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**MINUTES OF THE PROJECT GROUP MEETING OF THE ACCOUNTING STANDARDS BOARD ON ED 205 PROPOSED STANDARD OF GRAP ON SOCIAL BENEFITS HELD ON 13 JUNE 2024**

**Present:**

|               |   |
|---------------|---|
| T Bouwer      | National Home Builders Registration Council |
| F Esterhuizen | Department of Social Development            |
| C Fourie      | UIF   |
| Ishmael       | FTMG Africa Consulting (UIF)                |
| I Kotze       | CIGFARO                                     |
| K Lehasa      | FTMG Africa Consulting (UIF)                |
| P Matsapola   | UIF   |
| T Mazibuko    | Gauteng Provincial Treasury                 |
| P Mongwe      | Gauteng Provincial Treasury                 |
| O Mothudi     | Gauteng Provincial Treasury                 |

**Secretariat:**

|                      |                   |
|----------------------|-------------------|
| E van der Westhuizen | Head of Technical |
|----------------------|-------------------|

## **1. WELCOME AND APOLOGIES**

Members were WELCOMED to the project group meeting. Apologies were NOTED from H Aderibigbe, A Botha, L Briedenhann, N Imam-Shah, S Nondlazi and J Poggiolini.

## **2. CONFIRMATION OF AGENDA**

The agenda was confirmed.

## **3. MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 6 June 2023 were APPROVED.

## **4. TECHNICAL MATTERS**

### **Response to ED 205 *Proposed Standard of GRAP on Social Benefits***

4.1 The Secretariat TABLED the following documents at the meeting:

- Memorandum from the Secretariat.
- Summaries of verbal and written comment received on ED 205 (for information purposes).
- ED 205 *Proposed Standard of GRAP on Social Benefits* (for information purposes).

### ***Background and objective of the discussion***

4.2 The Secretariat NOTED the objective of the discussion was for the project group to consider proposed amendments to the definition of *social risks*, for recommendation to the Technical Committee. The amendments respond to the key issues raised by respondents to ED 205.

### ***Social risks***

4.3 The Secretariat EXPLAINED the key issues raised, proposed additional guidance and the proposed amendment to the definition of social risks.

4.4 A member NOTED that the guidance for in-kind benefits such as housing and education is clearly explained. However, it may be unclear how to treat stipend payments paid alongside these in-kind benefits. The Secretariat EXPLAINED that it would depend on the terms and conditions of the stipend payment and whether it would be seen as cash or in-kind. Based on the guidance in the ED, it would be cash if there are no restrictions on the use of the stipend and it supplements the individual/household's income. Where there are conditions for it to be used for a specific purpose it would rather be in-kind.

4.5 A member ASKED what the impact would be on provinces that provide in-kind goods and services as disaster relief, such as food parcels, blankets, etc. The Secretariat EXPLAINED that disaster relief is seen as a benefit that responds to a geographical risk and not a social risk and will be accounted for in GRAP 19 on *Provisions, Contingent Liabilities and Contingent Assets*. This means that entities will account for the exchange transactions where they procure goods and services that they provide to communities as disaster relief.

4.6 Members SUPPORTED the proposed change to the definition of social risk and the proposed additional guidance on when a benefit is provided for an event that relates directly to the characteristics of individuals/households.

***Society as a whole***

- 4.7 Members SUPPORTED retaining the concept of “society as a whole” in the definition of social benefits. It was NOTED that this assists with distinguishing social benefits from benefits in the scope of other Standards such as GRAP 19 and GRAP 25 on *Employee Benefits*.

**5. GENERAL**

There were no further matters for discussion raised.

**6. CLOSING REMARKS**

Stakeholders were THANKED for their time to prepare for the meeting, and their participation and input during the meeting.

**Prepared by: E van der Westhuizen 14 June 2024**