ANALYSIS AND RESPONSES TO WRITTEN COMMENT RECEIVED ON

EXPOSURE DRAFT ON ASB WORK PROGRAMME CONSULTATION 2027-2029

(ED 211)

RESPONSES TO THE WRITTEN COMMENT RECEIVED ON *EXPOSURE DRAFT ON ASB WORK PROGRAMME CONSULTATION 2027-2029* (ED 211)

The Accounting Standards Board (Board) approved an Exposure Draft requesting stakeholders to comment on the Exposure Draft on *ASB Work Programme Consultation 2027-2029* (ED 211) in October 2024. A Notice was published in the Government Gazette on 8 November 2024 (Notice 51526). The comment period closed on 14 March 2025.

The results of the written comment received are summarised in this document. The comments received have been analysed based on the questions outlined in the Invitation to Comment published by the Board, along with any general comments noted by respondents.

An analysis of the stakeholders that submitted responses is included in the table on the next page.

In addition to the written comment received, the Exposure Draft was discussed with preparers, auditors, consultants, users and other interested parties by way of roundtable and other discussions. The summary of verbal comment received on ED 211 is included in a separate analysis.

WRITTEN COMMENT RECEIVED ON *EXPOSURE DRAFT ON ASB WORK PROGRAMME CONSULTATION 2027-2029* (ED 211)

No.	Name/Organisation	Preparers	Users	Auditors	Other interested parties
1.	Danie Nolte (CIGFARO Research and Advisory Centre (C-RAC))	X			X
2.	Mossel Bay Municipality	X			
3.	Free State Provincial Treasury	X			X
4.	Free State Provincial Treasury: Risk and Internal Audit	X		X	
5.	Free State COGTA	X			
6.	SAICA	X	X	X	X
7.	AGSA Eastern Cape Business Unit			X	
8.	AGSA Free State			X	
9.	AGSA National A			X	
10.	AGSA National C			X	
11.	AGSA Northern Cape			X	
	Responses to survey				
12.	Eastern Cape Provincial Treasury	X			X
13.	Amo Matebese (Personal capacity)				X
14.	SANSA	X			
15.	Road Traffic Management Corporation			X (internal auditor)	
16.	SITA Soc Ltd	X			
17.	Siyabonga Bekwa (personal capacity)				X
18.	Deeds Registration Trading Entity	X			
19.	Abraham (personal capacity)				X
20.	EWSETA	X			
21.	Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	X			
22.	Council for Medical Schemes	X			
23.	Russell - Advisor				X
24.	Bukiwe Fokazi (personal capacity)				X
25.	Michelle Greyling - personal capacity				X
26.	Mubesko Africa				X

No.	Name/Organisation	Preparers	Users	Auditors	Other interested parties
27.	Sona Abraham (personal capacity)	X			
28.	National Research Foundation	X			
29.	Patisa Tetyana (personal capacity)				X
30.	Mojalefa Procurement and Financial Consultants Pty Ltd				X
	Responses on the Knowledge Hub				
31.	Respondent on the Knowledge Hub				
	Other				
32.	Free State MEDPAS[1]	X			

[1] The respondent did not include any specific responses to the questions. The respondent was therefore not included in the analysis.

SUMMARY AND ANALYSIS OF WRITTEN COMMENT RECEIVED ON THE EXPOSURE DRAFT ON *ASB WORK PROGRAMME CONSULTATION 2027-2029*

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
Question 1 **Are there any gaps in our literature?** **Are there any transactions or arrangements that require accounting guidance from the ASB?**		
1.1	**Danie Nolte (CIGFARO Research and Advisory Centre (C-RAC))**	
1.1.1	A specific response was submitted to question 3.	N/A
1.2	**Mossel Bay Municipality**	
1.2.1	The Mossel Bay Municipality has perused the Exposure Draft 211 Issued by the Accounting Standards Board and has no comments to submit.	Noted
1.3	**Free State Provincial Treasury**	
1.3.1	No response	N/A
1.4	**Free State Provincial Treasury: Risk and Internal Audit**	
1.4.1	No comment	Noted
1.5	**Free State COGTA**	
1.5.1	The Department does not have any comments.	Noted
1.6	**SAICA**	
1.6.1	SAICA acknowledges and agrees with the gaps that have already been identified by the ASB in ED 211 (that is, Social Benefits and Intergovernmental Transfers). No other gaps have been identified. Recommendation: While no gaps have been identified, it is important that the ASB continues with its focus on supporting the implementation of the current suite of Standards of GRAP through its various platforms. This will assist in ensuring that there is adequate utilisation and proper application of the current suite of Standards of GRAP.	Noted. The Secretariat will continue its activities support the implementation and application of the Standards of GRAP.
1.7	**AGSA Eastern Cape Business Unit**	
1.7.1	Unused conditional grants are recorded as liabilities since the related service delivery was not completed. If Treasury provided the funds, it has the right to reclaim them, including any accrued interest, which must also be accounted for and returned.	The Board previously determined it will include a project on revenue in the work programme. The issue will be incorporated in the project.

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
	The interest part of the arrangement requires guidance from ASB.	
1.7.2	GRAP 23 pars. 57 and 58 state: "The amount recognised as a liability shall be the best estimate of the amount required to settle the present obligation at the reporting date. The estimate takes account of the risks and uncertainties that surround the events causing the liability to be recognised. Where the time value of money is material, the liability will be measured at the present value of the amount expected to be required to settle the obligation. This requirement is in accordance with the principles established in GRAP 19." This paragraph does not clearly provide guidance on when time value of money should be deemed material, these arrangements are usually 12 months with material amounts.	The Board previously determined it will include a project on revenue in the work programme. The issue will be incorporated in the project. The Guideline on *The Application of Materiality to Financial Statements* provides guidance on applying materiality. Other available resources on the application of materiality include FAQs, a Fact Sheet and recordings on the ASB's YouTube Channel.
1.8	**AGSA Free State**	
1.8.1	The VAT checklist that was recently issued still seems to cause misunderstanding at municipalities. More guidance on this is required by municipalities.	The comment will be communicated to the OAG.
1.9	**AGSA National A**	
1.9.1	No gaps have been identified.	Noted
1.10	**AGSA National C**	
1.10.1	No gaps identified	Noted
1.11	**AGSA Northern Cape**	
1.11.1	No specific transactions identified from our business unit.	Noted
1.12	**Eastern Cape Provincial Treasury**	
1.12.1	No	Noted
1.13	**Amo Matebese (Personal capacity)**	
1.13.1	None	Noted
1.14	**SANSA**	
1.14.1	None	Noted

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
1.15	**Road Traffic Management Corporation**	
1.15.1	Accounting for a work in progress when the building for example was occupied prior issue of COC (certificate of completion), as an internal auditor, is there a non-compliance due to occupied building without COC and still accounted as work in progress.	The Secretariat will consider developing guidance on the lifecycle of assets, particularly infrastructure assets. The guidance could consider the funding (e.g. grants), construction and development of assets / work in progress, revaluations, depreciation and impairment. Guidance on types of arrangements will also be considered. Guidance already exists for at least parts of the lifecycle, which can be incorporated into this piece of work.
1.16	**SITA Soc Ltd**	
1.16.1	No	Noted
1.17	**Siyabonga Bekwa (personal capacity)**	
1.17.1	Cashflow presentation and calculations.	The Board reviewed the application of GRAP 2 *Cash Flow Statements* in 2020/2021. Access the Review Report on the outcomes of the review here. The Secretariat developed recordings on the application of GRAP 2 to address the questions about reconciling to the cash balance and what "cash" means in an accrual environment. See the ASB's YouTube Channel.
1.17.2	Segment reporting.	The Board will start a review of GRAP 18 *Segment Reporting* in 2025/26.
1.17.3	Non-living resources guidance.	The Secretariat will consider communication activities to enhance entities' understanding of GRAP 110 *Living and Non-living Resources*.
1.18	**Abraham (personal capacity)**	
1.18.1	Fine	Noted
1.19	**EWSETA**	

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
1.19.1	Yes EWSETA like all SETAs is a grant funded entity. Therefore this lands into the space of non exchange revenue. It disburses the grants to qualifying entities for skills development programmes. Therefore there are expenses incurred both on mandatory grants and discretionary grants.	Noted. The Board previously determined it will include a project on revenue in the work programme. The Board will commence work on transfer expenses in 2025/2026.
1.20	**Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities**	
1.20.1	No	Noted
1.21	**Council for Medical Schemes**	
1.21.1	None	Noted
1.22	**Russell - Advisor**	
1.22.1	Nothing come to mind but Auditors are not always on same page on various standards.	Noted. The Secretariat will collaborate with the AGSA and SAIGA to reach auditors with communication.
1.23	**Bukiwe Fokazi**	
1.23.1	Yes (see responses to other questions)	Noted
1.24	**Michelle Greyling - personal capacity**	
1.24.1	None. The FAQ's and guidance documents of the ASB has been very helpful.	Noted
1.25	**ECSECC**	
1.25.1	Question not responded to	N/A
1.26	**Mubesko Africa**	
1.26.1	N/A	N/A
1.27	**Sona Abraham (personal capacity)**	
1.27.1	Can't think of any at the moment. But I am able to account for all material transactions.	Noted
1.28	**National Research Foundation**	
1.28.1	None at the moment.	Noted

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
1.29	**Patisa Tetyana (personal capacity)**	
1.29.1	The are no gaps identified on the literature	Noted
1.30	**Mojalefa Procurement and Financial Consultants Pty Ltd**	
1.30.1	Digital Assets and Cryptocurrencies, there may be a need for specific accounting guidance on how to recognize, measure, and disclose these assets.	The Board will consider a project on intangible assets in future, once the ongoing work internationally is finalised. Any narrow scope amendments to IFRS Accounting Standards and IPSAS will be considered in the Improvements project. Further staff guidance may be developed by the Secretariat.
1.30.2	Environmental, Social, and Governance (ESG) Reporting as sustainability and ESG considerations become more important, there may be a need for guidance on how to account for and report on ESG-related transactions and activities.	The Secretariat will consider publishing a joint communication with the OAG on the local stance of sustainability reporting, and what entities may consider in the current environment.
1.30.3	Public-Private Partnerships (PPPs) are becoming more common in the public sector, and there may be a need for guidance on how to account for these arrangements, including the recognition and measurement of assets. liabilities, and expenses.	The Secretariat will consider communication activities to enhance entities' understanding of GRAP 32 *Service Concession Arrangements: Grantor*.
1.30.4	With the adoption of new lease accounting standards in the private sector, there may be a need for similar guidance in the public sector to ensure consistency in the recognition and measurement of lease assets and liabilities.	A project on leases is added to the 2027 – 2029 work programme.
1.30.5	Social Benefits and Transfer Expenses - As mentioned, the gap in accounting for non-exchange expenses will be addressed in the upcoming work programmes. However, it is important to continuously monitor and update guidance in this area to ensure it remains relevant and effective.	Noted. The Secretariat is likely to establish a Reference Group on Social Benefits once the Standard is approved.
1.30.6	With the evolving nature of government revenue streams, there may be a need for updated guidance on how to recognize and measure different types of revenue, including grants, taxes and fees.	The Board previously determined it will include a project on revenue in the work programme. The issue will be incorporated in the project.
1.31	**Respondent on the Knowledge Hub**	
1.31.1	Question not responded to.	N/A

