

# GRAP Update

# PFMA entities

# 7 February 2025





# Disclaimer

***The views and opinions expressed in this presentation are those of the individual. Official positions of the ASB on accounting matters are determined only after extensive due process and deliberation.***



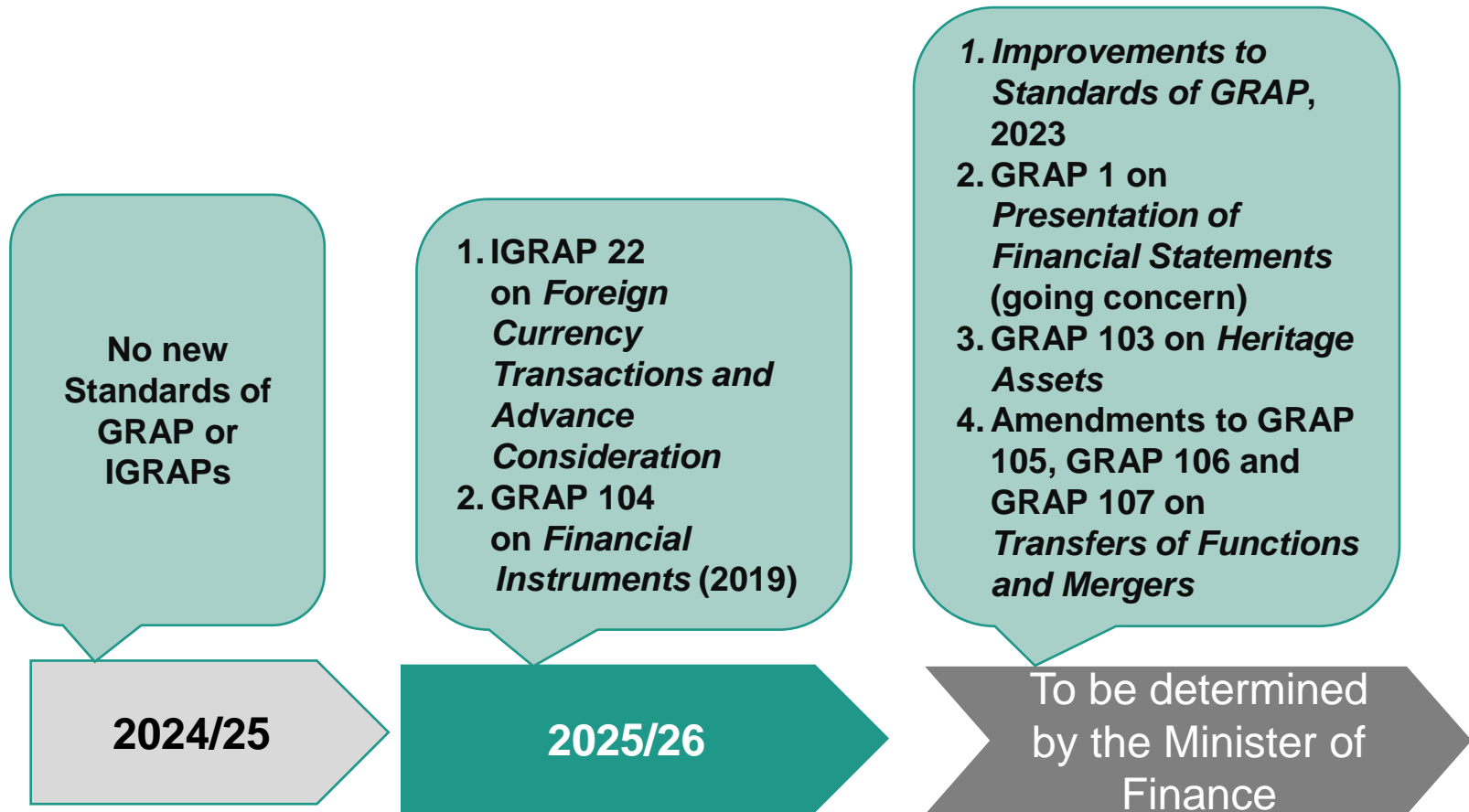
# Overview of today's session

- GRAP reporting landscape – 2024/25 and beyond
- Getting ready for Financial Instruments (revised 2019)
- Preparing quality financial statements
- ED 211 ASB Work Programme consultation
- Overview of other Exposure Drafts available for comment
- Recently issued guidance and ASB projects
- Enhancing the Application of Standards of GRAP

# GRAP reporting landscape – 2024/2025 and beyond



# An overview



# Effective dates and adoption arrangements of changes

Topic	Background	Initial application
IGRAP 22 on <i>Foreign Currency Transactions and Advance Consideration</i>	IGRAP developed from IFRIC 22 on <i>Foreign Currency Transactions and Advance Consideration</i>	1 April 2025 Early adoption permitted
GRAP 104 on <i>Financial Instruments (2019)</i>	Replaced GRAP 104	1 April 2025 Early adoption permitted (entire Standard)

# Effective dates and adoption arrangements of changes

Topic	Background	Initial application
GRAP 1 on <i>Presentation of Financial Statements</i> (Going concern guidance)	<p>Amendments to better explain when it is appropriate to prepare financial statements on a going concern basis</p> <p>Additional disclosure requirements</p>	May not early adopt – Minister must still determine effective date
GRAP 103 on <i>Heritage Assets</i>	Followed the PIR, amendments aligned to stakeholder feedback e.g. definition and measurement guidance. FAQs to be published when effective	May not early adopt – Minister must still determine effective date

