



**INTERNATIONAL FEDERATION
OF ACCOUNTANTS**

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Agenda Item

8

DATE: March 2, 2007
MEMO TO: Members of the IPSASB
FROM: Juan Zhang
SUBJECT: Improvements Project (2007-2009)

OBJECTIVE OF THIS SESSION

To **approve** a Project Brief on Improvements Project (2007-2009)

AGENDA MATERIAL:

Papers

8.1 Project Brief on Improvements Project (2007-2009)

ACTION REQUIRED

The Board is asked to:

- **review** the attached draft project brief, **identify** any further issues that need to be included and other amendments; and
- **approve** the project brief thereby initiating this project.

BACKGROUND

From the start of its standards program, the IPSASB has had a policy of ensuring its pronouncements are consistent with those of the IASB to the extent they are applicable and appropriate to the public sector. In implementing this policy the structure and text of the IASs has been maintained, unless there is a public sector specific reason for departure.

During 2002 and 2003 the IASB progressed a “General Improvements Project”, which resulted in changes to 13 IASs. The 13 improved IASs were issued in December 2003. Consequently changes in 11 IPSASs were updated and the improved IPSASs were approved by the IPSASB in November 2006 and issued in January 2007. As part of its General Improvements Project, the IPSASB updated and issued at the same time the Preface to IPSASs.

In addition, in December 2004 the IPSASB issued IPSAS21, “Impairment of Non-Cash Generating Assets” which is based on the principles established in IAS 36, “Impairment of Assets” issued in March 2004. To date, the IPSASB has issued 21 IPSASs which are based on equivalent IFRSs/IASs.

The IASB has been moving rapidly ahead with an extensive work program that includes issuing new IFRSs and interpretations as well as revising and updating existing IASs. The IASB’s continuous standard-updating activities have resulted in or are resulting in new gaps between

existing IPSASs and equivalent IFRSs/IASs. For example, some of those IPSASs converged with IASs as at December 31, 2003 are now out of date with existing IFRSs/IASs because the related IASs have been improved or amended as of December 31, 2006.

In 2005 the IPSASB reaffirmed its commitment to the objective of converging IPSASs with IFRSs where appropriate for the public sector. IFRS convergence has been further identified as one of the strategic themes that form the framework for the IPSASB’s work program for 2007-2009. In order to achieve this strategic objective, the IPSASB needs to initiate a continuous improvements project to update its existing IPSASs to converge with the related IFRSs/IASs.

Based on discussions in previous work program planning sessions the IPSASB Strategy and Operational/Work Plan (2007-2009) (see agenda item 2) has been revised by staff for approval at the IPSASB’s March 2007 meeting. In this proposed plan, updating existing IPSASs where equivalent IASs have been recently revised or are on the IASB work plan, is identified as one of the high priority projects of the IFRS convergence strategy. As a result, a draft project brief on improvements project (2007-2009) (see agenda paper 8.1) setting out a range of matters on the development of the project, has been prepared for review and approval at the meeting. This will allow the work to be initiated and the IFRS convergence program to be progressed.

KEY ISSUES

a) IPSASs identified to be undertaken in the project

Based on review and analysis in the context of current status of IPSASs, the IASB’s project progress for 2004-2006 as well as its work plan for 2007-2009, staff has identified at this point the IPSASs that need to be undertaken in the project as follows:

Commencing time	IPSAS needs to be updated	The objective of convergence
2007	IPSAS 4, “The Effects of Changes in Foreign Rates”	IAS 21 issued in December 2005
	IPSAS 18, “Segment Reporting”	IFRS 8 issued in November 2006
	IPSAS 5, “Borrowing Costs”	IFRS to be probably issued in Q1 2007
2008	IPSAS 8, “Interests in Joint Ventures”	IFRS to be probably issued in H1 2008
	IPSAS 20, “Related Party Disclosures”	IFRS to be probably issued in H1 2008
	IPSAS 19, “Provisions, Contingent Liabilities and Contingent Assets”	IFRS to be probably issued in H1 2008
2009	IPSAS 1, “Presentation of Financial Statements”	IFRS in Phase B that might be issued in 2009
	IPSAS 6, “Consolidated and Separate Financial Statements”	IFRS that might be issued in 2009
	IPSAS 9, “Revenue from Exchange Transactions”	IFRS that might be issued in 2009

Staff acknowledges that the nature of the improvements project is such that the IPSASs identified above could be updated ahead of time or be deferred to be updated due to the IASB's changing work plan, or could be canceled from the project in the case that all changes from previous version in new IFRS or revised IAS are not relevant to the equivalent IPSAS or not appropriate for the public sector. In addition, there might be another IPSAS added to the project when the IASB changes an IAS that is not shown in its current work plan but is relevant to existing IPSAS in the next 3 years. This is one of the challenges of the project because of the interrelationship between the standards.

