

**Meeting:** International Public Sector Accounting Standards Board  
**Meeting Location:** Toronto, Canada  
**Meeting Date:** December 5–8, 2017

# Agenda Item 4

For:  
 Approval  
 Discussion  
 Information

## Technical Director’s Report on the Work Plan

### Objective of Agenda Item

1. To receive the Technical Director’s report on the work plan.
2. To note the work plan on Day One of the meeting and to discuss the work plan in the light of developments at the meeting on Day Three, in preparation for the subsequent discussion on the Strategy and Work Plan later on Day Three.

### Material(s) Presented

Agenda Item 4.1                      IPSASB Work Plan: December 2017

### Summary of Changes agreed at September 2017 Meeting

3. The Exposure Draft (ED) for the *Leases* project was originally scheduled for approval at the September 2017 meeting. The ED was not approved, and the IPSASB agreed that the work plan should be amended to show expected approval at this meeting. As a result of this change, the approval of the final pronouncement has been delayed until June 2019.

### Review of the Work Plan

4. At its September 2017 meeting, the IPSASB instructed the staff and the Chair to review the work plan, and to present an updated, more realistic plan at this meeting.
5. Staff has reviewed the work plan, taking into account the issues expected to arise in each project. Where projects are dependent on decisions being made in other projects, the scheduling of projects reflects those dependencies.
6. The work plan adopts the assumption that IPSASB proposals and preliminary views (PVs) in consultation papers and proposals in EDs are generally supported by respondents. The work plan adopts a best case” scenario, which assumes that there will be no re-exposure of EDs.
7. Similarly, the work plan adopts the assumption that there is a full staff complement from March 2018 (eight technical staff supported by Head of Administration and Events) for the remaining duration of the period covered by the work plan. Any delays in recruitment (or the departure of any staff) are likely to result in delays to one or more projects.
8. Apart from Heritage and Infrastructure where, following this meeting, it is proposed to defer work until December 2018, agenda items are scheduled for all meetings unless the meeting is during a

consultation period. It may be necessary to reduce the number of projects discussed at some meetings in order to manage both the agenda and staff resources

9. [Appendix A](#) includes an analysis of the time taken to complete previous projects. Staff considers that the overall timelines included in the work plan are broadly consistent with the historical analysis.

#### *Financial Instruments projects*

10. Staff consider that the existing timeline for approving the IPSAS on the *Update to IPSAS 28–30* is appropriate. The expected approval date remains September 2018. However, this is dependent on recruitment of a member of staff who is able to support the Deputy Director with this project.
11. Staff also consider that, subject to the recruitment of a staff member referred to above, the proposed timeline for approving a final pronouncement on *Public Sector Specific Financial Instruments* is appropriate. This involves the approval of an ED in June 2019 (which is a delay of six months to prioritize other projects) and the approval of the final pronouncement in the second half of 2020.
12. At its June 2017 meeting, CAG members advised the IPSASB to consider a pragmatic approach to the project. These members advised including additional guidance in the *Update to IPSAS 28–30* in order to address the issues covered by the CP. The IPSASB accepted this advice. Consequently, the *Public Sector Specific Financial Instruments* project is dependent on the *Update to IPSAS 28–30* project. Therefore the ED cannot be issued prior to the approval of the IPSAS, *Update to IPSAS 28–30*. Any delay in the *Update to IPSAS 28–30* project may therefore also delay the *Public Sector Specific Financial Instruments* project. Similarly, if the IPSASB were to decide that the pragmatic approach needs to be modified, this could result in a longer development time for this project.

#### *Leases project*

13. As noted in paragraph 3 above, the ED on *Leases* is expected to be approved in December 2017, and the final IPSAS in June 2019. Staff has not identified any dependencies on other projects.
14. Staff notes that, because of the approach to lessor accounting, there is a risk that respondents will not support the approach in the ED. This could result in significant delays in this project.