# Effective dates and adoption arrangements of changes

Topic	Background	Initial application
Improvements to Standards of GRAP, 2023	Minor amendments aligned with international standard-setters as well as local stakeholder input	May not early adopt – Minister must still determine effective date
Amendments to GRAP 105, GRAP 106 and GRAP 107 on <i>Transfers of Functions and Mergers</i> .	Amended to align GRAP 105, GRAP 106 and GRAP 107 to IPSAS 40 on <i>Public Sector Combinations</i> and IFRS 3 on <i>Business Combinations</i>	May not early adopt – Minister must still determine effective date



# IFRS not to be applied

Topic	IPSAS	ASB process
Fair Value Measurement (IFRS 13)	IPSAS 46 <i>Measurement</i> (Effective 1 January 2025)	2024-2026 work programme
Regulatory Deferral Accounts (IFRS 14)	No equivalent. The Standard only applies to first-time adopters of IFRS Accounting Standards.	Standard is not applicable to entities that apply Standards of GRAP

# IFRS not to be applied

Topic	IPSAS	ASB process
Revenue from Contracts with Customers (IFRS 15)	IPSAS 47 <i>Revenue</i> (Effective 1 January 2026)	Work programme for 2024 to 2026 Apply <ul style="list-style-type: none"> <li>• GRAP 9 on <i>Revenue from Exchange Transactions</i></li> <li>• GRAP 11 on <i>Construction Contracts</i></li> <li>• GRAP 23 on <i>Revenue from Non-exchange Transactions (Taxes and Transfers)</i></li> </ul>

# IFRS not to be applied

Topic	IPSAS	ASB process
Leases (IFRS 16)	IPSAS 43 on <i>Leases</i> (Effective 1 January 2025)	Apply GRAP 13 on <i>Leases</i>  Project to revise Standard of GRAP to be considered after 2026
Insurance (IFRS 17)	No equivalent	Not to be considered in 2024/25  Included in the Reporting Framework from 2025/2026. Limited application – only entities with insurance contracts in the scope of IFRS 17

# IFRS not to be applied

Topic	IPSAS	ASB process
Presentation and Disclosure in Financial Statements (IFRS 18)	IPSASB has commenced work on an IPSAS	Likely consider project after 2027-2029 work programme
Subsidiaries Without Public Accountability: Disclosures (IFRS 19)	No equivalent	Standard is not applicable to entities that apply Standards of GRAP

# IPSAS not to be applied

Topic	ASB process
Amendments to IPSAS 19 for collective and individual services	On the ASB work programme for 2024 to 2026
Employee Benefits [IPSAS 39]	Apply GRAP 25 on <i>Employee Benefits</i>
Public Sector Combinations [IPSAS 40]	Apply GRAP 105, GRAP 106 and GRAP 107 on transfers of functions and mergers
Financial instruments [IPSAS 28-30 and 41]	Apply GRAP 104 on <i>Financial Instruments</i>
Social benefits [IPSAS 42]	Retain current accounting policies. Project underway to develop Standard of GRAP on <i>Social Benefits</i> .

# IPSAS not to be applied

Topic	ASB process
Non-current Assets Held for Sale and Discontinued Operations [IPSAS 44]	Apply GRAP 100 <i>Discontinued Operations</i> and GRAP 1 <i>Presentation of Financial Statements</i> (disclosure requirements)
Property, plant and equipment (revised) [IPSAS 45]	Revised guidance on: <ul style="list-style-type: none"> <li>• Measurement – as part of the ASB’s Measurement project</li> <li>• Infrastructure – ASB’s next Improvements project</li> <li>• Heritage assets – apply GRAP 103 on <i>Heritage Assets</i></li> </ul>

# IPSAS not to be applied

Topic	ASB process
Transfer Expenses [IPSAS 48]	On the ASB work programme for 2024 to 2026
Retirement Benefit Plans [IPSAS 49]	Board did not determine IPSAS 49 to be applicable to the local environment
Exploration for and Evaluation of Mineral Resources [IPSAS 50]	IFRS 6 on <i>Exploration for and Evaluation of Mineral Resources</i> included in GRAP Reporting Framework for 2024/2025 (may be considered to the extent applicable)

# Getting ready for Financial Instruments (revised 2019)







# Ready for GRAP 104?

**Effective date: 1 April 2025**

- GRAP 104 fit
  - Understand the new requirements
  - Familiar with how the changes will affect your entity
- Understand where and how to obtain information to apply the revised Standard
- Processes and systems changes
- Gather historical data for retrospective application

# Key changes

- Why the change?
  - Changes in IFRS 9 and IPSAS 41 - to address shortcomings in the classification and measurement of financial instruments that were highlighted during the financial crisis.
- Most significant changes:
  - Scope - financial guarantee contracts and some loan commitments now in scope. Previously GRAP 19.
  - Classification - same number of categories, classification principles substantially changed.
  - Subsequent measurement – impairment model

# Key changes to the scope

# Scope

- Financial guarantee contracts and loan commitments now in GRAP 104, not GRAP 19.

## Financial guarantee contracts

- Financial guarantees versus other guarantees.
- Initial measurement at fair value - usually equal to consideration received.
- Subsequently at higher of fair value less amortisation and ECL.

# Scope

## Loan commitments

- Not all loan commitments fall in the scope of GRAP 104.
- Initial measurement at fair value - usually equal to consideration received.
- Subsequently at higher of fair value less amortisation and ECL.
- Measurement of *commitments to provide concessionary loans* includes the value of any social benefit provided.