The efforts conducted to date have highlighted a number of potential issues that will need to be addressed. Two of these are identified below.

Whether to update IPSAS 18, "Segment Reporting" and IPSAS20, "Related Party Disclosures"

Staff notes that IPSAS 18 or IPSAS 20 departs respectively from the equivalent IAS in many aspects for public sector specific reasons. IPSAS 20 was not included in the IPSASB's previous improvements project to be updated although IAS 24, "Related Party Disclosures" was part of the IASB's General Improvements Project issued in December 2003. That was because IPSAS 20 differed from IAS 24 to deal with public specific circumstances and changes made to IAS 24 in 2003 were not relevant to those aspects in IPSAS 20.

In staff's view, since the IASB has issued IFRS 8, "Operating Segments" replacing IAS 14, "Segment Reporting" and has issued the ED of proposed amendments to IAS 24 with the intention of an IFRS on related party disclosures to be issued in H1 2008, IPSAS 18 and IPSAS 20 should be listed in the project to be considered whether to be updated subject to the IPSASB's specified process.

How to proceed with updating IPSAS 1, "Presentation of Financial Statements"

In August 2005, the IASB made an amendment issued as *Capital Disclosure* to IAS 1, "Presentation of Financial Statements". In the meantime, the IASB has been further developing its project on financial statement presentation. The *IASB Work Plan –projected timetable as at 31 December 2006* (see Appendix A in Agenda Paper 9.1) shows this project process includes phase A with the intention of an IFRS to be issued in Q2 2007 and phase B with the intention of an IFRS to be issued in 2009 or beyond.

According to the IASB's project work plan there are two processes bellow available for the IPSASB to adopt to update IPSAS 1:

- Retain existing IPSAS1 till the equivalent IFRS in phase B is issued; or
- Revise IPSAS 1 to be converged with the equivalent IFRS in phase A and revise IPSAS 1 again when the equivalent IFRS in phase B is issued.

Staff notes that phase A of this project primarily addresses what constitutes a complete set of financial statements as well as requirements to present comparative information, and more fundamental issues for presentation of information on the face of the financial statements will

be addressed at phase B. Therefore, Staff is of the view that existing IPSAS 1 should not been improved until the equivalent IFRS in phase B is issued considering resource restraints.

b) Project development process

In the view of staff, the progress of each IPSAS in the project will depend on the nature and extent of changes as well as consideration in the context of other improving IPSASs at the same time. Staff recommends that the progress steps for each IPSAS in the project be:

- Preparation of changes in IPSAS affected by new IFRS or revised IAS (as well as marked-up IPSAS if possible) for the IPSASB review;
- Decision on whether to update the IPSAS to reflect changes in new IFRS or revised IAS by the IPSASB; and
- Determination of the timing and process for updating the IPSAS if such update is to be made.

Staff has undertaken an initial analysis as noted above as well as in the project brief to identify which IPSASs should be updated and when. However, it is also acknowledged that more detailed analysis is required to confirm these proposals. At the meeting staff is requesting that the IPSAS approve the initiation of a project on updating existing IPSASs. This will allow staff to undertake further work and provide the IPSASB with the information they need regarding the updates that are required and the proposed timing for review and consideration in July.

Juan Zhang
TECHNICAL MANAGER

**INTERNATIONAL FEDERATION OF ACCOUNTANTS
INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD**

DRAFT PROJECT BRIEF

Improvements Project (2007-2009)

BACKGROUND

During the first stage of its standards program, the Public Sector Committee (PSC) adopted a policy of developing accrual IPSASs based on the International Accounting Standards (IASs) promulgated by the former International Accounting Standards Committee (IASC) on issue as at August 1997 to the extent that those requirements were appropriate for public sector entities. In implementing this policy the PSC maintained the structure and text of the IASs, unless there was a public sector specific reason for departure. As a result of this stage, the PSC issued 20 accrual IPSASs.

During 2002 and 2003 the International Accounting Standards Board (IASB) progressed a “General Improvements Project”, which resulted in changes to 13 IASs. The 13 improved IASs were issued in December 2003 and changes in those IASs impacted 11 IPSASs on issue. As a consequence, the PSC initiated its General Improvements Project with the objective of updating the 11 IPSASs to converge with improved IASs issued in December 2003. The 11 improved IPSASs were approved by the IPSASB in November 2006 and were issued in January 2007. As part of its General Improvement Project, the IPSASB updated and issued at the same time the Preface to IPSASs. Amendments to other IPSASs resulting from 11 improved IPSASs have also been incorporated into the text of these standards in the 2007 Handbook of the International Public Sector Accounting Pronouncements.

