

**Meeting:** International Public Sector Accounting Standards Board

**Meeting Location:** Toronto, Canada

**Meeting Date:** December 5–8, 2017

## Agenda Item 9

**For:**

Approval

Discussion

Information

### Strategy and Work Plan 2019–2023

<b>Project summary</b>	To develop the IPSASB Strategy and Work Plan for the period from 2019–2023. The project involves significant outreach with IPSASB constituents, governance and advisory bodies, and others involved in work related to accrual accounting and more broadly involved in public financial management reforms. The project will include a consultation document to receive feedback from constituents, as well the IPSASB will look to hold regional roundtables to engage directly with constituents.	
<b>Meeting objectives</b>	<b>Topic</b>	<b>Agenda Item</b>
<b>Project management</b>	<a href="#">Instructions up to December 2017 Meeting</a>	<a href="#">9.1.1</a>
	<a href="#">Decisions up to December 2017 Meeting</a>	<a href="#">9.1.2</a>
	<a href="#">Project Roadmap</a>	<a href="#">9.1.3</a>
<b>Decisions required at this meeting</b>	<a href="#">IPSASB CAG and PIC Feedback</a>	<a href="#">9.2.1</a>
	<a href="#">Amendments to Draft Strategy and Work Plan 2019–2023</a>	<a href="#">9.2.2</a>
	<a href="#">Specific Matters for Comment</a>	<a href="#">9.2.3</a>
	<a href="#">Approval of Draft Strategy and Work Plan 2019-2023</a>	<a href="#">9.2.4</a>
	<a href="#">Strategy Outreach Approach</a>	<a href="#">9.2.5</a>
<b>Other supporting items</b>	<a href="#">Draft Strategy and Work Plan 2019–2023</a>	<a href="#">9.3.1</a>

### INSTRUCTIONS UP TO DECEMBER 2017 MEETING

Meeting	Instruction	Actioned
September 2017	<p><i>Strategic Objective 2019–2023 and Strategic Themes</i></p> <ul style="list-style-type: none"> <li>• Staff was instructed to consider inclusion of the wording related to users in the Conceptual Framework in the discussion supporting the strategic objective.</li> <li>• Staff was instructed to ensure the important link between the public interest and the Strategic Objective is captured in the text of the document.</li> <li>• Staff was instructed staff to explain in the document what the IPSASB sees as high-quality financial reports and how high quality accounting standards are core to such reports.</li> <li>• Staff was instructed to ensure the GFS is appropriately highlighted in the text of the document.</li> </ul> <p><i>Project Prioritization Criteria</i></p> <ul style="list-style-type: none"> <li>• The IPSASB supported the criteria set out for assessing potential projects (pervasiveness, urgency, consequences and feasibility). However, staff was instructed to consider and revise the labels and descriptions of the criteria.</li> </ul> <p><i>Work Plan 2019-2023</i></p> <ul style="list-style-type: none"> <li>• The IPSASB instructed staff to consider if there might be a visual way to link the current work plan to show the addition of the proposed projects.</li> </ul>	See Agenda Paper <a href="#">9.2.1</a> and <a href="#">9.2.2</a> .

### DECISIONS UP TO DECEMBER 2017 MEETING

Date of Decision	Decision
September 2017	<ul style="list-style-type: none"> <li>• The IPSASB agreed with the approach and style of the document.</li> <li>• The IPSASB agreed that Theme 1 (now Theme A) should be the highest priority in terms of the resources committed to projects.</li> <li>• The IPSASB agreed that Strategic Theme 4 (Influencing initiatives on the benefits of accrual in strengthening Public Financial Management) should become Strategic Theme 5 and Strategic Theme 5 (Promoting IPSAS adoption and implementation) should become Strategic Theme 4. Further, it was agreed that for translation reasons, influencing should be replaced with another more appropriate term (to be determined).</li> <li>• The IPSASB agreed that staff should consider how to apply the factors to explain why projects have not been selected for the Work Plan 2019–2023. The IPSASB also agreed that an SMC should be developed to ask constituents if any of the projects not selected should be prioritized over those projects proposed for the Work Plan 2019–2023.</li> <li>• The IPSASB agreed that a better link is needed in the document between the current committed IPSASB projects and those proposed to be added to the Work Plan 2019–2023.</li> <li>• The IPSASB agreed that there may be a need for a further Work Plan consultation part way through the 2019–2023 period and the document should note this possibility.</li> <li>• The IPSASB agreed the Managing Delivery section of the document, subject to some edits to be reflected in the next version.</li> <li>• The IPSASB agreed to include the proposed SMCs in the draft document.</li> <li>• The IPSASB agreed that regional round tables should be held during the Strategy Consultation period.</li> </ul>