#### *Social Benefits, Revenue and Non-Exchange Expenses projects*

15. Staff consider that the existing timeline for approval of the IPSAS on *Social Benefits* is appropriate. The expected approval date remains December 2018.
16. Staff notes that, because of the range of options on recognition under the obligating event approach, there is a risk that respondents will not support the option proposed in the ED. This could result in significant delays.
17. The work plan presented at the September 2017 meeting included a single project on *Revenue*. Staff is now proposing three streams to the project, based on the assumption that the preliminary views expressed by the IPSASB in the Consultation Paper (CP) are supported. These are:
  - (a) *Revenue from Contracts with Customers (IFRS 15)*;
  - (b) *Revenue: Limited Update of IPSAS 23*; and

(c) *Revenue: Grants and Other Transfers (Category B Transactions)*

18. These project streams will need to be confirmed by the IPSASB following the review of responses to the CP.
19. Staff consider that it would be possible to approve an ED that is fully converged with IFRS 15, *Revenue from Contracts with Customers*, by March 2019 if there are no significant public sector specific issues. Staff consider that further time will be required to develop an ED that updates IPSAS 23 as this will need to address issues on which the IPSASB has yet to express a preliminary view, for example capital grants without performance obligations or stipulations. Staff also considers that further time will be required to develop an ED that extends the performance obligation approach to wider public sector specific transactions with performance obligations (*Grants and Other Transfers (category B transactions)*).
20. Staff notes that the finalization of the *Grants and Other Transfers (category B transactions)* stream will be dependent on the earlier completion of the IFRS 15 based project.
21. The work plan presented at the September 2017 meeting included a single project on *Non-Exchange Expenses*. Staff is now proposing two project streams, based on the assumption that the preliminary views expressed by the IPSASB in the CP are supported. The two project streams are:
  - (a) *Non-Exchange Expenses: Collective and Individual Services*; and
  - (b) *Non-Exchange Expenses: Grants and Other Transfers*
22. *The Collective and Individual Services* stream is likely to incorporate the extended obligating event approach, and is therefore dependent on progress with the social benefits project. The extended obligating event approach is based on the recognition and measurement approach proposed in ED 63, and any changes made to that approach as a consequence of the analysis of responses will have an impact on this stream of the non-exchange expenses project.
23. *The Grants and Other Transfers* stream is likely to incorporate the public sector performance obligation approach, and is therefore dependent on the progress made with the revenue project stream that adopts the same approach. In addition, this approach may also be dependent on the *Revenue: Limited Update of IPSAS 23* project stream, for items such as capital grants without performance obligations or stipulations.

*Public Sector Measurement, Infrastructure Assets and Heritage projects*

24. At the September 2017 meeting, the Technical Director outlined a possible approach to the *Public Sector Measurement, Infrastructure* and *Heritage* projects. The IPSASB has yet to decide whether this approach will be adopted. Consequently, the scheduling of these projects is subject to change.
25. The IPSASB is considering issuing a CP/ED 'hybrid' for the Public Sector Measurement project. This has been included in the work plan, on the assumption that the ED section of this document will include the full text of a draft "Principles of Measurement" IPSAS, with the CP section outlining how this would be translated into consequential amendments to other standards. This would be developed into a full ED with consequential amendments following the review of responses to the CP/ED hybrid.

26. Both the *Infrastructure Assets* and *Heritage* projects are dependent on the *Public Sector Measurement* Project, and proposals for measuring infrastructure and heritage assets will need to be consistent with the principles of measurement. For this reason, the work plan assumes that, after the review of responses to the *Heritage* CP and the interim feedback report on research on *Infrastructure*, these projects will be put on hold until December 2018. This will facilitate a staff and Board focus on *Public Sector Measurement* through 2018.

*Other projects*

27. Staff is proposing bringing the *Improvements to IPSAS 2018* project forward so that the ED is approved in March 2018, and the final pronouncement in September 2018. This is to take advantage of the availability of staff resources and agenda time.
28. No changes are proposed to the *Strategy and Work Plan* project. It is expected that the consultation document will be approved in December 2017, with the *Strategy and Work Plan 2019-2023* finalized in December 2018.

**Uncertainties Regarding the Work Plan and Annual Review of the Work Plan**

29. While this report has identified the linkages between projects there are numerous uncertainties, in particular the issues raised by respondents to consultation documents. It is therefore proposed that the work plan is reviewed at the first three meetings of the year and that at the final meeting of the year there will be an in-depth review, which will take a similar format as this review. The next in-depth review will be in December 2018 at the same meeting as the approval of the Strategy & Work Plan. The review will consider whether the timetable for certain projects can be accelerated in the light of developments.

**Question for the IPSASB**

30. The IPSASB is asked to consider the proposed work plan, and **approve** the work plan or **instruct** any changes that are required.