# Key changes to classification

# Classification

## Classification of financial assets

Amortised cost

### Old GRAP 104

Non-derivative  
Fixed or determinable payments  
Not held for trading or  
designated at fair value

### New GRAP 104

Management model – hold to  
collect cash flows  
Solely payments of principal and  
interest

Fair value

### Old GRAP 104

Derivatives, held for trading,  
designated at fair value

### New GRAP 104

Management model – hold + sell,  
sell  
Do not meet SPPI





# Impairment

## Change in impairment model

Financial assets at amortised cost

### Old GRAP 104

Incurred loss model  
Focusses on historical data  
Does not allow for timely action

### New GRAP 104

Expected credit loss model  
Past, current and future data  
More timely decision making

### New model

- Two step approach ➡ 1) Determine the period over which credit losses calculated and 2) Determine ECL.
- Probability weighted

# Impairment

## Financial performance

Impairment gain or loss = amount of expected credit losses (ECL) to adjust **the loss allowance** [based on either lifetime or 12 month losses] at reporting date.

ECL: weighted average of credit losses with the respective risks of a default occurring as the weights.

## Financial position

### Loss allowance

#### Step 1: Period over which losses calculated

#### *Significant change in credit risk*

- 12 month or
  - Lifetime
- [Indicators]

Lifetime for receivables and lease receivables

- Significant change in credit risk = risk of default occurring.
- Assess change in default between reporting date and initial recognition.
- Default not later than 90 days past due.
- Significant change in credit risk if 30 days past due.
- Individual or collective basis.
- Group based on common risk characteristics.
- Use reasonable and supportable information without undue cost and effort.

No significant change for instruments with low credit risk.

# Impairment

## Financial performance

Impairment gain or loss = amount of expected credit losses (ECL) to adjust **the loss allowance** [based on either lifetime or 12 month losses] at reporting date.

ECL: weighted average of credit losses with the respective risks of a default occurring as the weights.

## Financial position

### Loss allowance

#### Step 2: Calculate expected credit losses

Credit loss is PV of difference between cash flows (CF) due under contract vs amount an entity expects to receive.

Include collateral, unless not used.

- *Probability weighted* estimate of credit losses over 12 months or lifetime.
- Consider what CF an entity expects to receive, and when they will be received.
- Discounted using EIR or CAEIR.
- Use reasonable and supportable information, available without undue cost or effort → past events, current conditions and forecasts of future economic conditions.
- Consider economic conditions of borrower, general economic conditions, and current & forecast conditions.
- Internal / external data or peer group.

Provision matrix for receivables

# Transitional provisions



# What are they?

- Provide direction to preparers to implement the new GRAP requirements.
- Explain how the requirements should be applied on initial adoption (1 April 2025 or earlier if chosen).

# Where to find it?

- Approved and not yet effective ➔ GRAP 104  
➔ Final transitional provisions for GRAP 104
- Will be incorporated in the relevant Directives when effective.
- It is the same in all the Directives, i.e. requirements are the same for all types of entities.



# General provisions

## Retrospective application per GRAP 3 with some relief

- Apply retrospectively - as if that policy had always been applied.
- **Not required to restate prior period.** Adjust opening balance of net assets of current period.

Retrospective application vs Retrospective restatement





# General provisions

- Do not apply to financial instruments (FI) that have already been derecognised at the date of adoption.
- May early adopt – adopt entire Standard. Piecemeal adoption not permitted.
- Date of **initial adoption** = date when entity first applies the requirements.





# Classification and measurement

- On the date of initial adoption, entity assesses whether financial assets are held within a management model whose objective is to hold the assets in order to collect contractual cash flows.
- Based on the facts and circumstances that exist at that date of initial adoption.
- Resulting classification applied retrospectively irrespective of the entity's management model in prior reporting periods.



# Classification and measurement

- At the date of initial adoption, entity may designate a financial asset as measured at fair value through surplus or deficit (FVSD).
- Designation based on the facts and circumstances that exist at that date of initial adoption.
- Classification applied retrospectively.



# Impairment

- Apply retrospectively - entities measure impairment losses using expected credit losses (ECL) at the date of adoption.
- Not required to restate comparative information. Recognise adjustments to carrying amount in the opening accumulated surplus or deficit.

# Impairment

- At the date of initial adoption, entity uses *reasonable and supportable information that is available without undue cost or effort* to determine the credit risk at the date that the FI was initially recognised and compare that to the credit risk at the date of initial adoption.
- If there would be undue cost and effort to determine whether there has been a significant increase in credit risk, entity recognises a loss allowance at an amount equal to a lifetime ECL at each reporting date until that financial instrument is derecognised.

# Disclosure

- Quantitative disclosure in a table format
  - Previous classification, current classification and carrying amounts for both classifications
  - FI previously measured at FVSD, now reclassified to amortised cost distinguishing between those that the Standard requires an entity to reclassify and those that an entity elects to reclassify.
- Reconcile previous measurement categories and asset classes with new categories and asset classes.
- Reconcile ending impairment allowances to opening loss allowances.



# Disclosure

- Additional disclosures for FI classification out of FVSD to amortised cost
  - Fair values;
  - Effective interest rate on adoption date; and
  - Interest recognised.
- Qualitative disclosures:
  - Classification criteria applied to those financial assets whose classification changed; and
  - Reasons designation or de-designation of FI measured at FVSD at initial adoption.







# Resources

- Fact Sheets: [GRAP 104 revised](#)
- FAQs: [FAQs on revised GRAP 104](#)
- Supporting Adoption of Standards – Presentations, Placemat, Flow Chart: [GRAP 104 support](#)
- GRAP 104 Reference Group

# Preparing quality financial statements



ACCOUNTING STANDARDS BOARD







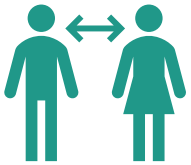
# Disclose judgements, assumptions, estimates and uncertainties



Transactions, events, facts and circumstances may differ.



