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MINUTES OF THE TECHNICAL COMMITTEE MEETING OF THE ACCOUNTING STANDARDS BOARD HELD VIRTUALLY ON 3 MARCH 2026

ATTENDANCE

MEMBERS OF THE COMMITTEE

CHAIRPERSON	S Gcwabe
BOARD REPRESENTATIVES	
	A van der Burgh
REPRESENTATIVE OF THE AGSA	
	M Mentz
REPRESENTATIVE OF THE ASB	
	J Poggiolini
OBSERVER	
	I Engelmohr
EX OFFICIO	
A Botha	Project Manager
N Imam-Shah	Project Manager
S Nondlazi	Project Manager
E van der Westhuizen	Head of Technical

1. WELCOME AND APOLOGIES

1.1 Members were WELCOMED to the meeting. I Engelmohr was WELCOMED to the Board and it was NOTED that he is observing this meeting. Apologies were NOTED from L Bodewig, W de Jager and A Hardien.

1.2 The Chair NOTED the departure of A Carstens, who was deputy-chair, requires the committee to consider appointing a new deputy-chair. It was AGREED that this will be considered at a future meeting.

Secretariat

1.3 The Chair NOTED the impact that geopolitics can have on local entities and their budgets by sharing an experience of international delegates' travel to South Africa being interrupted by recent international events.

1.4 The CEO PROVIDED an update on the outstanding appointment of Board members. It was NOTED that the National Treasury has a new centralised system for Board appointments. The CEO met with them to explain the specific skills needed by the ASB. It was AGREED that a schedule with the status of members' terms will be shared at the Board meeting, and that the Secretariat should see how the Board can influence the decisions e.g. by submitting a list of candidates with the required skills and knowledge.

Secretariat

2 CONFIRMATION OF THE AGENDA

The agenda was CONFIRMED.

3 DECLARATIONS OF INTERESTS

Members were ASKED to indicate if they had interests to declare. No declarations were NOTED other than members' standing declarations.

4 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 5 November 2025 were TABLED and APPROVED.

Secretariat

5 MATTERS ARISING

5.1 The Secretariat TABLED a memorandum on the matters arising from previous meetings.

5.2 Members AGREED to remove items that are dealt with in the Communication strategy once approved by the Board in March.

Secretariat

5.3 It was NOTED that the AGSA submitted a courtesy letter to auditees for the first time to increase awareness of GRAP 104 *Financial Instruments* (revised).

6 TECHNICAL MATTERS

REVIEW OF RESPONSES TO ED 216 ON PROPOSED IMPROVEMENTS TO STANDARDS OF GRAP, 2026 AND RECOMMEND TO THE BOARD FOR APPROVAL

6.1 The Secretariat TABLED the following at the meeting:

- Memorandum from the Secretariat

- Analyses of verbal and written comment received on ED 216
- Draft minutes of project group meetings
- *Improvements to the Standards of GRAP, 2026*

6.2 The Secretariat EXPLAINED the key matters debated by stakeholders during public consultation, highlighting that no significant or new issues were raised in response to ED 216. Respondents mostly supported the proposed Improvements to the Standards of GRAP and suggested minor amendments.

GRAP 17 *Property, Plant and Equipment*

6.3 The Secretariat INDICATED that project group members recommended expanding the Illustrative Guidance (IG) to better link under-maintenance considerations to the impairment indicators in GRAP 21 *Impairment of Non-cash-generating Assets* and GRAP 26 *Impairment of Cash-generating Assets.* A member SUPPORTED the inclusion of paragraph IG8. stating that the paragraph adequately links under-maintenance considerations to the impairment indicators.

GRAP 19 *Provisions, Contingent Liabilities and Contingent Assets*

6.4 With reference to paragraph .97F read with the proposed Standard of GRAP on *Social Benefits*, a member NOTED that it may be useful for the Secretariat to consider an example on free basic services provided to indigent households as this is pervasive in a municipal context. Members SUGGESTED that this matter be communicated to National Treasury colleagues for consideration when developing any related guidance.

Secretariat

GRAP 20 *Related Party Disclosures*

6.5 The Secretariat INDICATED that, in general, stakeholders supported the amended example and the illustrative guidance on the three spheres of government. Members NOTED the key issues debated by stakeholders during public consultations.

6.6 Members AGREED that ED 216 does not need to be re-exposed and RECOMMENDED the *Proposed Improvements to the Standards of GRAP*, *2026*, to the Board for approval.

Secretariat

REVIEW OF RESPONSES TO ED 214 ON PROPOSED STANDARD OF GRAP ON SOCIAL BENEFITS – LIMITED SCOPE AMENDMENTS AND RECOMMEND TO THE BOARD FOR APPROVAL

6.7 The Secretariat TABLED the following at the meeting:

- Memorandum from the Secretariat
- Analyses of verbal and written comment received on ED 214
- Draft minutes of project group meetings
- Standard of GRAP on *Social Benefits*

6.8 Members DISCUSSED the key issues raised by respondents on ED 214, and NOTED:

- Although information may be available about beneficiaries of social assistance benefits, it is unclear at this stage if the information will result in a reliable measure of the liability beyond what is required by the Standard.

- The type of information available may vary significantly from one social assistance benefit to another.

6.9 Members AGREED the matter should be reconsidered in future once practice is established and when a post-implementation review is conducted.

Secretariat

6.10 Members CONSIDERED the letter submitted by the UIF and NOTED:

- It is unclear why legislative references included relate to departments and not public entities. This may indicate the officials who wrote the letter do not have a good understanding of the public sector and/or the UIF's activities.
- There may be others who have similar questions about the application of the Standard, e.g. the definitions and scope.
- Many of the issues raised are outside the scope of ED 214.

6.11 Members AGREED that:

- The Secretariat should meet with the UIF to clarify their comments and explain the ASB's due process and matters already dealt with in the Standard or other guidance.
- The remaining matters could be discussed by the Reference Group.
- The letter should be included in the *Analyses of written comment received on ED 214* for the Board meeting.

Secretariat

6.12 Members AGREED that ED 214 does not need to be re-exposed and RECOMMENDED the Standard of GRAP on *Social Benefits* (GRAP 111) to the Board for approval.

Secretariat

REVIEW OF RESULTS OF THE DESKTOP REVIEW OF GRAP 18 ON *SEGMENT REPORTING*

6.13 The Secretariat TABLED the following at the meeting:

- Memorandum from the Secretariat
- Project brief on Review of GRAP 18 *Segment Reporting* (for information purposes)

<u>Applicability of GRAP 18</u>

6.14 A member ENQUIRED whether the education material on "*Applicability of GRAP 18 Segment Reporting"* addresses all the findings raised in the section and whether the Review Report will include a list of the guidance available on GRAP 18. The Secretariat RESPONDED in the affirmative.

6.15 A member ASKED whether awareness-raising activities will be undertaken relating to the education material. The Secretariat EXPLAINED that promoting broad awareness of the education material and other guidance available is an overarching action to support stakeholders with the application of the Standard.

Disclosure of general information

6.16 A member ASKED whether the omission of disclosures was identified by the auditors of the financial statements. The Secretariat RESPONDED that not all audit reports in the sample indicated that disclosures were omitted. Members INDICATED that audit reports include only material findings identified by auditors, while a comprehensive list of findings is contained in the management report issued by the auditor to the entity. It was NOTED that the management report does not form part of the sources reviewed for purposes of the desktop review.

6.17 Members QUESTIONED whether the proposed education material is appropriate for the Secretariat to develop or whether it falls within the scope of guidance issued by the OAG. Members INDICATED that the material should not be developed in a manner that could be perceived as the Board providing guidance to stakeholders on broader public finance management matters or applying judgement on behalf of entities in applying the requirements of the Standards. The Secretariat RESPONDED that the material will not be detailed. It is envisaged to provide a high-level overview of the principles and key decisions to consider in the preparation of financial statements (such as changes in accounting policies, materiality assessments, changes in processes and systems), as stakeholders often consider these matters too late. The Secretariat AGREED that the guidance will focus on preparing quality financial statements.

Secretariat

6.18 The Technical Committee ADVISED that the language used in the education material should not be prescriptive. The material should be principle-based, allowing entities to apply the principles in a manner appropriate to their individual circumstances. The Technical Committee REQUESTED to review the education material before it is issued.

Secretariat

Quality issues

6.19 A member RECOMMENDED that, if not already covered through FAQs or education material, guidance be developed on the purpose of accounting policies, i.e. why accounting policies are disclosed.

Secretariat

6.20 A member SHARED that financial statements of some private sector entities include the accounting policy for an item together with its related note disclosure. The Secretariat NOTED that guidance could be developed to indicate that the location of accounting policies within financial statements is not prescribed, thereby allowing entities to determine the most appropriate placement of their accounting policies.

Secretariat

Other

6.21 A member ASKED whether the review identified instances of municipalities not presenting segment reports. The Secretariat RESPONDED that no instances were identified in the review. Members OBSERVED that mSCOA requires municipalities to divide their operations into segments for effective management and decision-making purposes, and that it would therefore be difficult for a municipality to conclude that it does not have any segments.