In addition, in December 2004 the IPSASB issued IPSAS21, “Impairment of Non-Cash Generating Assets” which is based on the principles established in IAS 36, “Impairment of Assets” issued in March 2004. To date, the IPSASB has issued 21 IPSASs which are based on equivalent IFRSs/IASs.

The IASB has been moving rapidly ahead with an extensive work program that includes issuing new IFRSs and interpretations as well as revising and updating existing IASs. The IASB’s continuous standard-updating activities have resulted in or are resulting in new gaps between existing IPSASs and equivalent IFRSs/IASs. For example, some of those IPSASs converged with IASs as at December 31, 2003 are now out of date with existing IFRSs/IASs because the related IASs have been improved or amended as of December 31, 2006.

In 2005 the IPSASB reaffirmed its commitment to the objective of converging IPSASs with IFRSs where appropriate for the public sector. Furthermore, IFRS convergence has been identified as one of the strategic themes that form the framework for the IPSASB’s work program for 2007-2009. In order to achieve this strategic objective, the IPSASB needs to initiate a continuous improvements project to update its existing IPSASs to converge with the related IFRSs/IASs.

PROJECT OBJECTIVE

The objective of the project is to reduce the gaps between existing IPSASs and equivalent IFRSs/IASs as of December 2009 where appropriate for the public sector by updating existing IPSASs.

PROJECT SCOPE

The project scope includes the existing IPSASs with which there exist equivalent IFRSs/IASs and that need to be updated.

IPSASs IDENTIFIED TO BE UNDERTAKEN IN THE PROJECT

In order to identify which IPSASs need to be undertaken in the improvements project, it is necessary to review the IASB's project progress to date as well as its current work plan. It is also important to recognize the timing of this project in the context of the fact that the IASB has declared a "moratorium" on any new standards having an applicable date prior to January 1, 2009. This creates a unique opportunity for the IPSASB to reduce the gap between existing IPSASs and related IFRSs/IASs.

IASB's project progress for 2004-2006

For 2004-2006, the IASB's project progress relevant to the 21 IPSASs is summarized as follows:

- a) In March 2004, the IASB reissued:
 - improved IASs included in the General Improvements Project to reflect amendments resulting from new IFRSs (such as IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations" issued in March 2004);
 - other IASs that are not included in the General Improvements Project to reflect amendments resulting from the General Improvements Project and new IFRSs; and
 - IAS 36, "Impairment of Assets" as part of its project on business combinations.
- b) In December 2004, the IASB reissued:
 - IAS 16, "Property, Plant and Equipment" to reflect amendments resulting from IFRS 6, "Exploration for and Evaluation of Mineral Resources" issued in December 2004; and
 - IAS 24, "Related Party Disclosures" to reflect amendments resulting from IAS 19, "Employee Benefit" reissued in December 2004.
- c) In August 2005, the IASB reissued:
 - IAS 1, "Presentation of Financial Statements" to reflect an amendment issued as *Capital Disclosure* in August 2005;
 - IAS 14, "Segment Reporting" to reflect amendments resulting from new IFRSs and amended IASs;
 - IAS 17, "Leases" to reflect amendments resulting from IFRS 7, "Financial Instruments: Disclosures" issued in August 2005;
 - IAS 32, "Financial Instruments: Presentation" to reflect amendments resulting from IFRS 7 issued in August 2005; and
 - IAS 37, "Provisions, Contingent Liabilities and Contingent Assets" to reflect amendments resulting from IFRS 7 and reissued IAS 32, IAS 39 etc.
- d) In December 2005, the IASB reissued IAS 21, "the Effects of Changes in Foreign Exchange Rates" to reflect an amendment issued as *Net Investment in a Foreign Operation* in December 2005.
- e) In November 2006, the IASB issued IFRS 8, "Operating Segments" replacing IAS 14 issued in August 2005.

The IASB’s project progress for 2004-2006 can be further classified as:

- Substantial improvements, including IAS 1, IAS 21, IAS 32, IAS 36 and IFRS 8; and
- Amendments resulting from new IFRSs and amended IASs, including the rest of IASs listed above.

