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FEEDBACK STATEMENT – ED 214 *PROPOSED STANDARD OF GRAP ON SOCIAL BENEFITS – LIMITED SCOPE AMENDMENTS*

This Feedback Statement outlines feedback received on ED 214 and the Board's responses thereto	**Overview**	The Board developed the *Proposed Standard of GRAP on Social Benefits – Limited Scope Amendments* (ED 214) to respond to comment received on the *Proposed Standard of GRAP on Social Benefits* (ED 205). This Feedback Statement outlines feedback received by the Accounting Standards Board (the Board) on ED 214 and the Board's decisions in approving the final Standard of GRAP on *Social Benefits* (GRAP 111) after considering respondents' comments.
	Consultation process	The Board approved the Exposure Draft in July 2025, with a comment deadline of 14 November 2025. The Board followed a public consultation process in accordance with its Due Process Handbook that is available on the ASB website - Due Process Handbook – ASB.
	Supporting material	The Board's analysis of the verbal and written comment received on ED 214, along with the responses thereto can be accessed on the ASB website.
	Next steps	The Board will proceed with the development of, and public consultation on transitional provisions and a proposed effective date for the implementation of GRAP 111.

ACCOUNTING STANDARDS BOARD

What we heard and the Board's response	
Impact of verification of substantive ongoing eligibility criteria on social benefit liabilities	
Application of the impact of the verification of substantive ongoing eligibility criteria to social security insurance benefit liabilities	Respondents mostly supported the change that the next point of verification of substantive ongoing eligibility criteria is only considered in measuring social assistance benefit liabilities and not social security insurance benefit liabilities. They considered that this approach aligns with users' information needs and reflects the characteristics of the benefits. <u>Board's response</u> The Board finalised GRAP 111 as proposed in ED 214.
Other comments received that are unrelated to proposals in ED 214	**Availability of information to reliably measure social assistance benefit liabilities** A minority of respondents questioned the assertion that an entity may not have detailed information about the beneficiaries of social assistance benefits to reliably measure the liability beyond the next point of verification of substantive ongoing eligibility criteria. They also noted that if the information is not available, it ought to be from a good governance perspective, and for broader decision-making purposes. <u>Board's response</u> The Board retained the proposals for social assistance benefits in ED 205 and ED 214 and will reconsider the issue in future once practice is established, for the following reasons (which have been added to GRAP 111 as paragraph BC59.): • The proposal was supported by respondents to ED 205 and the majority of respondents to ED 214. • It is anticipated that accounting for social assistance benefits in accordance with the proposals in ED 205 and ED 214 requires notable changes from current practice, as the majority of the benefits are accounted for per the Modified Cash Standard (MCS) and no liability is currently estimated.

What we heard and the Board's response

Impact of verification of substantive ongoing eligibility criteria on social benefit liabilities

- The type of information available may vary significantly from one social assistance benefit to another and not all social assistance benefits that may be in scope of the Standard may be known at the time of finalising the Standard.
- The Standard fills a gap in guidance on accounting for social benefits (i.e. the guidance is new). Time should be allowed for practice to establish to measure social assistance benefits in accordance with accrual principles. The requirements could be reconsidered in future.
- Since there is currently no guidance on accounting for social benefits, there is some urgency to finalising GRAP 111.

Level of calculation of liability

A respondent noted that the proposed requirements may be understood that a separate estimate should be made and calculated for each potential and confirmed application, which is onerous.

Board's response

The Board noted that GRAP 111 does not include explicit guidance on the level of aggregation or disaggregation required when recognising or measuring the liability. The liability may be estimated at an aggregated level for similar applications. Consistent with other Standards of GRAP on liabilities, it was not considered necessary to provide this guidance explicitly. The explanation was added to paragraph BC60. of GRAP 111.

How to access information

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