So may the judgements that are applied.



The answers of two accountants may not be the same.



Therefore, important to explain...

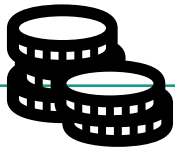


# Disclose judgements, assumptions, estimates and uncertainties

Key areas of judgement:



Application of accounting policies



Measurement of assets and liabilities



# Disclose judgements, assumptions, estimates and uncertainties



What to disclose?

- Key assumptions concerning the future
- Key sources of estimation uncertainty
  - Where there is a significant risk of material adjustment to assets and liabilities in the next reporting period as a result of uncertainty in valuation at this reporting date









# Review and amend accounting policies



The Standards describe the broad principles used to prepare financial statements.



Users should have an understanding of these principles, but what is more important is how they are applied.



It is important to tailor accounting policies to your circumstances.



# Review and amend accounting policies

This is **not** a good accounting policy....

*Property, plant and equipment are tangible non-current assets that are used in the production or supply of goods or services, rental to others, or for administrative purposes and are expected to be used during more than one reporting period. The cost of an item of property, plant and equipment is recognised as an asset when it is probable that the future economic benefits or service potential will flow to the entity and the cost or fair value can be measured reliably. Classes of property, plant and equipment are measured subsequently using the cost or the revaluation model.*

# Review and amend accounting policies

The accounting policy **should**:

- Explain what items are PPE and classes used



- Whether cost or fair value is applied initially, and subsequent measurement model



- If revalued, on what basis and how frequency





# Review and amend accounting policies

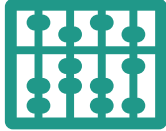
Some basic questions to ask...

- Are there policies for material transactions and events?
- Do the policies deal with transactions and events that occur at your entity?
- Do the policies simply repeat the principles in the Standards?
- Do the policies explain how the principles in the Standards have been applied? ...





# Review and amend estimates

- Standards of GRAP prescribe periodic review of accounting estimates 
- **For example:**
  - Review useful lives of PPE using indicators in GRAP 17
  - Review fully depreciated assets still in use [ASB FAQ on *What is the treatment of fully depreciated assets still in use?*]



# Disclose effect of not yet effective Standards



Financial statements enable users to make decisions using predictive information

Future changes in accounting policies could affect these decisions

Need to disclose information about Standards that are not yet effective + their potential impact

- E.g. information on recognition of new or different items, changes in values of items, etc.
- Review Directive 5 for list.
- Only those Standards that are relevant to the entity



# Apply materiality



# Apply materiality

- The Standards of GRAP only apply to material items.
- Applies to recognition, measurement, presentation and disclosure.
- Applying materiality  $\neq$  leave out of the financial statements!
  - It means alternative accounting treatment

# Apply materiality



Identify users

Identify their information needs

Identify what is material

➤ Set thresholds (**quantitative**) and criteria (**qualitative**)

❖ **Discuss** with management, oversight structures and auditors

ASB Guideline on The Application to Materiality in Financial statements

# Examples of applying materiality

Applying materiality to...	What it means...
Recognition	<ul style="list-style-type: none"> <li>• Expensing low-value assets.</li> <li>• Capitalising servitudes as part of the cost of an asset rather than recognition as an intangible asset.</li> </ul>
Measurement	<ul style="list-style-type: none"> <li>• Expensing transaction costs when measuring financial instruments.</li> <li>• Using contractual interest rate instead of effective interest rate when transaction costs immaterial (assume market related).</li> </ul>

# Examples of applying materiality

Applying materiality to...	What it means...
Presentation	Not separately presenting a line item that is immaterial on the statement of financial performance or position, even if required by GRAP 1.
Disclosure	Not providing detailed credit risk disclosures if an entity only has a bank account and immaterial receivables.



