



**INTERNATIONAL FEDERATION
OF ACCOUNTANTS**

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Agenda Item
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DATE: March 3, 2008
MEMO TO: IPSASB Members and Technical Advisors
FROM: Stephenie Fox
SUBJECT: **STRATEGY AND WORKPLAN**

ACTION REQUIRED

The IPSASB is asked to:

- **Approve** the projects to be completed in 2008-2009
- Provide feedback on the initial application of “Rules of the Road”
- Provide feedback on the structure of documents and IPSASs
- Review the summary of voting rules and dissenting views

AGENDA MATERIAL:

Item

- 3.1 Strategy and Workplan
- 3.2 Rules of the Road summary
- 3.3 Structure of documents and IPSASs
- 3.4 Voting Procedures and recording of Dissenting Views

Strategy and Workplan

This agenda item is intended primarily to address the workplan for the period 2008-2009. In doing so there are a number of considerations, key among them including tracking progress on the IPSASB’s strategy and assessing priorities for the coming period.

As the IPSASB makes progress towards the goal of convergence with IFRS it is important to recognize that the IFRS convergence strategy is one of the components contributing towards achieving the IPSASB’s mission, which is:

“To serve the public interest by developing high-quality accounting standards for use by public sector entities around the world in the preparation of general purpose financial statements.”

The development of accounting standards is the critical component to the success of the IPSASB’s overall objective to develop high quality standards. However, there are a number of interrelated items that contribute to the standard-setting process and therefore are important as we continue in the process of enhancing the quality of IPSASs.

In reviewing the strategy and workplan (item 3.1) staff are proposing that IFRS convergence take a higher priority in 2008 and 2009 in order to have a full suite of high

calibre accrual standards in place at December 31, 2009. The IPSASB's major goal at this meeting will be to prioritize the projects it sees as critical in achieving the IFRS strategy.

The key outcome to this session of the agenda is the approval of the key projects which will allow staff to progress the workplan. Staff have done some preliminary work in some areas but cannot fully engage in certain aspects of the IFRS convergence strategy until the IPSASB has agreed on the projects that need to be prioritized.

Other Processes

Agenda items 3.2 through to 3.4 address various areas of the IPSASB's standard-setting processes. As noted, the "Rules of the Road" have been applied by staff in a number of cases for this meeting as the first attempt to make these workable in practice. Feedback will no doubt be provided in the context of the specific agenda items but any additional general feedback is also appreciated.

The material on structure of documents and IPSASs (3.3) sets out a few areas of focus but is not intended to be limited to these. As a general comment Staff are constantly reviewing the processes for standard setting with the aim of continuing to improve consistency and quality. A number of activities have been undertaken recently to contribute to this, including plain English review of some Consultation Papers. In addition, significant staff efforts have been devoted in recent weeks to "calling" final IPSASs, EDs and the 2008 Handbook. The aim of these exercises is to improve consistency in style as well as to undertake a "fatal flaw" review for errors. The 2007 Handbook had a number of inconsistencies and errors (consistent across IFAC Boards). To prevent this from recurring staff have conducted a thorough proof read of recently issued IPSASs and the Handbook by calling the final versions out loud (in pairs). This has been an extremely time consuming exercise but valuable from a long term perspective in enhancing consistency and identifying potential problem areas.

The material summarizing voting procedures and recording of dissenting views (3.4) was requested at the last meeting as a basis for discussion about potential changes. It is highlighted that any change in IPSASB's process in this area would have to be put forward to IFAC for approval. Any proposals for change would have to be well supported since they would be required to be applied across all the standard-setting Boards at IFAC. The staff proposal at this time is to keep a monitoring view on these procedures and policies.

The period between this meeting and the November 2007 meeting in Beijing was short and staff recognize that there has been a lot of pressure on members and TAs in the past few weeks. A number of key documents were finalized and all had to be reviewed by the IPSASB prior to finalization. Some feedback was received that the timing for review was extremely tight. This was most applicable for the Service Concession Arrangements Consultation Paper. Staff appreciates all feedback as we work to balance the need to make progress on the workplan with the needs of members for appropriate review. As noted in Beijing these pressures will continue to mount and any advice about how to improve processes is welcome.