

14 March 2025

**Accounting Standards Board (ASB)**  
240 Madiba Street  
Pretoria  
0002

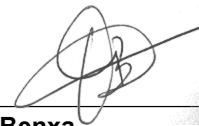
**RE: EXPOSURE DRAFT 211 ON ACCOUNTING STANDARDS BOARD (ASB) WORK PROGRAMME 2027-2029 (ED 211)**

1. The South African Institute of Chartered Accountants (SAICA) welcomes the opportunity to make submissions on ED 211.
2. SAICA is South Africa's pre-eminent accountancy body and is widely recognised as one of the world's leading accounting institutes. The Institute provides a wide range of support services to more than 50 000 members who are chartered accountants [CAs(SA)], associate general accountants [AGAs(SA)] and accounting technicians [ATs(SA)] who hold positions as chief executive officers, managing directors, board members, entrepreneurs, chief financial officers, auditors, and leaders in their respective spheres of operation.
3. Our work in the public sector goes beyond member support but also includes a significant focus on advocacy and capacity building to support and encourage an improvement in public finance management.
4. SAICA generally supports the proposals in ED 211 and the specific matters for consideration by the ASB have been included in our recommendations. SAICA further agrees with and supports the ASB's focus on supporting the application of Standards of Generally Recognised Accounting Practice (Standards of GRAP) while maintaining the existing suite of Standards of GRAP, and, to a lesser extent, developing new reporting requirements.
5. SAICA notes and appreciates that the ASB remains focused on promoting the adoption of accrual accounting with the Minister of Finance. However, SAICA calls for greater transparency by the ASB on the activities being undertaken to promote the transition of departments to accrual accounting.
6. Members were consulted in responding to ED 211 through a Project Group comprised of members with experience and expertise in public sector. Our comments are therefore informed by individuals who have been implementing and auditing accrual accounting standards in the public sector.
7. Our detailed comments on the matters for comment are included under **Annexure A: Comments on ED 211** of this comment letter.
8. We would also appreciate the opportunity to engage further, and we would be willing to discuss the comments if required. Please do not hesitate to contact Odwa Benxa ([odwab@saica.co.za](mailto:odwab@saica.co.za)) in this regard.

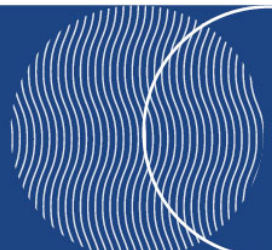
Kind regards,



**Natasha Soopal**  
Executive: Ethics Standards and Public Sector



**Odwa Benxa**  
Project Director: Public Sector



**ANNEXURE A: COMMENTS ON ED 211**

No.	ED 211 Question	Comment	Recommendation
1.	<p><b>Question 1 – Are there any gaps in our literature?</b></p> <p>Are there any transactions or arrangements that require accounting guidance from the ASB?</p>	<p>SAICA acknowledges and agrees with the gaps that have already been identified by the ASB in ED 211 (that is, Social Benefits and Intergovernmental Transfers). No other gaps have been identified.</p>	<p>While no gaps have been identified, it is important that the ASB continues with its focus on supporting the implementation of the current suite of Standards of GRAP through its various platforms. This will assist in ensuring that there is adequate utilisation and proper application of the current suite of Standards of GRAP.</p>
2.	<p><b>Question 2 – What international projects should the Board undertake?</b></p> <p>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?</p> <p>Please provide supporting rationale for the proposals.</p>	<p><b>The Conceptual Framework for General Purpose Financial Reporting (the Conceptual Framework)</b></p> <p>In terms of paragraph 1 of the Preface to the Conceptual Framework, the Conceptual Framework establishes the concepts that are to be applied in developing Standards of GRAP applicable to the preparation and presentation of general purpose financial statements (GPFSS) of public sector entities. Paragraph 2 of Preface to the Conceptual Framework states that the Conceptual Framework also establishes concepts for the presentation of general purpose financial reports (GPFRs) which are reported outside the financial statements, and which complement and supplement the information in the financial statements.</p> <p>Paragraph 1.2(a) of Chapter 1 of the Conceptual Framework states that the role of the Conceptual Framework is to provide the ASB with a conceptual basis for developing Standards of GRAP applicable to the preparation and presentation of general purpose financial statements (GPFSS) of public sector entities.</p>	<p>SAICA recommends that the ASB prioritises the update to the Conceptual Framework as the Conceptual Framework provides the ASB with a conceptual basis for developing Standards of GRAP applicable to the preparation and presentation of general purpose financial statements (GPFSS). In addition, stakeholders may not have the resources to implement the revised Standard of GRAP on Leases due to the recent amendments that are effective and those for which the Minister has not yet determined an effective date.</p>

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		<p>It can therefore be said that the Conceptual Framework provides the foundation for the development of Standards of GRAP and as such should be prioritised in terms of projects that the ASB intends to undertake.</p> <p><b>Leases</b> As stated in ED 211, stakeholders locally have increasingly criticised the complexity of international standards and noted that any projects taken on locally should address a particular deficiency, rather than “change for the sake of change”. In addition, one of the criteria for the prioritisation of projects by the ASB is the resources available by stakeholders to implement new or revised pronouncements issued by the ASB.</p> <p>Given the recent amendments to pronouncements such as Standard of GRAP 25 (effective 1 2023), Standard of GRAP 104 (Revised), effective 1 April 2025, recently ASB approved pronouncements for which the Minister of Finance has not determined an effective date (Standards of GRAP 1, 103, 105, 106 and 107) and the Standard of GRAP on Measurement that is being developed, stakeholders may not have resources to implement the revised Standard of GRAP on Leases. Furthermore, research may need to be undertaken by the ASB to determine whether there is a need for a change to the current Standard of GRAP on Leases to ensure that the concern from stakeholders stated above in adequately addressed.</p>	
3.	<b>Question 3 – Are there any enhancements needed to the Standards?</b>	SAICA has not identified enhancements or amendments that are needed on the Standards of GRAP.	None.

