



PROJECT BRIEF FOR APPROVAL				
Name of project	Improvements to the Standards of GRAP 2026			
Project timeframe	Commence in Quarter 2 2024/25 Finalisation in Quarter 4 2025/26			
Project manager	S Nondlazi			
Complexity of project	The project is not complex as it requires minor, non-urgent amendments to the Standards of GRAP, including considering the IPSASB's and IASB's improvements that were undertaken since the Board's last Improvements project in 2023. Stakeholders will be consulted on the changes to be included in the project.			
Rating	Urgency	High	Medium	Low
	Impact	High	Medium	Low
	Resources required	High	Medium	Low
PROJECT OVERVIEW				
Area of consideration	Comment			
<i>Project outcome</i>				
Project objective	<p>The purpose of the project is to develop an Exposure Draft to:</p> <ul style="list-style-type: none"> propose minor, non-urgent amendments to the Standards of GRAP following improvements undertaken by the IPSASB and IASB since the Board's last Improvements project in 2022/23; propose minor, non-urgent clarifications to the principles in the Standards of GRAP based on feedback received from stakeholders; and propose minor, non-urgent changes to the Standards of GRAP to ensure consistency between the Standards. <p>Once effective, the amendments are included in the Standards of GRAP.</p>			
Key issues that need to be addressed as part of this project	<p><i>Scope</i></p> <p>The proposed improvements to the Standards of GRAP will be developed based on:</p> <ol style="list-style-type: none"> <i>Improvements to IPSAS 2023;</i> <i>guidance on infrastructure assets in IPSAS 45 Property, Plant and Equipment;</i> <i>guidance on Collective and individual services in IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets;</i> 			



	<p>(d) outcomes of local projects such as the GRAP 20 <i>Related Party Disclosures</i> desktop review and amendments to Directive 5 on <i>Determining the GRAP Reporting Framework</i>;</p> <p>(e) improvements and other narrow-scope amendments undertaken by the IASB (not included in IPSAS Improvements projects);</p> <p>(f) other changes to Standards of GRAP to ensure consistency between the Standards, including changes from past Board decisions; and</p> <p>(g) comment received from stakeholders.</p> <p>Amendments are only made to those Standards of GRAP for which an effective date has been determined by the Minister of Finance.</p> <p><i>Nature of output to be developed</i></p> <p>An Exposure Draft of the proposed Improvements to the Standards of GRAP will be developed to obtain comment on the proposals.</p> <p><i>Previous deliberations by the Board</i></p> <p>Board decisions to consider amending certain Standards of GRAP as part of the improvements project that were deliberated at Board meetings, among others, are reflected in an internal summary. These include the desktop review on related party disclosures and amendments to GRAP 3 on <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> due to responses received on ED 208 on amendments to Directive 5.</p> <p><i>Guidance developed by the Secretariat in response to issues raised by stakeholders</i></p> <p>No guidance developed by the Secretariat in response to issues raised by stakeholders.</p>
	<p><i>Key issues to be considered</i></p> <p>The following will be considered as part of the project:</p> <p>(a) final improvements to IPSAS as per the IPSASB's <i>Improvements to IPSAS 2023</i>;</p> <p>(b) improvements and other narrow-scope amendments undertaken by the IASB since the Board's last Improvements project, including the following, unless they have been included in the IPSASB's Improvements to IPSAS projects:</p> <ol style="list-style-type: none"> 1. Annual Improvements to IFRS Standards 2021 – 2023 Cycle; 2. IASB approved narrow-scope amendments: <ol style="list-style-type: none"> 2.1. Improvements to IAS 7 - Cost method 2.2. Improvements to IFRS 7 - Credit Risk Disclosures (Amendments to Illustrative examples) 2.3. Improvements to IFRS 10 - Determination of a "de facto agent"

	<p>2.4. Improvements to IFRS 7 - Disclosure of deferred difference between fair value and transaction price (Amendments to illustrative guidance)</p> <p>2.5. Improvements to IFRS 7 - Gain or loss on derecognition</p> <p>2.6. Improvements to IFRS 9 - Derecognition of lease liabilities (lessee)</p> <p>2.7. Improvements to IFRS 9 - Transaction price</p> <p>(c) IFRIC agenda decisions from the previous Improvements project</p> <p>(d) changes to Standards of GRAP to ensure consistency between the Standards;</p> <p>(e) the issues noted on the “internal summary of issues to be considered during the next improvements project” that reflect Board decisions to amend certain Standards, as well as comments raised during engagements with stakeholders, for example, the Public Sector Accounting Forum, email queries, discussions at workshops, roundtables, etc.;</p> <p>(f) IPSAS 45 guidance on infrastructure assets; and</p> <p>(g) IPSAS 19 guidance on collective and individual services.</p> <p>The project will also consider any final pronouncements of the IPSASB and IASB issued after the approval of the project brief if considered relevant.</p>
Environment	
Legislation or regulatory requirements affecting the project	None.
Existing accounting guidance in the Standards of GRAP, IPSAS or IFRS Accounting Standards	<ul style="list-style-type: none"> • <i>Improvements to IPSAS 2023;</i> • Improvements undertaken by the IASB as part of its 2021-2023 cycle of Improvements to IFRS Accounting Standards; • Narrow-scope amendments issued by the IASB; • IPSAS 19 guidance on collective and individual services; and • IPSAS 45 guidance on infrastructure assets.
Practices in other countries	Not applicable.
Use of experts	It is not anticipated that an expert will be necessary.
Stakeholders	
Entities in the public sector affected by this project	All entities in the public sector that apply Standards of GRAP.
Key stakeholders to be consulted during the development of the project	<p>Stakeholder participation will include both preparers and users of the financial statements.</p> <p><i>Preparers</i></p>



	<p>A representative group of preparers from public entities, local government, Parliament and legislatures, and TVET and CET colleges.</p> <p>Consultants involved in the preparation of financial statements on behalf of these entities.</p> <p><i>Users</i></p> <p>National Treasury: Office of the Accountant-General.</p> <p><i>Auditors and other Technical Specialists</i></p> <p>Audit firms (specifically technical divisions).</p> <p>COGTA – support team for municipalities.</p> <p><i>Representatives of auditors and accountants</i></p> <p>Professional bodies (including e.g. SAICA, CIGFARO, SALGA, SAIPA, SAIGA and CIAGOL).</p>
<p>Key stakeholders to be consulted as part of the <u>public consultation</u> process</p>	<p>A public consultation process will be followed after the Board has approved an Exposure Draft of proposed improvements to the Standards of GRAP.</p> <p><i>General consultation</i></p> <p>Preparers, auditors, consultants, and other representative bodies involved in the preparation and audit of financial statements, that are prepared using Standards of GRAP, will be consulted.</p> <p>Stakeholders in all nine provinces and all types of affected entities will be targeted. This will include consultations through the public sector accounting forum and CFO Forums, where possible.</p> <p><i>Targeted consultations</i></p> <p>Provincial Accountants-General</p> <p>National Treasury – OAG and mSCOA team</p> <p>Users such as municipal officials and councillors, through SALGA or COGTA.</p>
<p>Linkages</p>	
<p>ASB projects</p>	<p>Completed projects that led to Board decisions for matters to be included in the next ASB Improvements projects (decisions are included in the internal summary), such as the review of GRAP 20 on <i>Related Party Disclosures</i> and the review of Directive 5 on <i>GRAP Reporting Framework</i></p>
<p>IPSASB projects</p>	<p><i>Improvements to IPSAS 2023</i></p> <p>IPSAS 45 guidance on infrastructure assets</p> <p>IPSAS 19 guidance on collective and individual services</p>
<p>IASB projects</p>	<p>Annual Improvements to IFRS Standards 2021 – 2023 Cycle.</p> <p>Narrow-scope amendments issued by the IASB.</p>



Local reforms in public financial management	None at present.
<i>Project plan</i>	
Key milestones and timing	See Annexure for roadmap.



Annexure – Road map for Improvements to the Standards of GRAP 2025/26

Milestone		Timing	Stakeholder	Linkages
1.	Consult and develop Proposed Exposure Draft	Q1 2025/26 [April to June 2025]	Develop proposed Exposure Draft.	
2.	Draft Proposed Draft for review and approval	Q1 2025/26 [April to June 2025]	Present for internal review	
			Project group engagements	
			Present to Technical Committee	
			Present to Board	
2.1	Communication material	Q2 2025/26 [July to September 2025]	Present for internal review	
3.	Consultation on Exposure Draft	Q2 2025/26 and Q3 2025/26 [July to December 2025]	Public consultation process	
3.1	Analysis of comment received on Exposure Draft	Q4 2025/26 [Jan to March 2026]	Develop in conjunction with stakeholders identified above	
3.2	Final Improvements		Present for internal review	
			Project group engagements	
			Present to Technical Committee	
			Present to Board	
3.3	Publish communication material	Q1 2026/27 [Apr to June 2026]	Present for internal review	

Document management

Prepared by:	S Nondlazi	29 August 2024
Revised by:		
Approved by:		