Given that the IPSASB has updated other IPSASs resulting from 11 improved IPSASs and issued IPSAS 21 based on the latest version of IAS 36, but has not yet reviewed and formed a view on the applicability of requirements in the new IFRSs and some other IASs to public sector entities, the following IPSASs might be identified to be improved or amended at this point:

- IPSAS 1, “Presentation of Financial Statements”---to be updated to respond to changes to IAS 1;
- IPSAS 4, “The Effects of Changes in Foreign Rates” ---to be updated to respond to changes to IAS 21; and
- IPSAS 18, “Segment Reporting” ---to be updated to be converged with IFRS 8.

Improvement of IPSAS 15, “Financial Instruments: Disclosure and Presentation” to respond to changes to IAS 32 will be taken into account in the context of project development of Financial Instruments (see agenda item 10) other than included in this project.

IASB’s work plan for 2007-2009

The *IASB Work Plan –projected timetable as at 31 December 2006*(see Appendix A) shows the IASB’s current projects and the best estimate of document publication dates. The following projects on the IASB Work Plan may have relevance to the IPSASB’s improvements program:

IASB project and its timetable	Existing IAS	Existing IPSAS
Borrowing costs (ED issued; IFRS Q1 2007)	IAS 23	IPSAS 5, “Borrowing Costs”
Financial statement presentation (Phase A: ED issued; IFRS Q2 2007. Phase B: ED H2 2008; IFRS 2009+)	IAS 1	IPSAS 1, “Presentation of Financial Statements”
Joint ventures (ED Q2 2007; IFRS H1 2008)	IAS 31	IPSAS 8, “Interests in Joint Ventures”
Related party disclosures (ED issued; IFRS H1 2008)	IAS 24	IPSAS 20, “Related Party Disclosures”
Liabilities (IFRS H1 2008)	IAS 37	IPSAS 19, “Provisions, Contingent Liabilities and Contingent Assets”
Consolidations (ED H2 2008; IFRS 2009+)	IAS 27	IPSAS 6, “Consolidated and Separate Financial Statements”
Revenue recognition (ED 2009+; IFRS 2009+)	IAS 18	IPSAS 9, “Revenue from Exchange Transactions”

IPSASs that need to be undertaken in the project

As a result of above review and analysis, an *IPSAS-IFRS Contrast Sheet (up to 31 January 2007)* (see Appendix B) incorporating information about the current status of the 21 IPSASs, the IASB’s project progress and work plan as well as brief staff comments, has been developed. Based on the sheet, the IPSASs that need to be undertaken in the improvements project are identified as follows:

Commencing time	IPSAS needs to be improved or updated	The objective of convergence
2007	IPSAS 4, “The Effects of Changes in Foreign Rates”	IAS 21 issued in December 2005
	IPSAS 18, “Segment Reporting”	IFRS 8 issued in November 2006
	IPSAS 5, “Borrowing Costs”	IFRS to be probably issued in Q1 2007
2008	IPSAS 8, “Interests in Joint Ventures”	IFRS to be probably issued in H1 2008
	IPSAS 20, “Related Party Disclosures”	IFRS to be probably issued in H1 2008
	IPSAS 19, “Provisions, Contingent Liabilities and Contingent Assets”	IFRS to be probably issued in H1 2008
2009	IPSAS 1, “Presentation of Financial Statements”	IFRS in Phase B that might be issued in 2009
	IPSAS 6, “Consolidated and Separate Financial Statements”	IFRS that might be issued in 2009
	IPSAS 9, “Revenue from Exchange Transactions”	IFRS that might be issued in 2009

The nature of the improvements project is such that the IPSAS identified above could be updated ahead of time or be deferred to be updated due to the IASB’s changing work plan, or could be canceled from the project in the case that all changes from previous version in new IFRS or revised IAS are not relevant to the equivalent IPSAS or not appropriate for the public sector. In addition, there might be another IPSAS added to the project when the IASB changes an IAS that is not shown in its current work plan but is relevant to existing IPSAS in the next 3 years. This is one of the challenges of the project because of the interrelationship between the standards.

RELATIONSHIP TO IASB

As part of the improvements project the IPSASB needs to identify, in a timely manner, whether existing IPSASs are likely to need amending as a result of ongoing IASB projects. As such, it will be necessary to take specific actions to monitor continuously the IASB activities and outputs. In addition, staff believes that the IPSASB needs to provide responses on all IASB exposure drafts issued.

PROJECT DEVELOPMENT PROCESS

In improving the 11 IPSASs issued in January 2007, the IPSASB followed a process involving:

- Preparation of *Overview of Changes in IPSASs affected by the IASB's General Improvements Project* as well as *Marked-up IPSASs* for the IPSASB review;
- Preparation and issuance for public comment of an omnibus exposure draft (ED) of the 11 proposed IPSASs;
- Consideration of responses to the ED; and
- Approval and issuance of 11 final IPSASs.

