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TO: MEMBERS OF THE TECHNICAL COMMITTEE

FROM: ELIZNA VAN DER WESTHUIZEN

SUBJECT: EDUCATION MATERIAL FOR PREPARERS - PLAN FOR 2025/26

DATE: 19 JUNE 2025

FILE REF: ATTACHMENT 6(a)

BACKGROUND AND PURPOSE OF THIS MEMORANDUM

1. The Board approved quarter 1 of the 2025/26 plan for *Education Material for Preparers* in March 2025. As agreed with the Board, the Secretariat has since finalised the proposed plan for quarters 2 to 4 after considering the feedback from stakeholders on the work programme consultation.

2. The purpose of this memorandum is:

   (a) to discuss the proposed plan on education material for preparers for 2025/26 (attachment 6(b)); and

   (b) for the Technical Committee to consider the proposed plan and, if appropriate, recommend quarters 2 to 4 to the Board for approval.

PROPOSED PLAN 2025/26 ON EDUCATION MATERIAL PUBLISHED FOR PREPARERS

3. The Secretariat updated the analysis of the considerations in developing the plan (presented to the Technical Committee and Board in March 2025) with feedback from the ASB's work programme consultation. The analysis is included in Appendix A of this memorandum. The topics that were considered feasible to include are added to the plan – see attachment 6(b).

ACTION REQUESTED

The Technical Committee is requested to:

(a) REVIEW the proposed plan for 2025/26; and

(b) If deemed appropriate, RECOMMEND the proposed plan for quarters 2 to 4 to the Board for approval.

NEXT STEPS

4. The Board will consider the proposed plan for quarters 2 to 4 in July 2025. Progress against the plan will be reported to the Technical Committee on a quarterly basis.

Appendix A

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

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

Theme	Topic	Considerations	Included / not included
		• An overview of the reporting framework for 2024/25 onwards.	
	GRAP 3 *Accounting Policies, Changes in Accounting Estimates and Errors* – change in accounting policy vs. prior period error	Preparers are unsure when to treat a change in their accounting policies as a change in policy or a prior period error. Develop material that explains the difference with reference to the guidance in GRAP 3.	Included in the 2025/26 plan – quarter 3.
	GRAP 17 *Property, Plant and Equipment* – difference between asset management and reporting on assets	As the Secretariat is unable to provide guidance related to asset management issues, the topic may be better suited as material for the Knowledge Hub and will be shared with the OAG.	Not included.
The ASB and its work	Types of projects undertaken by the ASB	Develop content that explains the different types of projects undertaken by the ASB and when they are undertaken in the standard-setting process.	Included in the 2025/26 plan – quarter 2.
	The ASB Due Process handbook	Develop content that explains the ASB's due process and how our stakeholders can be involved in projects.	Included in the 2025/26 plan – quarter 2.
	From GRAP 20 review – develop a placemat on ASB pronouncements	Explain the different types of pronouncements issued by the Board & Secretariat and how each should be used.	Included in the 2025/26 plan – quarter 2.
Publications of other organisations	JSE proactive monitoring report feedback	The key issues were addressed in the 2024/25 plan – developing accounting policies, presenting the cash flow statement, preparing quality financial statements.	Not included.
Outcomes of ASB projects	Measurement initial research	Impairment indicator assessment per GRAP 21 and GRAP 26 – explain how the indicators are intended to be applied.	Included in the 2025/26 plan – quarter 4.
		Applying indicators for impairment and depreciation (changes in useful lives and residual values) [Explaining the interaction].	Included in the 2025/26 plan – quarter 4.
		Develop content that explains the distinction between cash-generating and non-cash-generating items for impairment.	Included in the 2025/26 plan – quarter 4.

Theme	Topic	Considerations	Included / not included
	GRAP 104 *Financial Instruments* readiness	Explanation of resources available on the website on Adoption of GRAP 104 and reference to the Knowledge Hub.	Included in the 2025/26 plan – quarter 1.
ASB work programme consultation 2027 – 2029	GRAP 20 and GRAP 25: preparers provide information at a too aggregated level for specific users (Reserve Bank and National Treasury) to obtain the information they need from the financial statements	Explanation of what it means to consider user needs when preparing financial statements: • General purpose financial reports • Consider objectives of specific Standards of GRAP, such as GRAP 20 and GRAP 25 • Comply with all the requirements of the Standards • Apply materiality • Information may be provided outside the AFS if needed by specific users	Included in the 2025/26 plan – quarter 3.
	Entities should be encouraged to apply the cost model for infrastructure assets / Guidance is needed on how to amend accounting policies so that it is not considered an error.	Explain how entities should select appropriate accounting policies, and what the considerations are for entities to change accounting policies.	Included in the 2025/26 plan – quarter 3.
	Going concern – there are further considerations to what is in GRAP 1	Raise awareness of the amendments to GRAP 1 and the related Fact Sheet once the Minister of Finance determines the effective date.	Consider in future. Not included for 2025/26.
	Repairs and maintenance disclosures in the asset-related Standards are not complied with and awareness is needed.	Raise awareness of the requirements to disclose information on repairs and maintenance of assets in the notes and how this may differ from information in the statement of financial performance.	Included in the 2025/26 plan – quarter 4.
	Guidance is needed on distinguishing between provisions and contingent	Explain the difference between a provision and a contingent liability in GRAP 19.	Included in the 2025/26 plan – quarter 3.

Theme	Topic	Considerations	Included / not included
	liabilities. This is a difficult area that often leads to disagreements with auditors.		
	The identification and separate disclosure of reserves in the statement of changes in net assets or the notes at municipalities is misleading to users.	Explain the requirements in the Standards of GRAP regarding reserves, as communicated in the 2018 report following the Board's research on presentation of information in the statement of financial performance.	Included in the 2025/26 plan – quarter 4.