**TIME FOR A BREAK...**



# ED 211

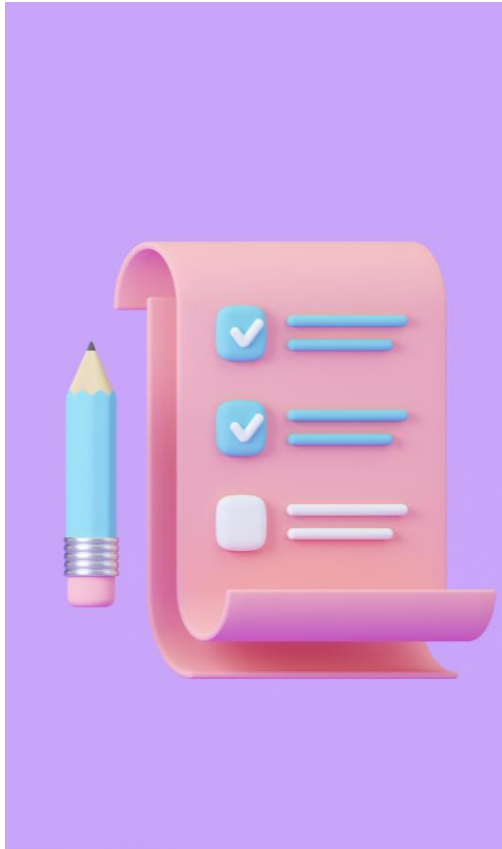
# ASB Work Programme consultation





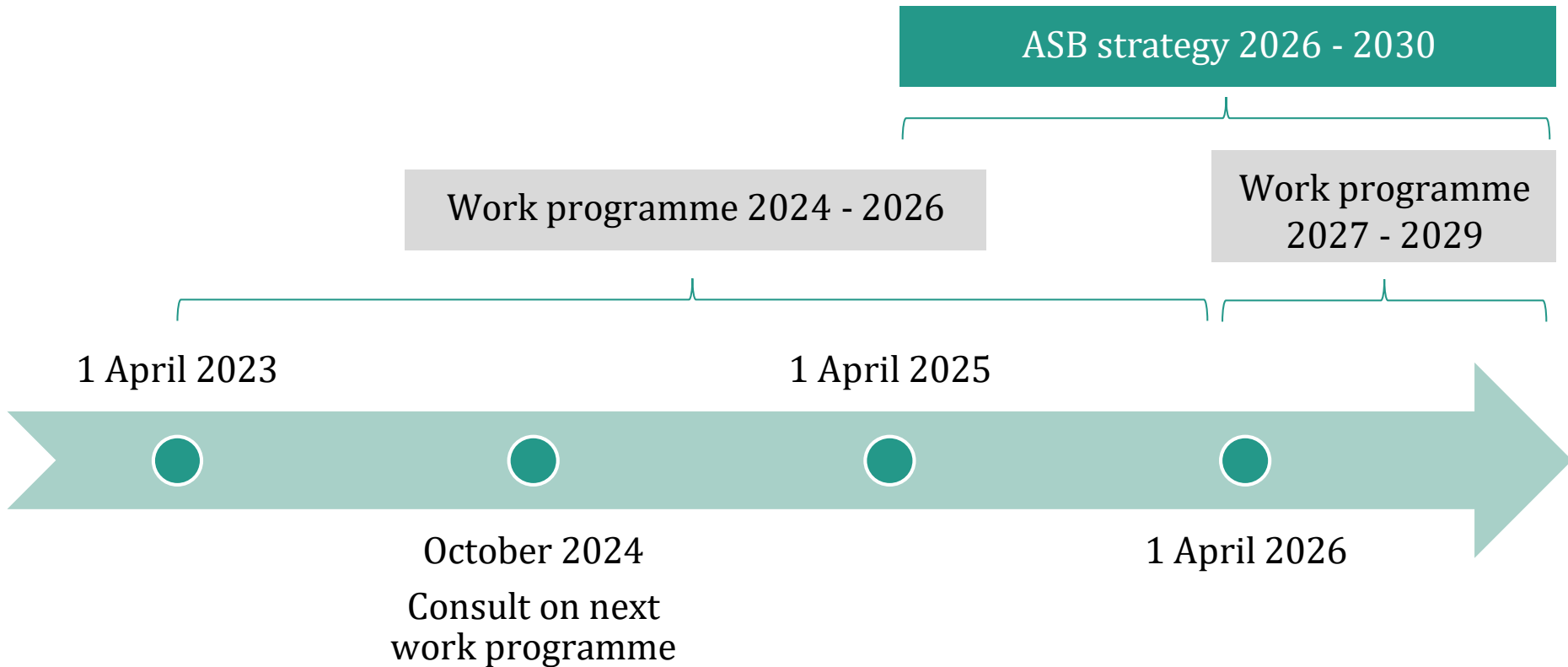


# What is the ASB's work programme?



Board-approved plan of the standard-setting work that the ASB will undertake in a three-year period

# Background to consultation





# Criteria for selecting and prioritising projects

## Project selection

No guidance exists (public or private sector) for new or existing issues, resulting in inappropriate or divergent accounting results.

Inconsistent application of existing guidance, resulting in inappropriate or divergent accounting results.

Importance of maintaining alignment with IPSAS (or IFRS Accounting Standards).

Importance of maintaining the current suite of Standards of GRAP to ensure that they are relevant and appropriately applied.

## Project prioritisation

Availability of **ASB resources** to undertake projects, including capacity of Secretariat and Board + financial resources that may be required to execute specific activities.

**Financial management environment** within which entities operate, including reform agenda of other organisations such as National Treasury.

**Capacity of stakeholders** to participate in public consultation process.

Availability of **stakeholder resources** to implement new or revised pronouncements issued by the Board.

**Impact of issue**, in particular its significance to accountability and decision-making, as well as how widespread the issue is in the public sector (i.e. which entities are affected).

The **urgency** of the issue to the South African public sector.





# ED 211 – Work programme consultation

- [ED 211](#) – ASB work programme consultation
- Comment deadline **14 March 2025**
- Participate in upcoming roundtable discussions or send written comment:
  - [info@asb.co.za](mailto:info@asb.co.za) / [elizna@asb.co.za](mailto:elizna@asb.co.za)

