40 Church Square
Pretoria
0002
Tel. 011 697 0660
Fax. 011 697 0666
www.asb.co.za

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| **TO:** | **MEMBERS OF THE TECHNICAL COMMITTEE** |
| **FROM:** | **ELIZNA VAN DER WESTHUIZEN** |
| **SUBJECT:** | **MATTERS ARISING FROM THE PREVIOUS MEETING** |
| **DATE:** | **11 JUNE 2025** |
| **FILE REF:** | **ATTACHMENT 2** |

## BACKGROUND AND PURPOSE

The purpose of this memorandum is to outline the matters arising from the previous meetings.

Table 1 on the next page reflects any matters that are still outstanding from previous meetings, and/or those that have been actioned since the last meeting. Matters that will be removed from the table after this meeting are shaded.

**ACTIONS REQUESTED**

**The Technical Committee is requested to NOTE the matters arising from the previous meeting(s).**

| Table 1 – Summary of Matters Arising from the Previous Meeting(s) | | | |
|---|---|---|---|
| **Minute no.** | **Decision** | **Action** | **Agenda item** |
| **Matters arising from the meeting held on 13 March 2018** | | | |
| 9.28 | Consider if the discounting of debtors and creditors should be revisited when an equivalent of IFRS 15 *Revenue from Contracts with Customers* is issued. | IPSAS 47 on *Revenue* and IPSAS 48 on *Transfer Expenses* are effective 1 January 2026 (see tracking table in work programme).<br>A project on transfer expenses is included on the ASB work programme for 2025/2026. A review of the application of GRAP 9 on *Revenue from Exchange Transactions* and GRAP 23 on *Revenue from Non-exchange Transactions (Taxes and Transfers)* to identify potential issues with the application of IPSAS 47 in the local environment is included in the next work programme. | Attachment 8(e) |
| **Matters arising from the meeting held on 27 February 2020** | | | |
| 6.2 | Awareness should be raised about the Fact Sheets for the revised GRAP 104 on *Financial Instruments.* | Communication on the Fact Sheets (and other material) is part of the Secretariat's efforts to increase awareness of the revised GRAP 104. The material is made available on a dedicated page on the ASB website [Supporting adoption of Standards of GRAP].<br>The Fact Sheets are reviewed and revised with the Reference Group according to the work programme of the Group.<br>Raising awareness of GRAP 104 (revised) remains a focus of the trilateral parties. | Not applicable |
| **Matters arising from the meeting held on 2 March 2021** | | | |
| 7.16 | Discuss way forward with transitional provisions with the National Treasury and the Legal Unit. [Matter raised in discussing GRAP 25.] | The matter will be incorporated into the next phase of the social benefits project. The National Treasury's legal unit may provide clarity on the matter, should it respond on the issue of the ASB's responsibility to set the reporting framework for departments. | Not applicable |

| Table 1 – Summary of Matters Arising from the Previous Meeting(s) | | | |
|---|---|---|---|
| **Minute no.** | **Decision** | **Action** | **Agenda item** |
| **Matters arising from the meeting held on 8 June 2022** | | | |
| 6.34 | Update heritage asset FAQs after completion of the post-implementation review. | Relevant FAQs were updated and comment was obtained from the OAG and AGSA. The Minister of Finance must still determine the effective date of the amendments to GRAP 103. The FAQs will be discussed with the PSAF and published once the changes become effective. | Not applicable |
| **Matters arising from the meeting held on 6 July 2023** | | | |
| 6.20 | Consider the availability of information to reliably measure social benefit liabilities when developing the transitional provisions. | The transitional provisions for the Standard of GRAP on *Social Benefits* will be developed as a next phase after the Board approved the final Standard. Respondents to ED 205 supported the measurement requirements proposed. | Not applicable |
| **Matters arising from the meeting held on 31 August 2023** | | | |
| 9.6 and 9.7 | Guidance should be developed for the development of disclosure requirements in the Standards of GRAP, and this should be located in the *Procedure Manual for Standard-setting Activities*. | An update on the development of guidance for the development of disclosure requirements was provided to the Technical Committee in November 2024. The guidance will be developed with the annual update to the Due Process Handbook and technical policies in September 2025. | Not applicable |
| **Matters arising from the meeting held on 9 November 2023** | | | |
| 6.10 | Develop FAQs as an outcome of the amendments to GRAP 105 to GRAP 107: | The FAQ on when will an asset and/or liability qualify for recognition was developed and will be discussed with the PSAF once the amendments to the Standards become effective. | Not applicable |

| Table 1 – Summary of Matters Arising from the Previous Meeting(s) | | | |
|---|---|---|---|
| **Minute no.** | **Decision** | **Action** | **Agenda item** |
| | • When will an asset and/or liability qualify for recognition by an acquirer or combined entity as part of the transfer of functions or merger? | | |
| 7.2 | Raise awareness of the application of GRAP 11 on *Construction Contracts* as an outcome of the post-implementation review of GRAP 109 on *Accounting by Principals and Agents*. | The outcomes of the GRAP 109 post-implementation review include actions to address this concern:<br>• The Review Report published in 2024 clarified certain misconceptions.<br>• Guidance on the issue was provided in FAQs in March 2025.<br>• The OAG published a bulletin on GRAP 11 *Construction Contracts*.<br>• The Secretariat is developing an ED to amend GRAP 109. | Not applicable |
| **Matters arising from the meeting held on 9 November 2023** | | | |
| 6.7 | Take the actions agreed as an outcome of the post-implementation review of GRAP 109 on *Accounting by Principals and Agents* that can be taken before the due process to amend GRAP 109 based on existing requirements in the Standards of GRAP, including to address the issues related to materiality and develop FAQs. | The last remaining actions are:<br>• The Secretariat is developing an ED to amend GRAP 109.<br>• The trilateral parties will consider developing practical guidance e.g. case studies and a “blue print” for assessing whether an arrangement is a principal agent arrangement. | Not applicable |