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
Question 2 **What international projects should the Board undertake?** **Based on the projects listed in Table 2 – which international project do you support the Board to add to the 2027 to 2029 work programme?** **Please provide supporting rationale for the proposals.**		
2.1	**Danie Nolte (CIGFARO Research and Advisory Centre (C-RAC))**	
2.1.1	A specific response was submitted to question 3.	N/A
2.2	**Mossel Bay Municipality**	
2.2.1	The Mossel Bay Municipality has perused the Exposure Draft 211 Issued by the Accounting Standards Board and has no comments to submit.	Noted
2.3	**Free State Provincial Treasury**	
2.3.1	No response	N/A
2.4	**Free State Provincial Treasury: Risk and Internal Audit**	
2.4.1	No comment.	Noted.
2.5	**Free State COGTA**	
2.5.1	The Department does not have any comments.	Noted
2.6	**SAICA**	
2.6.1	**The Conceptual Framework for General Purpose Financial Reporting (the Conceptual Framework)** In terms of paragraph 1 of the Preface to the Conceptual Framework, the Conceptual Framework establishes the concepts that are to be applied in developing Standards of GRAP applicable to the preparation and presentation of general purpose financial statements (GPFSs) of public sector entities. Paragraph 2 of Preface to the Conceptual Framework states that the Conceptual Framework also establishes concepts for the presentation of general purpose financial reports (GPFRs) which are reported outside the financial statements, and which complement and supplement the information in the financial statements.	The Secretariat developed guidance on the use of the Conceptual Framework in the form of FAQs and a video on the ASB YouTube Channel. A project to update the Conceptual Framework will be considered in the next work programme.

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
	Paragraph 1.2(a) of Chapter 1 of the Conceptual Framework states that the role of the Conceptual Framework is to provide the ASB with a conceptual basis for developing Standards of GRAP applicable to the reparation and presentation of general purpose financial statements (GPFSs) of public sector entities. Recommendation: SAICA recommends that the ASB prioritises the update to the Conceptual Framework as the Conceptual Framework provides the ASB with a conceptual basis for developing Standards of GRAP applicable to the preparation and presentation of general purpose financial statements (GPFSs). In addition, stakeholders may not have the resources to implement the revised Standard of GRAP on Leases due to the recent amendments that are effective and those for which the Minister has not yet determined an effective date.	
2.6.2	**Leases** As stated in ED 211, stakeholders locally have increasingly criticised the complexity of international standards and noted that any projects taken on locally should address a particular deficiency, rather than "change for the sake of change". In addition, one of the criteria for the prioritisation of projects by the ASB is the resources available by stakeholders to implement new or revised pronouncements issued by the ASB. Given the recent amendments to pronouncements such as Standard of GRAP 25 (effective 1 2023), Standard of GRAP 104 (Revised), effective 1 April 2025, recently ASB approved pronouncements for which the Minister of Finance has not determined an effective date (Standards of GRAP 1, 103, 105, 106 and 107) and the Standard of GRAP on Measurement that is being developed, stakeholders may not have resources to implement the revised Standard of GRAP on Leases. Furthermore, research may need to be undertaken by the ASB to determine whether there is a need for a change to the current Standard of GRAP on Leases to ensure that the concern from stakeholders stated above in adequately addressed.	A project on leases is included in the 2027 to 2029 work programme.
2.7	**AGSA Eastern Cape Business Unit**	
2.7.1	None identified.	Noted.
2.8	**AGSA Free State**	
2.8.1	All the projects listed are relevant and would greatly assist with earlier implementation if they are included in the work programme.	Noted.

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
2.9	**AGSA National A**	
2.9.1	IPSAS 45 on *Property, Plant and Equipment*	The Secretariat will consider developing guidance on the lifecycle of assets, particularly infrastructure assets. The guidance could consider the funding (e.g. grants), construction and development of assets / work in progress, revaluations, depreciation and impairment. Guidance on types of arrangements will also be considered. Guidance already exists for at least parts of the lifecycle, which can be incorporated into this piece of work.
2.10	**AGSA National C**	
2.10.1	None as different international standards were considered by ASB and there are no further inputs from our side.	Noted
2.11	**AGSA Northern Cape**	
2.11.1	No project identified to be added	Noted
2.12	**Eastern Cape Provincial Treasury**	
2.12.1	Update the Conceptual Framework for General Purpose Financial Reporting To provide more clarity for classification of financial statements accounts and disclosures just like IFRS.	A project to update the Conceptual Framework will be considered in the next work programme.
2.13	**Amo Matebese (Personal capacity)**	
2.13.1	Leases Align with international standards.	A project on leases is included in the 2027 to 2029 work programme.
2.14	**SANSA**	
2.14.1	Leases	A project on leases is included in the 2027 to 2029 work programme.
2.15	**Road Traffic Management Corporation**	
2.15.1	None; no knowledge.	Noted

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
2.16	**SITA Soc Ltd**	
2.16.1	Update the Conceptual Framework for General Purpose Financial Reporting; it will enhance reporting.	A project to update the Conceptual Framework will be considered in the next work programme.
2.17	**Siyabonga Bekwa (personal capacity)**	
2.17.1	Update the Conceptual Framework for General Purpose Financial Reporting - Easy of alignment with IFRS	A project to update the Conceptual Framework will be considered in the next work programme.
2.18	**Deeds Registration Trading Entity**	
2.18.1	Update the Conceptual Framework for General Purpose Financial Reporting	A project to update the Conceptual Framework will be considered in the next work programme.
2.18	**Abraham (personal capacity)**	
2.18.1	Leases; Most Public entities have huge list of operating leases and some contracts are complex	A project on leases is included in the 2027 to 2029 work programme.
2.19	**EWSETA**	
2.19.1	Leases; There has been significant improvements in international best practice on leases. It would be great to catch up and ensure greater alignment.	A project on leases is included in the 2027 to 2029 work programme.
2.20	**Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities**	
2.20.1	Update the Conceptual Framework for General Purpose Financial Reporting; Just to keep up to date.	A project to update the Conceptual Framework will be considered in the next work programme.
2.21	**Council for Medical Schemes**	
2.21.1	Update the Conceptual Framework for General Purpose Financial Reporting; To enhance reporting compatability.	A project to update the Conceptual Framework will be considered in the next work programme.
2.22	**Russell - Advisor**	
2.22.1	Cashflow; Cashlows for SETA's	The Board reviewed the application of GRAP 2 *Cash Flow Statements* in 2020/2021. Access the Review Report on the outcomes of the review here. The Secretariat developed recordings on the application of GRAP 2 to address the questions about reconciling

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
		to the cash balance and what "cash" means in an accrual environment. See the ASB's YouTube Channel.
2.23	**Bukiwe Fokazi**	
2.23.1	Leases; Leases are complex and require more guidelines. Conceptual Framework for General Purpose Financial Reporting is the basis for all accounting policies and therefore take precedence. Understanding is important.	A project on leases is included in the 2027 to 2029 work programme.
2.24	**Michelle Greyling - personal capacity**	
2.24.1	Update the Conceptual Framework for General Purpose Financial Reporting; The starting point for recognition will always come from the conceptual framework, and the relevance thereof will influence all other components.	A project to update the Conceptual Framework will be considered in the next work programme.
2.25	**ECSECC**	
2.25.1	Need to get current standards perfected	Noted; the Secretariat will continue its efforts to support stakeholders with implementing and applying the Standards of GRAP.
2.26	**Mubesko Africa**	
2.26.1	Leases; In Practice experience differences on treatment derecognition of lease (GRAP 104 vs IPSAS 43)	A project on leases is included in the 2027 to 2029 work programme.
2.27	**Sona Abraham (personal capacity)**	
2.27.1	Leases	A project on leases is included in the 2027 to 2029 work programme.
2.28	**National Research Foundation**	
2.28.1	Leases; The gray area in classification of finance and operating lease	A project on leases is included in the 2027 to 2029 work programme. The OAG included a recording on the classification of leases on the GRAP Knowledge Hub
2.29	**Patisa Tetyana (personal capacity)**	
2.29.1	Leases; GRAP 13 is still useful	A project on leases is included in the 2027 to 2029 work programme.

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
2.30	**Mojalefa Procurement and Financial Consultants Pty Ltd**	
2.30.1	Leases; Given the evolving nature of lease transactions and the recent updates in lease accounting standards (like IFRS 16), adopting or updating the Standards of GRAP related to leases could provide clarity and consistency. This is especially relevant for entities that have significant lease arrangements.	A project on leases is included in the 2027 to 2029 work programme.
2.31	**Respondent on the Knowledge Hub**	
2.31.1	Question not responded to.	N/A
Question 3 **Are there any enhancements or amendments needed to the Standards of GRAP?** **In your response, provide the name of the Standard, a description of the issue and how it could be resolved.**		
3.1	**Danie Nolte (CIGFARO Research and Advisory Centre (C-RAC))**	
3.1.1	The GRAP standards are extensive and provides excellent guidance to accountants in the government sector, and practitioners in asset management. As a member of the Forum, I submitted a few principles which can be possibly reviewed and enhanced. They include: 1. A more scientific methodology to guide the determination of the Residual Value of Non-current Assets. It is a major determinant for depreciation and the current "thumb suck/guesstimate" is vague and contestable.	The Secretariat will consider developing guidance on the lifecycle of assets, particularly infrastructure assets. The guidance could consider the funding (e.g. grants), construction and development of assets / work in progress, revaluations, depreciation and impairment. Guidance on types of arrangements will also be considered. Guidance already exists for at least parts of the lifecycle, which can be incorporated into this piece of work. The need for further guidance on determining the R-value of a residual value will be communicated to the OAG for consideration.

