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TO: MEMBERS OF THE TECHNICAL COMMITTEE
FROM: ELIZNA VAN DER WESTHUIZEN
SUBJECT: WORK PROGRAMME 2023/24 AND MONITORING PERFORMANCE
DATE: 12 FEBRUARY 2023
FILE REF: Attachment 7(a)

1. BACKGROUND AND PURPOSE

The Technical Committee reviews and makes recommendations to the Board on the work programme and any changes made to it. The Technical Committee also reviews progress against the achievement of quarterly targets.

The purpose of this memorandum is for the Technical Committee to:

- Note the work programme 2023/24 and activities for the quarter.
- Consider the composition of the Technical Committee for the July 2024 meeting (to make recommendations to the new Technical Committee).
- Review the projected performance for the quarter that ends 31 March 2024.

2. WORK PROGRAMME 2023/24

2.1 Execution of the work programme

The current work programme reflects the Secretariat's active projects. The work programme reflects all previous decisions of the Board. The ASB's work programme is included as attachment 7(b). The IASB tracking table was last updated in November 2023. The monitoring of the IPSASB's work programme is included as attachment 7(c).

2.2 Changes since the last meeting

No changes are proposed to the work programme in this quarter.

2.3 IPSASB projects

New publications for comment

The IPSASB recently published the following documents for comment:

- ED 86 on *Exploration for and Evaluation of Mineral Resources*; and

Board Members: Ms P Moalusi (Chair), Mr A van der Burgh (Deputy Chair), Mr C Braxton, Ms W de Jager,
Mr D Dlamini, Mr S Khan, Ms A Muller, Ms N Themba
Chief Executive Officer: Ms J Poggiolini

- ED 87 on *Stripping costs in the Production Phase of a Surface Mine (Amendments to IPSAS 12 on Inventory)*.

The Secretariat reached out to the National Treasury and Provincial Accountants-General to identify the public entities that may be involved in mining activities. The Secretariat identified a number of public entities that have mining activities. All of these entities apply IFRS Accounting Standards. Since the IPSASB EDs propose alignment with IFRS equivalent pronouncements, these entities may have insight into whether the IPSASB proposals will be useful in the public sector.

Because no GRAP entities have to date been identified with mining activities, and it is not a prevalent activity in the public sector, the Secretariat proposes to deal with the EDs in the following way:

- Not expose ED 86 and ED 87 as concurrent EDs.
- Aim to meet the IFRS public entities that have mining activities to ask their views on the EDs.
- Submit a staff comment letter to the IPSASB with inputs from an IFRS perspective.

Comment letters due

The Secretariat submitted a comment letter to the IPSASB on *Improvements to IPSAS, 2023* (December 2023).

The Secretariat will submit a comment letter to the IPSASB on *Strategy and Work Program Consultation 2024 to 2028* by 15 February 2024.

Expected comment letters for the rest of the year

There are no EDs anticipated to be published for the remainder of 2023/24.

Changes to the IPSASB's work programme

There were three changes to the IPSASB's work programme from the December 2023 meeting:

- a) The expected approval of the Measurement Application Phase ED was extended from March 2024 to June 2024.
- b) The expected approval of the Natural Resources ED was extended from March 2024 to June 2024.
- c) An ED on *Leases* will be developed with illustrative material and consequential amendments to IPSAS 47 *Revenue*. This may be approved at the March 2024 meeting.

ACTIONS REQUESTED #1

The Technical Committee is requested to:

- (a) CONFIRM the Secretariat's proposals related to ED 86 and ED 87; and**
- (b) NOTE the other matters relating to the work programme and the IPSASB's projects.**

3 COMPOSITION OF THE TECHNICAL COMMITTEE

The terms of reference of the Technical Committee states that the Committee has the right to co-opt additional members onto the Committee with the necessary skills as and when needed, and when resources are available.

As some members of the Technical Committee's term comes to an end in February 2024, the Technical Committee is requested to consider whether they would like make a recommendation to the new Technical Committee in this regard.

The planned items on the Technical Committee's agenda for July 2024 are:

- Approval of the Standard of GRAP on *Social Benefits*.
- Possibly consideration of a draft review report on ED 200 *Post-implementation Review of GRAP 109 Accounting by Principals and Agents*.
- Consideration of the results of the review of GRAP 20 *Related Party Disclosures*.

ACTIONS REQUESTED #2

The Technical Committee is requested to CONSIDER if there are any recommendations to the new Technical Committee on the composition of the Technical Committee for the July 2024 meeting.

4 PROJECTED PERFORMANCE FOR THE QUARTER ENDING 31 MARCH 2024

4.1 Performance for the quarter

The Secretariat compiled information on projected results for the quarter ending 31 March 2024. A high level dashboard is presented in Table 1 below. The comprehensive performance information for the year to date is available in Table 2.

The targets for the quarter are likely to be met, with the exception of the submission of an article. The annual target is met. The Secretariat is working on articles related to ED 207 *Post-implementation Review of GRAP 108 Statutory Receivables*. These may be submitted by March 2024.

Two of the quarterly targets will be exceeded, subject to the Minister of Finance appointing the new Board in time to meet in March 2024:

- The review of the results of the post-implementation review of GRAP 109 *Accounting by Principals and Agents* (ED 200) was delayed by one quarter to March 2024.
- The Board agreed to issue an Exposure Draft on *Proposed Amendments to Directive 5 on Determining the GRAP Reporting Framework*.

The Secretariat plans to publish all the recordings for *Enhancing the Application of Standards of GRAP* on YouTube in March 2024. The slides for the recordings will be made available on the ASB website. The plan is included as attachment 7(d).

Raising awareness of Enhancing the Application of Standards of GRAP

The Secretariat's social media plan for January to March 2024 includes a series of posts to raise awareness about the content from this project. The AGSA will be tagged in the posts with the aim of the AGSA reposting them on their platforms. The Secretariat raised further awareness of the recordings published on YouTube at workshops and Forums. The Secretariat has also reached out to the National School of Government so that they can consider using the material.

The project is a standing item on the agenda of the trilateral meeting. The AGSA is raising awareness of the content with auditors internally and plan to include it in their training material. They have further included a link to the content on their website.

The Secretariat tested with the Public Sector Accounting Forum (PSAF) in February 2024 whether they are aware of the initiative and access the content. The results showed that 40% of PSAF members were not aware of the content. The Secretariat will continue to raise awareness and share links to the material on social media platforms, the Newsletter and outreach events.

4.2 Performance for the year

The Secretariat is on track to achieve the annual targets without exception:

- The 2023/24 APP did not include a target for the approval of the Standard of GRAP on *Social Benefits* by March 2024. The extension of the consultation period on ED 205 *Social Benefits* did therefore not impact the annual target for indicator “*Number of pronouncements issued as identified in the work programme for the year*”.
- It is expected that this target will be exceeded by the publication of an ED on *Proposed Amendments to Directive 5 on Determining the GRAP Reporting Framework*.

ACTIONS REQUESTED #3

The Technical Committee is requested to NOTE the projected performance for the quarter and year:

- (a) Dashboard report in Table 1.**
- (b) Projected progress against achieving the targets for the year in Table 2.**

[Targets not met are highlighted in red.]

Table 1 – Projected dashboard report for quarter ended 31 March 2024

Outputs	Target	Variance
Maintain and enhance existing Standards of GRAP and develop new Standards where gaps are identified		
No. of pronouncements issued as identified in the work programme for the year	Overachieved	The Board agreed to propose amendments to Directive 5 on <i>Determining the GRAP Reporting Framework</i> , which was not included in the targets.
Undertake research to ensure Standards of GRAP respond to broader financial reporting needs		
No of reviews issued for consultation, and/or completed and/or research reports published	Overachieved	The timetable for the post-implementation review of GRAP 109 <i>Accounting by Principals and Agents</i> was delayed by 3 months in prior periods due to staff constraints. This meant a delay of one quarter in considering the results of the review.
Influence development of international Standards		
No. of international board meetings attended (virtually or physically)	Achieved	None
Percentage of relevant IPSASB Exposure Drafts commented on within the comment period set by IPSASB	Achieved	None
Percentage of IASB Exposure Drafts that are relevant to the Public Sector commented on within the comment period set by IASB	Not applicable	None
Facilitate and encourage stakeholder engagement and support		
Percentage of FAQs issued to respond to issues raised by stakeholders within the approved timeframe from date of identification of the need to develop a FAQ	Achieved	None
No. of Accounting Forum meetings held	Achieved	None
No. of articles on different topics to continue awareness raising amongst stakeholders	Not achieved	No articles are expected to be submitted. The annual target is met.
No. of meeting highlights issued after Board meetings to create awareness of new developments	Achieved	None
Percentage of outputs met in the work plan for the reference group	Achieved	None
Percentage of outputs met in communication plan for Enhancing the Application of the Standards of GRAP	Achieved	None

TABLE 2 – REPORT ON PROGRESS AGAINST ACHIEVEMENT OF TARGETS FOR THE YEAR ENDED 31 MARCH 2024

Strategic objective	Measurable indicator	Target	Quarterly performance targets							
			1 st		2 nd		3 rd		4 th	
		Total	Target	Actual	Target	Actual	Target	Actual (Projected)	Target	Actual
Maintain and enhance existing Standards of GRAP and develop new where gaps identified	No. of pronouncements issued as identified in the work programme for the year	5	0	0	4	4	1	1	0	1
						ED on <i>Social Benefits</i> Reporting framework 2024/25 Improvements 2022 IGRAP 22 <i>Foreign Currency Transactions and Advance Consideration</i>		Final Standards of GRAP on Transfer of Functions and Mergers (GRAP 105 to GRAP 107)		Exposure Draft on Proposed Amendments to Directive 5 <i>Determining the GRAP Reporting Framework</i>
Undertake research to ensure Standards of GRAP respond to broader financial reporting needs	No. of reviews issued for consultation, and/or completed and/or research reports published	2	0	0	0	0	2	1	0	1
								Invitation to Participate in the Post-implementation Review of GRAP 108 <i>Statutory Receivables</i>		Results of Post-implementation Review of GRAP 109 <i>Accounting by Principals and Agents</i>

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			1 st		2 nd		3 rd		4 th	
		Total	Target	Actual	Target	Actual	Target	Actual (Projected)	Target	Actual
Influence the development of international Standards	No. of international board meetings attended (virtually or physically)	4	1	1	1	1	1	1	1	1
				A van der Burgh and E van der Westhuizen attended June meeting.		A van der Burgh and E van der Westhuizen attended September meeting.		A van der Burgh and E van der Westhuizen attended December meeting.		A van der Burgh and E van der Westhuizen to attend March meeting.
	Percentage of relevant IPSASB Exposure Drafts commented on within the comment period set by IPSASB	100%	100%	100%	100%	N/A	100%	N/A	100%	100%
				Comment letter on ED 84 <i>Concessionary Leases and Right-of-use Assets in-kind.</i>		No relevant Exposure Drafts		No relevant Exposure Drafts		Comment letter on ED 85 <i>Improvements to IPSAS, 2023</i> Comment letter on IPSASB Strategy and Work Program 2024-2028
	Percentage of IASB Exposure Drafts that are relevant to the Public Sector commented on within the comment period set by the IASB	100%	100%	Not applicable	100%	100%	100%	N/A	100%	N/A
				No projects of public sector concern.		Comment letter on changes to International Valuation Standards		No relevant Exposure Drafts		No relevant Exposure Drafts

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			1 st		2 nd		3 rd		4 th	
		Total	Target	Actual	Target	Actual	Target	Actual (Projected)	Target	Actual
Facilitate and encourage stakeholder engagement and support	Percentage of FAQs issued to respond to issues raised by stakeholders within the approved timeframe from date of identification of the need to develop the FAQ	100%	100%	Not applicable	100%	Not applicable	100%	Not applicable	100%	100%
				No FAQs identified for the period.		No FAQs identified for the period.		No FAQs identified for the period.		Updated FAQs for 2023/24 reporting framework and issues identified by the PSAF and through queries. New FAQs planned to be issued as an outcome of the revision of GRAP 105 to GRAP 107, and on the use of the Conceptual Framework.
	No. of accounting forum meetings	8	2	2	2	2	2	2	2	2
				May and June meetings held.		July and September meetings held		October and November meetings held		February meeting held March meeting scheduled
	No of articles on different topics to continue awareness raising amongst stakeholders	4	1	3	1	0	1	1	1	0
			SAICA: New era for accountants		No articles submitted		SAIGA: Enhancing the		No articles submitted	

TABLE 2 – REPORT ON PROGRESS AGAINST ACHIEVEMENT OF TARGETS FOR THE YEAR ENDED 31 MARCH 2024

Strategic objective	Measurable indicator	Target	Quarterly performance targets							
			1 st		2 nd		3 rd		4 th	
		Total	Target	Actual	Target	Actual	Target	Actual (Projected)	Target	Actual
				CIGFARO: Fraud & corruption, what financial statements do and do not do SAIGA: GRAP 1 changes on going concern				application of Standards of GRAP An article on the same topic was submitted to SALGA		
	No. of meeting highlights issued after Board meetings to create awareness of new developments	4	1	1	1	1	1	1	1	1
				Issued in April.		Issued in August		Issued in October		Issued in December
	Percentage of outputs met in the work plan for the reference group	100%	100%	0%	100%	200%	100%	100%	100%	100%
				The reference group meeting planned for June 2023 was rescheduled to July 2023.		June 2023 meeting was held in July 2023. September meeting held.		December meeting held. Fact Sheets on the purpose of the disclosures in GRAP 104 approved. Updated Fact Sheet on loan commitments.		Meeting scheduled for March 2024.
	Percentage of outputs met in communication plan for Enhancing the Application of the Standards of GRAP	100%	100%	100%	100%	100%	100%	100%	100%	100%

TABLE 2 – REPORT ON PROGRESS AGAINST ACHIEVEMENT OF TARGETS FOR THE YEAR ENDED 31 MARCH 2024

Strategic objective	Measurable indicator	Target	Quarterly performance targets							
			1 st		2 nd		3 rd		4 th	
		Total	Target	Actual	Target	Actual	Target	Actual (Projected)	Target	Actual
				Recordings on all 6 topics made available on YouTube. One additional recording made available.		Recordings on all 6 topics made available on YouTube.		Recordings on all 6 topics made available on YouTube.		Recordings on all 4 topics planned to be made available on YouTube.