### Strategy and Work Plan 2019–2023 Project Roadmap

Meeting	Completed Discussions/Planned Discussions:
March 2016	<ol style="list-style-type: none"> <li>1. Inaugural Public Sector Standard Setters Forum – discussion of issues and projects important to national standard setters around the world. This included round table discussions related to potential future projects.</li> </ol>
December 2016	<ol style="list-style-type: none"> <li>1. Discussion with the IPSASB Consultative Advisory Group at their June 24, 2017 meeting. Specifically the discussions related Public Financial Management—<i>Needs and Perspectives in the Current Environment</i> provided very useful input to the IPSASB strategy discussions.</li> </ol>
March 2017	<ol style="list-style-type: none"> <li>1. Discussion of Issues.</li> <li>2. Discussion of Project Roadmap.</li> <li>3. IPSASB/IMF/Work Bank – <i>Harnessing the Power of Accruals</i>. Broad outreach activity with the public financial management community to feed into the IPSASB process to develop next Strategy and Work Plan that provided very useful information and context for IPSASB consideration.</li> <li>4. Discussions with the Public Interest Committee at their March 1, 2017 meeting.</li> </ol>
June 2017	<ol style="list-style-type: none"> <li>1. Discussion of issues.</li> <li>2. Discussion of the proposed 5 Strategic Themes.</li> <li>3. Discussion of possible projects related the Strategic Themes.</li> <li>4. Breakout Groups – including IPSASB members, Technical Advisors, Observers, Staff and others.</li> <li>5. Discussion with the IPSASB Consultative Advisory Group at their June 24, 2017 meeting.</li> </ol>
July 2017	<ol style="list-style-type: none"> <li>1. 2<sup>nd</sup> Public Sector Standard Setters Forum. Discussion of issues and projects important to national standard setters around the world. This included round table discussions related to potential future projects. Further, several in-depth discussions related to the proposed 5 Strategic Themes and various projects related to those themes were discussed.</li> </ol>
September 2017	<ol style="list-style-type: none"> <li>1. Discussion of issues.</li> <li>2. Review of Draft Strategy and Work Plan 2019–2023 document.</li> </ol>
October 2017	<ol style="list-style-type: none"> <li>1. Consult with the Public Interest Committee (PIC) at their October 5, 2017 meeting in Washington.</li> <li>2. Teleconference with the Consultative Advisory Group – October 2017. Continuation of discussion started in June 2017, report back on how comments provided have been incorporated into the draft consultation.</li> <li>3. TBG discussion of amendments to the draft Strategy document and the comments from the PIC and CAG meetings in October.</li> </ol>

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Meeting	Completed Discussions/Planned Discussions:
December 2017	<ol style="list-style-type: none"> <li>1. Report back on discussion with the Consultative Advisory Group at their December 4, 2017 meeting.</li> <li>2. Discussion of issues.</li> <li>3. Approve the Strategy and Work Plan 2019–2023 consultation document.</li> </ol>
January 2017	Consultation Period – Publication of Consultation Document.
June 2018	<ol style="list-style-type: none"> <li>1. Regional Round Tables and additional outreach planned from March – May 2017.</li> </ol>
September 2018	<ol style="list-style-type: none"> <li>1. Initial Review of Responses to Consultation.</li> <li>2. Discussion on issues raised by respondents.</li> </ol>
October 2018	<ol style="list-style-type: none"> <li>3. Discussion with the Public Interest Committee key strategic issues from the consultation and IPSASB decisions related to these.</li> </ol>
December 2018	<ol style="list-style-type: none"> <li>1. Discussion with the Consultative Advisory Group.</li> <li>2. Discussion of issues.</li> <li>3. Approval of Strategy and Work Plan 2019–2023</li> </ol>

**IPSASB CAG AND PIC Feedback****Purpose**

1. To provide the IPSASB with feedback on the October 2017 discussions with the Public Interest Committee (PIC) and the IPSASB Consultative Advisory Group (CAG) on the Draft Strategy and Work Plan 2019–2023 (Strategy Consultation).

**Detail**

2. Subsequent to the September 2017 IPSASB meeting, the PIC and CAG both held meetings to discuss the draft of the IPSASB Strategy Consultation.
3. Key discussions since the September 2017 IPSASB meeting are as follows:
  - (a) **October 5, 2017 discussion at the Public Interest Committee (PIC) meeting in Washington D.C.** See paragraph 4 below for a summary of the key points noted by the PIC.
  - (b) **October 6, 2017 CAG teleconference.** See paragraph 5 below for a summary of the key points noted by CAG members.
  - (c) **December 4, 2017 CAG Meeting.** The IPSASB to Report Back on the June 2017 and October 2017 CAG Strategy Consultation teleconference discussions, and to seek advice on the proposed outreach approach. Staff to provide a verbal update at the December 2017 meeting.
4. The following is a summary of key points raised by the PIC at its October 5 meeting in Washington D.C. (a detailed summary of comments with IPSASB staff actions is noted in the [Appendix 9.2.1](#)):
  - (a) **Comments on the Strategy Development Due Process.** Request for the IPSASB to clarify past and future outreach activities related to Strategy (such as input at the Public Sector Standard Setters Forum's and the planned 2018 Regional Round Tables in Africa, Europe and South East Asia).
  - (b) **Outreach / Round Tables.** Recommendation to carefully consider and define the target participants and appropriate mix to promote good discussions and obtain useful input.
  - (c) **Key summary of specific PIC points noted on the Strategy Consultation document:**
    - (i) Recommendation that the Strategy Consultation explicitly reference Government Finance Statistics (GFS);
    - (ii) Recommendation that the Strategy Consultation clarify why the proposed projects have been selected (including analysis using the project prioritization criteria in the Strategy Consultation);
    - (iii) Recommendation that the Strategy Consultation note that the IPSASB plans to undertake a further Work Plan consultation part way through the 2019-2023 period; and
    - (iv) Recommendation that the Strategy Consultation include a better link between the current and future work plans using visuals, to demonstrate that the number of projects proposed is realistic and feasible.
5. The following is a summary of key points raised on the October 6 CAG teleconference (a detailed summary of comments with IPSASB staff actions is noted in the [Appendix 9.2.1](#)):

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- (a) Overall CAG members noted that the Strategy Consultation was developing well and consistent with CAG discussions at the June 2017 meeting.
  - (b) A need was highlighted for the Strategy Consultation to include a visual linking the current Work Plan, with the proposed Work Plan 2019-2023 to show the expected timing of new project commencement and when current projects are expected to be completed. The CAG members also noted support for mid-term Work Plan consultation during the 2018-2023 period.
  - (c) Strong support for Themes D and E in the Strategy Consultation, as some CAG members noted it as important that the IPSASB participates and engaged in broader Public Financial Management debates. In relation to these Themes a CAG member further recommended that they should not be in numerical order (because this could be seen as a ranking), as importance depends on the various perspectives of different constituents.
6. Staff notes that many of the points raised by both the PIC and the CAG, were broadly consistent with those raised by IPSASB members at the September meeting.
7. Staff has considered the points raised by the IPSASB, PIC and CAG in revising the document. The TBG has considered the detailed points raised by the PIC and CAG and how Staff has addressed these in revising the document.