## Appendix A

This appendix shows the number of meetings at which a project has been discussed from commencing the project to completion. It does not take into account meetings where the project was not discussed, whether because the project was out for consultation, or for other reasons. This appendix does not consider improvements and similar narrow scope projects, Recommended Practice Guidelines or the Conceptual Framework. Nor does it consider projects which have been stopped prior to a final pronouncement being approved. This appendix considers projects that were completed (or will complete) in March 2008 or later.

**Table 1: Completion Time (number of meetings) for Converged IPSAS**

	Project Brief	Exposure Draft	IPSAS	TOTAL
IPSAS 27, <i>Agriculture</i>		2	1	3
IPSAS 28, <i>Financial Instruments: Presentation</i>	1	6	2	9
IPSAS 29, <i>Financial Instruments: Recognition and Measurement</i>	1	6	2	9
IPSAS 30, <i>Financial Instruments: Disclosures</i>	1	6	2	9
IPSAS 31, <i>Intangible Assets</i>		3	1	4
IPSAS 34-38, <i>Interests in Other Entities</i>	2	6	3	11
IPSAS 39, <i>Employee Benefits</i>	1	2	1	4
<b>Average</b>	<b>1.20</b>	<b>4.43</b>	<b>1.71</b>	<b>7.00</b>

This table includes some outliers – IPSAS 27 and IPSAS 31 followed the “rules of the road” strictly, with no public sector issues being addressed. IPSAS 39 updated an existing IPSAS, and again followed the “rules of the road” strictly, addressing no public sector issues that had not been considered in developing IPSAS 25, *Employee Benefits*. If these outliers are removed, the averages would be as follows:

	Project Brief	Exposure Draft	IPSAS	TOTAL
<b>Average</b>	<b>1.25</b>	<b>6.00</b>	<b>2.25</b>	<b>9.50</b>

**Table 2: Completion Time (number of meetings) for Narrow Scope Projects**

	Project Brief	Exposure Draft	IPSAS	TOTAL
IPSAS 39, <i>Employee Benefits</i>	1	2	1	4
<i>Financial Reporting under the Cash Basis of Accounting</i> (revised 2017)	1	3	2	6
<b>Average</b>	<b>1.00</b>	<b>2.50</b>	<b>1.50</b>	<b>5.00</b>

**Table 3: Completion Time (number of meetings) for Non-Converged Projects**

	Project Brief	Consultation Paper	Exposure Draft	IPSAS	TOTAL
IPSAS 32, <i>Service Concession Arrangements: Grantor</i>	2	3	5	4	14
IPSAS 33, <i>First-time Adoption of Accrual Basis IPSASs</i>	1		6	3	10
IPSAS 40, <i>Public Sector Combinations</i>	1	6	8	2	17
<b>Average</b>	<b>1.33</b>	<b>4.50</b>	<b>6.33</b>	<b>3.00</b>	<b>13.67</b>

**Table 4: Completion Time (number of meetings) for Completed Stages of Ongoing Projects**

	Project Brief	Consultation Paper	Exposure Draft
<i>Social Benefits</i>	1	6	7
<i>Leases</i>	1		8
<i>Financial Instruments (Update to IPSAS 28–30)</i>	1		5 <sup>1</sup>
<i>Public Sector Specific Financial Instruments</i>	2	9	
<i>Revenue and Non-Exchange Expenses</i>	1	9	
<i>Public Sector Measurement</i>	2		
<i>Heritage</i>	2	7	
<i>Infrastructure Assets</i>	2		
<b>Average</b>	<b>1.50</b>	<b>7.75</b>	<b>6.67</b>

<sup>1</sup> There was also a face-to-face task group meeting for the *Financial Instruments (Update to IPSAS 28–30)* project, without which additional meeting time would have been required.