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
	2. The identification and mandatory separate disclosure of the accumulation of Capital Grants and Revaluation Surpluses included in the Accumulated Funds at municipal level in the notes/statements supporting the Statement of Financial Position/Balance Sheet. The accumulation is currently extremely misleading to all users of the statements and a hinderance to proper financial management. The first was discussed at a forum meeting, and opposed by a member from Cape Town, and the second was left for further consideration after a request from your office for more research. It is also necessary to investigate if the provisions of GRAP 11 regarding contracting complies with the instruction included in Section 164 of the MFMA (read with Section 156 of the Constitution). This has a specific bearing on the interpretations of National Treasury regarding the determination of the Value Added Tax liability of municipal involvement in the construction of assets for Eskom with INEP Grants (with reference to the VAT Act).	Following research on how information is presented in the financial statements in 2018, the Board published a report to communicate the findings and resolutions. A section on *Reserves in the statement of changes in net assets* deals with the issue of separate presentation of reserves in the statement of changes in net assets. The Secretariat will consider communication to preparers in the 2025/26 year. The Standards of GRAP apply to the economic substance of transactions. GRAP 11 provides specific accounting guidance when an entity is a contractor, as defined in GRAP 11. Whether or not a transaction attracts VAT is determined in accordance with the VAT Act and is independent of how an entity accounts for the transaction in the financial statements. GRAP 11 will be considered as part of the Board's planned work on revenue. The OAG issued Guidelines on accounting for INEP and RBIG grants, available on their website here.
3.2	**Mossel Bay Municipality**	
3.2.1	The Mossel Bay Municipality has perused the Exposure Draft 211 Issued by the Accounting Standards Board and has no comments to submit.	Noted
3.3	**Free State Provincial Treasury**	
3.3.1	No response	N/A
3.4	**Free State Provincial Treasury: Risk and Internal Audit**	
3.4.1	No comment	Noted
3.5	**Free State COGTA**	
3.5.1	The Department does not have any comments.	Noted
3.6	**SAICA**	

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
3.6.1	SAICA has not identified enhancements or amendments that are needed on the Standards of GRAP.	Noted.
3.7	**AGSA Eastern Cape Business Unit**	
3.7.1	Grap 12.47 disclosure: "The financial statements shall disclose: (a) the accounting policies adopted in measuring inventories, including the cost formula used; (b) the total carrying amount of inventories and the carrying amount in classifications appropriate to the entity; (c) the carrying amount of inventories carried at fair value less costs to sell; (d) the amount of inventories recognised as an expense during the period" Entities constructing roads or other assets should disclose details of acquired and utilized inventory. However, many only report immaterial carrying amounts, as all inventory purchases—used or unused—are recorded as current-year expenses. To enhance the standard to provide more meaningful information to users, the following disclosures may be considered to be included: • The opening balance of inventory • The inventory purchased • Inventory used during the year • Closing amount of inventory	The proposal will be considered as part of the Improvements project in the 2027–2029 work programme.
3.8	**AGSA Free State**	
3.8.1	None identified as there are enhancements that the ASB is already working on.	Noted
3.9	**AGSA National A**	
3.9.1	No amendments identified.	Noted
3.10	**AGSA National C**	
3.10.1	No enhancements noted from our side.	Noted
3.11	**AGSA Northern Cape**	

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
3.11.1	GRAP18: Segment reporting. More guidance is required on the identification of segments (as defined) as well as disclosure requirements where there are no segments, but multiple streams of revenue/operations. This is problematic at many public sector entities due to the lack of internal reporting structures making it difficult to conclude that segments exist.	The Board will start a review of GRAP 18 *Segment Reporting* in 2025/26. The issue will be considered in the project.
3.11.2	GRAP2: GRAP 2.31 indicates that cash flows from interest shall be disclosed separately. Movements in interest payables and receivables should be accounted for in the calculation of cash flows from interest paid and received, not cash paid to suppliers and cash received from customers. More guidance on what the standard requires in terms of the disclosure of interest is required. The below provides more background on what the auditors found during the MFMA audits in Northern Cape: The GRAP standard requires that auditees separate the interest portion of payables and receivables at each reporting date. This separation is not needed for any other GRAP reporting requirement and we have noted that the systems of most municipalities in the province do not allow for this split to be made. This means that these interest payables and receivables need to be manually calculated. We have however noted that this calculation is not practicable, especially in the following cases: o Service debtors, due to the large number of customers. o Suppliers (e.g. Eskom) who do not separate the interest portion of payables on their statements. This mean that the impairment provision will also need to be split. The splitting of the provision will also be problematic (for the same reason mentioned for the splitting of the receivable).	The Board reviewed the application of GRAP 2 *Cash Flow Statements* in 2020/2021. Access the Review Report on the outcomes of the review here. The Secretariat developed recordings on the application of GRAP 2 to address the questions about reconciling to the cash balance and what "cash" means in an accrual environment. See the ASB's YouTube Channel. The practical application of the requirements could be considered by the Financial Instruments Reference Group.
3.12	**Eastern Cape Provincial Treasury**	
3.12.1	Question not responded to	N/A
3.13	**Amo Matebese (Personal capacity)**	
3.13.1	None	Noted
3.14	**SANSA**	

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
3.14.1	Question not responded to	N/A
3.15	**Road Traffic Management Corporation**	
3.15.1	GRAP 104	The GRAP 104 Reference Group will continue to consider the practical application of the requirements, and the implementation of the Standard will be monitored. The Secretariat will assess the feasibility of extending the work of the Reference Group until 2028.
3.16	**SITA Soc Ltd**	
3.16.1	None	Noted
3.17	**Siyabonga Bekwa (personal capacity)**	
3.17.1	Facts sheets for all Grap standards.	The Board's policy is to consider the use of Fact Sheets on a case-by-case basis in projects. Fact Sheets and other staff documents are likely to increase in use in future as they contribute to the theme of the 2027-2029 work programme.
3.18	**Deeds Registration Trading Entity**	
3.18.1	No	Noted
3.18	**Abraham (personal capacity)**	
3.18.1	Property plant and equipment	The Secretariat will consider developing guidance on the lifecycle of assets, particularly infrastructure assets. The guidance could consider the funding (e.g. grants), construction and development of assets / work in progress, revaluations, depreciation and impairment. Guidance on types of arrangements will also be considered. Guidance already exists for at least parts of the lifecycle, which can be incorporated into this piece of work.
3.19	**EWSETA**	

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
3.19.1	None	Noted
3.20	**Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities**	
3.20.1	None that I know of.	Noted
3.21	**Council for Medical Schemes**	
3.21.1	None	Noted
3.22	**Russell - Advisor**	
3.22.1	Cashflow	The Board reviewed the application of GRAP 2 *Cash Flow Statements* in 2020/2021. Access the Review Report on the outcomes of the review here. The Secretariat developed recordings on the application of GRAP 2 to address the questions about reconciling to the cash balance and what "cash" means in an accrual environment. See the ASB's YouTube Channel.
3.23	**Bukiwe Fokazi**	
3.23.1	They are long and tedious. I propose that they change in terms of the structure. Following the structure used for approval of an Act followed by Regulations which are a step by step in applying the Act passed.	To support stakeholders with the application of the existing Standards of GRAP, the ASB intends to allocate a larger proportion of its resources in the 2027-2029 work programme (compared to previous years) on communication and education material. The Secretariat also intends on supporting the OAG with material for the GRAP Knowledge Hub.
3.24	**Michelle Greyling - personal capacity**	
3.24.1	No specific gaps that I have identified.	Noted
3.25	**ECSECC**	
3.25.1	Focus on practical stakeholder engagement to make guidance practical, with real examples to make it easier to relate to the standards and theory.	To support stakeholders with the application of the existing Standards of GRAP, the ASB intends to allocate a larger proportion of its resources in the 2027-2029

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
		work programme (compared to previous years) on communication and education material. The Secretariat also intends on supporting the OAG with material for the GRAP Knowledge Hub.
3.26	**Mubesko Africa**	
3.26.1	GRAP 18 - disclosure of segment information. Section on disclosure of revenue and expenditure. The standard requires the disclosure per line item e.g. interest, expenditure. However, the entity (such as municipality) will only evaluate per department. Thus, look at the total revenue and total expenditure. So how does disclosure per line item (financial performance) align with how performance are measured? Or are we just dumping information per the statement of financial performance	The Board will start a review of GRAP 18 *Segment Reporting* in 2025/26. The issue will be considered in the project.
3.27	**Sona Abraham (personal capacity)**	
3.27.1	None at the moment.	Noted
3.28	**National Research Foundation**	
3.28.1	Not at the moment.	Noted
3.29	**Patisa Tetyana (personal capacity)**	
3.29.1	None	Noted
3.30	**Mojalefa Procurement and Financial Consultants Pty Ltd**	
3.30.1	GRAP 13: Lease (a) Issue: The standard may not fully align with the latest updates in lease accounting (e.g., IFRS 16) (b) Resolution: Update GRAP 13 to reflect the changes in IFRS 16, providing clearer guidance on the recognition, measurement, and disclosure of lease assets and liabilities.	Noted (as per response to question 2 above).
3.30.2	GRAP 23: Revenue from Non-Exchange Transactions (Taxes and Transfers) (a) Issue: There may be inconsistencies in the recognition and measurement of different types of revenue from non-exchange transactions.	The Board previously determined it will include a project on revenue in the work programme. The issue will be incorporated in the project.