# QR code for survey

ED 211 ASB Work Programme  
Consultation 2027-2029 Comment  
by 14 March 2025



# What do we want to achieve?

## *“Financial Reporting for a Capable State”*

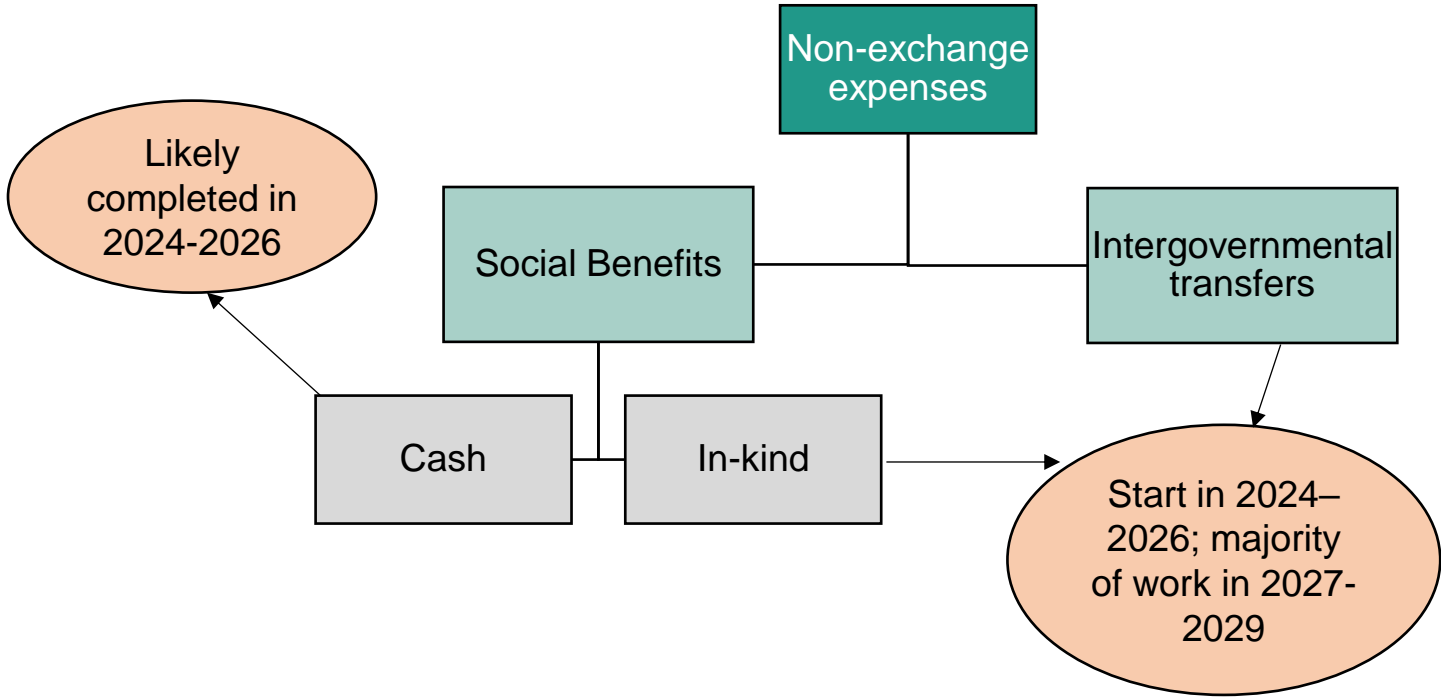
Focus on **supporting local stakeholders** with their ability to produce high quality financial reporting in South African public sector



Activities of the ASB centred on **stakeholder engagement and support** while **maintaining existing suite** of Standards

To a lesser extent, develop new reporting requirements to **fill last remaining gaps** in ASB's guidance

# Are there any gaps in our literature?





# Are there any gaps in our literature?



**Question 1 – Are there any gaps in our literature?**

Are there any transactions or arrangements that require accounting guidance from the ASB?




# What international standards should be adopted?

- Board considers **international best practice** in developing Standards of GRAP
- Standards of GRAP should not fall behind BUT do not change for the sake of change
  - Initial step: understanding deficiency (if exists), potential implications and what guidance needed locally




# What international standards should be adopted?



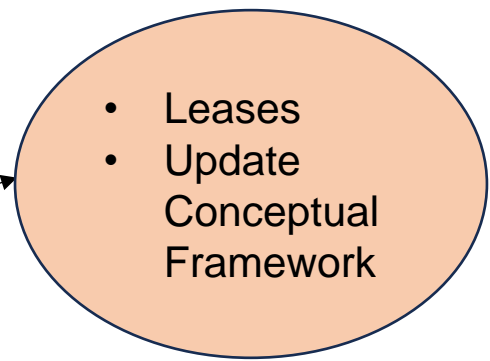
2024-2026

- Initial steps on Measurement



2027-2029

- Finalise Measurement
- Initial steps on revenue
- *What else? (one project)*



- Leases
- Update Conceptual Framework

# What international standards should be adopted?



## Question 2 – What international projects should the Board undertake?

Based on the projects listed in Table 2 – which international project do you support the Board to add to the 2027 to 2029 work programme?

Please provide supporting rationale for the proposals.



# What maintenance or enhancements are needed to the Standards?

- **Improvements** -> hear from stakeholders whether there are any minor changes or enhancements that could be made to the Standards of GRAP, to improve their application
- Annexure to **Directive 5 on *Determining the GRAP Reporting Framework***





# Reviews of the Standards

## Post-implementation Reviews

- Assess whether a Standard is achieving its intended objective
- Extensive consultation with users, preparers and auditors

## Desktop Reviews

- Assess application of a Standard, compliance with its principles and identify emerging practices

# Reviews of the Standards

Reviews were performed / are scheduled to be performed in following areas:

## Completed

- Property, plant and equipment and investment property
- Heritage assets
- Presentation of cash flow statements
- Presentation of information in the statement of financial performance
- Presentation of information that compares budget and actual information
- Directive 12 on *The Selection of an Appropriate Reporting Framework by Public Entities*

## In progress

- Accounting by principals and agents: Developing Exposure Draft to amend GRAP 109. Review Report has been published
- Statutory Receivables: Consultation on ED 208 *Post-implementation of GRAP 108 Statutory Receivables* closed. Board considering next steps March 2025
- Related Party Disclosures: Review Report to be published early 2025
- Segment Reporting: Review to commence in 2025/26



# Reviews of the Standards

## Materiality

- Guideline on *Application of Materiality to Financial Statements* issued April 2019
  - Directive 5: Entities not required but encouraged to apply
  - Time needed for behaviour and thinking to change and develop
  - Resources developed alongside the Guideline include Fact Sheet, FAQ and content on the ASB's YouTube Channel
- Materiality remains an issue
- Need for a project to consider various aspects of materiality

# Reviews of the Standards



## Question 4 – Review of the Standards

- a) On which Standard should the Board undertake a post-implementation review and why?
- b) On which Standard should the Board undertake a desktop review and why?
- c) Is a review of the Materiality Guideline needed, and why?

# Facilitating and encouraging stakeholder engagement and support



Enhancing the Application of Standards of GRAP

Supporting Adoption  
-> GRAP 104 Reference Group

# Facilitating and encouraging stakeholder engagement and support



Enhancing the Application of Standards of GRAP

★ Supporting Adoption  
-> Social Benefits

★ GRAP Knowledge Hub

# Facilitating and encouraging stakeholder engagement and support



## Question 5 – Facilitating and encouraging stakeholder engagement and support

- a) What are the specific themes or issues that should be addressed in the Enhancing the Application of Standards of GRAP project? Please provide details.
- b) What content do you believe will be useful to include on the GRAP Knowledge Hub? Please provide details.
- c) Keeping the mandate of the ASB in mind, are there any other activities that we could undertake to better facilitate and encourage stakeholder engagement and support?



# Responding to emerging issues

## Sustainability reporting & climate related disclosures

- Input to IPSASB projects
- Project on the effect of sustainability related matters on financial statements

## Employee compensation

- Assess sufficiency of disclosure on employee compensation in the financial statements



# Responding to emerging issues



## Question 6 – Emerging issues

- a) Are you aware of specific local stakeholders or groups that we should consult on the IPSASB SRS?
- b) Are there any other emerging issues the Board should consider? Please provide an indication of what the Board should do, e.g. research, publish a paper, etc.

# Other feedback



## Question 7 – Other feedback

Is there any other feedback you wish to provide the Board that is relevant to its standard-setting activities for the 2027 – 2029 work programme? Please provide details and suggestions.



# Other Exposure Drafts out for comment





# EDs open for comment

- ED 212 – Proposed IPSAS on *Tangible Natural Resources*
- ED 213 - Exposure Draft of the International Public Sector Accounting Standards Board's Sustainability Reporting Standard (IPSASB® SRS™) on *Climate-related Disclosures*
- Comment locally closes on **14 February 2025**

**ED 212**

**Proposed IPSAS on  
*Tangible Natural Resources***





# ED 212: Tangible Natural Resources

- Guidance on the recognition, measurement, presentation and disclosure of tangible natural resources
- Natural resource → natural occurring item which embodies service potential or the capacity to generate economic benefits or both



# ED 212: Tangible Natural Resources

- Scope – all tangible natural resources not within the scope of existing IPSAS (those held for conservation)
- Proposed IPSAS is a residual Standard
- Alternative view on scope and definition “generate economic benefits”



# ED 212: Tangible Natural Resources

## Other proposals:

- Heritage assets that is considered property, plant and equipment (IPSAS 45) in scope of proposed IPSAS
- Depreciation of tangible natural resources
- Exemptions from certain disclosures



**ED 213**

**IPSASB SRS on *Climate-related Disclosures***



ACCOUNTING STANDARDS BOARD





# Background

- IPSASB is an independent standard-setting body that develops international *financial reporting standards* for public sector entities.
- First of the IPSASB *sustainability reporting standards* for public sector entities.
- Response to the 2022 World Bank report and IPSASB's Consultation Paper on *Advancing Public Sector Sustainability Reporting*.



# Building on private sector guidance



# Role of Public Sector in Climate



# Overview of Proposed Disclosures

## Own Operations



Climate-related risks and opportunities that could affect the entity's day-to-day activities



Includes all public sector activities such as service delivery, policy design, and implementation



Aligned with disclosure requirements of the **IFRS S2**

## Public Policy Programs



Climate-related public policy program objectives and their outcomes



Any public policy programs such as laws or regulation, taxes, subsidies, **with a primary objective to achieve climate-related outcomes**



Only required for entities **responsible** for climate-related public policy programs



# Next steps for ED 212 and ED 213

**Comment deadline: 14 February (local)**

- Roundtable PSAF: 11 February 2025
- Hybrid IPSASB event: 13 February 2025
- ITC and other material - [ASB website](#)
- Input will be considered in our comment letter to the IPSASB.
- After the comment period, all comments will be considered by the IPSASB when developing the final standard.

# Recently issued guidance and ASB projects

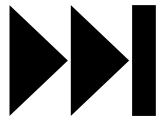


# ASB projects in progress

## Post-implementation Review of GRAP 109 *Accounting by Principals and Agents*



Review Report published



Developing ED to amend GRAP 109 with non-authoritative guidance from the Secretariat

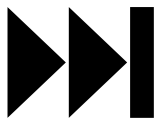
# ASB projects in progress

## ED 205 Standard of GRAP on *Social Benefits*

### Key proposals



- Fill gap in Standards of GRAP for *cash* social benefits.
- Apply GRAP 19 for in-kind benefits.
- Distinguish between social security insurance benefits and social assistance benefits.
- Social security insurance benefits recognise liability when event related to social risk occurs.
- Social assistance benefits recognise liability when application submitted.



Board to consider comment on ED 205 in March 2025 and approve final Standard.

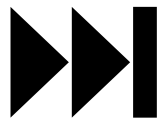
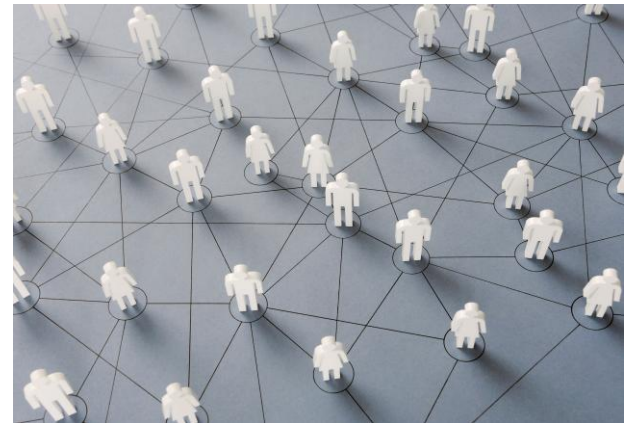
The next phase is to develop the transitional provisions and effective date.

