Topic	Issues deliberated	Decisions of the Board	Status	Effective date	Next steps
Proposed Standard of GRAP on *Social Benefits* (ED 205)	The Exposure Draft of a proposed Standard on *Social Benefits* was published for public consultation. IPSAS 42 on *Social Benefits* was used to develop the proposed Standard and amended to cater for the needs of local users and the nature of the social benefits provided in South Africa. The most significant change was prescribing different accounting for benefits that are funded and those that are not. The value of the liabilities recognised locally using this revised approach is more comprehensive than what would be recognised using IPSAS 42.	Respondents were supportive of the ED and the need to provide guidance locally as divergent accounting is applied at present. The departures from IPSAS 42 were supported by respondents, albeit specific comments were made on the scope, definitions, recognition, measurement, and disclosure. The most significant comments are discussed below.	Draft Standard	Final standard not yet issued.	Develop new Exposure Draft for public consultation. The Exposure Draft will be considered by the Board in July 2025.
	Stakeholders indicated that it could be difficult to distinguish social benefits from other cash transfers. In particular, understanding when social benefits are provided to: • compensate for risks related to individuals and/or households; and • address the needs of society as a whole.	The Board noted the concerns raised by stakeholders and considered a range of options to address the comments raised. However, each option came with its complexity and opportunities for misinterpretation. As a result, the Board agreed to retain the definitions as drafted as they are aligned with statistical reporting (which is important for some users of the financial statements) and IPSAS 42 but noted the need for amendments to the application guidance and basis for conclusions. The ASB started using 'Reference Groups' to aid the initial adoption and application of more complex Standards of GRAP. Given the complexity of this accounting matter, a Reference Group could help bridge the knowledge gap between the Standards and those preparing and auditing the accounts.			
	Some respondents were concerned about applying IFRS 17 on Insurance Contracts to social benefits.	The Board's intention was that IFRS 17 only be considered when benefits meet the definition of an insurance contract – as defined in IFRS 17. This means that there must be a contractual arrangement between an insurer and customer outlining the transfer of risk for appropriate consideration. There are limited scheme(s) that meet this definition locally. There were other comments about the scope, for example, the application to cash benefits only. There is a need to provide awareness about the scope of the ED.			

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	The key distinction between social insurance and social assistance benefits is that social insurance benefits are funded by contributions. Stakeholders questioned whether the value of the contribution affects the classification.	The Board observed that the level of consideration provided in relation to the risk assumed varies. Some contributions are nominal and may not be a real "contribution" when considering the risk. The Board agreed that preparers should apply judgement to determine whether contributions fund the social benefit - partially or fully - and compensate the entity for the social risk - partially or fully. This explanation was added to the basis for conclusions.			
	Stakeholders asked about the interaction between this Standard and GRAP 19 on *Provisions, Contingent Assets and Contingent Liabilities.* Particularly, they asked whether the value of the obligations should be reduced, and contingent liabilities disclosed, and if obligations for social benefits not recognised in this ED should be disclosed as contingent liabilities in GRAP 19.	The proposed Standard was developed using the recognition requirements in the new Framework. The new Framework explains that probability is not considered in the recognition of a liability. A liability may be recognised even when the probability of an outflow of resources is low. This is different to the requirements in GRAP 19 where a low probability of an outflow is a contingent liability instead of a recognised liability. In the new Framework, uncertainty of outflows affects the measurement of a liability, rather than whether an obligation exists. The Board confirmed that the recognition and measurement of the different schemes meet the qualitative characteristics in the Framework and respond to the needs of users locally. The Board agreed that the interaction between the proposed Standard and GRAP 19 was unclear, and the basis for conclusions will be amended.			
	Stakeholders questioned the consistency of the initial and subsequent measurement principles in the ED. These questions arose in the context of an application made by a beneficiary being the initial recognition event (for social assistance benefits) and the event related to a social risk occurring (for social security insurance benefits, while the satisfaction of eligibility criteria being the event affecting ongoing recognition of the liability.	The Board agreed that this is an inconsistency and agreed that changes should be made to the ED. In re-deliberating this matter, the Board agreed that the satisfaction of eligibility criteria affects the measurement of the liability after initial recognition and should be applied to social assistance benefits but not social security insurance benefits. This treatment aligns more closely with the recognition and measurement principles in the new Framework. As this approach was not considered by respondents, this would require a re-exposure of the proposed Standard. The Board will review a revised Exposure Draft in July 2025.			

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	The recognition and measurement of social benefit liabilities require judgement and the use of assumptions. When there is a high degree of judgement required in preparing the financial statements, disclosures about the potential effects of the change in value of assets and liabilities are disclosed in the financial statements. However, in developing the ED, the Board did not want to require presentation of a sensitivity analysis as this would require entities to effectively present different actuarial scenarios in the financial statements which might be onerous given the various data points. This disclosure may not always provide useful information to users. Stakeholders were asked whether they support excluding this information.	Stakeholders supported the view that a sensitivity analysis should not be required. The Board confirmed the views of stakeholders and noted that the Standard of GRAP on *Presentation of Financial Statements* requires the provision of additional information when this is useful to users of the financial statements. This explanation was added to the basis for conclusions.			