

IASB/IPSASB Liaison Committee

Notes from IPSASB/IASB Liaison Group meeting, 26 March 2009

Participants:

IPSASB

Mike Hathorn

Erna Swart

Andreas Bergmann

IASB

David Tweedie

Warren McGregor

In attendance:

Alan Teixeira

Li Li Lian

Update on IPSASB's work programme:

- The IPSASB does a comprehensive review of their work programme every 3 years. The next review will be done at the end of 2009
- By the end of 2009, as part of the IPSAS convergence programme with IFRSs, IPSASs will have converged with all IFRSs published as at 31 December 2008.

Update on IASB's work programme:

- Discussed particular projects that would be of interest to the public sector and their status. Projects of particular interest include: emissions trading scheme project, joint arrangements, consolidation, insurance contracts, related party disclosures, management commentary, income tax, NPAE (SME).
- It was agreed that it would be helpful to both bodies if closer liaison could be achieved on the emissions trading scheme project. To that end, John Stanford of the IPSASB will contact the IASB emissions trading scheme project team.
- The IASB is currently focused on completing the projects on the MOU with the FASB. The MOU specifies that some projects have to be completed by June 2011. There is a possibility that some of the MOU projects may not be completed by June 2011. The new board may prioritise to complete those projects.
- It was noted that there is likely to be a "period of calm" after 30 June 2011 when a number of major countries apply full IFRS for the first time.

Credit Crisis and Government Business Entities (GBEs)

- In response to the credit crisis and government interventions, the IPSASB has formed a task force with the IMF to discuss how governments should account for their interventions.
- The IPSASB also has a statistical (GFS/SNA/ESA) convergence theme. Some jurisdictions that apply the statistical reporting model do not consolidate some types of GBEs. These GBEs are accounted for using the equity method. IPSASB requires GBEs to apply IFRSs. IFRSs require a parent to consolidate all of its subsidiaries.

IPSASB Conceptual Framework's First Consultative Paper (CP)

- The IASB staff found the CP a well-thought out document.
- It was noted that the IPSASB has advanced in some areas ahead of the IASB in their conceptual framework project. For example, the IPSASB has started to consider the boundaries of financial reporting, which the IASB-FASB joint project has not yet addressed. This will be useful input to the framework team when it begins that phase of the project.
- Broadly, the IPSASB's preliminary views were similar to the IASB's views on the objective of financial reporting, the qualitative characteristics and pervasive constraints of financial reporting, reporting entity and purpose of the framework. However, the IPSASB had not proposed that the qualitative characteristics be classified as primary or enhancing. It was noted that this may prove problematic when addressing the impact of the QCs, particularly verifiability, in the context of forward looking information, which is particularly relevant in the public sector context.

Liaison of IASB and IPSASB

- It was noted that Mike Hathorn will retire as Chair of the IPSASB at the end of 2009 and David Tweedie and Warren McGregor will both retire from the IASB on 30 June 2011.

The future of the informal liaison between the IASB and the IPSASB was discussed in the context of these pending changes.

- It was agreed that it is timely to seek a more formal liaison relationship between the two boards and that this may be best accomplished through the IASCF's current constitutional review. The IPSASB representatives undertook to draft a brief note setting out why recent government interventions bring this issue into sharp focus.

**Mike Hathorn
Warren McGregor**