### **Decisions required**

Does the IPSASB agree with how the comments of the PIC and CAG have been addressed?

## Appendix 9.2.1 – Detailed Comments from the PIC and CAG

1. Comments from the Public Interest Committee (PIC) on the strategy development process:
  - (a) **Round Tables.** The PIC noted that IPSAS should target a broad constituency. The PIC views it as important that those involved in the decision to adopt IPSAS are included in the conversation, these people are not always accountants.
    - (i) **Action/Response.** The planned round tables will include a broad list of attendees. The target audience is still under development and will be an item covered at the December 4 CAG meeting and the December IPSASB meeting. However, staff has outlined in a draft what the expected format of the round tables would look like in [Appendix 9.2.5](#). The current thoughts are that the target participants would include a mix of Public Sector Accountants, Auditors, Fiscal Managers (ministry of finance officials and budgetary managers) and PFM experts.
  - (b) **Voting Process at Public Sector Standard Setters Forum.** The PIC inquired about the voting process at the July 2017 Public Sector Standards Setters Forum, noting it seemed to be playing a significant role in the project selection process and questioned if its role should not be more formalized.
    - (i) **Action/Response.** The IPSASB noted that the projects considered had been discussed with the CAG in June 2017. The IPSASB also noted that the vote was for information purposes and was non-binding. The IPSASB noted that the Public Sector Standard Setters Forum's mandate should be considered further, including how formalized its process and place in the IPSASB's activities.
  - (c) **Strategy Outreach.** The PIC emphasized that the Strategy Development process needed to consider how the IPSASB planned to use the CAG, regional round table events and engage with constituents overall with an aim to increase the response rates (and obtain formal feedback) to the Strategy Consultation document.
    - (i) **Action/Response.** A detailed outreach plan is being developed, see Agenda Item [9.2.5](#).
2. Comments from the Public Interest Committee (PIC) on the proposed Work Plan 2019-2023:
  - (a) The PIC questioned if Themes 4 & 5 (now Themes D & E in current version) were two distinct themes or should they be combined.
    - (i) **Action/Response.** The IPSASB clarified that while the themes are linked, they still have differences and should be kept as separate themes.
  - (b) The PIC felt that GFS should be made more prominent. The PIC view was shared that GFS is more important than the IFRS convergence theme.
    - (i) **Action/Response.** The IPSASB noted that GFS should be prominently noted under Theme A in particular, as well as Theme B and E, and that those changes would be made to the Strategy Consultation. The IPSASB noted that GFS is important to its work, and that the IPSASB has a policy in place to ensure that it is considered during projects with the aim at reducing unnecessary differences. The IPSASB noted that to some constituents maintaining IFRS convergence is important and for that reason the Board should continue to work to maintain convergence.
  - (c) The PIC suggested that a link needed to be made to the current projects and work plan, to the future projects being proposed for the work plan.

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- (i) **Action/Response.** The visuals in the draft Strategy consultation have been updated to link the current work plan with the proposed future work plan.
  - (d) The PIC questioned if certain projects which are not recommended at this time, were not of a higher priority?
    - (i) **Action/Response.** The IPSASB noted that the projects proposed for the Work Plan 2019-2023 are those which when assessed against the criteria for project prioritization provide the greatest public interest benefits.
  - (e) The PIC noted that the IPSASB should be thinking about how to help countries in the developing world in particular, build capacity to implement IPSAS.
    - (i) **Action/Response.** The IPSASB noted that adoption and implementation support for understanding the standards the Board issues is one way it can help all countries with implementation. However, the IPSASB is limited because of resources to how much it can do to help build capacity to apply IPSAS in adopting countries. The IPSASB strongly feels it needs to work with others, such as international organizations (World Bank, IMF) and regional development banks (Asian Development Bank, African Development Bank, Inter-American Development Bank) to help build capacity; which is why the IPSASB has included Themes D and E in its Strategy Consultation. It will be important for the IPSASB to be involved in the work of others under Themes D and E to help with this issue.
  - (f) The PIC inquired on Social Benefits and supported the IPSASB approach, noting a risk when trying to make the financial statements do too much. The PIC inquired about the split in those who supported ED 63, *Social Benefits* and those with alternative views and what that might mean when looking to approve the standard after the consultation period is complete.
    - (i) **Action/Response.** The IPSASB clarified that a majority of the Board supported ED 63, and that 3 members shared a common alternative view which was explained in the ED.
3. Comments from the Public Interest Committee (PIC) on the strategy development process (note a full Report Back on the points raised on the CAG teleconference is available [here](#)):
- (a) The Strategy document needs to better show the rationale for the number of projects proposed, why the projects which are proposed are included versus those that are not.
    - (i) **Action/Response.** The document has been updated for this comment. The current version assesses the reason why projects have been proposed while others have not been. Further, a full analysis against the project prioritization criteria has been added to the document in Appendix B. A clarification has also been included to note that the projects not proposed at this time are not rejected, however are not prioritized for the Work Plan 2019-2023, but will be considered for inclusion in the future.
  - (b) A CAG member asked what in particular the IPSASB is doing to monitor the adoption and implementation of IPSAS standards, as they thought this is important information to have for a standard setting board.
    - (i) **Action/Response.** The IPSASB noted that IFAC and CIPFA are currently working on an ongoing initiative to gather information to monitor adoption through an adoption index, which has recently been published: <https://www.ifac.org/about->

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[ifac/accountability-now/international-public-sector-financial-accountability-index](#).

