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TO: MEMBERS OF THE BOARD
FROM: SIYASANGA NONDLAZI
SUBJECT: REPORTING FRAMEWORK FOR 2027/28
DATE: 21 SEPTEMBER 2026
FILE REF: Attachment 5(a)

BACKGROUND

1. The Board updates the Directive on *Determining the GRAP Reporting Framework* (Directive 5) in September each year by issuing a new Annexure to outline the reporting framework for the next reporting period.
2. The Secretariat has prepared the Annexure for the reporting period commencing on or after 1 April 2027 for review and approval by the Board.
3. The Technical Committee noted that government components are generally regarded as departments and are therefore expected to apply the Modified Cash Standard. However, a number of government components currently apply the Standards of GRAP. Based on feedback from the OAG, these government components have elected to apply the Standards of GRAP rather than use the exemption available to departments. This may be because they have the capacity to prepare financial statements in accordance with the Standards of GRAP. The Technical Committee further highlighted that Directive 5 does not specifically refer to government components as a type of entity applying Standards of GRAP.
4. The Secretariat considered that government components may not be the only entities applying Standards of GRAP without being specifically listed in the reporting framework. There may be other entities applying the Standards of GRAP, for example, where it is required by their founding legislation. Accordingly, the Annexure for 2027/28 has been updated to clarify that it applies to entities applying the Standards of GRAP, including those that are not specifically listed in the reporting framework. The Annexure further clarifies that entities applying the GRAP Reporting Framework should apply it in full.

OBJECTIVE OF THE MEMORANDUM

5. The objective of this memorandum is to present to the Board the proposed reporting framework for financial periods commencing on or after 1 April 2027 and highlight changes from the prior year reporting framework.

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

REPORTING FRAMEWORK FOR 2027/28

6. The reporting framework for 2027/28 is included as attachment 5(b). In line with previous decisions, the Annexure that will accompany Directive 5 merely outlines the changes to the previous reporting framework.
7. The full reporting framework for the period is published on the website for information purposes and is included as attachment 5(c).

Changes from the prior year

8. The following amendments to Standards of GRAP are effective for financial periods commencing on or after 1 April 2027.
 - GRAP 1 on *Presentation of Financial Statements* (amendments relating to going concern);
 - GRAP 103 on *Heritage Assets*; and
 - GRAP 105, GRAP 106 and GRAP 107 on transfers of functions and mergers.
9. *Improvements to the Standards of GRAP, 2023* are effective for financial periods commencing on or after 1 April 2028 and are therefore excluded from the 2027/28 Reporting Framework. Entities may elect to adopt these improvements early.
10. The following pronouncements were approved by the Board but do not yet have an effective date determined by the Minister of Finance:
 - *Improvements to the Standards of GRAP, 2026*, approved by the Board in March 2026. The proposed effective date is 1 April 2028, except for the amendments to GRAP 19 on *Provisions, Contingent Liabilities and Contingent Assets*, which are proposed to be effective when GRAP 111 on *Social Benefits* becomes effective. The improvements have been submitted to the Minister of Finance to determine an effective date.
 - Amendments to GRAP 109 on *Accounting by Principals and Agents* have a proposed effective date of 1 April 2028.

These amendments are therefore excluded from the 2027/28 Reporting Framework, and entities may not use these amendments to develop or amend existing accounting policies.

11. GRAP 111 on *Social Benefits* was approved by the Board in March 2026. The Secretariat is in the process of developing transitional provisions and a proposed effective date. Entities may use this Standard to develop accounting policies before the Minister of Finance determines an effective date.
12. IPSAS 50 on *Exploration for and Evaluation of Mineral Resources* replaces IFRS 6 on *Exploration for and Evaluation of Mineral Resources* in the 2027/28 Reporting Framework. Alongside IPSAS 50, the IPSASB published amendments to IPSAS 12 on *Inventories*, which incorporate the interpretive guidance on stripping costs in the production phase of a surface mine. The relationship between these pronouncements is explained in a footnote to the reporting framework.
13. The IPSASB approved IPSAS 51 on *Tangible Natural Resources Held for Conservation* in December 2025. The Standard is effective for financial periods beginning on or after

1 January 2028. The Board will assess the relevance and implications of the Standard locally in a future work programme. IPSAS 51 is therefore excluded from the 2027/28 GRAP Reporting Framework.

14. IFRS 20 on *Regulatory Assets and Regulatory Liabilities* will be effective for financial periods beginning on or after 1 January 2029. The Standard is excluded from the 2027/28 GRAP Reporting Framework. The Secretariat proposes that the Board assesses the relevance and implications of the Standard locally in the next work programme.

ACTION REQUESTED

The Board is requested to:

- (a) NOTE the contents of this memorandum.**
- (b) REVIEW the proposed reporting framework for financial periods commencing on or after 1 April 2027.**
- (c) If considered appropriate, APPROVE the proposed reporting framework for publication.**