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
	(b) Resolution: Provide additional explanatory guidance on the recognition and measurement of various types of non-exchange revenue, including grants, donations, and taxes	
3.30.3	GRAP 31: Intangible Assets (a) Issue: the standard may not fully address the accounting for digital assets and cryptocurrencies. (b) Resolution: Include specific guidance on the recognition, measurement, and disclosure of digital assets and cryptocurrencies, considering their increasing use in the public sector.	The Board will consider a project on intangible assets in future, once the ongoing work internationally is finalised. Any narrow scope amendments to IFRS Accounting Standards and IPSAS will be considered in the Improvements project. Further staff guidance may be developed by the Secretariat.
3.30.4	GRAP 104: Financial Instruments (a) Issue: There may be a need for enhanced guidance on the classification and measurements, especially in light of the new IFRS 9 standards. (b) Resolution: Update GRAP 104 to incorporate the principles of IFRS 9, providing clearer guidance on the classification and measurement of financial assets and liabilities, as well as impairment and hedge accounting.	GRAP 104 (revised 2019) is updated to align with IFRS 9 on *Financial Instruments.* The amendments are effective 1 April 2025. Access resources on the adoption of the Standard on the ASB website here. The GRAP 104 Reference Group will continue to consider the practical application of the requirements, and the implementation of the Standard will be monitored. The Secretariat will assess the feasibility of extending the work of the Reference Group until 2028.
3.30.5	GRAP 1: Presentation of financial Statements (a) Issue: There may be potential inconsistencies in the requirements for presenting financial statements. (b) Resolution: Provide additional explanatory guidance on the presentation of financial statements, including the format and structure of the statements, to ensure consistency and comparability	A project on presentation of financial statements will be considered in the next work programme. The IPSASB has commenced a project to consider the applicability of IFRS 18 in the public sector and to explore public sector presentation options. Given the ASB's limited resources, it is more feasible to commence a local project once the IPSAS project is finalised and prioritise resources on more urgent projects in the 2027 to 2029 period. The Secretariat will raise awareness of a series of recordings on the ASB's YouTube Channel on GRAP 1 *Presentation of Financial Statements.*

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
3.30.6	Grap17: Property, Plant, and Equipment (a) Issue: The standard may not fully address the accounting for public-private partnerships (PPPs) and infrastructure assets. (b) Resolution: Include specific guidance on the recognition, measurement, and disclosure of PPPs and infrastructure assets, considering their significance in the public sector.	GRAP 32 on *Service Concession Arrangements: Grantor* provides detailed guidance for a public sector entity in a service concession arrangement, as the grantor. The OAG's GRAP Accounting Guideline on GRAP 32 is available on the Knowledge Hub. The Secretariat will consider developing guidance on the lifecycle of assets, particularly infrastructure assets. The guidance could consider the funding (e.g. grants), construction and development of assets / work in progress, revaluations, depreciation and impairment. Guidance on types of arrangements will also be considered. Guidance already exists for at least parts of the lifecycle, which can be incorporated into this piece of work.
3.31	**Respondent on the Knowledge Hub**	
3.31.1	Question not responded to.	N/A
Question 4 **Review of the Standards** **(a) On which Standard should the Board undertake a post-implementation review and why?** **(b) On which Standard should the Board undertake a desktop review and why?** **(c) Is a review of the Materiality Guideline needed, and why?**		
4.1	**Danie Nolte (CIGFARO Research and Advisory Centre (C-RAC))**	
4.1.1	A specific response was submitted to question 3.	N/A
4.2	**Mossel Bay Municipality**	
4.2.1	The Mossel Bay Municipality has perused the Exposure Draft 211 Issued by the Accounting Standards Board and has no comments to submit.	Noted
4.3	**Free State Provincial Treasury**	
4.3.1	(a) None	(a) – (b) Noted

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
	(b) None (c) No	(c) Based on the pervasiveness of issues and capacity to undertake projects in the 2027-2029 work programme, a project on materiality will be reconsidered for a future work programme.
4.4	**Free State Provincial Treasury: Risk and Internal Audit**	
4.4.1	(a) – (c) No comment	Noted
4.5	**Free State COGTA**	
4.5.1	(a) – (c) The Department does not have any comments.	Noted
4.6	**SAICA**	
4.6.1	(a) The ASB should consider undertaking a post-implementation review on the following Standards: **Standard of GRAP 104 (Revised)** Standard of GRAP 104 (Revised) becomes effective on 01 April 2025 which will be within the 2027 – 2029 Work Programme. Due to the significance of the amendments that have been effected through the Standard of GRAP 104 (Revised), it may be appropriate for the ASB to undertake a post-implementation review to assess whether a Standard is achieving its intended objective. **Standard of GRAP 25** Standard of GRAP 25 became effective on 01 April 2023. Due to the significance of the amendments that have been effected through the Standard of GRAP 25, it may be appropriate for the ASB to undertake a postimplementation review to assess whether a Standard is achieving its intended objective.	The GRAP 104 Reference Group will continue to consider the practical application of the requirements, and the implementation of the Standard will be monitored. The Secretariat will assess the feasibility of extending the work of the Reference Group until 2028. Based on the pervasiveness of issues and capacity to undertake projects in the 2027-2029 work programme, a project to review GRAP 25 will be considered in a future work programme.
4.6.2	(b) The ASB should consider undertaking a desktop review on the following Standard: **Standard of GRAP 110** SAICA has identified that there is potential inconsistent application of the Standard of GRAP by entities such as Parks Boards (or similar entities). It may therefore be appropriate for the ASB to perform a desktop review to identify such inconsistencies. The findings from this	The Secretariat will consider communication activities to enhance entities' understanding of GRAP 110, e.g. a workshop with Parks Boards. The Secretariat will monitor the IPSASB's decisions in finalising the IPSAS on *Tangible Natural Resources*. An

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
	desktop review my also be considered when the ASB makes a determination on whether the proposed International Public Sector Accounting Standard on Tangible Natural Resources is adopted for the local environment.	equivalent local project may be feasible in the next work programme cycle.
4.6.3	(c) In this ED, the ASB is considering amending the Conceptual Framework Chapter on the Qualitative Characteristics of general purpose financial reports (amongst others). Materiality is integral to the relevance of information in the general purpose financial reports. As such, it may be appropriate for the ASB to include the review of the Materiality Guide when the Conceptual Framework is amended. Recommendation: The ASB should consider reviewing the Materiality Guide in conjunction with the amendment to the Conceptual Framework.	Based on the pervasiveness of issues and capacity to undertake projects in the 2027-2029 work programme, a project on materiality and to update the Conceptual Framework will be considered for the next work programme.
4.7	**AGSA Eastern Cape Business Unit**	
4.7.1	(a) – (b) None identified.	Noted
4.7.2	(c) Yes, as indicated above for Grap 23 par 58 the guideline does not deal with that issue.	See response
4.8	**AGSA Free State**	
4.8.1	(a) – (b) None identified	Noted
4.8.2	(c) A review is not identified as the guideline is clear.	Refer to responses to comment 1.7.1 and 1.7.2 above.
4.9	**AGSA National A**	
4.9.1	(a) IPSAS 47 on Revenue As this will be the measure shift from the current review recognition based on the current standard. Once the new standard is effective, a proper follow up on its implementation will be essential.	The Board previously determined it will include a project on revenue in the work programme.
4.9.2	(b) IPSAS 45 on Property, Plant and Equipment Based on the anticipated changes, no major amendments will be taking place hence a desktop exercise will be sufficient.	IPSAS 45 replaces IPSAS 17 on *Property, Plant and Equipment* from 1 January 2026. IPSAS 45 includes new guidance on heritage assets. The amendments to GRAP 103 on *Heritage Assets*, following the post-implementation review, are approved by the Board. The Minister of Finance has yet to determine an effective date for the amendments.

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
		IPSAS 45 also includes explanatory examples on infrastructure assets. The changes are not significant and will be considered in the 2026 Improvements project. Lastly, IPSAS 45 includes revised measurement principles from IPSAS 46 on *Measurement*. The development of a Standard of GRAP on *Measurement* is underway and will consider the principles across Standards of GRAP.
4.9.3	(c) Yes, materiality guideline is needed in order to avoid inconsistencies in the interpretation of materiality.	Based on the pervasiveness of issues and capacity to undertake projects in the 2027-2029 work programme, a project on materiality will be reconsidered for a future work programme.
4.10	**AGSA National C**	
4.10.1	(a) – (c) None	Noted
4.11	**AGSA Northern Cape**	
4.11.1	(a) – (c) None	Noted
4.12	**Eastern Cape Provincial Treasury**	
4.12.1	Question not responded to	N/A
4.13	**Amo Matebese (Personal capacity)**	
4.13.1	(a) – (b) Not responded to	N/A
4.13.2	(c) The concept is misunderstood by both preparers and auditors	Based on the pervasiveness of issues and capacity to undertake projects in the 2027-2029 work programme, a project on materiality will be reconsidered for a future work programme.
4.14	**SANSA**	
4.14.1	Question not responded to	N/A
4.15	**Road Traffic Management Corporation**	

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
4.15.1	(a) – (c) None	Noted
4.16	**SITA Soc Ltd**	
4.16.1	(a) – (b) None	Noted
4.16.2	(c) No	Based on the pervasiveness of issues and capacity to undertake projects in the 2027-2029 work programme, a project on materiality will be reconsidered for a future work programme.
4.17	**Siyabonga Bekwa (personal capacity)**	
4.17.1	(a) – (b) N/A	N/A
4.17.2	(c) For me no	Based on the pervasiveness of issues and capacity to undertake projects in the 2027-2029 work programme, a project on materiality will be reconsidered for a future work programme.
4.18	**Deeds Registration Trading Entity**	
4.18.1	(a) - (b) Grap 17. There needs to be a clear guidance on fully depreciated assets	The Secretariat published a FAQ on the treatment of fully depreciated assets still in use. The Secretariat will consider awareness activities of the existing guidance.
4.18.2	(c) No	Based on the pervasiveness of issues and capacity to undertake projects in the 2027-2029 work programme, a project on materiality will be reconsidered for a future work programme.
4.18	**Abraham (personal capacity)**	
4.18.1	(a) – (c) OK	Noted
4.19	**EWSETA**	
4.19.1	(a) – (b) None	Noted
4.19.2	(c) Yes to give more clarity and guidance	Based on the pervasiveness of issues and capacity to undertake projects in the 2027-2029 work programme,

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
		a project on materiality will be reconsidered for a future work programme.
4.20	**Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities**	
4.20.1	(a) – (b) Any that you desire.	Noted; this will be assessed based on the other responses received.
4.20.2	(c) Yes. To find clarity and to have the same application by reporting entities and AG.	Based on the pervasiveness of issues and capacity to undertake projects in the 2027-2029 work programme, a project on materiality will be reconsidered for a future work programme.
4.21	**Council for Medical Schemes**	
4.21.1	(a) - (b) ASB should undertake desktop review of GRAP 3 to ensure consistent application.	The Secretariat will consider guidance for preparers in 2025/26 on accounting policies, changes in estimates and errors.
4.21.2	(c) No	Based on the pervasiveness of issues and capacity to undertake projects in the 2027-2029 work programme, a project on materiality will be reconsidered for a future work programme.
4.22	**Russell - Advisor**	
4.22.1	(a) - (b) Grap 2	The Board reviewed the application of GRAP 2 *Cash Flow Statements* in 2020/2021. Access the Review Report on the outcomes of the review here. The Secretariat developed recordings on the application of GRAP 2 to address the questions about reconciling to the cash balance and what "cash" means in an accrual environment. See the ASB's YouTube Channel.
4.22.2	(c) Not needed	Based on the pervasiveness of issues and capacity to undertake projects in the 2027-2029 work programme, a project on materiality will be reconsidered for a future work programme.
4.23	**Bukiwe Fokazi**	