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	<p>Are there any enhancements or amendments needed to the Standards of GRAP?</p> <p>In your response, provide the name of the Standard, a description of the issue and how it could be resolved.</p>		
4.	<p><b>Question 4 – Review of the Standards</b></p> <p>(a) On which Standard should the Board undertake a post-implementation review and why?</p>	<p><b>Standard of GRAP 104(Revised)</b>            Standard of GRAP 104 (Revised) becomes effective on 01 April 2025 which will be within the 2027 – 2029 Work Programme. Due to the significance of the amendments that have been effected through the Standard of GRAP 104 (Revised), it may be appropriate for the ASB to undertake a post-implementation review to assess whether a Standard is achieving its intended objective.</p> <p><b>Standard of GRAP 25</b>            Standard of GRAP 25 became effective on 01 April 2023. Due to the significance of the amendments that have been effected through the Standard of GRAP 25, it may be appropriate for the ASB to undertake a post-implementation review to assess whether a Standard is achieving its intended objective.</p>	<p>The ASB should consider undertaking a post-implementation review on Standard of GRAP 104 (Revised) and Standard of GRAP 25.</p>
	<p>(b) On which Standard should the Board undertake a desktop review and why?</p>	<p><b>Standard of GRAP 110</b>            SAICA has identified that there is potential inconsistent application of the Standard of GRAP by entities such as Parks Boards (or similar entities). It may therefore be appropriate for the ASB to perform a desktop review to identify such inconsistencies. The findings from this desktop review may also be considered when the ASB makes a determination on whether the proposed International Public Sector Accounting Standard on Tangible Natural Resources is adopted for the local environment.</p>	<p>The ASB should consider undertaking a desktop review on Standard of GRAP 110.</p>

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	(c) Is a review of the Materiality Guideline needed, and why?	In this ED, the ASB is considering amending the Conceptual Framework Chapter on the Qualitative Characteristics of general purpose financial reports (amongst others). Materiality is integral to the relevance of information in the general purpose financial reports. As such, it may be appropriate for the ASB to include the review of the Materiality Guide when the Conceptual Framework is amended.	The ASB should consider reviewing the Materiality Guide in conjunction with the amendment to the Conceptual Framework.
5.	<p><b>Question 5 – Facilitating and encouraging stakeholder engagement and support</b></p> <p>(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.</p> <p>(b) What content do you believe will be useful to include on the GRAP Knowledge Hub? Please provide details.</p> <p>(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?</p>	<p>SAICA believes that the currently available material on enhancing the application of Standards of GRAP is adequate to promote the application of the standards. Furthermore, the material included in the GRAP Knowledge Hub is also adequate.</p> <p>SAICA has noted that the material currently available on the Adoption of Standards of GRAP webpage focuses on the Revised Standard of GRAP 104. It may be appropriate to consider the inclusion of material on the proposed Standard of GRAP on Measurement once development commences. This may also include the establishment of a Reference Group on this standard due to its anticipated complexity.</p>	<p>SAICA notes and appreciates the available application support material that has been developed by the ASB. However, it appears that there is limited utilisation of the material by its intended users. It may therefore be appropriate for the ASB to consider intensifying the marketing of these available resources. This may include partnering with key stakeholders such as professional bodies and Public Sector Accounting Forum members to promote the ASB material.</p> <p>In addition, the ASB should consider the integration of artificial intelligence in the support material and tools to ensure ease of access and use by the intended user.</p>
6.	<p><b>Question 6 – Emerging issues</b></p> <p>(a) Are you aware of specific local stakeholders or groups that we</p>	SAICA has a Sustainability Technical Committee with an objective to support SAICA to respond to various current and emerging sustainability aspects relating to its members, associates and other stakeholders as identified	The ASB should consider consulting the Sustainability Technical Committee on matters relating to sustainability reporting.

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	should consult on the IPSASB SRS?	by SAICA. This Committee is comprised of members who are experts in sustainability and sustainability reporting. The ASB can consider consulting this Committee on matters relating to sustainability reporting.	
	(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.	SAICA has not identified other emerging issues except for the comments under questions 2 and 4 above.	None.
7.	<p><b>Question 7 – Other feedback</b></p> <p>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.</p>	<p>SAICA notes that in terms of section 89(1)(a)(i) of the Public Finance Management Act, 1999 (PFMA), the ASB must set standards of generally recognised accounting practice for the annual financial statements of departments. However, over the years, the Minister of Finance has consistently granted departments an exemption from applying the accrual based generally recognised accounting practice leading to significant delays in departments transitioning to accrual accounting.</p> <p>SAICA further notes that in ED 211 the ASB has indicated that promoting the adoption of accrual accounting with the Minister of Finance remains its key priority. However, it is unclear from ED 211 how the ASB is or intends on promoting the adoption of accrual accounting with the Minister of Finance.</p>	The ASB should include in the Work Programme details of how the advocacy on the transition of departments to accrual accounting with the Minister of Finance will take place. This will enable transparency of the ASB's activities in advocating for the transition of departments to accrual accounting.