The continuous improvements project is different to some extent from the above improvements project as its objective is to update existing IPSASs to reflect changes as a consequence of ongoing IASB project as of 2009. For each IPSAS identified to be undertaken in the project, its progress will depend on the nature and extent of changes as well as consideration in the context of other improving IPSASs at the same time. The intended progress steps for each IPSAS in the project will be:

- Preparation of changes in IPSAS affected by new IFRS or revised IAS (as well as marked-up IPSAS if possible) for the IPSASB review;
- Decision on whether to update the IPSAS to reflect changes in new IFRS or revised IAS by the IPSASB; and
- Determination of the timing and process for updating the IPSAS if such update is to be made.

PROJECT DEVELOPMENT POLICY

The IPSASB adopts a policy of developing accrual basis IPSASs converged with IFRSs---the IPSAS maintains the requirements, structure and text of the equivalent IFRS, unless there is a public sector specific reason for departure. Departure from the equivalent IFRS occurs when requirements or terminology in IFRS are not appropriate for the public sector, or when inclusion of additional commentary or examples is necessary to illustrate certain requirements in the public sector context.

As part of the IPSASB's IFRS convergence strategy, the development of the project will be subject to the above policy. In addition, the improvement of each IPSAS in the project will follow the policy of amending the IPSAS for those changes from the former IAS in the new IFRS or revised IAS, except:

- where the original IPSAS has varied from the provision of the IFRS/IAS for a public sector specific reason; such variances are retained in this IPSAS and are noted in Comparison with IFRS/IAS; and
- where the change made to the former IAS raises a new public sector specific reason for departure; such departures are added to this IPSAS and are noted in Comparison with IFRS/IAS.

RESOURCES REQUIRED

The project will be undertaken by a Technical Manager of the IPSASB.

Appendix A

IASB Work Plan - projected timetable as at 31 December 2006

The timetable shows the current best estimate of document publication dates. The effective date of amendments and new standards is usually 6-18 months after publication date. However, except for the items listed in the section 'Amendments to standards', the effective date of IFRSs resulting from the current work plan will be no earlier than financial periods beginning 1 January 2009. In appropriate circumstances, early adoption of new standards will be allowed.

	MoU milestone by 2008	2007				2008	2008	Timing yet to be determined
		Q1	Q2	Q3	Q4	H1	H2	
ACTIVE AGENDA								
Projects in Memorandum of Understanding (MoU) with the FASB¹								
Short-term convergence projects								
Borrowing costs (IASB)	<i>Determine whether major differences should be eliminated and substantially complete work</i>	IFRS						
Government grants ² (IASB)								Pending work on Liabilities
Joint ventures (IASB)			ED			IFRS		
Impairment (Joint)								Staff work in progress
Income tax (Joint)			ED				IFRS	
Fair value option (FASB)								
Investment properties (FASB)								
Research and development (FASB)								
Subsequent events (FASB)								
Other convergence projects								
Business combinations	<i>Converged standards</i>			IFRS				
Consolidations	<i>Work towards converged standards</i>		DP				ED	IFRS
Fair value measurement guidance	<i>Converged guidance</i>		RT				ED	IFRS
Financial statement presentation ³			IFRS					
Phase A			IFRS					
Phase B	<i>One or more due process documents</i>		DP				ED	IFRS
Revenue recognition	<i>One or more due process documents</i>				DP			ED, IFRS
Post-retirement benefits (including pensions)	<i>One or more due process documents</i>			DP				ED, IFRS
Leases	<i>Agenda decision</i>						DP	

Conceptual Framework							
Phase A: Objectives and qualitative characteristics			ED				
Phase B: Elements and recognition							DP
Phase C: Measurement	RT						DP
Phase D: Reporting entity		DP					
Phase E: Presentation and disclosure							DP
Phase F: Purpose and status							DP
Phase G: Application to not-for-profit entities							DP
Phase H: Finalisation ⁴							TBD
Other projects							
Small and medium-sized entities	ED				IFRS		
Insurance contracts	DP					ED	IFRS
Liabilities ⁵					IFRS		
Emission trading schemes ²							
Amendments to standards							
Financial instruments: puttable instruments (IAS 32)			IFRS				
Earnings per share: treasury stock method (IAS 33)	ED			IFRS			
First-time adoption: cost of investment in subsidiary (IFRS 1)	ED			IFRS			
Share-based payment: vesting conditions and cancellations (IFRS 2)	IFRS						
Related party disclosures (IAS 24)	ED				IFRS		
RESEARCH AGENDA							
projects yet to be added to the ACTIVE AGENDA but included in the MoU with the FASB (except as shown)							
	MoU milestone by 2008						
Derecognition	<i>Consider staff research</i>				RR		
Financial instruments (replacement of existing standards)	<i>One or more due process documents</i>				DP		
Intangible assets	<i>Consider research and make agenda decision</i>				AD		
Liabilities and equity ⁶	<i>One or more due process documents</i>		DP				
Management commentary	<i>Not in MoU</i>						TBD
Extractive activities	<i>Not in MoU</i>				DP		
Abbreviations used in the IASB Work Plan:							
DP Discussion Paper		TBD The type of initial document (DP or ED) is yet to be determined					
ED Exposure Draft		RR Research report					
RT Round-table discussion		AD Agenda decision					
IFRS International Financial Reporting Standard							
Notes:							
1 The Memorandum of Understanding (MoU) sets out the milestones that the FASB and the IASB have agreed to achieve in order to demonstrate standard-setting convergence, which is one part of the process towards removal of the requirement imposed on foreign registrants with the SEC to reconcile their financial statements to US GAAP.							
2 Work on government grants and emission rights has been deferred pending the conclusion of work on other relevant projects.							
3 The Financial Statement Presentation project was formerly known as the Performance Reporting project.							
4 The IASB and the FASB are considering how they will finalise the Conceptual Framework project, once the initial documents on each phase have been subject to public consultation and redeliberation by the boards.							
5 The Liabilities project is the amendments to IAS 37. It was formerly known as the Non-financial Liabilities project.							
6 Project is being conducted as a 'modified joint' project, ie the IASB expects to make a formal agenda decision and begin work when the FASB has completed work on an initial discussion document.							

Appendix B

IPSAS-IFRS Contrast Sheet (up to 31 January 2007)

Existing IPSAS		Existing IFRS/IAS		IASB Project Work Plan	Brief Staff Comments
Item	Date of Issue	Item	Date of Issue		
IPSAS 1 Presentation of Financial Statements	January 2007	IAS 1 Presentation of Financial Statements (<i>General Improvements Project</i>)	August 2005 (<i>The amendment to IAS 1 was issued as Capital Disclosure in August 2005</i>)	Financial Statement Presentation (<i>Phase A: ED issued; IFRS scheduled Q2 2007. Phase B:ED scheduled H2 2008; IFRS 2009+)</i>)	There are two processes available for the IPSASB to adopt to update IPSAS 1: -- Retaining existing IPSAS1 till the equivalent IFRS in phase B is issued; or -- Revising IPSAS 1 to be converged with the equivalent IFRS in phase A and revising again IPSAS1 when the equivalent IFRS in phase B is issued. Staff would prefer the former, considering more fundamental issues for presentation of information on the face of the financial statements will be addressed at phase B.
IPSAS 2 Cash Flow Statements	May 2000 (<i>Amendments to IPSAS2 resulting from new and 11 improved IPSASs have been</i>)	IAS 7 Cash Flow Statements	March 2004 (<i>Not included in the General Improvements project. It was issued in March</i>)		The IPSASB doesn't need to consider updating IPSAS 2 at this time, but still needs to monitor the IASB's relevant activities.

	<i>incorporated into the text of the standard in the 2007 Handbook of the IPSASB)</i>		<i>2004 to reflect the amendments resulting from the General Improvements project and new IFRSs (such as IFRS5 issued in March 2004))</i>		
IPSAS 3 Accounting Policies, Changes in Accounting Estimates and Errors	January 2007	IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors <i>(General Improvements Project)</i>	March 2004 <i>(It was issued in March 2004 to reflect the updates resulting from new IFRSs)</i>		The IPSASB doesn't need to consider updating IPSAS3 at this time, but still needs to monitor the IASB's relevant activities.
IPSAS 4 The Effects of Changes in Foreign Rates	January 2007	IAS 21 The Effects of Changes in Foreign rates <i>(General Improvements Project)</i>	December 2005 <i>(An amendment to IAS 21 was issued in December 2005 (published as Net Investment in a Foreign Operation))</i>		The amendment to IAS 21 in December 2005 is an addition of a commentary paragraph under the title "Net investment in a foreign operation". Given the IASB has no plans for improving IAS 21 in 2007-2009, the IPSASB needs to consider an amendment to IPSAS4 to reflect the new change in IAS 21.
IPSAS 5 Borrowing Costs	May 2000 <i>(Amendments to IPSAS5 resulting</i>	IAS 23 Borrowing Costs	March 2004 <i>(Not included in the General</i>	Borrowing costs <i>(ED issued; IFRS scheduled</i>	The IPSASB needs to monitor the issuance of the new IFRS to consider

