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TO: MEMBERS OF THE TECHNICAL COMMITTEE
FROM: ELIZNA VAN DER WESTHUIZEN
SUBJECT: EDUCATION MATERIAL FOR PREPARERS - PLAN FOR 2025/26
DATE: 19 FEBRUARY 2025
FILE REF: ATTACHMENT 4(a)

BACKGROUND AND PURPOSE OF THIS MEMORANDUM

1. The ASB's strategy for 2026-2030 does not change the work that we do, but does emphasize the need for more communication on the role of the ASB, the role of financial statements, the use of financial statements and more information about the "accountability cycle". This focus identifies a need for education activities for both preparers and users of financial statements.
2. Due to the importance of this part of the ASB's work, the strategy includes an outcome to "promote a culture of learning with preparers and users of the financial statements", with two new indicators:
 - Percentage of education material published for preparers according to an annual plan agreed with the Board.
 - Percentage of education material published for users according to an annual plan agreed with the Board.

These indicators replace the existing indicator "Percentage of outputs met in communication plan for Enhancing the Application of the Standards of GRAP".

3. The Board is thereby required to approve plans for education material for preparers and users respectively for the new year. The Secretariat will report on its progress to meet the plans as part of the quarterly performance information.
4. The Secretariat is progressing the tender process to appoint a service provider to develop the education material for users of financial statements. The tender documents include indicative topics for the service provider to develop content for. The plan will be presented to the Board for approval once the service provider is appointed.
5. The purpose of this memorandum is:
 - (a) to discuss the proposed plan on education material for preparers for 2025/26; and
 - (b) for the Technical Committee to consider the proposed plan and, if appropriate, recommend quarter 1 to the Board for approval.

Board Members: Mr A van der Burgh (Chair), Ms A Carstens, Mr A Hardien, Ms W de Jager,
Mr D Dlamini, Mr S Gcwabe, Mr S Khan, Ms A Muller, Prof R Small
Chief Executive Officer: Mrs J Poggiolini

PROPOSED PLAN 2025/26 ON EDUCATION MATERIAL PUBLISHED FOR PREPARERS

6. One of the questions to stakeholders in ED 211 *ASB Work Programme Consultation 2027-2029* is what the issues and topics are that the Board should include in the plan. Consultation on ED 211 is ongoing and closes 14 March 2025. The Secretariat is of the view that it will be important for the Board to consider the responses to ED 211 in finalising the 2025/26 plan. The Secretariat also discussed the project and 2025/26 plan at the trilateral meeting in January 2025 and asked the trilateral parties for input by 28 February 2025.
7. The Secretariat developed a proposed plan with reference to:
 - (a) Topics that could not be accommodated in the 2024/25 plan.
 - (b) Outcomes of recently completed ASB projects.
 - (c) The results of polling at the PSAF in February 2025.
 - (d) Queries submitted to the Secretariat.An analysis of the considerations in developing the plan is included in Appendix A to this memorandum.
8. The proposed plan is included as attachment 4(b). The content for quarter 1 of 2025/26 is presented for the Technical Committee's consideration and recommendation to the Board. Indicative themes and topics have been included for quarters 2 to 4. However, the Secretariat proposes to finalise these quarters after the processes noted in paragraph 6 are concluded. The content for quarters 2 to 4 will be presented to the Technical Committee and Board for approval in July 2025.

ACTION REQUESTED

The Technical Committee is requested to:

- (a) REVIEW the proposed plan for 2025/26; and**
- (b) If deemed appropriate, RECOMMEND the proposed plan for quarter 1 to the Board for consideration.**

NEXT STEPS

9. The Board will consider the proposed plan for quarter 1 of 2025/26 in March 2025. The plan for quarters 2 to 4 will be presented to the Technical Committee and Board in July 2025.

Themes and topics considered for the *Education material for preparers plan 2025/26*

Theme	Topic	Considerations	Included / not included
Specific Standards of GRAP	GRAP 109 <i>Accounting by Principals and Agents</i>	Actions from the GRAP 109 post-implementation review are ongoing, including amending GRAP 109, developing FAQs and other guidance considered by the trilateral parties. The issues raised include the interaction with GRAP 11 <i>Construction Contracts</i> .	Not included.
	GRAP 108 <i>Statutory Receivables</i>	The Board's post-implementation review of GRAP 108 is in progress. The Board will consider next steps to address the issues in July 2025.	Not included.
	GRAP 20 <i>Related Party Disclosures</i>	The Board's desktop review of GRAP 20 was completed in 2024/25. The outcomes of the project include amendments to GRAP 20, FAQs and a topic added to the 2024/25 plan on developing accounting policies.	Included in the 2024/25 plan.
	GRAP 18 <i>Segment Reporting</i>	The Board's desktop review of GRAP 18 will commence in 2025/26. Include a recording and social media content on the applicability of the Standard.	Included in the 2025/26 plan – quarter 3.
	IGRAP 18 <i>Recognition and Derecognition of Land</i> (substantive vs. protective rights)	More guidance on substantive vs. protective rights will be developed as an outcome of the GRAP 109 post-implementation review (see GRAP 109 above). FAQ 3.9 on <i>Do land invasions affect whether an entity recognises land?</i> provides some guidance on the issue. The issue was raised in the context of TVET colleges and subsequently also by other types of entities.	Included in the 2025/26 plan – quarter 3.
	GRAP 21 <i>Impairment of Non-cash Generating Assets</i>	The Board's project on <i>Measurement</i> identified specific issues related to the application of GRAP 21. See theme "Outcomes of ASB projects" below.	See theme "Outcomes of ASB projects" below.
Directive 5 <i>Determining the GRAP Reporting Framework</i>	Queries are frequently raised about the reporting framework. Outcomes of ED 208 <i>Amendments to Directive 5 on Determining the GRAP Reporting Framework</i> include developing material on:	Both topics are included in the 2025/26 plan – quarter 1.	

Theme	Topic	Considerations	Included / not included
		<ul style="list-style-type: none"> Explaining the amendments to Directive 5 [use of not yet effective pronouncements and international pronouncements]. An overview of the reporting framework for 2024/25 onwards. 	
Other topics	GRAP 3 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> – change in accounting policy vs. prior period error	Preparers are unsure when to treat a change in their accounting policies as a change in policy or a prior period error. Develop material that explains the difference with reference to the guidance in GRAP 3.	Included in the 2025/26 plan – quarter 3.
	GRAP 17 <i>Property, Plant and Equipment</i> – difference between asset management and reporting on assets	As the Secretariat is unable to provide guidance related to asset management issues, the topic may be better suited as material for the Knowledge Hub and will be shared with the OAG.	Not included.
The ASB and its work	Types of projects undertaken by the ASB	Develop content that explains the different types of projects undertaken by the ASB and when they are undertaken in the standard-setting process.	Included in the 2025/26 plan – quarter 2.
	The ASB Due Process handbook	Develop content that explains the ASB's due process and how our stakeholders can be involved in projects.	Included in the 2025/26 plan – quarter 2.
	From GRAP 20 review – develop a placemat on ASB pronouncements	Explain the different types of pronouncements issued by the Board & Secretariat and how each should be used.	Included in the 2025/26 plan – quarter 2.
Publications of other organisations	JSE proactive monitoring report feedback	The key issues were addressed in the 2024/25 plan – developing accounting policies, presenting the cash flow statement, preparing quality financial statements.	Not included.
Outcomes of ASB projects	Measurement initial research	Impairment indicator assessment per GRAP 21 and GRAP 26 – explain how the indicators are intended to be applied.	Included in the 2025/26 plan – quarter 4.
		Develop content that explains the distinction between cash-generating and non-cash-generating items for impairment.	Included in the 2025/26 plan – quarter 4.

Theme	Topic	Considerations	Included / not included
	GRAP 104 <i>Financial Instruments</i> readiness	Explanation of resources available on the website on Adoption of GRAP 104 and reference to the Knowledge Hub.	Included in the 2025/26 plan – quarter 1.