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MINUTES OF THE TECHNICAL COMMITTEE MEETING OF THE ACCOUNTING STANDARDS BOARD HELD VIRTUALLY ON 4 JUNE 2026

ATTENDANCE

MEMBERS OF THE COMMITTEE

CHAIRPERSON	S Gcwabe
BOARD REPRESENTATIVES	
	A van der Burgh
	I Engelmohr
	A Hardien (from 12:15)
REPRESENTATIVE OF THE AGSA	
	M Mentz
REPRESENTATIVE OF THE ASB	
	J Poggiolini
REPRESENTATIVE OF THE OAG	
	L Bodewig
OBSERVER	
	W de Jager
EX OFFICIO	
A Botha	Standard-setter
N Imam-Shah	Standard-setter
S Nondlazi	Standard-setter
E van der Westhuizen	Head of Technical

1. WELCOME AND APOLOGIES

1.1 Members were WELCOMED to the meeting. Apologies were NOTED from A Hardien (until 12:15).

1.2 The Chair NOTED that the implementation of the revised Standard of GRAP on *Financial Instruments* impacted many public entities this year and will likely impact municipalities too. The Chair NOTED that the impact of the Standard will vary depending on the nature and complexity of their entity's financial instruments. Members CONCURRED with the observation. The Secretariat NOTED that the CEO message, which will be published in the upcoming newsletter and social media, clarifies some of the myths that exist with the implementation of the Standard. These myths include the need to use consultants and complex models, and the message emphasises the need to apply materiality.

2 CONFIRMATION OF THE AGENDA

The agenda was CONFIRMED with the addition of an item on selecting a Deputy Chairperson under item *10. General*.

3 DECLARATIONS OF INTERESTS

Members were ASKED to indicate if they had interests to declare. No declarations were NOTED other than members' standing declarations. Members were REMINDED to submit their annual declarations to the Secretariat.

Members

4 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 3 March 2026 were TABLED and APPROVED.

Secretariat

5 MATTERS ARISING

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

5.2 The Chairperson NOTED there should be one authoritative record of meetings, but with Artificial Intelligence (AI) tools available to attendees, there may be many unofficial versions. Members CONFIRMED they are comfortable that this issue has been dealt with sufficiently for the Board, its Committees and the Forums of the Secretariat.

5.3 Members AGREED to remove items on (a) the use of AI tools to take notes of ASB meetings, and (b) the status of members' terms at the Board.

Secretariat

6 TECHNICAL MATTERS

REVIEW OF RESPONSES TO ED 215 ON PROPOSED AMENDMENTS TO THE STANDARD OF GRAP ON ACCOUNTING BY PRINCIPALS AND AGENTS 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 215

- Draft minutes of project group meetings
- Final Amendments to the Standard of GRAP on *Accounting by Principals and Agents*

Background and purpose of the discussion

6.2 The Secretariat NOTED the background to ED 215 and the purpose of the discussion.

Consultation process followed

6.3 The Secretariat NOTED the consultation process followed to raise awareness about ED 215 and its conclusion that all the stakeholders identified in the project brief had sufficient opportunity to participate in the due process.

6.4 A member EXPRESSED disappointment with the number of written comment letters received considering the frequent challenges experienced with the application of GRAP 109. The Secretariat INDICATED that this could be because entities do not usually submit written comment when they participate in verbal engagements. Another reason could be that the Exposure Draft (ED) did not propose any changes to the existing GRAP 109 principles and merely clarified the requirements.

Key issues for consideration

6.5 The Secretariat EXPLAINED the following key issues noted during the public consultation and Project Group members' proposals to address them:

- Request to include examples that explain what to do when a binding arrangement is modified.
- Request to include additional examples in GRAP 109 to further explain the accounting principles.
- The development of practical guidance and case studies outside GRAP 109.

<u>Modification examples</u>

6.6 Members AGREED with the proposed examples included to explain the consequences of modifying arrangements.

Secretariat

<u>Additional examples in GRAP 109</u>

6.7 A member RAISED that references to guidance from the Office of the Accountant General (OAG) should be limited to guidance available on the GRAP Reporting Framework. This will prevent inappropriate references to the Modified Cash Standard (MCS) when entities prepare financial statements using the GRAP Reporting Framework.

6.8 It was NOTED that entities often over-rely on examples rather than apply the principles in the Standard.

6.9 Members AGREED to not include additional examples in GRAP 109.

Secretariat

6.10 The OAG INDICATED that it would consider whether to develop further guidance and/or update the principal-agent slide presentation once the Board finalises the amendments to GRAP 109.

Development of practical guidance

6.11 It was NOTED that when practical examples are included in a Standard, they should illustrate a widespread principle rather than respond to entity-specific questions. Members therefore SUPPORTED the conclusion that any further additional illustrative examples and/or case studies should be developed outside GRAP 109.

Secretariat

6.12 A member QUESTIONED when examples are included in a Standard versus outside the Standard, such as an FAQ or guidance developed by the OAG. Members AGREED that examples are included in a Standard when a principle in the Standard is difficult to understand, to assist stakeholders in contextualising the principle and applying judgment appropriately. Where difficulties arise in applying the principles to specific transactions or fact patterns, the application of the principle may be better addressed through guidance developed by the OAG or through developing a Guideline.

6.13 It was AGREED that, when reviewing the Due Process Handbook, the Secretariat should consider developing guiding principles on when to clarify a principle by including an example in a Standard, developing an FAQ or referring the matter to the OAG for implementation guidance.

Secretariat

6.14 A member NOTED that the ASB providing guidance on the application of GRAP 109 to transactions that involve the revenue funds could be useful, as it impacts several entities.

6.15 Members AGREED that this is a complex area that cannot be addressed through an amendment to GRAP 109, as the entities that collect money for the revenue funds operate differently across provinces. It was NOTED that the National Treasury and provincial treasuries are the custodians of the revenue funds. The National Treasury is therefore better placed to provide guidance on the application of GRAP 109 to these entities' circumstances. If guidance is to be developed by the Board, it would need to be a separate project, likely the development of a Guideline, as it will involve an in-depth understanding of the different legislative requirements across the different provinces. The development of a Guideline would require an amendment to the Board's work programme and a reprioritisation of projects.

6.16 It was AGREED that the urgency to develop guidance on the application of GRAP 109 to Revenue Funds, and who is best suited to develop such guidance, should be considered by the trilateral parties. If the decision is taken that the guidance should be developed by the ASB, the Board will consider how to accommodate it in its work programme.

Trilateral parties

Summary of verbal and written comment on ED 215

6.17 A member OBSERVED that the Free State entities and departments are active in providing comment on ASB EDs. The member QUESTIONED whether this participation is driven by an interest or something else, and why other provinces are not as actively involved in submitting comments on ASB EDs.

6.18 It was NOTED that the Free State's participation may have been influenced by negative past experiences, but that the province is well placed to participate in the ASB's processes. It was also NOTED that providing written comment on ASB EDs is a performance target for entities and departments in the province. Other provinces tend to participate in the ASB's roundtable discussions rather than submitting written comment.

6.19 Members PROPOSED that provincial treasuries should be encouraged to comment on the ASB EDs but NOTED that some are less capacitated in the GRAP space. It was AGREED that the Secretariat will have a broader discussion with the Provincial Treasuries at the next PAG Forum to consider how they can become more involved in the ASB's due process.

OAG and Secretariat

6.20 Members NOTED the verbal and written comment received and AGREED with the Project Groups' proposed responses thereto.

Secretariat

Final amendments to GRAP 109

6.21 A member QUESTIONED whether the detail in paragraph .60A (a) to (c) is needed as the information is repeated elsewhere in the disclosure requirements.

6.22 Members AGREED that the guidance should be retained as it provides an overview of the disclosure objectives. It is recent practice to include disclosure objectives in Standards of GRAP as both IPSAS and IFRS Accounting Standards include disclosure objectives to explain to preparers why and what type of information should be provided to meet users' needs.

Secretariat

Re–exposure of ED 215

6.23 Members AGREED with the Secretariat's conclusion that a re-exposure of ED 215 is not needed.

Secretariat

Proposed effective date

6.24 Members AGREED that an effective date for periods commencing on or after 1 April 2028 should be recommended to the Minister of Finance.

Secretariat

7 EMERGING ISSUES

7.1 The Secretariat TABLED a memorandum at the meeting.

7.2 The representative of the OAG NOTED that the UIF has appealed the previous OAG response to decline the UIF's request for exemption from applying Standards of GRAP for revenue streams collected by SARS. It was NOTED that there will not be a change to the OAG's response.

7.3 It was AGREED that the request from Trans-Caledon Tunnel Authority can be removed from the register as it has been resolved that they need to apply Standards of GRAP.

Secretariat

7.4 The representative of the AGSA ENQUIRED whether auditors could attend the MFMA consistency workshop. It was AGREED that the representative will reach out to the representative from the OAG on the matter.

7.5 It was NOTED that the Minister of Finance has determined the effective date of *Improvements to the Standards of GRAP, 2023* as 1 April 2028, and that the submission on *Improvements to the Standard of GRAP, 2026* is in progress.

7.6 The Secretariat EXPLAINED the way in which the Secretariat is required to publish the Standards on the website to comply with the latest IFAC reproduction agreement. The Secretariat NOTED that the PSAF did not support the change to "lock" the .pdf files as they found it would prevent them from engaging with the Standards in a meaningful way and would add an additional administrative burden on them. Members SUPPORTED the Secretariat's proposal to discuss the matter with IFAC at the upcoming IPSASB meeting. A member NOTED that any changes to how accessible the Standards are should be carefully considered.

8 ADMINISTRATION

WORK PROGRAMME AND PROJECTED PERFORMANCE 2026/27

8.1 The Secretariat TABLED the following at the meeting:

- Memorandum from the Secretariat
- Work programme for 2026/27
- Monitoring convergence with the IPSASB
- Education material for preparers 2026/27 workplan
- GRAP 104 Reference Group workplan
- Frequently Asked Questions

8.2 Members NOTED the progress on local projects and international developments.

Composition of the Technical Committee

8.3 Members AGREED that no additional skills need to be co-opted on the agenda of the September 2026 meeting.

Secretariat

Projected performance

8.4 Members NOTED the projected performance for the quarter ending 30 June 2026.

8.5 A member ASKED whether the information presented at the Board meeting on 2 July 2026 will reflect the actual quarterly performance. The Secretariat NOTED that the papers will reflect the projected performance as at the date of finalisation of the papers. A verbal update will be provided at the meeting if there are any changes.

EDUCATION MATERIAL FOR PREPARERS 2026/27 WORKPLAN FOR QUARTER 2

8.6 The Secretariat TABLED a memorandum and a draft workplan for quarter 2 at the meeting. Members RECOMMENDED the proposed workplan to the Board for approval.

Secretariat

9 INTERNATIONAL STANDARD-SETTING ACTIVITIES

Upcoming meetings and comment letters

9.1 The Secretariat NOTED the upcoming meeting and the comment letter submitted in the quarter to date.

IPSASB Consultation Paper on *Presentation of Financial Statements*

9.2 The Secretariat PRESENTED the *Consultation Paper on Presentation of Financial Statements* and EXPLAINED the preliminary views as well as the specific matter for comment in the Consultation Paper.

9.3 Members DISCUSSED the preliminary views and the specific matter for comment and SHARED their comments. It was NOTED that the comments raised by members will be considered by the Secretariat when drafting the comment letter.

10 GENERAL

Appointment of a Deputy Chairperson

10.1 Members AGREED that a Deputy Chairperson should be appointed at this meeting to ensure the Technical Committee's continued operation and stability.

10.2 Members NOMINATED and unanimously VOTED to appoint Ian Engelmohr as the Deputy Chairperson.

Secretariat

11 FUTURE MEETINGS

It was NOTED that the next meeting is scheduled for 3 September 2026.

12 CLOSING

Members were THANKED for the fruitful discussions at the meeting and for their participation. The meeting was CLOSED at 12:30.

Prepared by: **E van der Westhuizen** **17 June 2026**

Reviewed by:

Issued: