

Topic	Issues deliberated	Decisions of the Board	Status	Effective date	Next steps
<p><b>Exposure Draft of the proposed Standard on Social Benefits</b></p>	<p><i>Did stakeholders support the Exposure Draft?</i></p>	<p>Stakeholders generally supported the Board’s proposals in the Exposure Draft.</p>	<p>Comments are being analysed by the ASB.</p>	<p>To be determined when transitional provisions are developed.</p>	<p>Remaining comments and amendments to the proposed Standard will be discussed at the December Board meeting.</p>
	<p><i>The definition of social benefits is complex – what can the Board do to simplify its understandability and application?</i></p>	<p>Respondents to the Exposure Draft indicated that applying the social benefit definition is complex and may result in different interpretations. There were three areas that respondents highlighted as being complex:</p> <ul style="list-style-type: none"> <li>• Whether both cash and in-kind benefits will be addressed.</li> <li>• Understanding the key elements of the definition including ‘social risks’ and ‘the needs of society as a whole’.</li> </ul>			
		<p><i>Cash or in-kind benefits</i></p> <p>The definition of social benefits includes both cash and in-kind benefits. Many respondents raised concerns about whether both cash and in-kind benefits will be addressed by the Standard; and many examples raised by stakeholders were in-kind rather than cash benefits.</p> <p>The scope of the proposed Standard focuses on cash only. In-kind benefits will be addressed in a separate project.</p>			
	<p><i>Social risks</i></p> <p>Social risks are circumstances that arise directly from individuals and households that adversely affect their wellbeing by placing additional demands on their resources or reducing their income. The Exposure Draft</p>				

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		<p>uses examples of age, health, poverty, and unemployment.</p> <p>Respondents indicated that it is difficult to decide when social risks relate directly to the characteristics of the individuals and households. Respondents asked that a finite list of circumstances be included in the definition to eliminate judgement and inconsistent interpretation.</p> <p>The Board agreed that the issues raised relate to the interpretation and application of the definition rather than how it is defined. Initiatives will be undertaken by the ASB to facilitate the initial application of the Standard.</p> <p><i>Needs of society as a whole</i></p> <p>Social benefits need to be distinguished from insurance benefits. Insurance benefits are linked to specific risks and specific individuals; therefore the benefits respond to the needs of the insured individual. On the other hand, the Rand-value of social benefits is determined based on what would be required by an individual or household to alleviate the burden on society. The amount is determined by government (or one of its entities) through legislation or policy, and the same amount is paid to alleviate a similar social risk.</p> <p>Respondents found this concept difficult to understand and did not believe that there is a need to distinguish social and other benefits; and that different accounting need not be applied.</p>			

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		<p>The Board agreed to not make changes as insurance and social benefits have different economic characteristics and different accounting is warranted.</p> <p>In deliberating both social risks and providing benefits for the needs of society as a whole, the Board also noted that it did not want to depart too far from the definitions in the equivalent IPSAS. The Board still needs to consider in-kind benefits and transfer expenses and changing the definitions for social benefits may have consequences for how the package of “expense” Standards work together.</p>			
<b>Review of Related Party Disclosures</b>	<i>What was the purpose of the review?</i>	The purpose of the review was to assess compliance with the Standards of GRAP and identify reporting practices emerging in the sector.	Results analysed.	Not applicable.	Review Report to be drafted.
	<i>What were the most prevalent issues identified during the review?</i>	<p>The most prevalent issues related to:</p> <ul style="list-style-type: none"> <li>The identification of related parties, in particular who is “management”. Some examples included whether audit committee members and traditional leaders are “management”.</li> <li>The disclosure of related party transactions varied across entities, particularly for transactions with management. For example, some entities only disclosed cash benefits, while others included cash and in-kind. Balances and commitments owing to and from management were also not disclosed.</li> </ul>			

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		<ul style="list-style-type: none"> <li>General matters, such as not applying materiality to the presentation and disclosure of related party transactions and providing “boilerplate” (standard) disclosures.</li> </ul>			