This will greatly help in obtaining better information on the level of adoption and how jurisdictions adopt IPSAS. It was further noted that in the medium term there would be an increased need for the IPSASB to monitor the application of IPSASs.

- (c) A CAG member noted support for Themes 4 and 5 (Themes D and E in the current version) – as it is important that standard setters get involved and be considered in broader public financial management discussions.
  - (i) **Action/Response.** The IPSASB agreed in September to include Themes D and E, for the reasons noted by the CAG member.
- (d) CAG members supported a mid-term Work Plan consultation to check priorities with constituents.
  - (i) **Action/Response.** The Strategy Consultation has been updated to note that a mid-term Work Plan consultation during the 2019-2023 period is planned.
- (e) A CAG member asked if the IPSASB should not be engaging directly to support and help those in the adoption and implementation of IPSAS.
  - (i) **Action/Response.** The IPSASB clearly emphasized that the Board and staff have limited resources and although we might be involved in dialogue with those considering or in the adoption and implementation process, it is not feasible for the IPSASB to provide direct project support.
- (f) A CAG member supported the five Themes but did question if they should be numbered as this inferred a ranking of importance and it was noted that depending on the constituent point of view some Themes may be more important than others.
  - (i) **Action/Response.** The document has been updated to ensure that the numbering of the Themes is not intended to be seen as a ranking by importance (Themes 1-5 are now Themes A-E in the current version).

### Amendments to Draft Strategy and Work Plan 2019–2023

#### Question

1. Whether the Board agrees with the amendments to the Strategy Consultation.

#### Detail

2. At the September meeting the IPSASB provided direction on several areas for further development and amendments to the Strategy Consultation.
3. Subsequent to the IPSASB meeting, the Public Interest Committee and the Consultative Advisory Group met to provide their views on draft Strategy Consultation and recommendations to improve the document. Agenda Item [9.2.1](#) provides an overview of those comments received and how they have been considered and dealt with in the updated Strategy Consultation.
4. Staff and the TBG considered the guidance provided by the IPSASB (see Agenda Item [9.1.1](#) and [9.1.2](#) for a summary of IPSASB instructions and decisions), PIC and CAG, which has resulted in the following proposed changes to the Strategy Consultation:
  - (a) Amendments included to improve discussion linking the Strategic Objective to users and the public interest. *(See changes throughout the document, main amendments to cover this point are on page 1 (Foreward) and page 7 (Proposed Strategic Objective)).*
  - (b) Work Plan prioritization criteria labels and descriptions have been updated. *(See changes on page 11 (Proposed Work Plan 2019-2023) of the Strategy Consultation document).*
  - (c) Appendix B was developed and added to the Strategy Consultation to analyze each potential project against the selection criteria to determine which the projects should be prioritized for the Work Plan 2019-2023. *(See Appendix B starting on page 32).*
  - (d) Amendments to link the current work plan with the proposed projects. This includes updating the diagrams included in the document. *Note - Please review the current Work Plan and the Work Plan 2019-2023 for the visual look only. These will be updated to reflect the Work Plan after the discussions for Agenda Item 4 Technical Directors Report on Work Plan during the December 2017 meeting. (See page 4 for the revised diagram on current Work Plan and the new diagram inserted with combined current Work Plan and Proposed Additions to the Work Plan 2019-2023 on page 17).*
  - (e) Amendments included to explain what is meant by 'high-quality' financial reporting and how accounting standards are essential for such reporting. *(See page 3 for changes and new footnote).*
  - (f) Text included to explicitly note Government Finance Statistics in Themes A, B and E. *(See pages 8 and 20-21 for the changes to reflect GFS).*
  - (g) Amendments to the Strategic Theme labels and descriptions. Also, reordering of themes D and E based on IPSASB instructions. *(See changes starting on page 8 and throughout the document to reflect the changes to move from numbered Themes to letters and to reorder Themes D and E).*
  - (h) Amendments included to clarify that projects not prioritized for Work Plan 2019-2023 are not 'rejected'. Clarifications included to make it clear that proposed projects have been recommended as a higher priority. Further, the document has been updated to note that a mid-term Work Plan Consultation is planned in 2020. *(See main changes in Appendix A on page 26).*

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- (i) Revisions made to the SMCs (revisions to the SMCs in September and new SMCs added), see Agenda Item [9.2.3](#). *(See summary of revised SMCs on pages 24-25. Note SMCs 4-7 have been developed based on IPSASB comments and direction, while SMCs 1-3 have been amended for minor editorials).*
5. A number of more minor changes and edits have also been made throughout the Strategy Consultation based on the various points received from the IPSASB, PIC and CAG.

### **Decisions required**

Does the IPSASB agree with the Staff and the TBG proposed changes to the Strategy Consultation?

### Specific Matters for Comment

#### Question

1. Whether the Board agrees with the proposed SMCs in the draft Strategy Consultation.

#### Detail

1. The IPSASB agreed at its September meeting to include SMCs 1-3, which been revised for minor editorials and are noted below.

#### Specific Matter for Comment 1

Do you agree with the IPSASB's proposed Strategic Objective 2019–2023? If not please explain why, and how you believe it should be revised.

#### Specific Matter for Comment 2

Do you agree with the IPSASB's five proposed Strategic Themes for the 2019–2023 period? If not please explain why, and how you believe they should be revised.

#### Specific Matter for Comment 3

Do you agree with the criteria the IPSASB has used in deciding the proposed issues to add to its Work Plan 2019–2023? If not please explain why, and what you would propose instead and why.

