

# The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Some Highlights

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Seminario: “La Alta Dirección de los Servicios Públicos frente a las NICSP: La visión del IPSAS Board”

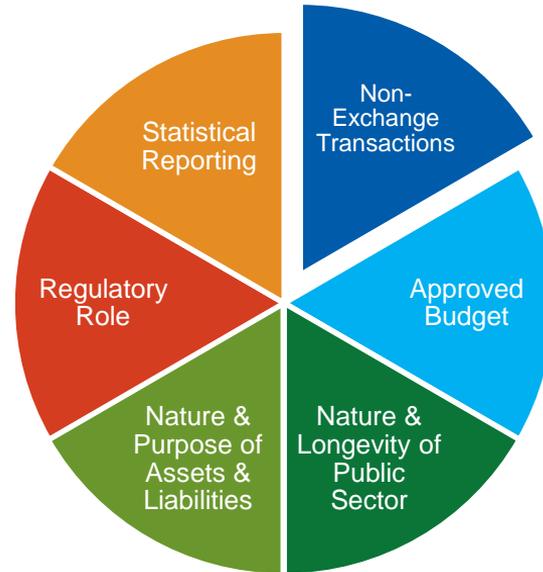
Santiago de Chile

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# Timeline



# Key Characteristics of the Public Sector



# Role and Authority of the Conceptual Framework

## Role

- Concepts underpinning general purpose financial reporting
- Accrual Basis

## Authority

- No authoritative requirements
- No override of requirements of International Public Sector Accounting Standards™ (IPSASs™) or Recommended Practice Guidelines (RPGs)

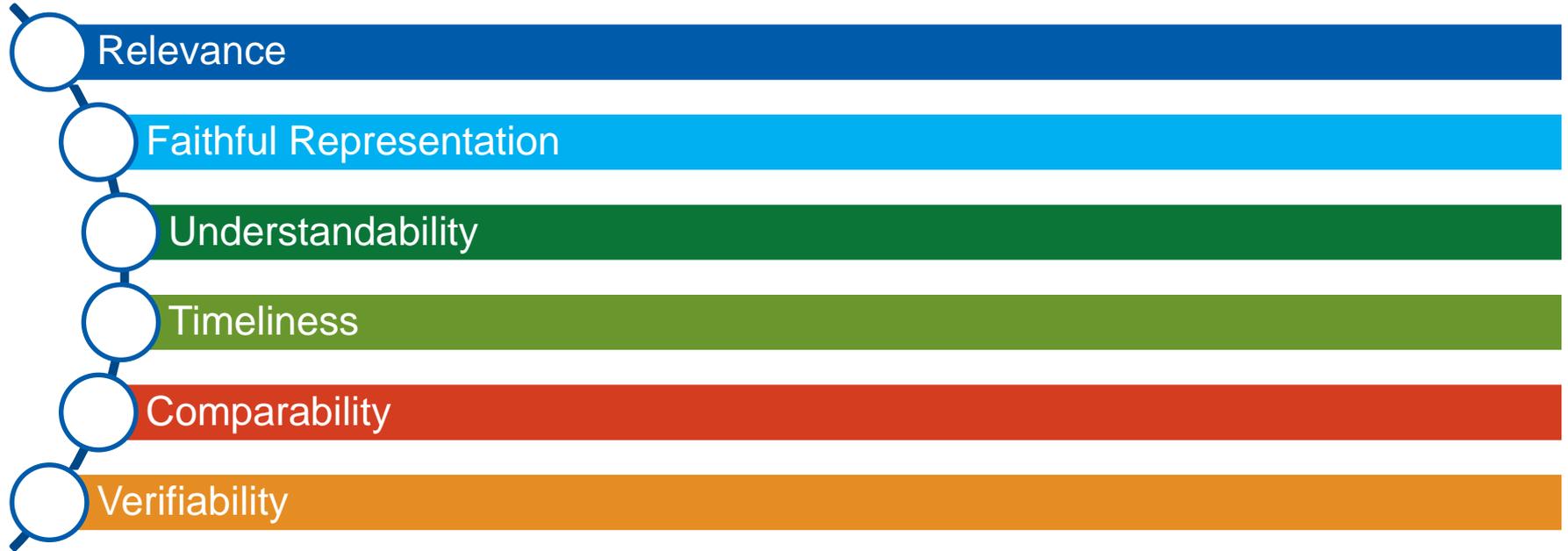
# Chapter 2: Objectives and Users

- Objectives of Financial Reporting
  - Provide information about entity useful to users of GPFRs
  - Accountability purposes and decision-making purposes
    - Reflects service delivery objective and nature of funding
  - Respond to information needs of users
- Users of GPFRs
  - Primary users: service recipients and resource providers

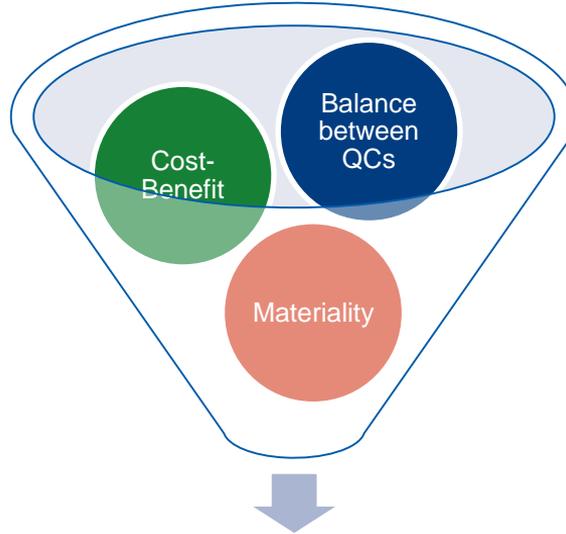
# The Enhanced Scope of Financial Reporting

- More comprehensive scope than financial statements
- Financial statements at the core of financial reporting

# The Qualitative Characteristics



# Constraints on Information Included in GPFs



Pervasive Constraints on Information included in GPFs

# Elements and Other Economic Phenomena

## Elements:

- Broad classes of transactions and other events
- Building blocks from which financial statements are constructed

## Other Economic Phenomena

- Other resources and other obligations

# The Six Elements

Asset

Revenue

Ownership  
Contributions

Liability

Expense

Ownership  
Distributions

# Measurement Bases for Assets

Historical  
Cost

Current Value

Market Value

Replacement  
Cost

Net Selling  
Price

Value in Use

# Measurement Bases for Liabilities

Historical  
Cost

Current Value

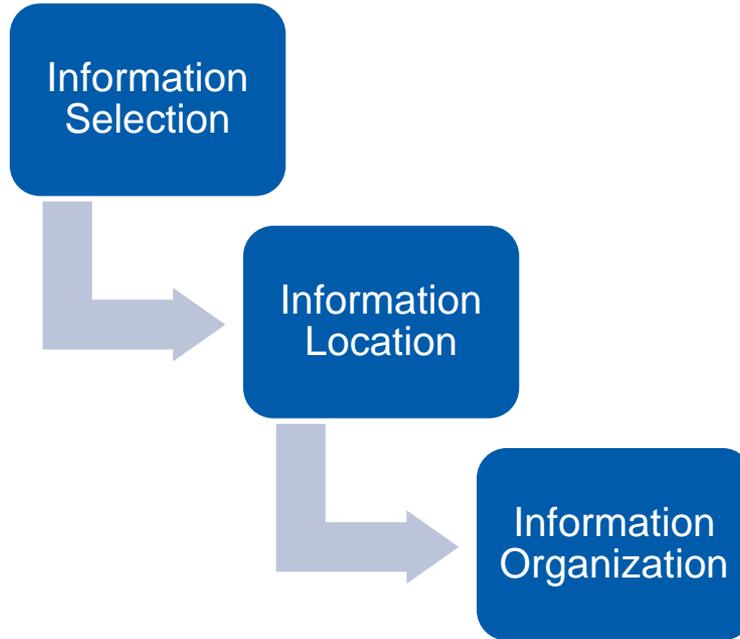
Cost of  
Fulfillment

Market  
Value

Cost of  
Release

Assumption  
Price

# Presentation



# First Time Adoption of Accrual Basis IPSASs

- Approved in December 2014, effective from 1 January 2017.
- Credible, transparent basis for the adoption of accrual accounting.
- Key features:
  - Transitional provisions to provide the relief necessary to promote adoption of IPSASs.
  - Some affect fair presentation and compliance.
  - Disclosures provide transparency about how adoption being undertaken.

# First Time Adoption of Accrual Basis IPSASs

- Transitional provisions that affect fair presentation and compliance:
  - Three year relief for the recognition and/or measurement of certain assets and liabilities.
  - Three year relief for the recognition and/or measurement of non-exchange revenue.
  - Three year relief for the elimination of inter-entity transactions, balances etc. in consolidated financial statements.

# First Time Adoption of Accrual Basis IPSASs

- Transitional provisions that do not affect fair presentation and compliance:
  - Presentation of comparative information not required.
  - Segment information not required.
  - Clear accounting requirements on how to adopt specific aspects of specific Standards.



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