| Table 1 – Summary of Matters Arising from the Previous Meeting(s) | | | |
|---|---|---|---|
| **Minute no.** | **Decision** | **Action** | **Agenda item** |
| **Matters arising from the meeting held on 9 September 2024** | | | |
| 7.2 | Inconsistent use of the term "Standards of GRAP" across the suite of pronouncements: In some instances this term refers to all pronouncements issued by the ASB while in other instances it refers to certain pronouncements. The use of "Standards of GRAP" throughout the suite of pronouncements should be reviewed. | The review of the use of "Standards of GRAP" is included in the Improvements, 2026. The Board will consider the ED for approval in September 2025. | Not applicable |
| 7.2 | The status of different pronouncements issued by the ASB: guidance needs to be developed outside Directive 5 to clarify the pronouncements for which the Minister of Finance approves the application and the pronouncements that the Board approves. This guidance should explain the status of each pronouncement and specify who approves their implementation. | The Secretariat developed a communication tool which is published on the website.<br>A recording on the material is included in the 2025/26 plan for Education material for preparers. | Not applicable<br>Attachment 6(a) |
| 9.26 | The Secretariat should carefully consider its capacity in finalising the work programme after the consultation process and should be careful when consulting on the work programme to not create any different expectations with stakeholders. | The considered its capacity and the capacity of the Board in developing the indicative work programme, for the Board's approval in July 2025. | Attachment 5(a) and 5(d) |
| **Matters arising from the meeting held on 11 November 2024** | | | |
| 7.11 | An FAQ should be developed to provide guidance on the development of accounting policies, to assist with resolving the issue of boilerplate information included in the financial statements. | The FAQ was published in March 2025. | Not applicable |

| Table 1 – Summary of Matters Arising from the Previous Meeting(s) | | | |
|---|---|---|---|
| **Minute no.** | **Decision** | **Action** | **Agenda item** |
| 8.4 | The Secretariat should engage the authors of a media publication questioning the requirements of IGRAP 1 *Applying the Probability Test on Initial Recognition of Revenue* to assist them in understanding the reasons for differences between GRAP and IFRS Accounting Standards. | The Secretariat reached out to the author of the publication, but have not received a response.<br>IGRAP 1 will be considered in the revenue project, as part of the 2027-2029 work programme. | Not applicable |
| 8.4 | As part of the work on revenue, the Secretariat should consider:<br>- The appropriateness of IGRAP 1. Per IFRS 15 on *Revenue from Contracts with Customers*, credit risk is not a factor impacting the recognition of revenue. The difference between revenue recognised per GRAP and IFRS Accounting Standards may be less.<br>- The Secretariat could consider whether the subsequent impairment related to the initial recognition requirements of IGRAP 1 should be disclosed separately from other impairments. | The matters will be considered in the revenue project, as part of the 2027-2029 work programme. | Not applicable |
| 10.2 | With the establishment of the IPSAS Application Group, the Secretariat should communicate the role and purpose of the group to local stakeholders so that they do not use it for purposes other than intended. | The Secretariat will draft communication once the IPSASB officially announces the formation of the group. | Not applicable |
| **Matters arising from the meeting held on 4 March 2025** | | | |
| 4.2 | The Secretariat should assess whether there are AI tools that can assist with drafting minutes of meetings. | The Secretariat tested AI options and found the minutes generated by CoPilot to be a good reflection of meeting discussions. The Secretariat assessed the meetings for which it may be appropriate to | Not applicable |

| Table 1 – Summary of Matters Arising from the Previous Meeting(s) | | | |
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| | | use minutes primarily generated by AI and concluded to use these, as a start, for meetings of the:<br>- GRAP 104 Reference Group<br>- PSAF | |
| 7.9 | Consider in future projects a respondent's comment on ED 205 that users may need to be assisted with understanding their own information needs. This may be particularly relevant where a transaction or event may be new or there is not an established practice of reporting. | The matter will be considered as part of developing guidance on developing disclosure requirements in updating the Due Process Handbook, in the manner agreed with the Committee.<br>See matters arising from the meeting held on 31 August 2023. | Not applicable |
| 8.3 | Consider ways in which stakeholders can be supported with navigating and reading the Standards of GRAP, as well as explaining the purpose of financial statements and fair and faithful presentation. | The Secretariat has considered this as part of the 2027-2029 work programme.<br>The Secretariat will further consider this in developing:<br>- a communication strategy and plan (ongoing); and<br>- the GRAP handbook (annually). | Attachment 5(a) to 5(d) |
| 10.6 | The Secretariat should consider ways in which to support the Technical Committee and Board with sustainability reporting skills, should they need to work with sustainability reporting content at any specific meeting. For example, co-opting members. This should be explored for short- and longer-term solutions. | The Secretariat will assess sustainability reporting developments on an ongoing basis, and consider how best to support the Committee and the Board. | Not applicable |
| 10.10 | The Secretariat and Operations Committee should consider the following when developing the APP's indicators and related targets in future: | To be considered when developing the 2026/27 APP and future strategies. | Not applicable |

| Table 1 – Summary of Matters Arising from the Previous Meeting(s) | | | |
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| | • Exclude operational matters in the APP. These could be included in an operational plan and/or the ASB's work programme.<br>• The wording of indicators should avoid references to specific numbers that should be achieved and should rather refer to addressing a specific need.<br>• Consider lowering APP targets measured as a percentage from 100% to 80% - 90%, especially when meeting the targets is not fully within the ASB's control. | | |