2. The September version of the Strategy Consultation had a single SMC asking if respondents agreed with the proposed projects. However, based on discussions with the CAG, it is thought that it is better to split the questions to be more specific in asking about the projects proposed for Themes A and B. This change should further with received input in a consistent manner in the formal comment letters and through the round table events. See the proposed SMC 4 and 5, as follows:

#### Specific Matter for Comment 4

Do you agree with the projects that the IPSASB proposes to prioritize for addition to the Work Plan 2019–2023 on Theme A: *Setting standards on public sector specific issues* (Natural Resources, Discount Rates, Differential Reporting and Conceptual Framework limited-scope Review)? If not please explain why, and what you would propose instead and why.

#### Specific Matter for Comment 5

Do you agree with the project that the IPSASB proposes to prioritize for addition to the Work Plan 2019–2023 on Theme B: *Maintaining IFRS convergence* (IPSAS 18, Segment Reporting)? If not please explain why, and what you would propose instead and why.

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3. An SMC has been proposed to specifically ask about the projects not proposed for the Work Plan 2019-2023. See the proposed SMC 6, as follows:

### Specific Matter for Comment 6

Are there any projects in Appendix A that you believe should be added to the Work Plan 2019–2023 in place of a currently proposed project? If you view believe that any Appendix A projects should be added, please explain your views on why the project should be included and which proposed project should not then be started and why.

4. An SMC has been proposed responding to a CAG member view that the document should include a specific question as to the type of advocacy work the IPSASB should undertake related to Themes D and E. See the proposed SMC 7, as follows:

### Specific Matter for Comment 7

The IPSASB views its work under Theme D: *Promoting IPSASs adoption and implementation* and Theme E: *Advocating the benefits of accrual in strengthening PFM* as critical contributions to PFM reform and as important to increasing the adoption, implementation and use of IPSAS to support accountability and decision making in the public sector. The IPSASB does not intend to undertake direct project work related to either Theme as a result of resource constraints. However, the IPSASB views building relationships with those in the PFM space and engaging in their work as critical to furthering the use of IPSAS in PFM reform projects. Therefore, under Themes D and E, the IPSASB will actively monitor the work of others and look for appropriate opportunities to engage and support that work.

- Do you agree with the IPSASB's proposed approach under these Themes? If so, are you aware of any ongoing initiatives which the IPSASB should monitor and look to engage with (please provide details).
- If you do not agree, please explain your views on why you do not agree.

### Decision required

Does the IPSASB agree with:

- Modified SMCs 1-3;
- The proposed new SMCs 4-7?

**Approval of Draft Strategy and Work Plan 2019-2023****Question**

1. Whether the IPSASB approves the Draft Strategy and Work Plan 2019-2023 Consultation document.

**Detail**

2. Staff and TBG have amended the Draft Strategy Consultation to reflect the comments from the IPSASB in September, and the CAG and PIC in October as noted in Agenda Paper [9.2.1](#) and [9.2.2](#).
3. After approval of the Strategy document, time will be needed to finalize the Strategy publication and the accompanying material. It is expected that the Strategy Consultation document will be published in by the end of January 2018.
4. Staff proposes a comment period ending June 15, 2018 to allow sufficient time for the outreach activities noted in Agenda Item [9.2.5](#). A key issue emphasized by the PIC is a need to broaden and increase the responses to the Strategy Consultation. It is therefore important to ensure that there is sufficient time for the outreach activities and for respondents to prepare and submit comment letters.
5. Staff proposes that the Strategy Consultation document and supporting communication material is clear to constituents that responses need to be received by the comment end date. It will not be feasible to accept late comments after June 15, 2018 if the IPSASB is to receive a full comment analysis at the September 2018 meeting. Late comments will make it quite challenging to meet the target approval date of the final Strategy and Work Plan 2019-2023 in December 2018.

**Decision required**

Does the IPSASB:

- Vote to approve the Strategy Consultation?
- Agree with the comment end date of June 15, 2018?

**Strategy Outreach Approach****Question**

1. Whether the Board agrees with the proposed Strategy Consultation outreach approach.

**Detail**

2. Concerns have been raised by the Public Interest Committee (PIC) in regards to the low number of responses the IPSASB receives on consultations. This point was also raised at the Public Sector Standard Setters Forum in July 2017.
3. To try and address the low response rate concerns, an outreach plan has been discussed by staff and the TBG. Below is the proposed approach to outreach to be undertaken during the Strategy Consultation comment period from January – June 2018:
  - (a) **Round Tables.** As initially discussed and agreed by the IPSASB at the September meeting, 3 regional round table events are being planned (focused on geographic areas of increasing adoption and implementation). The round tables allow for direct feedback on the Strategy Consultation, and will be considered formal input. Although it would be optimal if more round tables could be held, the IPSASB staff view is that 3 events is the maximum possible number, considering limited staff and financial resources. The IPSASB is discussing partnerships in the following regions; Africa, South East Asia and Europe. The partner organizations will be asked to help in identifying appropriate participants to target for attendance as well as to help with the administration and facilitation of the events. More information on the Round Tables is included in [Appendix 9.2.5](#). IPSASB members in the each region will also be encouraged to participate in the round table events.
  - (b) **Local/National Events.** IPSASB members and TAs in particular are encouraged to seek opportunities to hold discussions and attend events in their local jurisdictions to promote awareness of the IPSASB's Strategy Consultation. The IPSASB staff will be developing material such as presentations and translated summaries of the Strategy Consultation. This material will be made available to support IPSASB members, Technical Advisors, Observers and others in their local engagement efforts. Please ensure to share the detail of such opportunities when identified with the IPSASB Staff and Chair.
  - (c) **Letter Writing Campaign.** A TBG member proposes that a targeted letter writing campaign be undertaken. This letter writing campaign would be targeted at a broader group of decision makers than just accountants. It is thought that some constituents involved in the IPSAS adoption/implementation decision making process, are not technical accountants and therefore the details draft Strategy Consultation may not be appropriate to engage with this broader constituency. It is therefore seen as important that the tone and detail of the letter is much higher than the Strategy Consultation. This communication will be developed as part of the supporting material to accompany the Strategy Consultation. IPSASB members, TAs and Observers are asked to provide the names and contact information of any such potential decision makers to send these targeted letters to in their jurisdictions.
4. IPSASB Members and Technical Advisors are asked to share their views on the round tables, local/national events and letter writing campaign. Any other outreach activities/ideas that may be useful in raising awareness of the Strategy Consultation are also appreciated.