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
4.23.1	(a) – (b) There is different interpretations even with AGSA on the following: GRAP 32 Service Concession Arrangements: Grantor GRAP 25 Employee Benefits GRAP 18 Segment Reporting	Based on the pervasiveness of issues and capacity to undertake projects in the 2027-2029 work programme, projects to review GRAP 25 and GRAP 32 will be considered for a future work programme. The Secretariat will assess awareness / communication activities on the requirements of the Standards. The Board will start a review of GRAP 18 *Segment Reporting* in 2025/26.
4.23.2	No. From an audit process point of view, materiality is clearly defined	Based on the pervasiveness of issues and capacity to undertake projects in the 2027-2029 work programme, a project on materiality will be reconsidered for a future work programme.
4.24	**Michelle Greyling - personal capacity**	
4.24.1	(a) – (b) None identified	Noted
4.24.2	(c) Yes - it influences the whole financial statements.	Based on the pervasiveness of issues and capacity to undertake projects in the 2027-2029 work programme, a project on materiality will be reconsidered for a future work programme.
4.25	**ECSECC**	
4.25.1	(a) – (b) PPE Revenue Expenditure gap in Grap Provisions, commitments	The Secretariat will consider developing guidance on the lifecycle of assets, particularly infrastructure assets. The guidance could consider the funding (e.g. grants), construction and development of assets / work in progress, revaluations, depreciation and impairment. Guidance on types of arrangements will also be considered. Guidance already exists for at least parts of the lifecycle, which can be incorporated into this piece of work. The Board previously determined it will include a project on revenue in the work programme. Work on transfer expenses will be commenced in 2025/26.

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
	Focus on practical stakeholder engagement to make guidance practical, with real examples to make it easier to relate to the standards and theory not necessarily standard changes.	Standards-level guidance on GRAP 19 could be considered in future once the IASB finalised their amendments to IAS 37. The Secretariat will consider developing guidance for preparers in the 2025/26 year.
4.25.2	(c) No do not believe so - its area of subjectivity thereby creating the difficulties. If well documented in organisation policies, should be ok.	Based on the pervasiveness of issues and capacity to undertake projects in the 2027-2029 work programme, a project on materiality will be reconsidered for a future work programme.
4.26	**Mubesko Africa**	
4.26.1	(a) – (b) N/A	N/A
4.26.2	(c) Yes. For example, preparer might only look at 1% of expenditure. Where auditors have different components. Further preparer might have limited disclosure on mater because it is not material, but auditors only look at consistency (which is not a item of the framework) and then issue findings between different entities	Based on the pervasiveness of issues and capacity to undertake projects in the 2027-2029 work programme, a project on materiality will be reconsidered for a future work programme.
4.27	**Sona Abraham (personal capacity)**	
4.27.1	(a) – (b) Can you review the standard on: 1) intangible asset 2) impairment of non cash generating assets 3) Change in estimate or correction of error in particular from GRAP 3 Desktop review or post-implementation review on whether entities disclose good or bad accounting policies and if all of those disclosed are indeed material.	The Board will consider a project on intangible assets in future, once the ongoing work internationally is finalised. The Board will consider guidance on impairment as part of the Measurement project. The Secretariat will develop guidance on applying the indicators of impairment. The Secretariat will consider guidance for preparers in 2025/26 on accounting policies, changes in estimates and errors. The Secretariat developed an FAQ on *When and how do entities develop and disclose accounting policies?* The Secretariat also developed a recording on *How to develop appropriate accounting policies and what information to disclose*, available on the ASB's YouTube Channel.

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
4.27.2	(c) I don't think so, the current literature is helpful and we have not had any audit issues yet on it.	Based on the pervasiveness of issues and capacity to undertake projects in the 2027-2029 work programme, a project on materiality will be reconsidered for a future work programme.
4.28	**National Research Foundation**	
4.28.1	a) GRAP 13 b) GRAP 23	Projects on leases and revenue are included in the 2027 to 2029 work programme.
4.28.2	(c) Yes. A more concise and clear approach that will ensure consistent approach across	Based on the pervasiveness of issues and capacity to undertake projects in the 2027-2029 work programme, a project on materiality will be reconsidered for a future work programme.
4.29	**Patisa Tetyana (personal capacity)**	
4.29.1	(a) – (c) None	Noted
4.30	**Mojalefa Procurement and Financial Consultants Pty Ltd**	
4.30.1	(a) – (b) Post-Implementation Review - GRAP 18-Segment Reporting (Why): For providing insights into different parts of an entity's operations.	The Board will start a review of GRAP 18 *Segment Reporting* in 2025/26.
4.30.2	(c) Evolving Practices, Stakeholder Feedback, Consistency and Clarity, Regulatory Changes and Impact Assessment. In summary, review of the Materiality Guideline is necessary to ensure its continued relevance, address any emerging issues, and enhance the overall quality of financial reporting. Engaging with stakeholders and considering their perspectives will be crucial in this process.	Based on the pervasiveness of issues and capacity to undertake projects in the 2027-2029 work programme, a project on materiality will be reconsidered for a future work programme.
4.31	**Respondent on the Knowledge Hub**	
4.31.1	We have identified inconsistencies in the treatment of arrangements from legislations by different public entities. While some entities apply GRAP 109 in accounting for monies collected on behalf of other entities as a result of the requirements of a legislation, other entities argue that there is no principal-agent arrangement, as there is no specific direction form any principal in relation to transactions with third parties. Details of The Issues	The Secretariat is developing an Exposure Draft to amend GRAP 109 to, among other changes, add guidance on the rights and obligations of parties in a principal-agent arrangement. The Secretariat will consider with the OAG what guidance may be needed to address any remaining issues with the application of the Standard.

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
	1. Legislation As a Binding Arrangement 1.1. Paragraph 05 of the Standard gives us the following definitions: An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal. A binding arrangement is an arrangement that confers enforceable rights and obligations on the parties to the arrangement as if it were in the form of a contract. It includes rights from contracts or other legal rights. A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit. A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal). 1.2. Paragraph 05A then states the following regarding the types of possible binding arrangements: Binding arrangements can be evidenced in several ways: a) a contract concluded between the parties; b) legislation, supporting regulations or similar means including, but not limited to, laws, regulation, policies, decisions concluded by authorities such as cabinet, executive committees, boards, municipal councils and ministerial orders; or c) through the operation of law, including common law. A binding arrangement is often, but not always, in writing, in the form of a contract or documented discussions between the parties. 1.3. In the ASB Review Report on the Post-Implementation Review of the Standard of GRAP On Accounting by Principals And Agents (GRAP 109), dated September 2024, an issue was raised on the role of third parties in a principalagent arrangement and the nature of transactions with them. 1.4. Among the concerns of the stakeholders, the following were highlighted:	

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
	• Stakeholders were unsure how specific the arrangement should be in relation to the third parties with whom the transaction is undertaken for it to be a principal-agent arrangement. • They were also unsure whether a principal and third parties should have an existing relationship or whether the agent could identify and establish the relationship on behalf of the principal as an outcome of the principalagent arrangement. 1.5. The Response to the above concerns were that there must be enforceable rights and obligations for the parties for an arrangement to be binding. And that, to be a principal-agent arrangement, the nature of the rights and obligations should be such that the "principal" instructs the "agent" to undertake transactions with third parties on behalf of and for the benefit of the principal. 1.6. The response goes on to state that, without specific direction by the "principal' in relation to transactions with third parties, the arrangement is not principalagent. Issue Identified 1 1.7. Looking at how most legislations read, this pauses a challenge, as unlike contracts, most legislations are not written by the parties who are mentioned in legislations. For, example, a legislation may be drafter in such a way that it forms a new public entity (Entity X), that will administer such Act and regulate a certain industry, while giving such a public entity (Entity X) powers to impose penalties or fines on parties found to be in contravention. 1.8. Let us assume that, in addition to other obligations, the Act directs the entity administering the Act (Entity X) to pay over all penalties or fines collected to another entity (Entity Y), who will then benefit from the fines collected. 1.9. The legislation will have enforceable rights and obligation that it grants to the public entity (Entity X) for the public entity to be able to administer the Act. In addition, the Act will also provide Entity Y with the right to receive money in the form of penalties collected from third parties identified to be in contravention of the Act. 1.10. Paragraph 10 of the Standard states that "Transactions with third parties" in the context of the Standard includes the execution of a specific transaction with a third party, e.g. a sale or purchase transaction, but it also includes interactions with third parties. 1.11. From the above example, one can conclude that the legislation has enforceable rights and obligations. Furthermore, the Act directs Entity X to interact with third parties identified	

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
	as those contravening the Act, for the ultimate benefit of Entity Y who benefits form of penalties collected. 1.12. Given the nature of how the legislation is drafted, there appears to be no specific direction from the principal (Entity Y), in relation to transactions with third parties (those contravening the Act). Even though, enforceable rights and obligations can be identified. And the Act is also drafted in a way that directs Entity X to interact with third parties for the ultimate benefit of Entity Y. 1.13. If the direction must specifically come from the principal, in which cases is the legislation a binding arrangement? How the Issue Can Be Resolved? 1.14. It appears as if GRAP 109 addresses the arrangement between parties from the perspective of a contact as a binding arrangement, and does not consider addressing the nature of legislations, nor does it provide adequate guidance. 1.15. More guidance is required on assessing a principal-agent arrangement using the legislation as a binding arrangement. The guidance should take into account the fact that the legislation is usually not drafted by parties mentioned in such legislation as it the case with contracts. As a result, a legislation will usually not be drafted in a way that will enable us to identify a principal issuing a specific direction to the agent. Possible Solution 1 1.16. The Board can consider providing a guidance with an exception in a situation where entities find themselves having to assess a principal-agent arrangement using legislation as a binding arrangement. 1.17. Such an exception can state that in a principal-agent arrangements resulting from legislation, the agent is usually directed by the legislation to interact or enter into transactions with third parties for the benefit of the principal. As a result, the arrangement of such a nature must be classified as a principal-agent arrangement. Possible Solution 2 1.18. Alternatively, the guidance can explicitly state that arrangements resulting from legislation where it is the legislation, and not the principal that directs an entity to enter into transactions with third parties for the ultimate benefit of another party (principal) are not a	

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
	principal-agent relationships, unless the entity can prove the existence of a principal-agent arrangement.	
Question 5 **Facilitating and encouraging stakeholder engagement and support** **(a) What are the specific themes or issues that should be addressed in the Enhancing the Application of Standards of GRAP project? Please provide details.** **(b) What content do you believe will be useful to include on the GRAP Knowledge Hub? Please provide details.** **(c) Keeping the mandate of the ASB in mind, are there any other activities that we could undertake to better facilitate and encourage stakeholder engagement and support?**		
5.1	**Danie Nolte (CIGFARO Research and Advisory Centre (C-RAC))**	
5.1.1	A specific response was submitted to question 3.	N/A
5.2	**Mossel Bay Municipality**	
5.2.1	The Mossel Bay Municipality has perused the Exposure Draft 211 Issued by the Accounting Standards Board and has no comments to submit.	Noted
5.3	**Free State Provincial Treasury**	
5.3.1	(a) to (c) None identified	Noted
5.4	**Free State Provincial Treasury: Risk and Internal Audit**	
5.4.1	(a) to (c) No comment.	Noted.
5.5	**Free State COGTA**	
5.5.1	(a) – (c) The Department does not have any comments.	Noted
5.6	**SAICA**	
5.6.1	SAICA believes that the currently available material on enhancing the application of Standards of GRAP is adequate to promote the application of the standards. Furthermore, the material included in the GRAP Knowledge Hub is also adequate. SAICA has noted that the material currently available on the Adoption of Standards of GRAP webpage focuses on the Revised Standard of GRAP 104. It may be appropriate to consider the inclusion of material on the proposed Standard of GRAP on Measurement	The Secretariat agrees with the recommendations and will incorporate these in the way in which work is conducted and promoted. The Secretariat is developing a communication strategy and plan.

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
	once development commences. This may also include the establishment of a Reference Group on this standard due to its anticipated complexity. Recommendation: SAICA notes and appreciates the available application support material that has been developed by the ASB. However, it appears that there is limited utilisation of the material by its intended users. It may therefore be appropriate for the ASB to consider intensifying the marketing of these available resources. This may include partnering with key stakeholders such as professional bodies and Public Sector Accounting Forum members to promote the ASB material. In addition, the ASB should consider the integration of artificial intelligence in the support material and tools to ensure ease of access and use by the intended user.	A reference group for measurement will be considered in future once the guidance is developed and the impact can be assessed. The Secretariat will continue to explore how AI could be used to communicate with stakeholders.
5.7	**AGSA Eastern Cape Business Unit**	
5.7.1	(a) – (b) None Identified	Noted
5.7.2	(c) More webinar and virtual sessions to discuss GRAP application matters.	The Secretariat will consider the suggestion in developing a communication strategy and plan.
5.8	**AGSA Free State**	
5.8.1	(a) Consideration of the public sector environment which at times might not have the appropriate systems in place to fully implement changes to the standards and the cost implications involved in the application of the standard.	The Board included an initial step in its policy when developing local Standards based on international standards, which is understanding if a deficiency exists, what the implications would be of adopting international standards (costs and changes to the information available to users) and what guidance may be needed to respond to local public sector needs.
5.8.2	(b) Practical application examples.	The information will be shared with the OAG.
5.8.3	(c) Identify platforms to have engagements with the municipalities and the service providers assisting them with preparation of the AFS as these are at times mostly impacted by enhancements or changes to the GRAP standards.	The Secretariat will consider the suggestion in developing a communication strategy and plan.
5.9	**AGSA National A**	
5.9.1	(a) No specific theme has been identified.	Noted

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
5.9.2	(b) Information relating to the application of the new standards that have recently being effective	The Secretariat will monitor the application of new Standards and raise awareness and issue guidance as needed.
5.9.3	(c) The ASB should aim to be more visible to the stakeholders through conducting workshops and trainings	The Secretariat will consider the suggestion in developing a communication strategy and plan.
5.10	**AGSA National C**	
5.10.1	(a) None	Noted
5.10.2	(b) Detailed examples of the application of new standards from real entities. And continuously updating the examples to enhance understanding of the standards	The comment will be shared with the OAG and considered for the GRAP Knowledge Hub.
5.10.3	(c) Communicating the FAQs on a regular basis.	The Secretariat will seek opportunities to raise awareness about FAQs and other guidance published on the website.
5.11	**AGSA Northern Cape**	
5.11.1	(a) – (b) None identified	Noted
5.11.2	(c) The ASB Technical Support Unit have assisted with presentations to our municipal auditees in the past. This have been very helpful to the municipal leadership (MM's and CFOs). We encourage the board to continue with this assistance	The Secretariat will consider the suggestion in developing a communication strategy and plan.
5.12	**Eastern Cape Provincial Treasury**	
5.12.1	Question not responded to	N/A
5.13	**Amo Matebese (Personal capacity)**	
5.13.1	(a) Question not responded to	N/A
5.13.2	(b) Application of the standards and model financial statements for public sector PMA and MFMA for consistency application	The Secretariat will monitor the application of new Standards and raise awareness and issue guidance as needed. The OAG's GRAP disclosure checklist is available on the Knowledge Hub.
5.13.3	(c) Question not responded to	N/A

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
5.14	**SANSA**	
5.14.1	(a) – (b) Question not responded to	N/A
5.14.2	(c) None	Noted
5.15	**Road Traffic Management Corporation**	
5.15.1	(a) Question not responded to	N/A
5.15.2	(b) Application process	The Secretariat will monitor the application of new Standards and raise awareness and issue guidance as needed.
5.15.3	(c) Be it compulsory	Noted
5.16	**SITA Soc Ltd**	
5.16.1	(a) – (c) None	Noted
5.17	**Siyabonga Bekwa (personal capacity)**	
5.17.1	(a) Non living resources.	The Secretariat will consider communication activities to enhance entities' understanding of GRAP 110 *Living and Non-living Resources*.
5.17.2	(b) More video guardiance.	The Secretariat will continue to develop material for the YouTube Channel. Increasing stakeholder engagement will be a focus in the 2027 to 2029 period.
5.17.3	(c) Process of technical consulting on technical issues.	The OAG has established a process for entities to submit queries. These can be submitted on the GRAP Knowledge Hub.
5.18	**Deeds Registration Trading Entity**	
5.18.1	(a) – (b) Question not responded to	N/A
5.18.2	(c) Assist National Treasury on reporting requirements for Unauthorised, Irregular, and fruitless and wasteful expenditure. Especially on irregular expenditure where I strongly believe that a category for financial loss should be disclosed. On the current form users may assume financial loss on the basis of the expenditure being irregular	The comment will be shared and considered with the OAG.

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
5.18	**Abraham (personal capacity)**	
5.18.1	(a) Disclosure requirements for operating expenses.	A project on presentation of financial statements will be considered in the next work programme. The IPSASB has commenced a project to consider the applicability of IFRS 18 in the public sector and to explore public sector presentation options. Given the ASB's limited resources, it is more feasible to commence a local project once the IPSAS project is finalised and prioritise resources on more urgent projects in the 2027 to 2029 period. The Secretariat will raise awareness of a series of recordings on the ASB's YouTube Channel on GRAP 1 *Presentation of Financial Statements.*
5.18.2	(b) Classification and categories of operating costs	See response to 5.18.1 above
5.18.3	(c) Regular session	The Secretariat will consider the suggestion in developing a communication strategy and plan.
5.19	**EWSETA**	
5.19.1	(a) Clarity, application, and improve understanding	The Secretariat will continue to develop material for the YouTube Channel and other guidance for the website and GRAP Knowledge Hub. Increasing stakeholder engagement and support will be a focus in the 2027 to 2029 period.
5.19.2	(b) – (c) None	Noted
5.20	**Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities**	
5.20.1	(a) Assets - the matter about fully depreciated assets is still not clear to me. I would like a platform where I can get guidance directly from the ASB.	The Secretariat published a FAQ on the treatment of fully depreciated assets still in use and will seek opportunities to raise awareness of the guidance.
5.20.2	(b) The discussion papers on standards can be helpful.	The GRAP Knowledge Hub includes various materials on the Standards, including one-page summaries.

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
5.20.3	(c) A direct line of communication with a contact person at ASB when clarity or assistance is needed.	Queries can be submitted to the OAG on the GRAP Knowledge Hub. Questions of clarify on the Standards can be submitted to the ASB on the website here.
5.21	**Council for Medical Schemes**	
5.21.1	(a) Ensure AG is on the same page, very often different AG auditors have different interpretations of GRAP standards.	Noted; the AGSA is a key stakeholder to the ASB and included in the ASB's processes.
5.21.2	(b) None	Noted
5.21.3	(c) More sessions through the year.	The Secretariat will consider the suggestion in developing a communication strategy and plan.
5.22	**Russell - Advisor**	
5.22.1	(a) – (c) Nothing	Noted
5.23	**Bukiwe Fokazi**	
5.23.1	(a) 1. More engagement with the prepares of Financial Statements at least 4 times a year to ensure application of the standards is done on the same way 2. Review by ASB adequacy of systems used to prepare Financial reports if in line with standards approved and effective	The Secretariat will consider the suggestion in developing a communication strategy and plan. Noted; this is in-part included in the reviews of the Standards of GRAP. The recommendation will also be shared with the OAG.
5.23.2	(b) Videos on in interpretation of standards including examples	The Secretariat will continue to develop material for the YouTube Channel and other guidance for the website and GRAP Knowledge Hub.
5.23.3	(c) Yes, visit department, entities with disclaimers or qualified audit opinions and provide support and guidance on how to improve.	The Secretariat will consider the suggestion in developing a communication strategy and plan.
5.24	**Michelle Greyling - personal capacity**	
5.24.1	(a) The resources held by the AOG and ASB is great with guidance, at this stage there was nothing identified that is needed.	Noted
5.24.2	(b) All FAQ's and notices posted for the adding of resources.	The Secretariat will consider the suggestion in developing a communication strategy and plan. The Secretariat will seek opportunities to raise awareness of