	<i>from new and 11 improved IPSASs have been incorporated into the text of the standard in the 2007 Handbook of the IPSASB)</i>		<i>Improvements project. It was issued in March 2004 to reflect the amendments resulting from the General Improvements project and new IFRSs)</i>	<i>Q1 2007)</i>	updating IPSAS 5.
IPSAS 6 Consolidated and Separate Financial Statements	January 2007	IAS 27 Consolidated and Separate Financial Statements (<i>General Improvements Project</i>)	March 2004 (<i>It was issued in March 2004 to reflect the updates resulting from new IFRSs)</i>)	Consolidations (<i>ED scheduled H2 2008; IFRS 2009+</i>)	The IPSASB needs to monitor the IASB' project progress to consider updating IPSAS 6.
IPSAS 7 Investment in Associates	January 2007	IAS 28 Investment in Associates (<i>General Improvements Project</i>)	March 2004 (<i>It was issued in March 2004 to reflect the updates resulting from new IFRSs)</i>)		The IPSASB doesn't need to consider updating IPSAS 7 at this time, but still needs to monitor the IASB's relevant activities.
IPSAS 8 Interests in Joint Ventures	January 2007	IAS 31 Interests in Joint Ventures (<i>General Improvements Project</i>)	March 2004 (<i>It was issued in March 2004 to reflect the updates resulting from new IFRSs)</i>)	Joint ventures (<i>ED scheduled Q2 2007; IFRS scheduled H1 2008)</i>)	The IPSASB needs to monitor the issuance of the new IFRS to consider updating IPSAS 8.
IPSAS 9 Revenue from Exchange Transactions	July 2001 (<i>Amendments to IPSAS9 resulting from new and 11 improved IPSASs</i>)	IAS 18 Revenue	March 2004 (<i>Not included in the General Improvements project. It was</i>	Revenue recognition (<i>ED, IFRS 2009+</i>)	The IPSASB needs to monitor the IASB' project progress to consider updating IPSAS 9.

	<i>have been incorporated into the text of the standard in the 2007 Handbook of the IPSASB)</i>		<i>issued in March 2004 to reflect the amendments resulting from the General Improvements project and new IFRSs)</i>		
IPSAS 10 Financial Reporting in Hyperinflationary Economies	July 2001 <i>(Amendments to IPSAS 10 resulting from new and 11 improved IPSASs have been incorporated into the text of the standard in the 2007 Handbook of the IPSASB)</i>	IAS 29 Financial Reporting in Hyperinflationary Economies	March 2004 <i>(Not included in the General Improvements project. It was issued in March 2004 to reflect the amendments resulting from the General Improvements project and new IFRSs)</i>		The IPSASB doesn't need to consider updating IPSAS 10 at this time, but still needs to monitor the IASB's relevant activities.
IPSAS 11 Construction Contracts	July 2001 <i>(Amendments to IPSAS11 resulting from new and 11 improved IPSASs have been incorporated into the text of the standard in the 2007 Handbook of the IPSASB)</i>	IAS 11 Construction Contracts	March 2004 <i>(Not included in the General Improvements project. It was issued in March 2004 to reflect the amendments resulting from the General Improvements project and new IFRSs)</i>		The IPSASB doesn't need to consider updating IPSAS 11 at this time, but still needs to monitor the IASB's relevant activities.

IPSAS 12 Inventories	January 2007	IAS 2 Inventories (<i>General Improvements Project</i>)	March 2004 (<i>It was issued in March 2004 to reflect the updates resulting from new IFRSs</i>)		The IPSASB doesn't need to consider updating IPSAS 12 at this time, but still needs to monitor the IASB's relevant activities.
IPSAS 13 Leases	January 2007	IAS 17 Leases (<i>General Improvements Project</i>)	August 2005 (<i>It was issued in August 2005 to reflect the updates resulting from IFRS7, "Financial Instruments: Disclosures" issued at the same time</i>)		Given that its improvement or development plan for Financial Instruments has not been initiated, the IPSASB doesn't need to consider updating IPSAS 13 at this time, but still needs to monitor the IASB's relevant activities. Changes may be made as a result of decisions on financial instruments.
IPSAS 14 Events after the Reporting Date	January 2007	IAS 10 Events after the Balance Sheet Date (<i>General Improvements Project</i>)	March 2004 (<i>It was issued in March 2004 to reflect the updates resulting from new IFRSs</i>)		The IPSASB doesn't need to consider updating IPSAS 14 at this time, but still needs to monitor the IASB's relevant activities.
IPSAS 15 Financial Instruments: Disclosure and Presentation	December 2001 (<i>Amendments to IPSAS15 resulting from new and 11 improved IPSASs have been incorporated into the text of the</i>)	IAS 32 Financial Instruments: Presentation (<i>General Improvements Project</i>)	August 2005 (<i>It was issued in August 2005 to reflect the amendments resulting from IFRS 7</i>)	Financial Instruments: puttable instruments(IAS 32) (<i>IFRS scheduled Q3 2007</i>)	Please see the Project Proposal on Financial Instruments(Agenda item 10)