**Decision required**

Does the IPSASB agree with proposed outreach approach?

### Appendix 9.2.5: Proposed Round Table Format

This appendix is included to outline the intended objective of the round table events, including a draft agenda. Additionally, it is meant to highlight the target participants, and the roles between the IPSASB and the hosts.

#### *Objectives / purpose*

- Gain direct feedback from stakeholders with a range of PFM backgrounds in key economic regions on the International Public Sector Accounting Standards Board (IPSASB) draft Strategy and Work Plan for 2019-2023, as a formal part of the consultation process
- Discuss the need to include further consideration in the Work Plan of long-term fiscal sustainability reporting, building on IPSASB's new proposals on accounting for Social Benefits

#### *Participants*

- Target number of attendees between 70-80 people. We would like to have an appropriate number to get a broad mix of backgrounds to promote discussions.
- Participant Mix – Targeting a mix of Public Sector Accountants, Auditors, Fiscal Managers (ministry of finance officials and budgetary managers) and PFM experts.
- IPSASB Chair, supported by 1 or 2 IPSASB staff members and any IPSASB members from the round table region to lead the round table discussions.

#### *Proposed Round Table Partner Roles*

- Help with the invitation process (including help identifying and selecting the appropriate people to invite and management of the invitation process).
- Help with managing the registration of participants, including ensuring an appropriate number and mix of participants are registered.
- Lead in sourcing facilities as specified in the *Facility Requirements* described below
- Organize printing of any materials needed on the round table day for participants.

#### *Facility Requirements*

- Room that can hold the target number of participants (70-80 people)
- Room configured for 8-12 tables to allow for small group debates by participants at each table. Each table to have a facilitator and a note taker to capture key points of discussion for the formal input to the consultation process, and to enable selected table discussion report backs.
- Room to have a projector or large viewing screen to allow the IPSASB to present slides introducing the topics and each session.
- Room to have appropriate audio / microphones allowing the leader of each session to move around the room and selected tables to report back on their discussions.
- Wi-Fi that can accommodate approximately 80 people to access the internet for voting over smartphones throughout the day.
- Food and beverage for the two coffee breaks and lunch on round table day for all attendees
- Technology to allow for simultaneous translations (if needed). To note, (IPSASB materials, presentations and discussions will be conducted in English).

#### *Key Information for Discussion*

- Round Table Partner Roles; including proposed locations, dates and local event that round table can be added to [IPSASB would like to hold the event on the day following or before a separate local event to help ensure strong attendance. It would be best if the local event has some common target participants].
- Partner thoughts on invite list of regional experts fitting the participant mix described above, and process for ensuring appropriate balance of backgrounds.

# Agenda Item Appendix 9.2.5

## Draft Regional “Round Table” Events: Agenda

Session	Time	Description
1.	9:30-10:00	<b>Event Introduction and Overview</b> <ul style="list-style-type: none"> <li>• Overview of Strategy development and consultation process</li> <li>• Agenda for the Round Table Event</li> <li>• Introduction of IPSASB members and staff attending event</li> </ul>
2.	10:00-11:00	<b>2019 – 2023 Strategy: Objective and Strategic Themes</b> <ul style="list-style-type: none"> <li>• Introduction to proposed Strategic Objective and 5 Strategic Themes</li> <li>• Discussion of proposals by Round Table participants</li> <li>• Voting on SMC<sup>1</sup> 1 (Strategic Objective) and SMC 2 (Strategic Themes)</li> </ul>
	11:00-11:20	Coffee Break
3.	11:20-13:00	<b>Work Plan: Standard setting priorities</b> <ul style="list-style-type: none"> <li>• Project selection criteria</li> <li>• Theme A – <i>Setting standards on public sector specific issues</i></li> <li>• Theme B – <i>Maintaining IFRS convergence</i></li> <li>• For each of the above topics there will be an introduction followed by discussion and electronic voting</li> </ul>
	13:00-14:00	Networking Lunch
4.	14:00-15:10	<b>Work plan: IPSAS adoption and raising accrual awareness</b> <ul style="list-style-type: none"> <li>• Theme D – <i>Promoting IPSASs adoption and implementation</i></li> <li>• Theme E – <i>Advocating the benefits of accrual in strengthening Public Financial Management (PFM)</i></li> <li>• For each of the above topics there will be an introduction followed by discussion and electronic voting</li> </ul>
	15:10-15:30	Coffee Break
5.	15.30–16.15	<b>Long Term Financial Sustainability</b> <ul style="list-style-type: none"> <li>• Theme C – <i>Developing guidance to meet users’ broader financial reporting needs</i></li> <li>• Social Benefits ED overview</li> <li>• Discussion on support for ED proposals and need for further work on the long term financial sustainability reporting</li> </ul>
6.	16:15-16:30	<b>Summary and Close</b> <ul style="list-style-type: none"> <li>• Summary of key points</li> <li>• Official Thank you from IPSASB to partners</li> <li>• Thank you to participants for their contributions – encouragement to submit formal comment letters</li> </ul>

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<sup>1</sup> SMCs are the Specific Matters for Comment to be included within the published Strategy Consultation document, which we will be discussing in the Round Table Events.

