

news BULLETIN

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SAIGA NEWS BULLETIN



News Update



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In this edition, we delve into the Financial Reporting for a Capable State, exploring the work programme consultation for the 2027-2029 period by the Accounting Standards Board (ASB).

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FINANCIAL REPORTING FOR A CAPABLE STATE

In the ever-evolving landscape of public sector financial reporting, the tension between the needs of users and preparers is a challenge. Users demand comprehensive information on government spending, achievements and future service delivery, while preparers face increasing reporting burdens and limited resources. As the public sector accounting standard-setter, the Accounting Standards Board (ASB) plays a crucial role in balancing these needs, ensuring that the Standards of Generally Recognised Accounting Practice (GRAP) provide relevant information to users at an affordable cost to preparers.

One of the primary goals of the 7th Administration is to foster a capable, ethical, and developmental state. In line with this, the ASB's work programme for 2027-2029, themed "Financial Reporting for a Capable State", aims to contribute to this vision by improving the quality of financial statements and enhancing the application of the Standards of GRAP.

Consultation and Project Prioritisation

Every three years, the ASB formally consults with its stakeholders to determine the focus areas and activities for its work programme. This consultation ensures that the projects selected are relevant, prioritised appropriately, and aligned with the needs of users and preparers. The current consultation seeks input on potential projects and activities for the period from 1 April 2026 to 31 March 2029.

The ASB will consider various factors when determining the number of projects to undertake, including the completion status of ongoing projects, the complexity of proposed initiatives, stakeholder consultation requirements, and available resources. The ASB uses specific criteria to select and prioritise projects, such as addressing gaps in current guidance, ensuring alignment with International Public Sector Accounting Standards (IPSAS) or IFRS® Accounting Standards, and considering the relevance and application of existing standards.

Identifying Gaps and Aligning with International Standards

The ASB is tasked with developing uniform accounting standards for government revenue, expenses, assets, and liabilities. When creating the Standards of GRAP, the ASB carefully considers local and international best practices, often referencing IPSAS and, in limited instances, IFRS Accounting Standards. The ASB has already issued a comprehensive suite of Standards of GRAP, along with Interpretations, Guidelines, and Directives. However, some gaps remain—one key area being the accounting for non-exchange expenses, such as social benefits and intergovernmental transfers. Projects addressing this gap, initiated in the 2024-2026 work programme, are expected to be finalised during the 2027-2029 period.

Other projects focusing on measurement and revenue, which are informed by international guidance, are also expected to be completed during the 2027-2029 period.

The ASB seeks input on:

- Whether there are any gaps in the existing guidance within the Standards of GRAP that need to be addressed.
- Potential international projects to undertake, such as leases or updates to the Conceptual Framework for General Purpose Financial Reporting.

Access the work programme consultation on the [ASB website](#). Provide your feedback to the Board by writing to info@asb.co.za and contact elizna@asb.co.za for more information on upcoming roundtable discussions.

SAIGA AND ASB COLLABORATE FOR SOCIO-ECONOMIC TRANSFORMATION

SAIGA's technical division aims to partner with the ASB to provide the necessary support for the Board's priority goals. This collaboration will focus on offering timely technical guidance to SAIGA members to enhance the quality of financial statements and improve the application of the Standards of GRAP across the SADC region. Through this partnership, both organisations aim to foster professional collaboration that contributes to socio-economic transformation.

SAIGA in collaboration with ASB, will facilitate training and development initiatives to enhance the understanding and application of the Standards of GRAP. These will include interactive information-sharing sessions, webinars, technical guidance memos and opportunities for members to engage in public sector-oriented seminars. SAIGA will also assist in soliciting feedback on exposure drafts and identifying enhancements needed for the application of GRAP standards.

This aligns with the SAIGA's organisational strategic focus - Sprint Four: Reach. SAIGA aims to expand its influence in the Southern African Development Community (SADC) by facilitating membership portability. As a thought leader, SAIGA is committed to developing accountants and auditors in the public sector through webinars, legislative guidance and technical updates on the latest auditing and accounting standards. These activities will support the ASB's objectives and foster regional collaboration in advancing financial reporting practices.

As a custodian of the South African Journal of Auditing and Accounting (SAJAAR), SAIGA will also provide comprehensive research through scholarly articles on Accounting and Auditing, addressing gaps in literature, therefore assisting the board in addressing the literature gaps such as "accounting for non-exchange expenses, such as social benefits and intergovernmental transfers". Therefore, achieving the common goal of building a capable, ethical and developmental state and ensuring relevant information is provided to users and preparers of financial reporting.