPSAS 22 Disclosure of Information About the General Government Sector*.

Secretariat

Projected results for the quarter ending 30 September 2025

13.6 Members NOTED the projected results for the quarter.

REVIEW OF TECHNICAL POLICIES

14.1 The Secretariat TABLED the following at the meeting:

- Memorandum from the Secretariat
- Due Process Handbook
- SS017 - Procedure Manual for Standard-setting Activities
- SS08 - Terms of Reference Technical Committee
- SS09 - Performance targets and measuring progress

- SS11 - Naming and numbering conventions
- SS013 - Responses to queries
- SS015 - Registration form for open meetings

14.2 Members APPROVED the proposed amendments to the technical policies. Members also APPROVED amending the frequency of reviews to every three years, or sooner if a need is identified.

Secretariat

INTERNATIONAL STANDARD-SETTING ACTIVITIES

15.1 The Secretariat PROVIDED feedback from the September 2025 IPSASB meeting and the Standard-setters Forum.

15.2 Members CONGRATULATED the ASB Chair for his reappointment to the IPSASB. The newly appointed IPSASB chair was NOTED. It was also NOTED that the ASB Chair, Secretariat and representative of the OAG met to discuss strategic matters which will be discussed with the new IPSASB chair when the opportunity presents.

15.3 Members further DISCUSSED the following:

- From 2026, there are two IPSASB members from Africa, while there were three in the past. This will be monitored.
- The projected adoption of IPSAS by 2030 appears low for an international framework. This may be further impacted by the geopolitical environment and support pulled from developing regions.
- The Secretariat will meet PAFA and the African Association of Accountants-General to assess how to support the adoption of IPSAS in the African region and how resources can be shared.

OPERATIONAL ACTIVITIES

16.1 The Secretariat TABLED a memorandum providing an update on the submissions to the Minister of Finance and the National Treasury.

16.2 The Secretariat NOTED that the Gazette on the effective dates of the Standards (except for the Improvements to the Standards) is meant to be published by the end of September.

16.3 The Secretariat EXPLAINED that the PEOU indicated that R1 million would be made available from the National Treasury's budget. The Secretariat NOTED that, while this is insufficient for an additional staff member, it could be used, as examples, for the continuation of the GRAP 104 Reference Group and the communication activities.

16.4 A member NOTED that the drivers of the ASB's business should be better communicated to the National Treasury. In particular, the ASB could enhance the reporting of its work through the financial statements and annual report.

Secretariat

UPDATE ON LEGAL MATTERS

17. The Secretariat PROVIDED an update on the Court case with the RAF.

CLOSING REMARKS

18. Members were THANKED for their participation, and the meeting ADJOURNED at 13.20.

Prepared by: J Poggiolini

Reviewed by: A van der Burgh

Date: 15 October 2025

Approved: ___________________________________

Date: ___________________________________