6.22 The Technical Committee RECOMMENDED the proposed actions to the Board, subject to the agreed changes being made.

Secretariat

7 EMERGING ISSUES

Emerging issues

7.1 The Secretariat TABLED a memorandum at the meeting. Members NOTED the below comments.

Ongoing monitoring of application of Standards

7.2 Sustainability reporting: the Secretariat and OAG will meet the dti to discuss the role that the FRSC could play as standard-setter. It may not be necessary to prescribe the reporting in the Companies Act.

7.3 Late sign-off of municipal audit reports: the disputes do not relate to accounting or the Standards of GRAP and mostly relate to procurement and the audit process. This will be communicated to the Board.

Adoption of new Standards

7.4 A member SHARED key experiences from the implementation of GRAP 104 (revised) are that entities should start early and although it may seem overwhelming, most public sector entities do not have complex financial instruments. The most complex area is likely the ECL model, which should be the primary focus.

Research Group

7.5 An update was NOTED on the Turkey research project. Alternative ways of obtaining information are being explored and the project will likely be extended from 28 February 2026 to 30 June 2026.

7.6 Feedback on the World Bank report on professionalisation was NOTED.

Integrated Reporting in the Public Sector

7.7 The Secretariat TABLED a memorandum at the meeting.

7.8 The Secretariat EXPLAINED that, in the absence of a mandate to prescribe reporting requirements outside the financial statements, the Board should (a) prepare itself to make decisions about sustainability reporting in the public sector; and (b) consider what initiatives can be undertaken to improve the current reporting by entities.

Current state of play

7.9 The Secretariat EXPLAINED that there are a range of reporting requirements that entities apply (for example, annual report guide issued by the National Treasury and the framework issued by the DPME on performance reporting, integrated reporting) or may need to apply in future (for example, sustainability reporting).

7.10 The Secretariat INDICATED that it may be useful to undertake research to “take stock” of the current and anticipated reporting requirements, how they fit together, where duplications or omissions exist, etc. The idea was discussed with the National Treasury, and they are supportive of this work. The work can include a gap analysis of the current annual report guide and King V on Corporate Governance.

7.11 The Secretariat EXPLAINED that members of the Academic Research Group intended submitting a proposal to PAFA on various aspects related to sustainability and performance reporting in Africa.

7.12 The Secretariat NOTED that both research outputs would be useful to guide the Board's decisions about sustainability reporting and its role in future periods.

7.13 Members SUPPORTED the proposal.

Secretariat

Integrated reporting

7.14 The Secretariat EXPLAINED that entities should do more to improve the quality of their reporting, and "tell their story" through summarising and linking the information they already report in a succinct and understandable way.

7.15 The Secretariat EXPLAINED the role that Integrated Reporting could play in making the financial information, performance information, reports on governance and human resources (to name a few) more accessible to users of general-purpose financial reports. The Secretariat PROPOSED promoting Integrated Reporting in the sector as a way to improve the quality and use of financial reports. The Secretariat will discuss with the OAG how to promote Integrated Reporting in the sector.

7.16 Members ASKED whether it is mandatory for entities to prepare integrated reports in the public sector. The Secretariat EXPLAINED that the King Code promotes the preparation of Integrated Reports. As public sector entities should apply the King Code, if entities do not prepare an Integrated Report, they should explain why.

7.17 Members SUPPORTED the proposal to promote the use of Integrated Reporting and to discuss this with the OAG and how it could be achieved as a joint initiative. Members also AGREED that it is useful to explore how to improve current reporting before introducing new requirements.

7.18 The Secretariat NOTED that it might be useful to use the ASB as a "test case" to demonstrate what could be achieved. Members SUPPORTED this proposal but did not want to specify when this would be done.

7.19 The Secretariat INDICATED its intention to join the Integrated Reporting Committee South Africa (IRCSA's) as this would benefit the ASB staff and Board members by providing access to the IRCSA's resources.

8 ADMINISTRATION

WORK PROGRAMME AND PROJECTED PERFORMANCE 2025/26

8.1 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

- Frequently Asked Questions

International developments

8.2 Members RECOMMENDED to the Board that the three IPSASB EDs to be published in the next quarter are concurrently exposed.

Secretariat

Composition of the Technical Committee

8.3 Members AGREED no additional skills need to be co-opted on the agenda.

Projected performance

8.4 Members NOTED the projected performance for the quarter and year ending 31 March 2026.

9 INTERNATIONAL STANDARD-SETTING ACTIVITIES

Feedback from the December 2025 meeting was NOTED.

10 GENERAL

No matters were discussed under this item.

11 FUTURE MEETINGS

It was NOTED that the next meeting is scheduled for 4 June 2026.

12 CLOSING

Members were THANKED for the fruitful discussions at the meeting and for their participation. The meeting was CLOSED at 13:00.

Prepared by: **E van der Westhuizen** **4 March 2026**

Reviewed by:

Issued: