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MINUTES OF THE TECHNICAL COMMITTEE MEETING OF THE ACCOUNTING STANDARDS BOARD HELD VIRTUALLY ON 4 SEPTEMBER 2025

ATTENDANCE

MEMBERS OF THE COMMITTEE

CHAIRPERSON	S Gcwabe
BOARD REPRESENTATIVES	
	A Carstens (Deputy Chairperson)
	A Hardien
REPRESENTATIVE OF THE AGSA	
	M Mentz
	T Staffa (11:30 – 12:15, by invitation)
REPRESENTATIVE OF THE OAG	
	L Bodewig
REPRESENTATIVE OF THE ASB	
	J Poggiolini
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**

Members were WELCOMED to the meeting. Apologies were NOTED from A van der Burgh and W de Jager.

2. **CONFIRMATION OF THE AGENDA**

The agenda was CONFIRMED. The Chair REFLECTED on the impact of the geopolitical environment on the public sector, for example, the ability of entities to generate revenue. He also NOTED the importance of the review of GRAP 109 on *Accounting by Principals and Agents* as the Standard is complex and the Board should assess how best to support entities with applying it.

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 1 July 2025 were TABLED and APPROVED.

Secretariat

5. **MATTERS ARISING**

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

5.2 The Secretariat NOTED that the Financial Sector Conduct Authority (FSCA) set out to develop sustainability reporting standards for the financial services sector. The ASB's CEO, OAG and Chairman of FRSC met with the FSCA Regulatory Policy unit to explain the local landscape.

6. **TECHNICAL MATTERS**

EXPOSURE DRAFT ON PROPOSED AMENDMENTS TO THE STANDARD OF GRAP ON ACCOUNTING BY PRINCIPALS AND AGENTS (ED 215)

6.1 The Secretariat TABLED the following at the meeting:

- Memorandum from the Secretariat
- Draft minutes of project group meetings
- Invitation to Comment on Exposure Draft 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)

Background and purpose

6.2 The Secretariat NOTED that the objective of the discussion was for the Technical Committee to consider the proposed ITC and ED for recommendation to the Board.

Summary of proposed changes

6.3 The Secretariat EXPLAINED the key proposed changes to GRAP 109. The following areas were discussed:

Meeting the definition of a principal-agent arrangement

6.4 A member QUESTIONED the reference to "legal opinions" and "legal interpretations" in paragraph .08E. It was NOTED that entities sometimes consider legal opinions and interpretations to understand the substance of an arrangement. The Secretariat NOTED that the reference to "legal opinions and interpretations" is included intentionally to prevent entities from concluding on the nature of arrangements based on legal views without considering the substance of the arrangement.

6.5 Members DEBATED the application of substance over form in practice. It was NOTED that entities continue to account for arrangements based on their legal form rather than their substance. This is despite various communication initiatives emphasising that substance over form should be applied in accounting for a transaction or event.

6.6 It was NOTED that even though entities can approach the court, resolving accounting matters in court should be avoided. Courts should not prescribe the accounting for a transaction or event, as it could result in a deviation from the GRAP Standards. Entities should be encouraged to follow the established dispute resolution mechanism.

6.7 A member PROPOSED that the considerations applied by the Supreme Court of Appeal to conclude whether an entity is the principal or the agent in an arrangement be considered in finalising the ED. The Secretariat NOTED that the relevant case law was considered during the initial development of the Standard.

6.8 Members AGREED that the wording in paragraph .08E should be reconsidered to avoid implying that legal opinions and interpretations must be disregarded in all instances.

Secretariat

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

6.9 It was NOTED that project group members proposed that additional illustrative examples be developed. The Secretariat NOTED its view not to develop any additional examples, as (a) any additional examples will be considered in the Revenue project and (b) the OAG's presentation already provides guidance.

6.11 Members DEBATED the Secretariat's recommendation. It was NOTED that initiatives to develop case studies, aimed at providing more practical guidance to illustrate the accounting for specific transactions, will be undertaken after the amendments to GRAP 109 are finalised. The development of this guidance will be considered by the Secretariat, the OAG and AGSA. Members AGREED that examples on subcontracting or service provider arrangements should be considered as part of this guidance.

Secretariat

6.12 Editorial comment was AGREED, i.e. adding "exist" to the subheading "transactions with third parties".

Secretariat

6.13 Members RECOMMENDED the proposed ITC and ED to the Board for its consideration, subject to the amendments agreed upon.

Secretariat

Next steps

6.14 The next steps of the project were NOTED.

INVITATION TO COMMENT ON PROPOSED IMPROVEMENTS TO STANDARDS OF GRAP (2026) (ED 216)

6.15 The Secretariat TABLED the following at the meeting:

- Memorandum from the Secretariat
- Draft minutes of project group meetings
- 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]

6.16 A member NOTED that comments were made during the project group meetings that proposed additional amendments to the Standards of GRAP. While these amendments could not be accommodated within the scope of the current Improvements Project, the member SUGGESTED that they be considered in future projects.

6.17 A member ASKED for clarity on how stakeholders can propose amendments to the Standards outside of the Improvements Project. The Secretariat EXPLAINED that proposed amendments are captured on a register from various stakeholder engagement mechanisms, including the Public Sector Accounting Forum (PSAF), "Talk to Staff" sessions, formal queries submitted to the ASB, and feedback received during consultations on the work programme. The register is considered with each improvements project and when developing frequently asked questions.

6.18 Members AGREED that, before initiating the improvements, a session with the PSAF would be held to gather input on potential improvements for consideration.

Secretariat

Amendments to the Standard of GRAP on Related Party Disclosures

6.19 A member EXPRESSED concern regarding the use of the term "influence" in Example 1, noting that it may not align with the definition in the Standard, which refers to the responsibility for planning, directing, and controlling the activities of the entity. The member NOTED that "influence" could imply a broader or different type of involvement. Members AGREED that the reference to "influence" should be removed to avoid misinterpretation.

Secretariat

6.20 Members DISCUSSED whether there are any circumstances under which audit committee members might be considered responsible for planning, directing, and controlling the activities of the entity. The Secretariat EXPLAINED that the example had been amended in response to feedback from entities that viewed audit committees as related parties. Members RESOLVED that the example should refer to "committees" in general, rather than specifically to audit committees.

Secretariat

6.21 The Committee recommended ED 216 to the Board.

Secretariat

GRAP REPORTING FRAMEWORK FOR 2026/2027

6.22 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

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

6.24 A member ENQUIRED about the communication channels used to distribute the Reporting Framework to preparers. The Secretariat EXPLAINED that the communication on the Framework is disseminated via email and made available on the ASB website.

6.25 The Committee RECOMMENDED the 2026/27 GRAP Reporting Framework to the Board.

Secretariat

7 EMERGING ISSUES

7.1 The Secretariat TABLED a memorandum at the meeting.

Ongoing monitoring of application of Standards

Regulation of mSCOA AFS template

7.2 A member RECOMMENDED that the National Treasury IGR unit consider using internal audit to improve the quality of data reported by municipalities, as opposed to regulating the template.

Accounting for infrastructure assets

7.3 Members DISCUSSED the guidance under development by the AGSA on infrastructure assets, the accessibility and role thereof, and the timing of issuing the guidance. In response to concerns raised by members on these matters, the AGSA CONFIRMED that there is no new guidance included in the document. It was AGREED that the matter should be dealt with between the trilateral parties. The updated guidance will be circulated to the Secretariat and OAG.

Secretariat

Accounting for VAT receivables and payables

7.4 The Secretariat NOTED recent questions about accounting for VAT receivables and payables. Members DISCUSSED the guidance recently issued by SALGA, and NOTED the guidance previously issued by the Secretariat. It was AGREED that the matter will be further discussed with the PAGs at the upcoming PAG Forum, and the Secretariat will communicate with SALGA’s CEO.

Secretariat / OAG

Research group

7.5 The Secretariat PROVIDED the following feedback from the meeting held on 29 August 2025:

IPSAS implementation project with Turkey Ministry of Finance

- Turkey could follow different models/processes to analyse results of the initial research, as it had significantly more responses than South Africa. The South African responses were mostly provided by skilled, qualified and experienced respondents and may not represent the population of preparers. The South African team is assessing which parts of the reports may be comparable, and this will be discussed further with the Turkey team. It may be that the outcomes of the research (sharing best practice and experiences) are developed from each country individually and not combined.
- The outcomes of the research will be tested with "pilot groups", which the Secretariat will assist with.

Public sector content at universities

- Universities are unsure what questions will be asked in SAICA's Initial Assessment of Competence (IAC) exam and, therefore unsure what to teach.
- The Secretariat continues to look for opportunities to influence and support academics. The CEO was appointed to the Wits Advisory Forum.
- The Secretariat will consider establishing an "education group" with professional bodies to understand what their assessments require, e.g. ACCA, SAICA and others. The Secretariat will also consider hosting a series of sessions/webinars and developing material on the public sector which could be useful to students, lecturers and others.

Research topics

- Topics being researched by master students were NOTED, e.g. on adoption of accrual accounting. These will be brought back to the forum when ready to assess how the results can be shared and used.

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

IPSASB projects

8.2 The Technical Committee AGREED with and RECOMMENDED to the Board the Secretariat's proposals not to concurrently expose the IPSASB EDs on (a) GFSM and IPSAS linkages, and (b) the mid-period work programme consultation.

Secretariat

Composition of the Technical Committee

8.3 The Technical Committee CONFIRMED that no skills need to be co-opted for the November 2025 meeting.

Secretariat

Projected performance for the quarter ending 30 September 2025

8.4 The Technical Committee NOTED the projected performance for the quarter ending 30 September 2025, and the impact of previous amendments to the work programme on the annual performance. The Technical Committee RECOMMENDED that the Secretariat consult on the *Proposed Improvements to the Standards of GRAP, 2026* in 2025, for the Board to approve the final pronouncement in March 2026.

Secretariat

8.5 A member EMPHASISED the previous discussions on reconsidering the targets set at 100% and that the targets should encourage the right decisions from the Board. It was NOTED that this will be considered in the development of the next APP. A member also NOTED that the Secretariat may amend the APP for 2025/26 in November 2025. It was AGREED that the Secretariat will action this after consulting the PEOU.

Secretariat

9 REVIEW OF TECHNICAL POLICIES

9.1 Members REVIEWED the proposed amendments to the Due Process Handbook, Procedure Manual for Standard-setting Activities and related technical policies.

9.2 The Secretariat EXPLAINED the most significant amendment in the period, which is the incorporation of IASB guidance on *Developing and Drafting Disclosure requirements in IFRS® Accounting Standards* in the Procedure Manual.

9.3 The Secretariat PROPOSED to amend the review clauses throughout the policies and procedures to require a review once every three years, or sooner should there be a need identified.

9.4 The Technical Committee AGREED with the proposed amendments and recommended the policies to the Board for approval.

Secretariat

10 INTERNATIONAL STANDARD-SETTING ACTIVITIES

The Secretariat NOTED the upcoming IPSASB meeting.

11 GENERAL

The Secretariat and Chair THANKED all members for their contributions.

12 FUTURE MEETINGS

It was NOTED that the next meeting is scheduled for 5 November 2025.

13 CLOSING

Members were THANKED for their participation in the meeting. The meeting was CLOSED at 13:15.

Prepared by: **E van der Westhuizen**

Reviewed by:

Issued: