



**ANALYSIS AND RESPONSES TO VERBAL COMMENT
RECEIVED ON
EXPOSURE DRAFT ON SOCIAL BENEFITS
(ED 205)**



ED 205

RESPONSES TO THE VERBAL COMMENT RECEIVED ON *EXPOSURE DRAFT ON SOCIAL BENEFITS* (ED 205)

The Accounting Standards Board (Board) approved an Exposure Draft requesting stakeholders to comment on the Exposure Draft on *Social Benefits* (ED 205) in July 2023. A Notice was published in the Government Gazette on 8 September 2023 (Notice 49280). The comment period closed on 28 March 2024.

To maximise participation in the consultation, the Secretariat consulted with preparers, auditors, consultants and other interested parties by way of roundtable and other discussions. The results of these consultations are summarised in this document and are analysed based on the questions outlined in the Invitation to Comment published by the Board.

The summary of written comment received on ED 205 is included in a separate analysis.

VERBAL COMMENT RECEIVED ON EXPOSURE DRAFT ON SOCIAL BENEFITS (ED 205)

No.	Name/Organisation	Preparers	Users	Auditors	Other interested parties
1.	Roundtable with specific preparers and treasuries	X			X
2.	Public Sector Accounting Forum	X		X	X
3.	AGSA product champions and auditors of specific entities			X	
4.	Roundtable with auditors and other technical specialists			X	X
5.	Public Sector Accounting Forum (session 2)	X		X	X
6.	Reserve Bank and National Treasury Public Finance divisions		X		X
7.	National Treasury [Public Finance, Financial Systems, Office of the Accountant-General (OAG), Intergovernmental Relations, IFMS, Budget, mSCOA, PFMA Capacity Building units and internal audit], Statistics SA and Reserve Bank (Public Finance unit)		X		X
8.	Roundtable with preparers	X			X
9.	Road Accident Fund	X			
10.	National Treasury [Public Finance, IFMS and Financial Systems, GTAC and MFIP, mSCOA and OAG units], Statistics SA and Reserve Bank (Public Finance unit) (session 2)		X		X
11.	Roundtable with specific preparers and treasuries (session 2)	X			X
12.	Roundtable with specific preparers and treasuries: Measurement requirements	X			X
13.	Roundtable with auditors and other technical specialists (session 2)			X	X

**SUMMARY AND ANALYSIS OF VERBAL COMMENT RECEIVED ON THE EXPOSURE DRAFT
ON *SOCIAL BENEFITS***

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
<p>Question 1</p> <p>The ED proposes to define social benefits as cash and in-kind benefits in paragraph .07. The scope of the Standard is limited to cash benefits. The basis for conclusions paragraph BC3. explains the Board's considerations and reasons.</p> <p>Do you agree that the ED clearly explains the scope of the Standard? Please provide the reasons and details for your answer.</p>		
<p>1.1 Roundtable with specific preparers and treasuries</p>		
1.1.1	The proposed definitions are supported and are clear and easy to understand.	No action required.
1.1.2	There is uncertainty about the definition of social risk and difficult to identify when a benefit will address a social risk. For example, benefits provided for education and related stipend payments / allowances. Guidance is needed on when such benefits may be in the scope of the Standard.	<p>The Board considered alternative guidance to explain social risks and resolved to retain the principles and guidance proposed in the ED. Other forms of guidance and initiatives will be used to assist entities with understanding the definition and the benefits that are in the scope of the Standard.</p> <p>Paragraphs AG13. and AG14. explain the difference between a benefit that addresses a social risk and other risks. This difference is further illustrated in the Illustrative Examples in Appendix D.</p>
<p>1.2 Public Sector Accounting Forum</p>		
1.2.1	It is difficult to understand when a benefit will meet the definition of a social benefit and social risk in particular. For example – individuals and households benefit directly from emergency relief, such as blankets and food parcels.	<p>The Board considered alternative guidance to explain social risks and resolved to retain the principles and guidance proposed in the ED. Other forms of guidance and initiatives will be used to assist entities with understanding the definition and the benefits that are in the scope of the Standard.</p> <p>Paragraphs AG13. and AG14. explain the difference between a benefit that addresses a social risk and emergency relief. This difference is also illustrated in the Illustrative Examples in Appendix D.</p>
1.2.2	It is unclear when a benefit is cash or in-kind.	<p>Paragraph .01 is amended to indicate upfront that the Standard only applies to cash benefits.</p> <p>Paragraphs .03, .04, AG1. and AG2. explain the Standard only applies to cash benefits.</p>

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
		Guidance in paragraphs AG5. and AG6. explain the difference between cash and in-kind benefits.
1.2.3	The link with GRAP 23 <i>Revenue from Non-exchange Transactions (Taxes and Transfers)</i> should be explained as conditional grants could be spent for social benefit purposes. It would be important to distinguish the liability that could be recognised in lieu of revenue from the social benefit liability that may be recognised in accordance with this Standard.	Paragraph .05(f) has been added to clearly scope out revenue from non-exchange transactions and, where applicable, the related liability that are within the scope of GRAP 23 <i>Revenue from Non-exchange Transactions (Taxes and Transfers)</i> . Similar guidance is added to paragraph AG4.
1.2.4	It is unclear how to link government's social objectives to the benefits provided at an entity level. This guidance in distinguishing social benefits from other benefits is unclear.	This previous description of social benefits in GRAP 19 is replaced with the definition of social benefits in this Standard. Guidance and initiatives to assist entities with understanding the definition and the benefits that are in the scope of the Standard will be pursued. For example, implementation guidance and establishing a reference group to support the initial application of the Standard.
1.2.5	The reason for limiting the Standard to cash benefits is unclear. The entity mostly affected by the Standard would be the Department of Social Development, which applies the Modified Cash Standard. There are many in-kind benefits provided to individuals as services.	Paragraph BC3. explains the Board's reasons for limiting the Standard to cash benefits. The Board agreed that GRAP 19 should be applied to account for in-kind benefits. This is clear in the scope of the Standard.
1.2.6	It is unclear whether prevalent public sector transactions would be in the scope of the Standard, for example, funds transferred to NGOs in accordance with section 57 of the MFMA.	The definition of social benefits in paragraph .07 clarifies that social benefits are paid to individuals and/or households. Transfers to entities or organisations do not meet the definition of social benefits.
1.2.7	The need for guidance in a separate Standard is unclear. Is it necessary to discern social benefits from other expenses?	In a previous work programme consultation, stakeholders asked the Board to develop this Standard to fill a gap in the suite of Standards. Specifically, it was unclear when a liability should be recognised and a separate Standard allows specific information to be provided to users.
1.2.8	It is unclear when the concessionary component of a loan or investment and debts waived will be seen as provided in cash, and therefore in the scope of the Standard.	The principles explained in paragraphs AG5. and AG6. apply equally to these transactions. Illustrative examples 11 and 12 in Appendix D illustrate the application of the definition and scope to concessionary loans.

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
1.3	AGSA product champions and auditors of specific entities	
1.3.1	It is difficult to understand when a benefit addresses a social risk. When it is generally seen as a social security scheme, it would make sense for the benefits to mitigate a social risk, e.g. the RAF.	<p>Guidance and initiatives to assist entities with understanding the definition and the benefits that are in the scope of the Standard will be pursued. For example, implementation guidance and establishing a reference group to support the initial application of the Standard.</p> <p>Paragraphs AG13. and AG14. explain the difference between a benefit that addresses a social risk and other risks. This difference is further illustrated in the Illustrative Examples in Appendix D.</p>
1.3.2	It is unclear which Standard of GRAP will apply to benefits that do not meet the definition but are similar and broadly address social objectives.	Guidance on the scope explains which Standard of GRAP entities should consider for different types of benefits. The guidance includes a flowchart in paragraph AG7.
1.3.3	The meaning of society as a whole could be clarified. Not everyone who contributes may benefit and in certain instances there is no link between contributions and payments. It could be seen that the distinguishing factor between social benefits and other benefits is rather whether the benefits are funded and how.	No changes are proposed. Whether and, if so, how a benefit is funded has no impact on whether or not the benefit meets the definition of a social benefit. For social benefits in the scope of the Standard, the funding of a benefit may, however, impact on the classification of the benefit as a social security insurance benefit or social assistance benefit. The explanation is added to paragraph BC13A.
1.4	Roundtable with auditors and other technical specialists	
1.4.1	The guidance states that each benefit is assessed and that the assessment does not consider an entity's mandate or legal status. This could add difficulty to the assessment and cause disagreements between auditors and preparers. It is easier to assess an entity's mandate / status. It would also be difficult to obtain consistency among entities.	<p>The Board considered how the assessment should be done for the Standard to be applied appropriately and for the information to users to be useful. Based on this, the Board concluded that the assessment should be for each benefit. This is explained in paragraph BC14.</p> <p>Note that the qualitative characteristic of comparability should be achieved. Consistency is not a qualitative characteristics but may support comparability.</p>
1.5	Public Sector Accounting Forum (session 2)	
1.5.1	It is unclear how this Standard will interact with GRAP 104 on <i>Financial Instruments</i> (revised 2019), which refers to social benefits and could impact transactions with indigents.	This Standard makes consequential amendments to other Standards of GRAP so that the requirements across the Standards can be applied together. Consequential amendments to GRAP 104 (revised 2019) resolves this concern.

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
1.5.2	There are agents that provide social benefits in the environment. The interaction between the Standard on <i>Social Benefits</i> and GRAP 109 on <i>Accounting by Principals and Agents</i> should be clarified.	No changes are proposed. GRAP 109 explains that GRAP 109 is applied first to identify transactions from the arrangement that either party accounts for (if the arrangement is a principal-agent arrangement). The principal and agent each account for the transactions as identified by GRAP 109 in accordance with the other Standards of GRAP, including this Standard.
1.5.3	It should be clarified which Standard applies to emergency relief. Emergency relief is often a social response of government that all levels of government provide. For example, municipalities have certain responsibilities in accordance with section 152 of the Constitution. [Sec 152 includes high-level objectives of local government, including to promote social and economic development and a safe and healthy environment.]	Emergency relief is an example of a benefit that does not meet the definition of social risks, but rather responds to a geographical risk (see example 6 in Appendix D). The Board considered alternative guidance to explain social risks and resolved to retain the principles and guidance proposed in the ED. Other forms of guidance and initiatives will be used to assist entities with understanding the definition and the benefits that are in the scope of the Standard. The scope section of the Standard and flowchart in paragraph AG7. explain which Standards to consider for benefits that are not in the scope of this Standard.
1.5.4	It should be clarified what happens when emergency relief is extended and becomes a longer term benefit (e.g. is it a new benefit or does the previous benefit change its character) and what the boundary is between emergency relief and social benefits. Emergency relief could have the same characteristics as a longer term benefit that is a social benefit. For example, COVID relief grants.	Paragraph .14 is amended to explain when a reassessment of the definitions is necessary. An entity assesses whether a benefit meets the definition of social benefits initially and when there are significant changes.
1.6	Reserve Bank and National Treasury Public Finance divisions	
1.6.1	Certain cash transfers have conditions attached so that the money may only be used for specified purposes. The impact of conditions on the classification of benefits as cash or in-kind should be explained.	Paragraphs AG5. and AG6. explain the distinction between cash and in-kind benefits, including the impact of restrictions on the use of cash.
1.6.2	It should be clearly explained how an entity determines the eligibility criteria associated with a benefit.	Paragraph AG25. explains that legislation or similar means usually establishes the eligibility criteria (and other aspects of the benefits). This has also been added to paragraph AG9.
1.6.3	It is easy to understand when a benefit will address the needs of society as a whole in the whole jurisdiction. It may be more difficult to understand when the benefit addresses the needs of only certain sectors of society.	Paragraph AG12. explains how benefits that address the needs of certain sectors of society could still be seen as addressing the needs of society as a whole.

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
1.6.4	The concept of social risk can be difficult to understand. Using the same concept as GFS does, however, help in this regard.	<p>The Board considered alternative guidance to explain social risks and resolved to retain the principles and guidance proposed in the ED. Other forms of guidance and initiatives will be used to assist entities with understanding the definition and the benefits that are in the scope of the Standard.</p> <p>Paragraphs AG13. and AG14. explain the difference between a benefit that addresses a social risk and emergency relief. This difference is further illustrated in the Illustrative Examples in Appendix D.</p>
1.6.5	Including both cash and in-kind benefits in the definition is supported. This would, however, be confusing when the Standard only applies to cash social benefits. This would need to be clearly explained. It may be easier to deal with both cash and in-kind benefits in the Standard. The examples also deal with both and could be further confusing.	<p>The Board concluded to only include cash benefits in this Standard, for the reasons explained in paragraph BC3.</p> <p>Paragraph .01 is amended to indicate upfront that the Standard only applies to cash benefits.</p> <p>Paragraphs .03, .04, AG1. and AG2. already explain the Standard only applies to cash benefits.</p> <p>The scope section of the Standard and flowchart in paragraph AG7. explain which Standards to consider for benefits that are not in the scope of this Standard.</p> <p>The illustrative examples indicate which benefits are in the scope of the Standard and why.</p>
1.6.6	The Standard should include guidance on which Standard an entity should apply when they do not meet the definition or the benefits are in-kind. It should also be as clear as possible to entities so that they do not unnecessarily undertake an exercise to assess their benefits that are clearly out of scope.	<p>Paragraph .01 is amended to indicate upfront that the Standard only applies to cash benefits.</p> <p>Paragraphs .03, .04, AG1. and AG2. explain the Standard only applies to cash benefits.</p> <p>The scope section of the Standard and flowchart in paragraph AG7. explain which Standards to consider for benefits that are not in the scope of this Standard.</p>
1.6.7	In-kind benefits in GRAP 19 on <i>Provisions, Contingent Liabilities and Contingent Assets</i> should be clearly distinguished from provisions.	<p>The consequential amendments to GRAP 19 (see Appendix B3.) explain that social benefits (as defined in this Standard) that are provided in-kind may be in the scope of GRAP 19. Entities should apply GRAP 19 to benefits that are in the scope of GRAP 19.</p>

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
1.7	National Treasury (Public Finance, Financial Systems, Office of the Accountant-General, Intergovernmental Relations, IFMS, Budget, mSCOA, PFMA Capacity Building units and internal audit), Statistics SA and Reserve Bank (Public Finance unit)	
1.7.1	As noted in 1.6.5, it may be better to include both cash and in-kind benefits in the scope of the ED.	See response to 1.6.5.
1.7.2	For in kind social benefits, it is likely that the ASB will consider IPSAS 48 on <i>Transfer Expenses</i> issued in May 2023. Therefore, is there still a possibility of relocating in-kind social benefits from ED 205 (GRAP 42) to future GRAP 48 so that all in-kind Transfer expenses, including in-kind social benefits, are addressed in the same standard and aligned with IPSAS?	Guidance on in-kind social benefits will be considered in the Improvements and transfer expenses projects in 2026.
1.8	Roundtable with preparers	
1.8.1	There is uncertainty about whether certain benefits would be in the scope of the Standard or GRAP 25. For example, housing guarantees provided to permanent government employees with membership to the Government Employee Pension Fund.	Paragraph .05 scopes out from this Standard employee benefits in the scope of GRAP 25 on <i>Employee Benefits</i> . Employee benefits are all forms of consideration given by an entity (employer) in exchange for service rendered by employees or for the termination of employment. These benefits include short-term employee benefits, post-employment benefits, other long-term employee benefits and termination benefits. Employee benefits may be provided in cash or in-kind. The diagram in Appendix C paragraph IG2. and example 1 in Appendix D further illustrate the scope.
1.9	Road Accident Fund	
1.9.1	It is unclear why the definition of social risk refers to "... <i>may</i> adversely affect..." If the risk does not adversely affect the wellbeing of individuals or households it is questionable if there is an obligation. The risk should link to the (adverse) impact on an individual or household from the obligating event. To hold management accountable for how resources are managed, there is an expectation that they will prevent payments to those who may not be adversely affected. Otherwise, the benefits are not meeting their objective and it is similar to irregular expenditure.	Paragraph AG10. explains that social risks <i>may</i> adversely affect the welfare of individuals and/or households, with reference to social benefits addressing the needs of society as a whole - the benefit does not need to mitigate the effect of social risks for each recipient. An example is where a government pays an unemployment benefit to all those who become unemployed, regardless of income or wealth, to ensure that the needs of those whose income would otherwise be insufficient during unemployment are met. Furthermore, the nature of a risk is that the event may, or may not, occur.

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
		<p>The Board considered alternative guidance to explain social risks and resolved to retain the principles and guidance proposed in the ED. Other forms of guidance and initiatives will be used to assist entities with understanding the definition and the benefits that are in the scope of the Standard.</p>
1.9.2	<p>The Standard should include all benefits that government considers as social benefits. Excluding certain benefits because they are not provided to alleviate a social risk or address the needs of society as a whole could artificially exclude benefits that have similar characteristics to social benefits. For example, a process to establish a benefit could be individualised while the benefit is solely provided to meet social policy objectives. Excluding these benefits further means that the disclosure requirements in the Standard would not apply to those benefits, and users will not receive the necessary information.</p>	<p>There may be many existing descriptions and definitions of “social benefits” that are broader than the definition in this Standard. The Board purposefully set a narrow definition and scope for this Standard to ensure the requirements of the Standard could be developed with clear characteristics of benefits identified, so that information produced is relevant and useful to users. [See paragraph BC3.]</p> <p>Other Standards, such as GRAP 19, provide better information about benefits that do not meet the characteristics of benefits in the scope of this Standard. For example, certain benefits are similar to legal claims against entities, which is accounted for in accordance with GRAP 19. [See paragraph AG7.]</p>
1.9.3	<p>The element in the definition of “society as a whole” would eliminate many benefits from the definition.</p>	<p>The reference to “society as a whole” is necessary to distinguish social benefits from other benefits in the environment that are in the scope of other existing Standards, such as insurance and other benefits that are provided for an individual’s needs or as a result of transactions with individuals, such as employee benefits.</p>
1.9.4	<p>Paragraph AG11. may cause confusion as it notes that social benefits may be distinguished by categories of individuals and/or households based on predetermined factors, but benefits that reflect the risks and characteristics associated with individuals and/or households do not address the needs of society as a whole. It is unclear what the distinction is. It is recommended that there should not be a focus on the process followed, but the relationship that exists between the entity and contributor/beneficiary.</p>	<p>Paragraph AG11. is amended to illustrate the distinction.</p> <p>The relationship between the entity and a contributor/beneficiary is a determining factor in the type of social benefit an entity provides (social security insurance benefit or social assistance benefit). It is not a consideration when assessing whether a benefit meets the definition of social benefits.</p>
1.9.5	<p>The term “insurance-like” is not defined. The flowchart refers entities to IFRS 17 on <i>Insurance Contracts</i> for certain benefits. It is unclear if this should be applied for “insurance-like” benefits or only when an entity provides pure insurance.</p>	<p>The flowchart in paragraph AG7. is clarified with note 1 that IFRS 17 only applies to insurance contracts in the scope of IFRS 17, aligned to paragraphs .05(e) and AG3.</p>

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
1.9.6	The assessment at benefit level is supported.	Noted. No action required.
1.10	National Treasury [Public Finance, IFMS and Financial Systems, GTAC and MFIP, mSCOA and OAG units], Statistics SA and Reserve Bank (Public Finance unit)	
1.10.1	The separate treatment of cash and in-kind benefits is supported. This is aligned to GFS and they need the information separately. It is recommended that the distinction between cash and in-kind benefits is aligned with GFS. The distinction is also in the 2008 System of National Accounts.	The guidance in GFS 2014 paragraphs 6.99 and 6.100 to distinguish cash from in-kind social benefits is consistent with the guidance in the Standard.
1.10.2	It is questioned whether benefits need to be described as addressing the needs of society as a whole, because this could mean that municipalities that provide in-kind goods and services to a small part of the population is outside the definition.	The reference to “society as a whole” is necessary to distinguish social benefits from other benefits in the environment that are in the scope of other existing Standards, such as insurance and other benefits that are provided for an individual’s needs or as a result of transactions with individuals, such as employee benefits. Paragraph AG12. explains how benefits that address the needs of certain sectors of society could still be seen as addressing the needs of society as a whole.
1.10.3	The difference in scope and definition could be confusing. This should be very clearly explained and communicated.	In addition to the guidance in the Standard, communication material will be developed to ensure the difference is clear.
1.10.4	The table in Appendix C – Implementation guidance is supported. This is useful to understand the scope differences of the broader expense landscape in GRAP.	Noted. No action required.
1.10.5	The importance of in-kind goods and services should not be underestimated. Government spends a significant proportion of its budget to provide them.	The Board will consider the accounting for in-kind benefits in a future project.
1.11	Roundtable with specific preparers and treasuries (session 2)	
1.11.1	Social risk: It could be difficult to understand the difference between a social benefit and other benefits that are not assessed to <i>directly</i> relate to the characteristics of individuals and households, such as emergency relief.	Guidance and initiatives to assist entities with understanding the definition and the benefits that are in the scope of the Standard will be pursued. For example, implementation guidance and establishing a reference group to support the initial application of the Standard.

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
		Paragraphs AG13. and AG14. explain the difference between a benefit that addresses a social risk and emergency relief. This difference is further illustrated in the Illustrative Examples in Appendix D.
1.12	Roundtable with specific preparers and treasuries: Measurement requirements	
1.12.1	N/A - Specific discussion on measurement.	-
1.13	Roundtable with auditors and other technical specialists (session 2)	
1.13.1	The replacement of the previous GRAP 19 description of social benefits with references to the new narrow definition could be seen to leave a gap in the transactions dealt with at Standards-level. This should be explained.	Paragraph BC8A. is added to explain the scope.
1.13.2	It is unclear how debts waived could be considered a social benefit provided in cash as they are not cash transfers to individuals and/or households. This should be better explained.	Implementation guidance paragraphs IG2A. to IG2C. are added to explain when debt waived is considered a social benefit provided in cash.
1.13.3	<p>It remains difficult to understand when a benefit meets the definition of social risk. The uncertainty may dissipate over time as practice develops but it would be important for the initial application of the Standard for this to be clear. Otherwise this could lead to disagreements between entities and auditors.</p> <p>In particular, it is unclear how the examples of the characteristics of individuals and households should be assessed (definition of social risk in paragraph .07). The examples seem to refer to the "status" of a person and not necessarily the cause thereof, but it could be interpreted either way. Whether the status itself or the cause is assessed is important as the answer could be different. If the status is assessed, the scope is broader. If the cause is assessed, the scope is narrower and events giving rise to the same "status" of people could lead to one benefit being a social benefit and another benefit not when the cause differs. For example, the status is unemployment. A benefit following a natural disaster that lead to unemployment is emergency relief, while another benefit directly addressing unemployment is a social benefit. It is further unclear why benefits improving a person's level of education is not considered a social benefit as this could also be seen as a characteristic</p>	<p>Paragraphs AG13. and AG14. are updated and explain the difference between a benefit that addresses a social risk and other risks. This difference is further illustrated in the Illustrative Examples in Appendix D.</p> <p>Guidance and initiatives to assist entities with understanding the definition and the benefits that are in the scope of the Standard will be pursued. For example, implementation guidance and establishing a reference group to support the initial application of the Standard.</p> <p>Paragraphs BC11A. and BC11B. are added to explain the Board's rationale.</p>

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
	<p>of an individual/household and the list in the Standard is currently only examples, i.e. not exhaustive. Education is a Constitutional right.</p> <p>The following is proposed:</p> <ul style="list-style-type: none"> - Clearly link the benefit to government's reason for providing the benefit. - Consider changing the list of examples to an exhaustive list. The list could be developed with reference to Constitutional rights and basic human rights. This is aligned to an approach for heritage assets where legislation was considered. <p>Even if the specific entities that provide social benefits are clear on the definition, it is important for the Standard to be understandable to any preparer and auditor.</p>	
<p>Question 2</p> <p>The ED proposes to distinguish social benefits as “social security insurance benefits” and “social assistance benefits” for recognition purposes. The ED defines these social benefits in paragraphs .07, and .09 to .13. The basis for conclusions paragraphs BC20. to BC29. explain the Board’s considerations and reasons for the distinction.</p> <p>(a) Do you agree with the Board’s reasons to distinguish types of social benefits in the ED?</p> <p>(b) If your answer to (a) is yes, do you agree with the way in which the ED distinguishes types of social benefits?</p> <p>(c) Do you foresee any practical challenges with distinguishing types of social benefits?</p> <p>Please provide the reasons and details for your answer.</p>		
2.1	Roundtable with specific preparers and treasuries	
2.1.1	The distinction is necessary and clearly explained.	Noted. No action required.
2.2	Public Sector Accounting Forum	
2.2.1	No comment	Noted. No action required.
2.3	AGSA product champions and auditors of specific entities	
2.3.1	Agree that benefits should be distinguished.	Noted. No action required.

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
2.4	Roundtable with auditors and other technical specialists	
2.4.1	It appears as if the distinction is based on whether or not there are contributions. To this end, it should be clarified to what extent materiality should be considered in the assessment, if at all. For example, if contributions are "immaterial" / nominal amounts, would the conclusion be that the benefits are social assistance benefits? This may be relevant in future when National Health Insurance is introduced.	Paragraph BC29A. is added to explain the Board's rationale.
2.4.2	It should be clarified whether the contributions need to be made to the entity that provides the benefits directly, or whether contributions could be made to another entity/fund if still ringfenced for the benefits.	Guidance is added to paragraph AG20. to explain that contributions are considered where they are received directly in relation to the social benefit, irrespective of whether the entity receives them directly.
2.5	Public Sector Accounting Forum (session 2)	
2.5.1	No comment.	No action required.
2.6	Reserve Bank and National Treasury Public Finance divisions	
2.6.1	The distinction is supported and the fact that it is aligned to GFS (with the exception of only including cash benefits).	No action required.
2.6.2	<p>For social security insurance benefits, it should be clearly specified how contributions are identified and considered. For example, does the contributions need to be paid to the entity directly from the individuals/households? For most benefits, contributions are paid to SARS first, are ringfenced, and thereafter allocated to the entities. For the RAF, contributions are further indirect through the fuel levy and not necessarily by the same individuals/households who will benefit.</p> <p>It was noted that in GFS there must be specified contributions for a benefit to be a social security insurance benefit and there should be a direct link between contributions and potential beneficiaries, although the contributions may be administratively first made to SARS. With the term being the same as in GFS, the explanation should also be the same.</p>	<p>Guidance is added to paragraph AG20. to explain that contributions are considered where they are received directly in relation to the social benefit, irrespective of whether the entity receives them directly.</p> <p>Paragraph AG20. further explains that contributions are considered where they relate to specified potential beneficiaries, for example, all employees of an employer although the entity providing the social benefits need not know the identity of each potential beneficiary.</p> <p>These principles are consistent with GFS.</p>
2.6.3	It could be problematic for the Standard to not deal with the revenue (contributions) as it is an integral part of classifying a benefit.	Paragraph .05(f) is added to explain the Standard does not deal with revenue (contributions) related to social benefits. This is also explained in paragraph AG4.

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
2.7	National Treasury (Public Finance, Financial Systems, Office of the Accountant-General, Intergovernmental Relations, IFMS, Budget, mSCOA, PFMA Capacity Building units and internal audit), Statistics SA and Reserve Bank (Public Finance unit)	
2.7.1	<p>The first part of the last characteristic for social assistance benefits could be clarified: <i>“(d) The entity providing the social benefits is responsible to compensate beneficiaries for applications for social benefits it has received, but not necessarily for the events related to social risks that have occurred but have not yet been reported to the entity. The entity is responsible for managing the benefits with the resources allocated to it from government on an on-going, often annual, basis.”</i></p> <p>Entities with social security insurance benefits may also be able to conclude that the first part of the characteristic is true. It will assist if it is linked to the entity’s responsibility that flows from receiving contributions.</p>	<p>The characteristic in paragraph .13(d) is reworded to avoid an entity asserting that a social security insurance benefit meets the characteristics of social assistance benefits.</p>
2.8	Roundtable with preparers	
2.8.1	<p>The distinction in benefits was supported. It should be clear that entities consider legislation governing a benefit (a benefit’s rules) when making the assessment.</p>	<p>Paragraph .11 explains that management applies judgement in its assessment of whether the social benefits are managed in a manner similar to insurance contracts by considering all relevant facts and circumstances and substance over form. Paragraph AG25. describes the aspects of benefits usually described in legislation.</p>
2.9	Road Accident Fund	
2.9.1	<p>The approach to consider any contributions towards a benefit as indicating a social security insurance benefit may not accurately reflect the way in which an entity manages a benefit. Contributions that fully fund a benefit indicates social security insurance benefits. When contributions partially fund a benefit an entity’s management of that benefit changes from “insurance-like” to delivering a service, which is a different strategic objective.</p> <p>It would further be practically challenging to apply the guidance when a single contribution funds multiple benefits.</p> <p>It is suggested that the indicator for social security insurance benefits is changed to fully funded contributions.</p>	<p>Paragraph BC29A. is added to explain the Board’s rationale for the guidance and that entities apply judgement in making the assessment.</p>

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
2.9.2	<p>More guidance should be added to the characteristic of social security insurance benefits in paragraph .11(c) as it is currently unclear how it differs from an entity's going concern assessment.</p> <p><i>"The financial performance and funding of social benefits are reviewed and assessed on a regular basis. The assessment may involve the use of actuarial reviews, mathematical modelling or similar techniques to provide information for decision-making purposes."</i></p>	<p>No changes are proposed. There may be overlap between the assessment described in paragraph .11(c) and an entity's going concern assessment. Paragraph .11 explains that the characteristics indicate that social benefits are managed in a manner similar to insurance contracts, i.e. a social risk is transferred to the provider of the social benefits in return for contributions by, or on behalf of, the individuals and/or households who participate in activities that give rise to the social risk. Management applies judgement to assess all the characteristics holistically in this light.</p>
2.9.3	<p>"Contributions" are not defined and it is unclear what "by and on behalf of" is intended to mean. It could be read very broadly that any indirect contribution is an indicator of social security insurance benefits. For example, the fuel levy that funds the RAF benefits could be seen as contributions.</p>	<p>Paragraphs AG19. and AG20. explain the need for direct contributions. These contributions are assessed in accordance with the principles and purpose explained in paragraph .11.</p>
2.10	National Treasury [Public Finance, IFMS and Financial Systems, GTAC and MFIP, mSCOA and OAG units], Statistics SA and Reserve Bank (Public Finance unit)	
2.10.1	<p>The last characteristics of social security insurance benefits in paragraph .11 should be discussed with preparers - <i>"The entity providing social benefits is responsible for compensating beneficiaries for events related to social risks that have occurred, including those that have not yet been reported to the entity."</i></p> <p>It may be difficult to get information for events that have occurred and not yet reported as the entity would not yet have the information.</p>	<p>The matter was discussed with preparers and actuaries. Where actual information is not available, management applies judgement to estimate the information.</p>
2.11	Roundtable with specific preparers and treasuries (session 2)	
2.11.1	The proposal is supported.	Noted. No action required.
2.12	Roundtable with specific preparers and treasuries: Measurement requirements	
2.12.1	N/A - Specific discussion on measurement.	-
2.13	Roundtable with auditors and other technical specialists (session 2)	
2.13.1	The proposal is supported. It is analogous to GRAP 104 considering the management model of financial instruments in their classification.	Noted. No action required.

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
2.13.2	Consider if paragraph .11(a) needs to include "may" when referring to contributions compensating an entity for the social risk.	The word "may" is removed from paragraph .11(a).
<p>Question 3</p> <p>The ED proposes in paragraph .16 that social security insurance benefits are recognised when the event related to the social risk for which the social benefit is provided occurs. The Board's considerations and reasons are included in the basis for conclusions paragraphs BC35. to BC38.</p> <p>Do you agree with the approach to recognise social security insurance benefits as proposed in the ED? Please provide the reasons and details for your answer.</p>		
<p>3.1 Roundtable with specific preparers and treasuries</p>		
3.1.1	The approach is supported.	Noted. No action required.
3.1.2	There is a challenge to recognise a liability when the event related to the social risk occurred but not yet reported to an entity. There is a school of thought that this is part of a technical reserve in accumulated surplus or deficit rather than a liability. Furthermore, the high degree of estimation uncertainty means an entity cannot reliably measure the liability at that point. The entity relies on information from outside sources to estimate the technical reserve. E.g. in the case of unemployment benefits, information from SARS is used.	Consultation with all groups of stakeholders confirmed the Board's initial assessment that a reliable measure for a liability for incidents incurred but not yet reported can be made. Paragraph BC45A. is added to explain the rationale for the Board retaining the proposed requirements.
3.1.3	Because of the difficulty to estimate the liability and the probability of an outflow is low, the Standard should rather consider a contingent liability.	<p>The Board used the <i>Conceptual Framework for General Purpose Financial Reporting</i> to develop the ED. The recognition requirements were developed with reference to the two criteria in the Conceptual Framework:</p> <ul style="list-style-type: none"> • the past event that gives rise to a present obligation occurs; and • the present obligation can be measured reliably <p>and by considering the qualitative characteristics in the Framework.</p> <p>In accordance with the Framework, probability is not considered in the recognition of a liability. A liability may be recognised even when the probability of an outflow of resources is low. This approach differs from the approach in GRAP 19 where a low probability of an outflow results in the disclosure of a contingent liability instead of a recognised liability.</p> <p>This explanation is added to paragraph BC32.</p>

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
3.2	Public Sector Accounting Forum	
3.2.1	No comment	No action required.
3.3	AGSA product champions and auditors of specific entities	
3.3.1	The proposal was largely supported.	Noted. No action required.
3.3.2	It should be clearly stated whether an entity considers availability of funds when determining the liability – this consideration will be consistent with considering collectability of revenue recognised as a flip-side.	It is a general principle across the Standards of GRAP that the recognition of a liability and extent to which it is measured do not consider the affordability or availability of funding for the liability.
3.3.3	Add clarity on the interaction of the social benefit liability with a liability that may exist in GRAP 23 from conditions.	Paragraph .05(f) is added to scope out of this Standard liabilities from conditions related to revenue from non-exchange transactions that are within the scope of GRAP 23.
3.3.4	Entities are not expected to have difficulty in determining a reliable measure – they are mostly already measuring the liabilities in accordance with the ED. The issue would rather be whether cost and effort required outweighs the benefits.	Refer to question 10 below.
3.4	Roundtable with auditors and other technical specialists	
3.4.1	<p>It was questioned whether the proposed liabilities before the entity has verified an application for payment would meet the definition of a liability. The entity's obligation before this point may rather be considered to meet the definition of a contingent liability.</p> <p>The implications of recognising a liability before this point are that an entity recognises larger expenses and bigger fluctuations in expenditure based on estimates, which also leads to variances from an entity's budget and potential unauthorised expenditure.</p>	<p>Refer to response to comment 3.1.3. above regarding contingent liabilities.</p> <p>The use of estimates is part of accrual accounting. The matter raised applies to all liabilities with estimation uncertainty. Disclosures should be sufficient to allow users to understand management's judgements and sources of estimation uncertainty. GRAP 24 on <i>Budget Information in Financial Statements</i> considers it is useful for users to understand variances from the budget by explaining these in the financial statements.</p>
3.4.2	Some entities currently recognise an unearned premium reserve based on IFRS 4 where there is high estimation uncertainty. As long as entities disclose how the incurred but not reported liability was determined, users will be able to understand the information and use it.	Noted. No action required.

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
3.5	Public Sector Accounting Forum (session 2)	
3.5.1	The cut-off of transactions could be a concern and would be difficult to assess with the level of estimation required. Entities only have two-months after year-end to prepare their financial statements. It should be considered whether guidance similar to IGRAP 20 on <i>Adjustments to Revenue</i> could be applied for social benefits.	<p>No changes are proposed as the following guidance in the ED addresses the concern:</p> <ul style="list-style-type: none"> • Paragraph .20 explains there may be uncertainty associated with the measurement of the liability. The use of estimates is an essential part of the accrual basis of accounting. • Paragraph .23 requires that where a liability has yet to be settled, the liability shall be reviewed at each reporting date, and adjusted to reflect the current best estimate of the costs (i.e. the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability. • Paragraphs .25 and .26 require that any difference between the actual social benefit payments and estimated payments for the related social benefit, as well as the amounts of changes in estimates of the liability are recognised in surplus or deficit. • Management is required to disclose information about significant judgements applied to measure social benefit liabilities. Paragraph AG54. includes examples of such judgements.
3.6	Reserve Bank and National Treasury Public Finance divisions	
3.6.1	The proposal is supported.	No action required.
3.7	National Treasury (Public Finance, Financial Systems, Office of the Accountant-General, Intergovernmental Relations, IFMS, Budget, mSCOA, PFMA Capacity Building units and internal audit), Statistics SA and Reserve Bank (Public Finance unit)	
3.7.1	The proposal is aligned to their understanding of the definition of a liability and is supported.	No action required.
3.8	Roundtable with preparers	
3.8.1	The recognition point gives rise to high levels of estimation uncertainty and it could be seen to rather be a contingent liability. The rationale for the recognition point should be clearly explained.	Refer to response 3.1.3.
3.9	Road Accident Fund	

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
3.9.1	<p>The proposed recognition point would create the following difficulties:</p> <ul style="list-style-type: none"> • It results in an entity recognising an expense before it was able to verify the validity of the expense. This is irregular expenditure and could be seen by users as misuse of government resources. • It creates an incorrect impression that the entity may not be a going concern, while there is no going concern risk in reality. 	<ul style="list-style-type: none"> • In the accrual basis of accounting, an expense is recognised when an entity has a present obligation for an outflow of resources that meets the definition and recognition criteria of a liability, unless the outflow gives rise to the recognition of an asset or other item. An entity may need to estimate the items initially recognised and adjusts the liability (and related expense) until payment is made and the actual expense is reflected. This approach in the ED is similar to other Standards of GRAP. Payments should only be made after due verification. • GRAP 1 on <i>Presentation of Financial Statements</i> provides guidance on the going concern assessment and requires entities to disclose material uncertainties related to an entity's ability to continue as a going concern.
3.9.2	<p>The basis for conclusions note that the Board considered current accounting practice in developing the requirements and that the Board was mindful to not develop guidance that would result in less information or reduced liabilities. This approach is not supported as it predetermines the Standard instead of the Standard being developed from a zero-base based on the most appropriate information to users. Users may have become accustomed to certain information, but there is an opportunity with the Standard to educate users about the true nature of certain benefits. A change from current practice may further be necessary as a result of changes to insurance accounting Standards internationally.</p>	<p>Paragraphs BC30. to BC45. explain the full extent of the Board's considerations when developing the recognition requirements. The Board developed the requirements based on the Due Process Handbook (which includes existing accounting practices as a consideration before converging with an international standard) and by applying the <i>Conceptual Framework for General Purpose Financial Reporting</i>. Current accounting practice was but one of the considerations. Paragraph BC36. is amended.</p>
3.9.3	<p>It is questionable if the liability can be reliably measured at the proposed recognition point. The high level of estimation uncertainty in many areas (as recognised in the BCs as a reason for not requiring a sensitivity analysis) indicates that the obligation may rather be a contingent liability until an application is submitted. Where there is no direct relationship between the entity and the contributor/beneficiary, the estimation uncertainty is high and statistical information may need to be used.</p>	<p>Based on practice at the time of developing the ED and discussions with stakeholders, the Board concluded that a reliable measure of the liability can be made at the proposed recognition points for social security insurance benefits and social assistance benefits respectively. Where actual information is unavailable, management applies judgement to estimate the information. Paragraph BC45A. is added.</p> <p>Refer to response to 3.1.3. regarding contingent liabilities.</p> <p>Paragraphs .11 and AG17. to AG21. explain the characteristics of social security insurance benefits, including the relationship between the entity and contributor/beneficiary.</p>

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
3.9.4	For some benefits there may be a long period allowed between the event occurred and an application is submitted to the entity. When the period is relatively short, the entity can use information after the balance sheet date to assist with the estimate of applications that will be submitted by the reporting date. When the period is long, for example 3 or more years, the estimation uncertainty is high.	Noted. The Standard requires entities to disclose information about management's judgement.
3.10	National Treasury [Public Finance, IFMS and Financial Systems, GTAC and MFIP, mSCOA and OAG units], Statistics SA and Reserve Bank (Public Finance unit)	
3.10.1	The proposal is supported as it is believed the correct recognition point. It would, however, be important to understand the support that preparers may need to determine the liabilities.	Noted; this will be considered when the transitional provisions are developed in the next phase of the project.
3.11	Roundtable with specific preparers and treasuries (session 2)	
3.11.1	The proposal is supported. It is well explained.	No action required.
3.12	Roundtable with specific preparers and treasuries: Measurement requirements	
3.12.1	It could be difficult to identify the specific obligating event. Illustrative example 14 is clear. It is aligned to how entities currently measure their benefits.	No action required.
3.13	Roundtable with auditors and other technical specialists (session 2)	
3.13.1	The proposal is supported. It is well explained.	No action required.
<p>Question 4</p> <p>The ED proposes in paragraph .17 that social assistance benefits are recognised when an entity providing the social benefit receives an application from a potential beneficiary. The Board's considerations and reasons are included in the basis for conclusions paragraphs BC39. to BC45.</p> <p>Do you agree with the approach to recognise social assistance benefits as proposed in the ED? Please provide the reasons and details for your answer.</p>		
4.1	Roundtable with specific preparers and treasuries	
4.1.1	No comment.	No action required.
4.2	Public Sector Accounting Forum	
4.2.1	Not discussed.	-

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
4.3	AGSA product champions and auditors of specific entities	
4.3.1	There is a concern that entities may manipulate their benefits to fall in this category as the requirements are less onerous.	Noted. Paragraph AG25. explains the aspects of benefits determined in legislation. The characteristics of each type of social benefits are explained in paragraphs .11 and .13 and the related application guidance. The characteristics of benefits are mostly determined in legislation or similar means. As a result, the Board considered the risk of manipulation to be low.
4.3.2	It is unclear why the recognition point differs from social security insurance benefits.	Paragraphs BC30. to BC45. explain the Board's considerations when developing the recognition requirements for social security insurance benefits and social assistance benefits. The Board developed the requirements by applying the <i>Conceptual Framework for General Purpose Financial Reporting</i> .
4.3.3	It may be difficult for entities to obtain the required information where an agent is used to provide benefits to individuals/households e.g. SASSA and the Department of Social Development.	The policies, processes and systems that may be needed to apply the Standard will be considered when developing the transitional provisions in the next phase of the audit. A potential challenge with the Department of Social Development and SASSA will be shared with the Office of the Accountant-General.
4.4	Roundtable with auditors and other technical specialists	
4.4.1	No comment.	No action required.
4.5	Public Sector Accounting Forum (session 2)	
4.5.1	Not discussed.	-
4.6	Reserve Bank and National Treasury Public Finance divisions	
4.6.1	Not discussed.	-
4.7	National Treasury (Public Finance, Financial Systems, Office of the Accountant-General, Intergovernmental Relations, IFMS, Budget, mSCOA, PFMA Capacity Building units and internal audit), Statistics SA and Reserve Bank (Public Finance unit)	
4.7.1	The proposal is supported.	No action required.
4.8	Roundtable with preparers	
4.8.1	No comment.	No action required.

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
4.9	Road Accident Fund	
4.9.1	It may be unclear at which point an entity can consider an application as submitted. For some benefits there are legislated periods within which an entity should process applications (e.g. Gazetted from the RAF Act for RAF benefits). This process entails a "pre-assessment" before an application is thoroughly vetted to meet all the requirements. This "pre-assessment" has been introduced into the system as there are large numbers of applications with incomplete information (e.g. no ID numbers). The Standard should not result in liabilities being raised for invalid applications as these would not be payable.	Paragraph AG46. explains the estimates that may be required to measure a social benefit liability, including the applications for social benefits submitted to an entity that are not yet verified. Entities should document their policies and processes to gather the necessary information for financial reporting.
4.10	National Treasury [Public Finance, IFMS and Financial Systems, GTAC and MFIP, mSCOA and OAG units], Statistics SA and Reserve Bank (Public Finance unit)	
4.10.1	It may be unclear what is the point when an entity considers an application as received.	Refer to comment 4.9.1.
4.11	Roundtable with specific preparers and treasuries (session 2)	
4.11.1	No comment.	-
4.12	Roundtable with specific preparers and treasuries: Measurement requirements	
4.12.1	Example 13 is clear.	No action required.
4.13	Roundtable with auditors and other technical specialists (session 2)	
4.13.1	The proposal is supported. It is well explained.	No action required.
<p>Question 5</p> <p>The ED proposes that the satisfaction by beneficiaries of ongoing eligibility criteria, as required by a benefit's rules, to continue receiving a social benefit gives rise to a new liability when the eligibility criteria required to be met are substantive (see paragraph .21). The Board's considerations and reasons are included in the basis for conclusions paragraph BC46.</p> <p>Do you agree with the boundaries of social benefit liabilities as proposed in the ED? Please provide the reasons and details for your answer.</p>		
5.1	Roundtable with specific preparers and treasuries	
5.1.1	The guidance is clear and is supported.	No action required.
5.2	Public Sector Accounting Forum	

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
5.2.1	Not discussed.	-
5.3	AGSA product champions and auditors of specific entities	
5.3.1	The proposal is supported. However, it is uncertain whether entities will have the information necessary to estimate the boundary of the liability, especially for social security insurance benefits where the event occurred but was not yet reported.	Paragraph AG46. explains the estimates that may be required to measure a social benefit liability, including the duration that a beneficiary will qualify to receive social benefits and the timing of those payments. In making this estimate, the entity considers, among other factors, the benefit's rules on existing beneficiaries satisfying ongoing eligibility criteria at certain intervals and whether those criteria are substantive (see paragraph AG35.). Other factors to consider may include, for example, statistics on mortality and immigration. Entities should disclose sufficient information to enable users to understand the information reported in the financial statements.
5.4	Roundtable with auditors and other technical specialists	
5.4.1	The proposal is supported. An example is the R350 grant for unemployed individuals that require frequent re-verification.	No action required.
5.5	Public Sector Accounting Forum (session 2)	
5.5.1	Not discussed.	-
5.6	Reserve Bank and National Treasury Public Finance divisions	
5.6.1	Not discussed.	-
5.7	National Treasury (Public Finance, Financial Systems, Office of the Accountant-General, Intergovernmental Relations, IFMS, Budget, mSCOA, PFMA Capacity Building units and internal audit), Statistics SA and Reserve Bank (Public Finance unit)	
5.7.1	<p>The proposal is supported. The Standard will instil that accounting depends on how the benefits are managed (from how they are legislated) and enforced. The proposal also promotes better internal controls. To date, this has not been reflected in the accounting.</p> <p>The proposal will further assist with entities' growing liabilities that are not true reflections of government's liabilities at the reporting date.</p> <p>It is further aligned to the model applied to determine provisions.</p>	No action required.

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
5.7.2	<p>In GFS, the liability would be based on the benefits confirmed for payment. This is closer to the liability recognised under IPSAS 42, and the liability under this Standard for the applications that have been verified to meet all eligibility criteria.</p> <p>Even though the liabilities recognised under this Standard would be at an earlier point, it will assist with statistical reporting if the GFS liability can be clearly identified from the financial statements.</p>	<p>Paragraph AG53. provides guidance on the information that may need to be provided separately in the financial statements, as the characteristics, uncertainties and risks of benefits differ. This is further illustrated in paragraph IG13. <i>How does an entity present and disclose information for each of its social benefit liabilities that have different characteristics, uncertainties and risks?</i> It is expected that the information on the liability for verified applications will be provided separately in the financial statements, to the extent that the information is material.</p>
5.8	Roundtable with preparers	
5.8.1	No comment.	No action required.
5.9	Road Accident Fund	
5.9.1	<p>The proposal could be cumbersome and difficult to apply for each beneficiary if the dates of re-verification are not aligned for all beneficiaries. It would also require a high degree of estimation for the applications that are not yet verified. It is easier in IPSAS 42 where being alive is seen as a substantive criterion for each payment. It is, however, supported that this assessment in the Standard is based on the benefit's rules and not written as a rule in the Standard.</p>	<p>Refer to response 5.3.1 – this is seen as an area that management would potentially apply significant judgement to estimate and entities should provide the necessary disclosures. The reasons why the requirements of IPSAS 42 are considered inappropriate for this Standard are explained in the basis for conclusions.</p>
5.10	National Treasury [Public Finance, IFMS and Financial Systems, GTAC and MFIP, mSCOA and OAG units], Statistics SA and Reserve Bank (Public Finance unit)	
5.10.1	The calculation may be complex. It should be discussed with actuaries.	The matter was discussed with actuaries, who supported the proposals.
5.11	Roundtable with specific preparers and treasuries (session 2)	
5.11.1	No comment	-
5.12	Roundtable with specific preparers and treasuries: Measurement requirements	
5.12.1	N/A - Specific discussion on measurement.	-
5.13	Roundtable with auditors and other technical specialists (session 2)	
5.13.1	The proposal is supported.	No action required.

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
5.13.2	Consider clarifying whether the period beyond the next verification of substantial eligibility criteria should be assessed for a contingent liability in the scope of GRAP 19.	Refer to comment 3.1.3. on contingent liabilities. This Standard provides the guidance to account for liabilities and related expenses of benefits in the scope of this Standard, unless otherwise specified in the scope section.
<p>Question 6</p> <p>The ED does not require an entity to provide a sensitivity analysis of the social benefit liability. The Board considered whether this information may be useful, particularly for social security insurance benefits, and concluded such a requirement would be unnecessary. The Board's considerations and reasons are included in the basis for conclusions paragraph BC55.</p> <p>Do you agree that a sensitivity analysis of social benefit liabilities should not be required? Please provide the reasons and details for your answer.</p>		
<p>6.1 Roundtable with specific preparers and treasuries</p>		
6.1.1	Supported.	No action required.
6.1.2	The liability, especially for social security insurance benefits, may be sensitive to changes in certain estimates, for example, even a small change in the unemployment rate has a material impact on the liability for uninsurance benefits. This is considered in measuring the liability.	Noted. The information about risks and uncertainties related to the liability that will be useful to users is required by paragraph .38. The explanation is added to paragraph BC55.
<p>6.2 Public Sector Accounting Forum</p>		
6.2.1	Not discussed.	-
<p>6.3 AGSA product champions and auditors of specific entities</p>		
6.3.1	No concerns were identified.	No action required.
<p>6.4 Roundtable with auditors and other technical specialists</p>		
6.4.1	The usefulness of the information depends on how predictable the assumptions used are and whether they are subject to fluctuations. Most social benefit liabilities may, for example, be sensitive to changes in the discount rate. The disclosure is typically provided for insurance liabilities so that a user can assess whether there are assumptions that could materiality impact the liability.	Noted. Paragraph .38 requires information about judgements, including the inputs, assumptions and estimation techniques used and changes thereto, as well as risks and uncertainties related to the liability.
6.4.2	A sensitivity analysis is not necessary. The disclosure of risk and uncertainties is more important and would be more useful than a sensitivity analysis. Most entities providing social benefits provides	No action required.

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
	multiple benefits. The disclosure would be onerous to provide for each benefit.	
6.5	Public Sector Accounting Forum (session 2)	
6.5.1	Not discussed.	-
6.6	Reserve Bank and National Treasury Public Finance divisions	
6.6.1	Not discussed.	-
6.7	National Treasury (Public Finance, Financial Systems, Office of the Accountant-General, Intergovernmental Relations, IFMS, Budget, mSCOA, PFMA Capacity Building units and internal audit), Statistics SA and Reserve Bank (Public Finance unit)	
6.7.1	<p>This disclosure of a sensitivity analysis would be too onerous for most entities and the information value is questioned. If included, entities may do it only because the Standard requires it.</p> <p>As an alternative, it could be encouraged disclosures if entities think it is useful, but that is not ideal and would prefer the Standards to move away from encouraged disclosures.</p>	<p>Noted. The Board typically avoids encouraged disclosures as entities generally do not provide information encouraged, but not required by the Standards. On balance of the comment received and considering the information required by paragraph .38, encouraging the disclosure of a sensitivity analysis is not proposed. In accordance with GRAP 1.38 an entity also considers whether to provide additional disclosures when compliance with the specific requirements in a Standard of GRAP is insufficient to enable the users of financial statements to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.</p>
6.8	Roundtable with preparers	
6.8.1	No comment.	No action required.
6.9	Road Accident Fund	
6.9.1	The proposal is supported. The disclosure about risks and uncertainties will provide sufficient information to users about how the liabilities were determined. This is seen as a significant improvement on IPSAS 42.	No action required.
6.10	National Treasury [Public Finance, IFMS and Financial Systems, GTAC and MFIP, mSCOA and OAG units], Statistics SA and Reserve Bank (Public Finance unit)	
6.10.1	The proposal is supported. The information would be onerous to provide and unnecessary in the financial statements. Entities could always provide the information if they assess it necessary in their circumstances – in or outside of the financial statements.	No action required.

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
6.11	Roundtable with specific preparers and treasuries (session 2)	
6.11.1	The proposal is supported.	No action required.
6.12	Roundtable with specific preparers and treasuries: Measurement requirements	
6.12.1	N/A - Specific discussion on measurement.	-
6.13	Roundtable with auditors and other technical specialists (session 2)	
6.13.1	The proposal is supported.	No action required.
<p>Question 7</p> <p>The ED requires information on risks and uncertainties related to the measurement of a social benefit liability to be disclosed (see paragraph .38). An entity would apply only the requirements that are applicable to the entity's circumstances, and would consider the information needed to meet the disclosure objectives. This information is not required by IPSAS 42.</p> <p>Do you agree that information on risks and uncertainties is important for users to understand the measurement of the social benefit liability? Please provide the reasons and details for your answer.</p>		
7.1	Roundtable with specific preparers and treasuries	
7.1.1	This information is necessary for users of financial statements. It would assist entities if there is a template or illustrative guidance on the disclosures as there is no current practice.	Noted. The request will be communicated to the Office of the Accountant-General for consideration.
7.2	Public Sector Accounting Forum	
7.2.1	Not discussed.	-
7.3	AGSA product champions and auditors of specific entities	
7.3.1	No issues identified.	No action required.
7.4	Roundtable with auditors and other technical specialists	
7.4.1	It may be onerous to provide the information. It should be considered whether the Standard could encourage the disclosure. Alternatively, it should be emphasised that the disclosure need only be provided if it is necessary to meet the disclosure objectives.	No changes are proposed. The Board typically avoids encouraged disclosures as entities generally do not provide information encouraged, but not required by the Standards. On balance, the comment received supported the proposed disclosure requirements. In accordance with GRAP 1.38 an entity also considers whether to provide additional disclosures when compliance with the specific requirements in a Standard

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
		of GRAP is insufficient to enable the users of financial statements to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.
7.5	Public Sector Accounting Forum (session 2)	
7.5.1	Not discussed.	-
7.6	Reserve Bank and National Treasury Public Finance divisions	
7.6.1	Not discussed.	-
7.7	National Treasury (Public Finance, Financial Systems, Office of the Accountant-General, Intergovernmental Relations, IFMS, Budget, mSCOA, PFMA Capacity Building units and internal audit), Statistics SA and Reserve Bank (Public Finance unit)	
7.7.1	The information is necessary and useful and should be provided.	No action required.
7.8	Roundtable with preparers	
7.8.1	No comment.	No action required.
7.9	Road Accident Fund	
7.9.1	The proposal is supported.	No action required.
7.10	National Treasury [Public Finance, IFMS and Financial Systems, GTAC and MFIP, mSCOA and OAG units], Statistics SA and Reserve Bank (Public Finance unit)	
7.10.1	The proposal is supported.	No action required.
7.11	Roundtable with specific preparers and treasuries (session 2)	
7.11.1	The proposal is supported.	No action required.
7.12	Roundtable with specific preparers and treasuries: Measurement requirements	
7.12.1	N/A - Specific discussion on measurement.	-
7.13	Roundtable with auditors and other technical specialists (session 2)	
7.13.1	The proposal is supported.	No action required.
Question 8		

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
<p>The ED notes that an entity presents and discloses information for social security insurance benefits and social assistance benefits separately because the characteristics, uncertainties and risks of these benefits differ. The ED notes that an entity may present and disclose information on the social benefit liabilities explained in “presentation and disclosure” above separately.</p> <p>Do you agree that information on these social benefit liabilities may be presented and disclosed separately? Please provide the reasons and details for your answer.</p>		
<p>8.1 Roundtable with specific preparers and treasuries</p>		
8.1.1	Supported.	No action required.
<p>8.2 Public Sector Accounting Forum</p>		
8.2.1	Not discussed.	-
<p>8.3 AGSA product champions and auditors of specific entities</p>		
8.3.1	In a principal-agent arrangement, it may be difficult to provide the information for social assistance benefit liabilities with different risks and uncertainties when the principal applies the modified cash basis and the agent has accrual information.	The comment will be discussed with the Office of the Accountant-General.
<p>8.4 Roundtable with auditors and other technical specialists</p>		
8.4.1	From an actuarial point of view, the calculation starts with determining a total liability for the entity's obligation based on all the available information. From this amount, known amounts will be deducted to determine what the remaining liability is that represents the liability for events occurred but not yet reported to the entity. The illustration of the liabilities for each type of social benefit based on risks and uncertainties would still be valuable for illustration purposes.	No action required.
<p>8.5 Public Sector Accounting Forum (session 2)</p>		
8.5.1	Not discussed.	-
<p>8.6 Reserve Bank and National Treasury Public Finance divisions</p>		
8.6.1	The separately presentation of these liabilities is supported. Otherwise the information is not useful.	No action required.

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
8.7	National Treasury (Public Finance, Financial Systems, Office of the Accountant-General, Intergovernmental Relations, IFMS, Budget, mSCOA, PFMA Capacity Building units and internal audit), Statistics SA and Reserve Bank (Public Finance unit)	
8.7.1	It is questioned whether one entity will provide both social security insurance benefits and social assistance benefits. As a result of the way in which entities are structured, they are more likely to provide only one or the other. The proposal is supported to future proof the Standard.	No action required.
8.8	Roundtable with preparers	
8.8.1	No comment.	-
8.9	Road Accident Fund	
8.9.1	The proposal is supported.	No action required.
8.10	National Treasury [Public Finance, IFMS and Financial Systems, GTAC and MFIP, mSCOA and OAG units], Statistics SA and Reserve Bank (Public Finance unit)	
8.10.1	No comment.	-
8.11	Roundtable with specific preparers and treasuries (session 2)	
8.11.1	The proposal is supported.	No action required.
8.12	Roundtable with specific preparers and treasuries: Measurement requirements	
8.12.1	N/A - Specific discussion on measurement.	-
8.13	Roundtable with auditors and other technical specialists (session 2)	
8.13.1	The proposal is supported.	No action required.
<p>Question 9</p> <p>(a) Are there any specific implementation issues that the Board should be aware of? If yes, please indicate what these issues are.</p> <p>(b) Are there any regulatory or other issues that exist in the South African environment that may affect the implementation of the proposed Standard of GRAP? If yes, please provide details of these regulatory or other issues that should be considered in finalising the proposed Standard of GRAP.</p>		
9.1	Roundtable with specific preparers and treasuries	

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
9.1.1	None that could be identified.	No action required.
9.2	Public Sector Accounting Forum	
9.2.1	Not discussed.	-
9.3	AGSA product champions and auditors of specific entities	
9.3.1	No comment.	-
9.4	Roundtable with auditors and other technical specialists	
9.4.1	The impact on entities currently applying the Modified Cash Standard should be carefully considered.	The comment will be discussed with the Office of the Accountant-General.
9.5	Public Sector Accounting Forum (session 2)	
9.5.1	Not discussed.	-
9.6	Reserve Bank and National Treasury Public Finance divisions	
9.6.1	No comment.	No action required.
9.7	National Treasury (Public Finance, Financial Systems, Office of the Accountant-General, Intergovernmental Relations, IFMS, Budget, mSCOA, PFMA Capacity Building units and internal audit), Statistics SA and Reserve Bank (Public Finance unit)	
9.7.1	There are many things to consider and there is uncertainty about how some of the proposals would be applied in practice as they are new. It would be important to provide practical implementation guidance, which may need to be updated regularly as practice develops and issues are identified. This may be needed even after the Standard is effective. The new Standard will likely require training. It is suggested that this be done by the OAG.	Guidance and initiatives to assist entities with understanding the definition and the benefits that are in the scope of the Standard will be pursued. For example, implementation guidance and establishing a reference group to support the initial application of the Standard. The comment will also be shared with the Office of the Accountant-General.
9.8	Roundtable with preparers	
9.8.1	No comment.	No action required.
9.9	Road Accident Fund	
9.9.1	The consequence of the recognition points proposed in terms of irregular expenditure should be carefully considered. The irregular expenditure framework requires that it be recognised in the year confirmed (i.e. when	The comment applies to any liability that gives rise to expenditure and is not unique to social benefits. The comment will be shared with the Office of the Accountant-General.

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
	the payment was made). In estimating a social benefit liability and recognising an expense earlier, when irregular expenditure occurs, it may relate to expenditure recognised in a previous year and potentially incurred under different management.	
9.9.2	The difference between IFRS 17 and GRAP 19 in scope should be better explained.	The flowchart in paragraph AG7. has been clarified with note 1 that IFRS 17 only applies to insurance contracts in the scope of IFRS 17, aligned to paragraphs .05(e) and AG3.
9.9.3	The meaning of “contributions” (indicating social security insurance benefits rather than social assistance benefits) should be better explained, since this is not a defined term.	The characteristics of each type of social benefits are explained in paragraphs .11 and .13 and the related application guidance.
9.10	National Treasury [Public Finance, IFMS and Financial Systems, GTAC and MFIP, mSCOA and OAG units], Statistics SA and Reserve Bank (Public Finance unit)	
9.10.1	There may be a difference in the classification of expenditure per the Standard and the current approach for departments that apply the Modified Cash Standard (MCS). In MCS, entities apply the economic classification – transfers and subsidies, goods and services, etc. Social benefits is part of transfers and subsidies, but not defined.	The comment will be discussed with the Office of the Accountant-General.
9.11	Roundtable with specific preparers and treasuries (session 2)	
9.11.1	No specific issues were identified.	No action required.
9.12	Roundtable with specific preparers and treasuries: Measurement requirements	
9.12.1	N/A - Specific discussion on measurement.	-
9.13	Roundtable with auditors and other technical specialists (session 2)	
9.13.1	No comment.	-
<p>Question 10</p> <p>(a) In your view, overall, does the application of the proposed Standard of GRAP result in financial statements that would be useful to users? Please explain your response.</p> <p>(b) In your view, what are the costs and benefits of the proposals relative to the current accounting for social benefits? In relation to quantitative financial and other resource costs, including the time involved to implement the proposals, the ASB is interested to understand the nature and estimated amounts of any expected incremental costs, or cost savings, of the proposals relative to existing accounting treatments.</p>		

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
(c) Should the estimated cost of a proposed requirement exceed the benefit in your view, please provide information on whether the needs of users addressed by the proposed requirement could be satisfied by requiring the disclosure of alternative items of information that would be less costly to prepare.		
10.1 Roundtable with specific preparers and treasuries		
10.1.1	The application of the proposed requirements for social security insurance benefits is not expected to have a cost implication as the information is already provided at present.	No action required.
10.1.2	There would be some implications for social assistance benefits, for example, the UIF's labour activation programme.	Noted. The comment will be considered further when developing the transitional provisions.
10.2 Public Sector Accounting Forum		
10.2.1	Not discussed.	-
10.3 AGSA product champions and auditors of specific entities		
10.3.1	The entities that provide social security insurance benefits currently use IFRS 4-based accounting policies and incur actuarial costs. This is not expected to change with the Standard and therefore the cost is not expected to outweigh the benefit.	No action required.
10.4 Roundtable with auditors and other technical specialists		
10.4.1	Entities would need time to transition their systems and processes to the new requirements, especially social assistance benefits and benefits that are currently managed through manual applications and systems. From experience, municipalities were impacted when they started accounting for traffic fines when the fines were issued instead of when paid.	Noted. The comment will be considered further when developing the transitional provisions.
10.5 Public Sector Accounting Forum (session 2)		
10.5.1	Not discussed.	-
10.6 Reserve Bank and National Treasury Public Finance divisions		
10.6.1	No comment.	No action required.
10.7 National Treasury (Public Finance, Financial Systems, Office of the Accountant-General, Intergovernmental Relations, IFMS, Budget, mSCOA, PFMA Capacity Building units and internal audit), Statistics SA and Reserve Bank (Public Finance unit)		

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
10.7.1	No comment.	No action required.
10.8	Roundtable with preparers	
10.8.1	No comment.	No action required.
10.9	Road Accident Fund	
10.9.1	The expectation for information that users have from past practice should not inform the proposed requirements. Users' expectation should rather be corrected if necessary. For example, a contingent liability may better explain the nature of the entity's obligation until an application has been verified and an outflow of resources confirmed. A large liability does not necessarily result in more information or better information to users.	Refer to comment 3.9.2. regarding users' expectation and 3.1.3. regarding contingent liabilities.
10.9.2	There is a need to educate members of Parliament on accounting requirements. It is often difficult to explain to them that liabilities are recognised where there is a high level of estimation uncertainty. They often only look at an entity's net asset position without understanding how this number is made up.	The issue will be considered as a topic for the project on <i>Enhancing the Application of Standards of GRAP</i> .
10.9.3	The cost to provide information is not considered. The information is required by the Standards it is provided. The cost to provide social assistance benefit information may be less than the current practice.	No action required.
10.10	National Treasury [Public Finance, IFMS and Financial Systems, GTAC and MFIP, mSCOA and OAG units], Statistics SA and Reserve Bank (Public Finance unit)	
10.10.1	It is not anticipated that there will be significant additional costs compared to the current practice. However, entities would be better placed to comment on this issue.	Noted. The matter was also discussed with preparers.
10.11	Roundtable with specific preparers and treasuries (session 2)	
10.11.1	No specific issues identified.	No action required.
10.12	Roundtable with specific preparers and treasuries: Measurement requirements	
10.12.1	N/A - Specific discussion on measurement.	-
10.13	Roundtable with auditors and other technical specialists (session 2)	

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
10.13.1	The information that will be provided to users about social security insurance benefits is useful to government to understand the continued affordability of its social benefits. Government would, however, be less informed about social assistance benefits. The matter should be discussed with the National Treasury to understand if there are other sources of information to them that meet this purpose. Government needs to avoid what happens in other jurisdictions e.g. Greece where there are significant liabilities that government is unaware of and did not plan and budget for. This information may also be useful to a taxpayer. It is not necessarily information that needs to be provided in the financial statements.	The matter was discussed with the National Treasury. There are longer term cash flow projections used for budget purposes. If deemed necessary, entities may provide information on the fiscal sustainability of the social benefits they provide as additional information to the financial statements or outside the financial statements.
<p>General matters for comment Comment on any other matter contained in this ED.</p>		
11.1	Roundtable with specific preparers and treasuries	
11.1.1	No other comment.	No action required.
11.2	Public Sector Accounting Forum	
11.2.1	No other comment.	No action required.
11.3	AGSA product champions and auditors of specific entities	
11.3.1	No other comment.	No action required.
11.4	Roundtable with auditors and other technical specialists	
11.4.1	No other comment.	No action required.
11.5	Public Sector Accounting Forum (session 2)	
11.5.1	No other comment.	No action required.
11.6	Reserve Bank and National Treasury Public Finance divisions	
11.6.1	No other comment.	No action required.
11.7	National Treasury (Public Finance, Financial Systems, Office of the Accountant-General, Intergovernmental Relations, IFMS, Budget, mSCOA, PFMA Capacity Building units and internal audit), Statistics SA and Reserve Bank (Public Finance unit)	

ANALYSIS OF VERBAL RESPONSES ON ED 205 EXPOSURE DRAFT ON SOCIAL BENEFITS

NO.	COMMENT	PROJECT GROUP'S PROPOSED RESPONSE
11.7.1	No other comment.	No action required.
11.8	Roundtable with preparers	
11.8.1	No other comment.	No action required.
11.9	Road Accident Fund	
11.9.1	No other comment.	No action required.
11.10	National Treasury [Public Finance, IFMS and Financial Systems, GTAC and MFIP, mSCOA and OAG units], Statistics SA and Reserve Bank (Public Finance unit)	
11.10.1	No other comment.	No action required.
11.11	Roundtable with specific preparers and treasuries (session 2)	
11.11.1	No other comment.	No action required.
11.12	Roundtable with specific preparers and treasuries: Measurement requirements	
11.12.1	No other comment.	No action required.
11.13	Roundtable with auditors and other technical specialists (session 2)	
11.13.1	No other comment.	No action required.