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
		the FAQs and other guidance on the website and GRAP Knowledge Hub.
5.24.3	(c) The ASB is doing well with their support initiatives and from knowing where the resources are, it has assisted me greatly.	Noted
5.25	**ECSECC**	
5.25.1	(a) – (b) Questions not responded to	N/A
5.25.2	(c) Have physical sessions with the larger entities (one on one groups) which complex transactions to understand practical examples and scenarios to develop assistance and guidance.	The Secretariat supports the recommendation and will assess the areas where awareness may need to be raised about specific Standards, e.g. workshop a complex Standard with a specific group of entities.
5.26	**Mubesko Africa**	
5.26.1	(a) – (c) N/A	N/A
5.27	**Sona Abraham (personal capacity)**	
5.27.1	(a) Linkage between the standards and the material of the OAG so that they are viewed together and not separately	The newly established and GRAP Knowledge Hub is a central hub for all GRAP-related content. The recommendation will be considered when developing material for the hub.
5.27.2	(b) More examples that have figures and how to calculate and disclose e.g. change in useful life - calculation of net book value using the straight-line vs diminishing balance method etc.	The OAG GRAP Accounting Guidelines contain examples such as those referred to. These can be accessed on the GRAP Knowledge Hub. The comment will be shared with the OAG.
5.27.3	(c) I really enjoyed the GRAP 104 reference group.	Noted
5.28	**National Research Foundation**	
5.28.1	(a) Themes: PPE is always topical (GRAP 17)	The Secretariat will consider developing guidance on the lifecycle of assets, particularly infrastructure assets. The guidance could consider the funding (e.g. grants), construction and development of assets / work in progress, revaluations, depreciation and impairment. Guidance on types of arrangements will also be

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
		considered. Guidance already exists for at least parts of the lifecycle, which can be incorporated into this piece of work.
5.28.2	(b) Addressing AG findings pertaining to material misstatements (frequently noted findings) FAQs	The Secretariat considers findings from the AGSA's General Reports in projects and ask inputs from auditors on the issues they identify with a particular topic. General feedback on areas where there are issues is also requested from auditors for activities such as the recordings on YouTube.
5.28.3	(c) More of these sessions or engagements, more visibility	The Secretariat will consider the suggestion in developing a communication strategy and plan.
5.29	**Patisa Tetyana (personal capacity)**	
5.29.1	(a) Question not responded to	N/A
5.29.2	(b) You Tube and GRAP knowledge Hub	Noted
5.29.3	(c) Can we have GRAP sessions maybe twice a year whether in a form of training	The Secretariat will consider the suggestion in developing a communication strategy and plan.
5.30	**Mojalefa Procurement and Financial Consultants Pty Ltd**	
5.30.1	(a) Here are some specific themes and issues that could be addressed: 1. Materiality and Judgement, 2. Revenue Recognition, 3, Non-Exchange Expenses, 4. Leases, 5. Digital Assets and Cryptocurrencies, 6. Environmental, Social, and Governance (ESG) Reporting, 7. Public-Private Partnership (PPPs), 8. Financial Instruments, 9. Presentation of Financial Statements,	Guidance on the suggested topics will be considered for education material for preparers based on specific issues identified. Awareness campaigns on areas of issues, e.g. GRAP 32, could also be considered. Projects on revenue, Transfer expenses and leases are included in the 2027-2029 work programme. Projects on materiality, intangible assets and presentation of financial statements will be considered in future. Narrow-scope amendments and improvements of international standard-setters will be considered in the Improvements project. The Secretariat will consider extending the GRAP 104 Reference Group until 2028.

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
	10. Stakeholder Engagement and Communication. By addressing these themes and issues, the Enhancing the Application of Standards of GRAP project can provide valuable support to stakeholders and improve the overall quality and consistency of financial reporting in the public sector	The Secretariat will consider publishing a joint communication with the OAG on the local stance of sustainability reporting, and what entities may consider in the current environment.
5.30.2	(b) 1. Guidelines and Standards, 2. Educational Resources, 3. Interactive Tools, 4. Training Certification, 5. Stakeholder Engagement, 6. Regulatory Updates, 7. Knowledge Sharing, 8. Practical Guides, 9. Communication Channels, and 10. Multimedia Content. By incorporating these elements, the GRAP Knowledge Hub can become an indispensable resource for all stakeholders involved in public sector financial reporting.	The recommendations will be explored for the Knowledge Hub with the OAG.
5.30.3	1. Interactive Workshops and Webinars, 2. Stakeholder Forums and Focus Groups, 3. Peer Learning Networks, 4. User-Friendly Resources, 5. Mentorship Programs, 6. Collaborative Projects with Academic Institutions, 7. Feedback Mechanisms, 8. Recognition and Awards, 9. Community Engagement Initiatives.	The Secretariat will consider the recommendations that are within the ASB's mandate (e.g. workshops and webinars, forums and focus groups) and share with the OAG and professional bodies other recommendations that are not (e.g. mentorship programmes, recognition and awards).

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
	By undertaking their activities, the ASB can further enhance stakeholder engagement, provide valuable support, and ensure the effective application of the Standards of GRAP across various sectors.	
Question 6 **Emerging issues** **(a) Are you aware of specific local stakeholders or groups that we should consult on the IPSASB SRS?** **(b) Are there any other emerging issues the Board should consider? Please provide an indication of what the Board should do, e.g. research, publish a paper, etc.**		
6.1	**Danie Nolte (CIGFARO Research and Advisory Centre (C-RAC))**	
6.1.1	A specific response was submitted to question 3.	N/A
6.2	**Mossel Bay Municipality**	
6.2.1	The Mossel Bay Municipality has perused the Exposure Draft 211 Issued by the Accounting Standards Board and has no comments to submit.	Noted
6.3	**Free State Provincial Treasury**	
6.3.1	(a) – (b) No	Noted
6.4	**Free State Provincial Treasury: Risk and Internal Audit**	
6.4.1	(a) – (b) No comment	Noted
6.5	**Free State COGTA**	
6.5.1	(a) – (b) The Department does not have any comments	Noted
6.6	**SAICA**	
6.6.1	(a) SAICA has a Sustainability Technical Committee with an objective to support SAICA to respond to various current and emerging sustainability aspects relating to its members, associates and other stakeholders as identified by SAICA. This Committee is comprised of members who are experts in sustainability and sustainability reporting. The ASB can consider consulting this Committee on matters relating to sustainability reporting.	The Committee was consulted with the IPSAS SRS ED 1 and will be consulted through SAICA for future IPSASB sustainability EDs.
6.6.2	(b) SAICA has not identified other emerging issues except for the comments under questions 2 and 4 above.	Noted.

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
6.7	**AGSA Eastern Cape Business Unit**	
6.7.1	(a) – (b) None identified	Noted
6.8	**AGSA Free State**	
6.8.1	(a) Municipalities and consultants assisting municipalities with preparation of the AFS.	
6.8.2	(b) None identified.	Noted.
6.9	**AGSA National A**	
6.9.1	(a) No	Noted
6.9.2	(b) Not that I am aware of.	Noted
6.10	**AGSA National C**	
6.10.1	(a) We have an audit team on international clients using IPSAS, but Sustainability Reporting is currently not audited, thus cannot be consulted.	Noted.
6.10.2	(b) None	Noted
6.11	**AGSA Northern Cape**	
6.11.1	(a) No	Noted
6.11.2	(b) None	Noted
6.12	**Eastern Cape Provincial Treasury**	
6.12.1	Question not responded to	N/A
6.13	**Amo Matebese (Personal capacity)**	
6.13.1	Question not responded to	N/A
6.14	**SANSA**	
6.14.1	None	Noted
6.15	**Road Traffic Management Corporation**	
6.15.1	(a) – (b) Question not responded to	N/A
6.16	**SITA Soc Ltd**	

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
6.16.1	(a) – (b) No	Noted
6.17	**Siyabonga Bekwa (personal capacity)**	
6.17.1	(a) – (b) No	Noted
6.18	**Deeds Registration Trading Entity**	
6.18.1	Question not responded to	N/A
6.18	**Abraham (personal capacity)**	
6.18.1	(a) – (b) No	Noted
6.19	**EWSETA**	
6.19.1	(a) – (b) None	Noted
6.20	**Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities**	
6.20.1	(a) – (b) No	Noted
6.21	**Council for Medical Schemes**	
6.21.1	(a) MS has workgroup on ESG reporting.	The work group will be considered for future IPSASB sustainability EDs.
6.21.2	No	Noted
6.22	**Russell - Advisor**	
6.22.1	(a) – (b) Nothing	Noted
6.23	**Bukiwe Fokazi**	
6.23.1	(a) No	None
6.23.2	(b) No. What the Board has done is enough. Focus should be on implementation now and monitoring and review.	Noted.
6.24	**Michelle Greyling - personal capacity**	
6.24.1	(a) No; (b) None	Noted
6.25	**ECSECC**	

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
6.25.1	(a) – (b) questions not responded to	N/A
6.26	**Mubesko Africa**	
6.26.1	(a) – (b) questions not responded to	N/A
6.27	**Sona Abraham (personal capacity)**	
6.27.1	(a) None; (b) None at the moment	Noted
6.28	**National Research Foundation**	
6.28.1	(a) None at the moment.	Noted
6.28.2	(b) Technological impact, solar energy impact etc research and publish as well as more interactive sessions.	A project has been added to the indicative 3-year work programme on sustainability-related uncertainties in the financial statements. Any narrow scope amendments to IFRS Accounting Standards and IPSAS will be considered in the Improvements project. Further guidance may be developed by the Secretariat.
6.29	**Patisa Tetyana (personal capacity)**	
6.29.1	(a) – (b) No	Noted
6.30	**Mojalefa Procurement and Financial Consultants Pty Ltd**	
6.30.1	(a) National Treasury, FIC and Chartered Institute of Business Accountants (CIBA) By consulting with these stakeholders, the ASB can ensure that the IPSASB SRS are relevant, practical, and aligned with the needs and expectations of the local context.	The stakeholders will be considered for future IPSASB sustainability EDs.
6.30.2	(b) <u>Climate Change and Environmental Impact</u>: Action: Conduct research and publish a paper on the financial implications of climate change and environmental impact on public sector entities. This could include guidance on how to account for and disclose climate-related risks and opportunities. <u>Digital Transformation and Cybersecurity</u>: Action: Develop guidelines or a framework for accounting and reporting on digital transformation initiatives and cybersecurity measures. This could involve conducting a survey to understand current practices and challenges faced by public sector entities.	A project has been added to the indicative 3-year work programme on sustainability-related uncertainties in the financial statements. Any narrow scope amendments to IFRS Accounting Standards and IPSAS will be considered in the Improvements project. Further guidance may be developed by the Secretariat. The Secretariat will consider publishing a joint communication with the OAG on the local stance of

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
	Social Impact and Equity: Action: Publish a paper on the social impact of government programs and initiatives, focusing on equity and inclusion. This could include case studies and best practices for measuring and reporting on social outcomes. Sustainable Development Goals (SDGs): Action: Facilitate discussions and workshops on how public sector entities can align their financial reporting with the SDGs. This could involve developing a toolkit or guidance document to help entities integrate SDG reporting into their financial statements. Public-Private Partnerships (PPPs): Action: Conduct research and publish a paper on the accounting and reporting challenges associated with PPPs. This could include guidance on how to recognize, measure, and disclose PPP arrangements in financial statements. Blockchain and Distributed Ledger Technology: Action: Explore the potential impact of blockchain and distributed ledger technology on public sector accounting and reporting. This could involve conducting a pilot project or publishing a research paper on the opportunities and challenges of using blockchain in financial reporting. Integrated Reporting: Action: Develop guidelines or a framework for integrated reporting in the public sector. This could involve conducting a survey to understand current practices and publishing a paper on the benefits and challenges of integrated reporting. Data Analytics and Artificial Intelligence: Action: Publish a paper on the use of data analytics and artificial intelligence in public sector financial reporting. This could include case studies and best practices for leveraging these technologies to improve transparency and decision-making. By addressing these emerging issues, the Board can ensure that the Standards of GRAP remain relevant and responsive to the evolving needs of public sector entities and stakeholders.	sustainability reporting, and what entities may consider in the current environment.
Question 7		

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
Other feedback **Is there any other feedback you wish to provide the Board that is relevant to its standard-setting activities for the 2027 – 2029 work programme? Please provide details and suggestions.**		
7.1	**Danie Nolte (CIGFARO Research and Advisory Centre (C-RAC))**	
7.1.1	A specific response was submitted to question 3.	N/A
7.2	**Mossel Bay Municipality**	
7.2.1	The Mossel Bay Municipality has perused the Exposure Draft 211 Issued by the Accounting Standards Board and has no comments to submit.	Noted
7.3	**Free State Provincial Treasury**	
7.3.1	None	Noted
7.4	**Free State Provincial Treasury: Risk and Internal Audit**	
7.4.1	No comment	Noted.
7.5	**Free State COGTA**	
7.5.1	The Department does not have any comments	Noted
7.6	**SAICA**	
7.6.1	SAICA generally supports the proposals in ED 211 and the specific matters for consideration by the ASB have been included in our recommendations. SAICA further agrees with and supports the ASB's focus on supporting the application of Standards of Generally Recognised Accounting Practice (Standards of GRAP) while maintaining the existing suite of Standards of GRAP, and, to a lesser extent, developing new reporting requirements.	Noted.
7.6.2	SAICA notes and appreciates that the ASB remains focused on promoting the adoption of accrual accounting with the Minister of Finance. However, SAICA calls for greater transparency by the ASB on the activities being undertaken to promote the transition of departments to accrual accounting. SAICA notes that in terms of section 89(1)(a)(i) of the Public Finance Management Act, 1999 (PFMA), the ASB must set standards of generally recognised accounting practice for the annual financial statements of departments. However, over the years, the Minister of	The ASB's activities to support accrual adoption by departments are not considered standard-setting activities and therefore not included in the work programme. Information on these activities are included in the strategy, APP and annual report.

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
	Finance has consistently granted departments an exemption from applying the accrual based generally recognised accounting practice leading to significant delays in departments transitioning to accrual accounting. SAICA further notes that in ED 211 the ASB has indicated that promoting the adoption of accrual accounting with the Minister of Finance remains its key priority. However, it is unclear from ED 211 how the ASB is or intends on promoting the adoption of accrual accounting with the Minister of Finance. The ASB should include in the Work Programme details of how the advocacy on the transition of departments to accrual accounting with the Minister of Finance will take place. This will enable transparency of the ASB's activities in advocating for the transition of departments to accrual accounting.	
7.7	**AGSA Eastern Cape Business Unit**	
7.7.1	The ASB should consider Directive 7, as some entities using the fair value (FV) method to measure assets and investment properties face high valuation costs. A directive allowing a switch from FV to the cost method would help reduce this financial burden.	The Board developed Directive 7 with a specific scope explained in the Directive. It is not considered appropriate to extend the applicability of the Directive. The Secretariat will consider communication material on selecting and changing accounting policies.
7.8	**AGSA Free State**	
7.8.1	None	Noted
7.9	**AGSA National A**	
7.9.1	The ASB should consider developing a standard that will provide guidance on the application and recognition of deferred revenue as this is an area that is not guided by any specific standard.	The Board previously determined it will include a project on revenue in the work programme. The issue will be incorporated in the project.
7.10	**AGSA National C**	
7.10.1	None	Noted
7.11	**AGSA Northern Cape**	
7.11.1	No further feedback.	Noted
7.12	**Eastern Cape Provincial Treasury**	

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
7.12.1	Question not responded to	N/A
7.13	**Amo Matebese (Personal capacity)**	
7.13.1	Question not responded to	N/A
7.14	**SANSA**	
7.14.1	Keep up the good work	Noted
7.15	**Road Traffic Management Corporation**	
7.15.1	None	Noted
7.16	**SITA Soc Ltd**	
7.16.1	No	Noted
7.17	**Siyabonga Bekwa (personal capacity)**	
7.17.1	Interactive sessions for on going projects.	The Secretariat will consider the suggestion in developing a communication strategy and plan.
7.18	**Deeds Registration Trading Entity**	
7.18.1	Question not responded to	N/A
7.18	**Abraham (personal capacity)**	
7.18.1	Simplicity of financial reporting, users are usually not financial literate	The Board has a project from 2025/26 to develop education material for users, which will explain the information in the financial statements.
7.19	**EWSETA**	
7.19.1	None	Noted
7.20	**Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities**	
7.20.1	No	Noted
7.21	**Council for Medical Schemes**	
7.21.1	No	Noted

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
7.22	**Russell - Advisor**	
7.22.1	Nothing	Noted
7.23	**Bukiwe Fokazi**	
7.23.1	No	Noted
7.24	**Michelle Greyling - personal capacity**	
7.24.1	None	Noted
7.25	**ECSECC**	
7.25.1	Thank you for these sessions and the work you are doing.	Noted
7.26	**Mubesko Africa**	
7.26.1	Questions not responded to	N/A
7.27	**Sona Abraham (personal capacity)**	
7.27.1	Nothing else to add.	Noted
7.28	**National Research Foundation**	
7.28.1	None	Noted
7.29	**Patisa Tetyana (personal capacity)**	
7.29.1	No	Noted
7.30	**Mojalefa Procurement and Financial Consultants Pty Ltd**	
7.30.1	Enhanced Stakeholder Engagement: Suggestion: Consider establishing a dedicated stakeholder advisory committee to provide continuous feedback on the development and implementation of standards. This committee could include representatives from various sectors, including government, private sector, academia, and civil society. Rationale: Continuous engagement with a diverse group of stakeholders can ensure that the standards remain relevant and responsive to the needs of all users. International Collaboration:	The Public Sector Accounting Forum is established to (a) share developments in accounting and reporting both locally and internationally; and (b) discuss issues related to financial accounting and reporting in the South African public sector in the context of the Standards of GRAP issued by the ASB; and "generally recognised accounting practice" as determined by the National Treasury for entities which currently do not

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
	Suggestion: Strengthen collaboration with international standard-setting bodies, such as IPSASB and IFRS Foundation, to stay updated on global best practices and emerging trends. Rationale: By aligning with international standards and incorporating global best practices, the ASB can ensure that the Standards of GRAP are robust and globally recognized. <u>Technology Integration:</u> Suggestion: Explore the integration of technology, such as blockchain and artificial intelligence, in financial reporting and standard-setting processes. Consider publishing research papers or conducting pilot projects on the use of these technologies. Rationale: Leveraging technology can enhance the accuracy, transparency, and efficiency of financial reporting, and position the ASB as a forward-thinking leader in the field. <u>Capacity Building and Training</u>: Suggestion: Develop comprehensive training programs and workshops for preparers, auditors, and users of financial statements to build capacity and ensure a thorough understanding of the Standards of GRAP. Rationale: Ongoing training and capacity building can improve the quality of financial reporting and ensure that stakeholders are well-equipped to apply the standards effectively. <u>Monitoring and Evaluation</u>: Suggestion: Implement a robust monitoring and evaluation framework to assess the effectiveness of the standards and identify areas for improvement. Consider conducting regular reviews and publishing reports on the findings. Rationale: Continuous monitoring and evaluation can help ensure that the standards are achieving their intended objectives and provide insights into areas that may require further attention. <u>Public Awareness and Education</u>: Suggestion: Launch public awareness campaigns to educate the broader community about the importance of transparent and accountable financial reporting. Utilize various media channels, including social media, to reach a wide audience.	apply Standards of GRAP. Project-specific project groups are also established. The Secretariat will seek opportunities to raise awareness about ongoing projects and invite stakeholder participation. The Secretariat will also assess how the Knowledge Hub can be utilised for this purpose. The ASB has strong and direct relationships with the IPSASB, and keeps up-to-date of private sector developments through various means. The maintenance of these relationships will remain a priority in the 2027 to 2029 period. Although the ASB does not have a mandate to provide training, it will allocate resources to support the OAG develop and maintain material for the GRAP Knowledge Hub, as well as to support the National School of Government in developing training material on GRAP. Recommendations will also be shared with professional bodies. The ASB conducted an M&E review for the first time in 2024 and incorporated the outcomes in the 2026 to 2030 strategy. The feedback will also be considered in finalising the 2027-2029 work programme. M&E reviews will be conducted in future to inform the development of future strategies. The Secretariat will consider awareness and education activities in developing a communication strategy and plan.

NO.	COMMENT	SECRETARIAT'S PROPOSED RESPONSE
	Rationale: Increasing public awareness can build trust in financial reporting and encourage greater accountability in the public sector. By considering these suggestions, the ASB can further enhance its standard-setting activities and ensure that the Standards of GRAP continue to meet the needs of stakeholders and support the overall goal of transparent and accountable financial reporting.	