	<i>standard in the 2007 Handbook of the IPSASB)</i>	IFRS 7 Financial Instruments: Disclosures	August 2005		
IPSAS 16 Investment Property	January 2007	IAS 40 Investment Property (<i>General Improvements Project</i>)	March 2004 (<i>It was issued in March 2004 to reflect the updates resulting from new IFRSs</i>)		The IPSASB doesn't need to consider updating IPSAS 16 at this time, but still needs to monitor the IASB's relevant activities.
IPSAS 17 Property, Plant and Equipment	January 2007	IAS 16 Property, Plant and Equipment (<i>General Improvements Project</i>)	December 2004 (<i>It was issued in December 2004 to reflect amendments resulting from IFRS 6, "Exploration for and Evaluation of Mineral Resources" issued in December 2004</i>)		The IPSASB doesn't need to consider updating IPSAS 17 at this time, but still needs to monitor the IASB's relevant activities.
IPSAS 18 Segment Reporting	June 2000 (<i>Amendments to IPSAS18 resulting from new and 11 improved IPSASs have been incorporated into the text of the standard in the 2007 Handbook of the IPSASB</i>)	IFRS 8 Operating Segments	November 2006 (Replaces IAS 14, "Segment Reporting" issued in August 2005) (<i>IAS 14 was not included in the General Improvements project. It was issued in August 2005 to reflect amendments resulting from new IFRSs and amended</i>)		The requirement on identification of segments in IFRS8 is more similar to the requirement in IPSAS 18 than that in IAS14. But requirements in IFRS8 reflecting other changes from IAS 14 are different from IPSAS 18, such as measurement of segment information. Staff also notes that IPSAS 18 departs from

			IASs)		IAS 14 in many aspects for public sector specific reasons. The IPSASB needs to consider the relevance to IPSAS 18 and the appropriateness for the public sector of changes made to IAS 14 to decide whether to update IPSAS18.
IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets	October 2002 <i>(Amendments to IPSAS19 resulting from new and 11 improved IPSASs have been incorporated into the text of the standard in the 2007 Handbook of the IPSASB)</i>	IAS 37 Provisions, Contingent Liabilities and Contingent Assets	August 2005 <i>(Not included in the General Improvements project. It was issued in August 2005 to reflect the amendments resulting from IFRS 7 and reissued IAS 32, IAS 39 etc)</i>	Liabilities <i>(IFRS scheduled H1 2008)</i>	The IPSASB needs to monitor the issuance of the new IFRS to consider updating IPSAS 19.
IPSAS 20 Related Party Disclosures	October 2002	IAS 24 Related Party Disclosures <i>(General Improvements Project)</i>	December 2004 <i>(It was issued in December 2004 to reflect amendments resulting from IAS 19, “Employee Benefit” issued in December 2004)</i>	Related Party Disclosures <i>(ED scheduled Q1 2007; IFRS scheduled H1 2008)</i>	Staff notes that IPSAS 20 was not included in the IPSASB’s previous improvements project to be updated although IAS 24 was part of the IASB’s General Improvements Project issued in December 2003. That was because IPSAS 20 differed from

					<p>IAS 24 to deal with public specific circumstances and changes made to IAS 24 in 2003 were not relevant to those aspects in IPSAS 20.</p> <p>The IPSASB needs to monitor the issuance of the new IFRS and consider the relevance to IPSAS 20 and the appropriateness for the public sector of new changes made to IAS 24 to decide whether to update IPSAS 20.</p>
IPSAS 21 Impairment of Non-Cash Generating Assets	December 2004	IAS 36 Impairment of Assets	March 2004		The IPSASB doesn't need to consider updating IPSAS 21 at this time, but still needs to monitor the IASB's relevant activities.

Notes:

- 1 The 11 IPSASs issued in January 2007 are converged with equivalent IASs under the IASB's General Improvements Project issued in December 2003.
- 2 "IASB Project Work Plan" in the sheet is extracted from the *IASB Work Plan-projected timetable as at 31 December 2006*(see Appendix A).
- 3 In addition to staff comments in the sheet, every existing IPSAS needs to be timely updated resulting from other revised and new IPSASs.