



240 Madiba Street
Pretoria
0002
Tel.
Fax. 011 697 0666
www.asb.co.za

TO: MEMBERS OF THE BOARD
FROM: SIYASANGA NONDLAZI
SUBJECT: PROPOSED AMENDMENTS TO THE DIRECTIVE ON *DETERMINING THE GRAP REPORTING FRAMEWORK (DIRECTIVE 5)*
DATE: 3 April 2024
FILE REF: ATTACHMENT 6(a)

BACKGROUND TO THE EXPOSURE DRAFT

1. Stakeholders have inquired about the potential implications of pronouncements that are not yet effective, as well as those from other standard-setters on the GRAP Reporting Framework. The Secretariat developed Frequently Asked Questions (FAQs) to address these queries and explain these principles. The Board resolved to amend the Directive on *Determining the GRAP Reporting Framework (Directive 5)*, to clarify these principles in Directive 5.
2. The purpose of this memorandum is for the Board to consider the proposed ED, and if deemed appropriate, approve the ED.
3. The ED indicates marked-up text of the paragraphs in the Directive where amendments are proposed. The ED includes all the text from Directive 5 to provide stakeholders with the necessary context to comment.

DEVELOPMENT OF THE EXPOSURE DRAFT

4. The 2025/26 reporting framework is included in the ED, based on the current status of pronouncements. The appendix may change based on Ministerial approvals until September 2024, when the Board will approve the 2025/26 framework.
5. The Secretariat discussed the proposed ED with representatives from the Auditor-General of South Africa (AGSA) and the Office of the Accountant General (OAG). The Technical Committee recommended the ED to the Board.
6. The key amendments proposed to Directive 5 are to clarify that:
 - A new Standard of GRAP differs from an amendment to a Standard of GRAP, as it introduces new requirements for a transaction or event. An amendment to a Standard of GRAP modifies existing requirements for a transaction or event.
 - Amendments to Standards of GRAP which the Board has approved but for which the Minister of Finance has not yet determined an effective date shall not be used to

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

develop accounting policies. Entities should continue to apply existing Standards of GRAP as per Directive 5. Entities are only permitted to adopt amendments to Standards of GRAP once an effective date has been determined by the Minister.

- Entities shall not apply any standards and pronouncements issued by other standard setters that are not included in the appendices.

ACTION REQUESTED #1

The Board is requested to REVIEW the ED on a page-by-page basis and, if deemed appropriate, APPROVE the ED.

CONSULTATION

7. The Technical Committee and Board will consider the Reporting Framework for 2025/26 in the second quarter of 2024/2025. The Secretariat recommends that comment on the proposed ED be considered at the same time. Given the limited scope of the proposed amendments, the Secretariat recommends a comment period of two months.

ACTION REQUESTED #2

The BOARD is requested to CONFIRM the comment period of two months.

NEXT STEPS

8. Once approved, the ED will be published for comment.