Proposed Strategy and Work Plan™

# Strategy and Work Plan 2019–2023

Consultation January 2018  
*Comments due: June 15, 2018*

<b>Mission</b>	<p>The International Public Sector Accounting Standards Board (IPSASB) serves the public interest by developing high-quality accounting standards and other publications for use by public sector entities around the world in the preparation of general purpose financial reports.</p>
<b>Standards and Guidance</b>	<p>The IPSASB’s authoritative standards include:</p> <ul style="list-style-type: none"> <li>• International Public Sector Accounting Standards (IPSASs) which set out requirements for financial reporting in General Purpose Financial Statements (GPFs); and</li> <li>• Cash Basis IPSAS.</li> </ul> <p>The IPSASB’s non-authoritative guidance and other publications include:</p> <ul style="list-style-type: none"> <li>• The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities;</li> <li>• Recommended Practice Guidelines (RPGs) applicable to the preparation and presentation of General Purpose Financial Reports (GPFs); and</li> <li>• Staff papers and other documents.</li> </ul>
<b>What IPSAS Do</b>	<p>The use of International Public Sector Accounting Standards (IPSAS):</p> <ul style="list-style-type: none"> <li>• Enhances transparency through comparability and quality of financial information, enabling users to assess the financial status of public sector entities;</li> <li>• Increases accountability by communicating the nature and amount resources controlled by public sector entities and how they are used, allowing users’ to hold governments to account.</li> <li>• Contributes to better information for decision makers of public sector entities to use in making judgements and delivering goods and services to users efficiently.</li> </ul>
<b>Strategic Input</b>	<p>The IPSASB <a href="#">Consultative Advisory Group (CAG)</a> is a forum composed of 22 representatives from public and private sector organizations and individuals that are interested in, or affected by, the IPSASB’s work, including those engaged in the preparation, audit, or evaluation of public sector financial reports. Interaction with the CAG is a key element of the IPSASB’s due process.</p>
<b>Oversight</b>	<p>The IPSASB sets its standards in accordance with a transparent <a href="#">due process</a>. The IPSASB’s governance and standard-setting activities are overseen by the <a href="#">Public Interest Committee (PIC)</a>.</p>
<b>Structures and Processes</b>	<p>The structures and processes that support the IPSASB are facilitated by the <a href="#">International Federation of Accountants (IFAC)</a>.</p>
<b>Funding</b>	<p>The IPSASB receives financial support from IFAC, the Asian Development Bank, the Chartered Professional Accountants of Canada, the New Zealand External Reporting Board, and the governments of Canada and New Zealand.</p>

## IPSASB Strategy and Work Plan 2019–2023

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# Foreword

■ By Ian Carruthers, IPSASB Chair



2017 marked the twentieth anniversary of the IPSAS development program. During that period, the IPSASB and its predecessor—the IFAC Public Sector Committee—developed 40 International Public Sector Accounting Standards (IPSASs), as well as three *Recommended Practice Guidelines* (RPGs), an IPSAS on reporting under the cash basis of accounting and, *The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities* (Conceptual Framework). These, together with introduction of a governance framework and an immense amount of outreach work by members, and others associated with its activities, have progressively allowed the IPSASB to mature into the global standard setter for public sector financial reporting.

The IPSASB's first-ever Strategy and Work Plan consultation during 2014, together with the completion of the Conceptual Framework in the second half of 2014, were landmark achievements for the IPSASB. Both have fundamentally shaped its current activities. Our work is also increasingly being influenced by the implementation in the past couple of years of our new governance and advisory framework enhancements, comprising

the Public Interest Committee (PIC) and the Consultative Advisory Group (CAG). Both of these have a public interest focus that impacts the IPSASB's work.

This is a critical time for the IPSASB, as the pace and scale of IPSAS adoption have increased significantly in recent years. This is a trend that looks likely to continue, with the number of governments around the world adopting accrual accounting estimated to increase from 31% in 2015 to 71% in 2020. Our standards and guidance will therefore increasingly need to meet the practical requirements of a significantly expanding potential user group.

The 2015 Strategy positioned our work in the context of the drive to strengthen Public Financial Management (PFM) globally for the first time. As a result of the feedback from our constituents, the majority of our work since then has focused on IPSAS development and maintenance. In selecting and scoping the projects in our current Work Plan, the IPSASB attempted to strike a balance between addressing key public sector issues, and maintaining convergence with the major new standards issued by the International Accounting Standards Board (IASB). As the IPSASB progresses

the projects approved in 2015, with a number due for completion by the end of 2018, it is now considering the direction to take in the five-year period 2019-2023, to prioritize its limited resources in terms of prioritizing new projects, and other potential areas of work.

Based on feedback obtained through the many outreach events that the IPSASB, Technical Advisors and its alumni collectively undertake, as well as the Public Sector Standard Setters Forum meetings that we have held in 2016 and 2017, the Board believes it should continue to focus its work on developing high quality financial reporting standards for the public sector. However, the Board also believes it needs to sharpen the focus of its activities in the area of promoting awareness of IPSAS and the benefits of their adoption and implementation, in particular by working more closely with global and regional bodies to raise the profile of IPSAS with financial regulators and markets, all of whom we believe should be key

advocates and more consistent supporters of IPSAS adoption.

The responses we received to the [IPSASB's first-ever Strategy and Work Plan consultation during 2014](#), provided valuable input that has helped shape the way we work and our Work Plan since then. The new Strategy and Work Plan will drive our work during the 5-year period from 2019, as well as play a key role in strengthening PFM globally going forward. This consultation now provides the opportunity to have your say on the IPSASB's priorities for the period from 2019–2023, and through doing so to help shape the future of global public sector financial reporting standards.

To ensure the proposed direction and priorities will indeed best serve the public interest, the IPSASB needs your input and looks forward to receiving your comments.

Ian Carruthers,  
IPSASB Chair ■

<sup>1</sup> Source: PwC publication: *Global Survey on Accounting and Financial Reporting by Central Governments* (2<sup>nd</sup> Edition) 14 September 2015.