# Agenda Item 4.1

## IPSASB WORK PLAN: DECEMBER 2017

Project/ Initiative	Links	Dec 2017 (CAG)	Mar 2018	Jun 2018 (CAG)	Sep 2018	Dec 2018 (CAG)	Mar 2019	Jun 2019 (CAG)	Sep 2019	Dec 2019 (CAG)	H1 2020	H2 2020	H1 2021	H2 2021
A <a href="#">Update to IPSASs 28–30, Financial Instruments</a>	B		DI/RR	DI CAG	IP									
B <a href="#">Public Sector Specific Financial Instruments</a>	A, E, F		DI/RR	DI	DI	DI/ED	DI/ED	DI/ED CAG			DI/RR	DI/IP		
C <a href="#">Leases</a>	E	DI/ED			DI/RR	DI/RR CAG	DI/IP	IP CAG						
D <a href="#">Social Benefits</a>	E, F			DI/RR CAG	DI	IP CAG								
E <a href="#">Revenue</a>														
(i) Revenue from Contracts with Customers (IFRS 15)	B, C, D, F		DI/RR	DI CAG	DI/ED	DI/ED	ED			RR	DI/IP			
(ii) Limited Update of IPSAS 23				DI CAG	DI/ED	DI/ED	ED			RR	DI/IP			
(iii) Grants and Other Transfers (Category B Transactions)				DI CAG	DI	DI	DI/ED	DI/ED CAG	ED		RR	DI/IP	IP	
F <a href="#">Non-Exchange Expenses</a>														
(i) Collective and Individual Services	B, C, D, E		DI/RR	DI CAG	DI/ED	DI/ED	ED			RR	DI/IP			
(ii) Grants and Other Transfers				DI CAG	DI	DI	DI/ED	DI/ED CAG	ED		RR	DI/IP	IP	
G <a href="#">Public Sector Measurement</a>														
(i) Principles of Measurement	H, I	DI	DI	DI/ED CAG	DI/ED	ED			DI/RR	DI/IP	IP			
(ii) Consequential Amendments				DI/CP CAG	DI/CP	CP			DI/RR	DI/ED	DI/ED	RR/IP		
H <a href="#">Infrastructure Assets</a>	G, I	DI CAG				DI	DI	DI/ED CAG	DI/ED	DI/ED	ED		RR/IP	
I <a href="#">Heritage</a>	G, H	RR CAG				DI	DI	DI/ED CAG	DI/ED	DI/ED	ED		RR/DI	IP

IPSASB Work Plan: December 2017  
 IPSASB Meeting (December 2017)

Project/ Initiative	Links	Dec 2017 (CAG)	Mar 2018	Jun 2018 (CAG)	Sep 2018	Dec 2018 (CAG)	Mar 2019	Jun 2019 (CAG)	Sep 2019	Dec 2019 (CAG)	H1 2020	H2 2020	H1 2021	H2 2021
J Improvements			DI/ED		RR/IP						DI/ED	RR/IP		
K Strategy and Work Plan Consultation		CP CAG		CAG	PI/RR	ST								
L IPSASB Handbook				Publish				Publish			Publish		Publish	

Key:

IP = Final Standard or Amendments to IPSAS(s); RP = Final Recommended Practice Guidance; ED = Approval of Exposure Draft; PB = Project Brief; DI = Discussion of Issues; RR = Review Responses; CP = Consultation Paper; **CAG = Consultative Advisory Group Meeting**; PI = Public Interest Committee Meeting; SB = Staff Background Paper; ST = Final Strategy and Work Plan

Approvals Key:

CP = Approval of Consultation Paper

ED = Approval of Exposure Draft

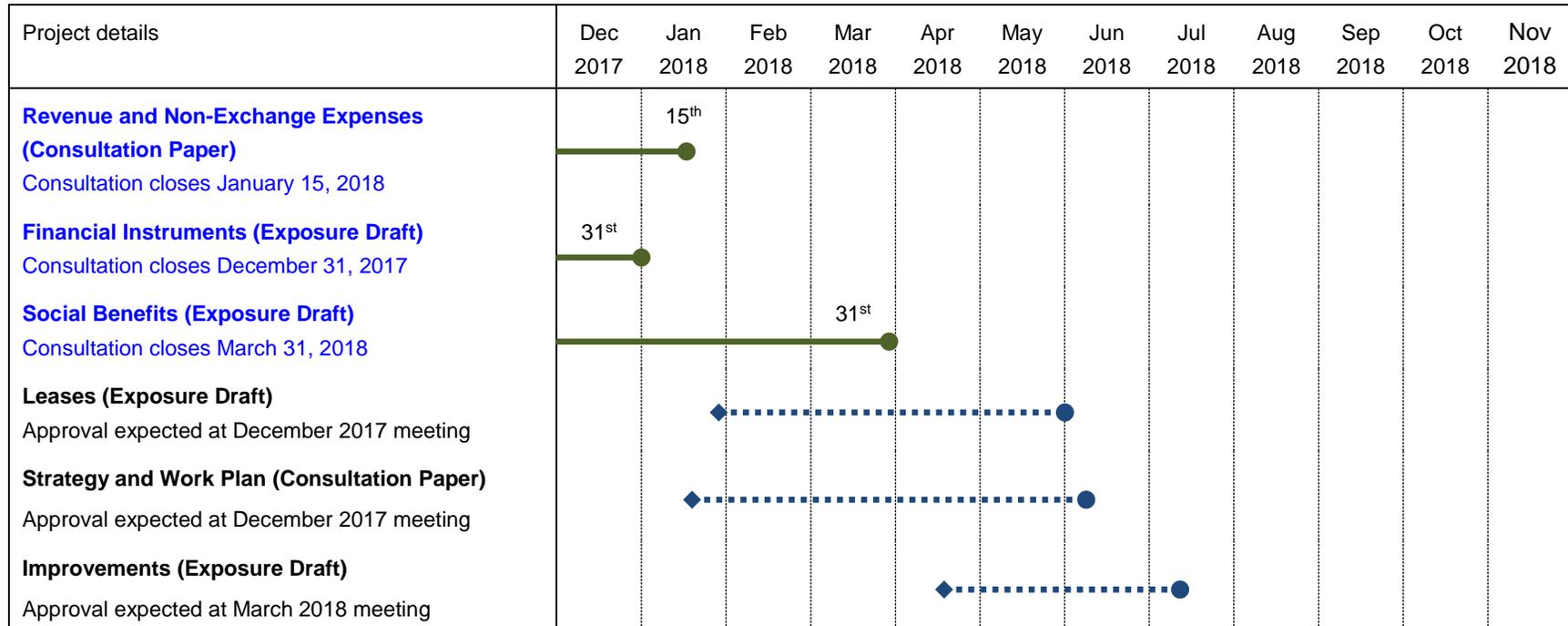
IP = Approval of Final Standard or Amendments to IPSAS(s)

RP = Approval of Final Recommended Practice Guidance

ST = Approval of Final Strategy and Work Plan

December 2017

## EXPECTED CONSULTATIONS DURING THE NEXT YEAR



Key:

- ◆—● Consultation document published (dates confirmed)
- ◆.....● Consultation document not yet approved (dates not known, consultation period indicative)

September 2017

## PROJECTS COMPLETED SINCE LAST WORK PLAN CONSULTATION

Project	Date Issued
2017 Handbook of International Public Sector Accounting Pronouncements	<i>To be confirmed</i>
<i>Financial Reporting Under the Cash Basis of Accounting (Revised 2017)</i>	November 2017
IPSAS 40, <i>Public Sector Combinations</i>	January 2017
Emissions Trading Schemes—Staff Background Paper	December 2016
Narrow scope amendments: <i>Impairment of Revalued Assets (Amendments to IPSAS 21, Impairment of Non-Cash-Generating Assets, and IPSAS 26, Impairment of Cash-Generating Assets)</i>	July 2016
IPSAS 39, <i>Employee Benefits</i>	July 2016
2016 Handbook of International Public Sector Accounting Pronouncements	July 2016 (online) September 2016 (print)
Narrow scope amendments: <i>The Applicability of IPSASs</i>	April 2016
<i>Improvements to IPSAS 2015</i>	April 2016
2015 Handbook of International Public Sector Accounting Pronouncements	December 2015
RPG 3, <i>Reporting Service Performance Information</i>	March 2015
IPSAS 38, <i>Disclosure of Interests in Other Entities</i>	January 2015
IPSAS 37, <i>Joint Arrangements</i>	January 2015
IPSAS 36, <i>Investments in Associates and Joint Ventures</i>	January 2015
IPSAS 35, <i>Consolidated Financial Statements</i>	January 2015
IPSAS 34, <i>Separate Financial Statements</i>	January 2015
IPSAS 33, <i>First-time Adoption of Accrual Basis IPSASs</i>	January 2015
<i>Improvements to IPSASs 2014</i>	January 2015
Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities	October 2014
2014 Handbook of International Public Sector Accounting Pronouncements	June 2014