# ASB projects in progress

## Review of GRAP 20 *Related Party Disclosures*

### Key findings

- Stakeholders have difficulty identifying related party relationships – E.g. who is “management” and when are entities under common control.
- Uncertainty exists about the information to disclose – transactions and balances.



[Review Report](#) published on website in December 2024



# ASB projects in progress

## Measurement of assets and liabilities

Issues with measuring assets and liabilities using existing guidance

Can IPSAS 46 *Measurement* resolve some of the issues?

Develop Standard of GRAP on *Measurement* (and related changes to Conceptual Framework)

# Enhancing the application of Standards of GRAP





# Enhancing the application of Standards of GRAP

Project	Background	Next steps
Enhancing the Application of the Standards of GRAP	Project to improve how the Standards of GRAP are applied, and how the information prepared using Standards of GRAP is improved. The project targets both preparers and users of financial statements.	Content is added to YouTube quarterly, and includes topical subjects including on assets and how to use the financial statements.



# Content for quarter ending June 2024

## THEME: ON THE AGENDA FOR 2024/20205

Reporting Framework  
2023/2024 and onwards

GRAP 25 (revised): key changes per type of  
employee benefit and executive summary

GRAP 105 to GRAP 107  
revised: Executive summary

What is on the AS's work  
programme for 2024/2025?

Materiality: Basic principles  
[FAQ 1.3 and Fact Sheet]

Accounting for naturally occurring non-  
purchased water inventory [FAQ 3.3]

Using the  
ASB's website

<https://www.asb.co.za/enhancing-the-application-of-standards-of-grap/>

[https://www.youtube.com/playlist?list=PLku97Kuc72ICTp\\_gRcOqcDwaAGnWG\\_ySfo](https://www.youtube.com/playlist?list=PLku97Kuc72ICTp_gRcOqcDwaAGnWG_ySfo)



# Content for quarter ending September 2024

**THEME: BASIC PRINCIPLES FROM GRAP 1 PRESENTATION OF FINANCIAL STATEMENTS AND THE CONCEPTUAL FRAMEWORK**

Accrual accounting: why is this important and what are the benefits?

Going concern: what does this mean in the public sector and what should entities disclose?

The importance of disclosing information on significant judgements and uncertainties

Consistency vs. comparability

Economic substance over legal form

Current and non-current vs. order of liquidity: presenting the statement of financial position

May entities provide information in the financial statements that is not required by the Standards of GRAP?

<https://www.asb.co.za/enhancing-the-application-of-standards-of-grap/>

[https://www.youtube.com/playlist?list=PLku97Kuc72ICTp9RcOgcDwaAGnWG\\_ySEo](https://www.youtube.com/playlist?list=PLku97Kuc72ICTp9RcOgcDwaAGnWG_ySEo)



# Content for quarter ending December 2024

## THEME: FREQUENTLY ASKED QUESTIONS

FAQ 7.12 – Interaction of GRAP 11 *Construction Contracts*, the Housing Guideline and GRAP 23 *Revenue from Non-exchange Transactions (Taxes and Transfers)*

FAQ 7.4 and FAQ 4.15 – Interaction of GRAP 32 *Service Concession Arrangements: Grantor* and GRAP 109 *Accounting by Principals and Agents*

FAQ 1.1 and FAQ 1.2 – Role and purpose of the Conceptual Framework

What is the difference between public and private sectors and how are they considered in developing public sector Standards?

<https://www.asb.co.za/enhancing-the-application-of-standards-of-grap/>

[https://www.youtube.com/playlist?list=PLku97Kuc72ICTp9RcOgcDwaAGnWG\\_YSFo](https://www.youtube.com/playlist?list=PLku97Kuc72ICTp9RcOgcDwaAGnWG_YSFo)

# Content for quarter ending March 2025

## THEME: LESSONS LEARNT FROM REVIEWS AND QUERIES

How to develop appropriate accounting policies and what information to disclose [quality of financial statements]

When and how should GRAP 24 *Presentation of Budget Information in Financial Statements* be applied [key messages from Fact Sheer and Review Report]

How should the cashflow statement be prepared and presented? [key messages from Review Report]

What is the difference between a condition and a restriction in GRAP 23 on *Revenue from Non-exchange Transactions (Taxes and Transfers)*

GRAP threshold explained – ‘significant’, ‘substantial;’, ‘probable’

<https://www.asb.co.za/enhancing-the-application-of-standards-of-grap/>

[https://www.youtube.com/playlist?list=PLku97Kuc72ICTp\\_gRcOqcDwaAGnWG\\_ySFo](https://www.youtube.com/playlist?list=PLku97Kuc72ICTp_gRcOqcDwaAGnWG_ySFo)

# Access the content



Recordings on  
ASB YouTube  
channel

[https://www.youtube.com/playlist?list=PLku97Kuc72ICTpqRcOqcDwaAGnWG\\_ySFo](https://www.youtube.com/playlist?list=PLku97Kuc72ICTpqRcOqcDwaAGnWG_ySFo)



Slides on ASB  
website

<https://www.asb.co.za/enhancing-the-application-of-standards-of-grap/>



# Stay informed



# Stay informed

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- Translations of the Standards

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