# IPSASB Current Strategy '2015 Forward— Leading Through Change'

- The IPSASB's current strategy, *2015 Forward—Leading Through Change* published in September 2015 has a single strategic objective:

*Strengthening public financial management and knowledge globally through increasing adoption of accrual-based IPSAS by:*

- *Developing high-quality public sector financial reporting standards;*
- *Developing other publications for the public sector; and*
- *Raising awareness of IPSAS and the benefits of their adoption.*

It therefore firmly positions the IPSASB's activities in the broader public financial management (PFM) landscape. The IPSASB's high-quality accounting standards facilitate credible high-quality financial reporting<sup>2</sup> that is transparent and allows users the ability to hold governments to account in their use of public resources, which is in the public interest.

The Strategy also identified projects that the IPSASB would add to its Work Plan for the period from 2015 through 2018. The following projects have been completed since 2015;

- *IPSAS 33, First Time Adoption of Accrual Basis IPSAS*—updated standards to implement changes introduced by IFRS 10-12 in the public sector context.
- *IPSAS 34-38, Accounting for Interests in Other Entities*—updated standards to implement changes introduced by IFRS 10-12 in the public sector context.
- *IPSAS 39, Employee Benefits*—updated standard to pick up recent changes to IAS 19.
- *IPSAS 40, Public Sector Combinations*—provides requirements and guidance on classification of combinations of public sector operations.
- *The Applicability of IPSAS*—revises the approach to how the IPSASB communicates for which entities it develops IPSAS by setting out principles and acknowledges the role of regulators in determining financial reporting requirements in their jurisdictions.

<sup>2</sup> High quality financial reporting is dependent on high quality accounting standards. IPSASs are the only internationally recognized accounting standards developed for the public sector. IPSASs are high-quality accounting standards, independently developed through a rigorous due process that serves the public interest. IPSASs set out principles which require financial reporting that faithfully represent the economics of transactions. IPSASs can be readily applied to prepare high-quality financial reports that are useful for decision making purposes, and which provide the transparency to allow users to hold decision makers to account for their use of public resources.

- [Recommended Practice Guideline 3, Reporting Service Performance Information](#)— provides principled guidance for reporting service performance information by public sector entities.

The current Work Plan aims to strike a balance between using the Conceptual Framework to address key public sector specific financial

reporting issues, and in maintaining convergence, where appropriate, with the major new standards that the International Accounting Standards Board (IASB) has issued recently. The IPSASB’s current assessment is that by the end of 2018 it will have completed a number of its current projects, with the others being gradually completed in the period up to the second half of 2020 as shown below:

H1 2018	H2 2018	H1 2019	H2 2019	H1 2020	H2 2020	H1 2021
Social Benefits						
FI (IPSAS 29 Update)						
Leases						
Public Sector Specific Financial Instruments						
Revenue						
• Exchange (Replace IPSAS 9 and 11)						
• Non-Exchange (IPSAS 23 Update)						
Non-Exchange Expenses						
Public Sector Measurement						
Heritage						
Infrastructure Assets						
Consultation Paper / Exposure Draft Development Stage						
ED Consultation / IPSAS Finalization						

The above table sets out the expected progress by the end of 2018 for all ongoing projects on the current IPSASB Work Plan as at December 2017. The progress of each project will be dependent on the decisions taken by the IPSASB, feedback received from stakeholders<sup>3</sup> at each consultation phase, and the availability of staff resources. The IPSASB reviews Work Plan progress at each meeting. The above table will be updated in December 2018 when the final version of the 2019-2023 Strategy and Work Plan is approved.

The completion of the projects in the current Work Plan will progressively provide the space from 2019 onwards to tackle new projects. This Strategy Consultation sets out the IPSASB’s proposals to address the current strategic

considerations discussed in the next section, both in terms of the Board’s overall Strategy, and the design and content of its Work Plan for the period 2019-2023. ■

3 This work plan assumes that CPs and EDs have standard 4-month consultation periods and assumes that there will not be any projects requiring EDs being re-exposed.

# Strategic Considerations— IPSAS and PFM

- Public Financial Management (PFM), in its broadest sense, is the system by which financial resources are planned, directed, and controlled, both externally to and internally within the public sector entity, to enable and influence the efficient and effective delivery of public service outcomes.

Citizens are affected by the financial management decisions of governments and other public sector entities. In many jurisdictions, the lack of complete and audited information about government finances continues to be a major cause of concern, which impacts government accountability and informed decision making. Moreover, concerns about the sustainability of key government programs are widespread. The longer-term impacts of the sovereign debt crisis and other challenges faced by governments (particularly around demographics and ageing populations), emphasize the ongoing urgent need to strengthen the quality of financial management in governments around the world.

Standards lead to improved quality of financial reporting, which has the potential to improve decision making in the public sector. The increasing complexity of public sector finances, together with a greater focus on the quality of public financial management has increased demand for high-quality standards and

guidance on how to adopt and implement such standards. Adoption of IPSAS is a fundamental step that governments can take to improve financial reporting and public management because IPSAS-based information provides a comprehensive picture of their financial performance and position.

Therefore, the IPSASB is committed to developing independent high-quality public sector accounting standards for the public sector to support high-quality financial reporting. In doing this, the IPSASB's standard setting program supports increased confidence from citizens and financial markets in public institutions, which is key to economic and social stability. The application of IPSAS also facilitates governments and other public sector entities being more accountable to their citizens, and so enhances global fiscal stability and sustainability.

These strategic considerations raise a number of challenges for the IPSASB to address during the period 2019–2023:

- Key gaps remain in our public sector-specific standards and literature;
- Some of our standards are not based on the latest version of the IFRS equivalent;
- The accessibility of financial statements for non-specialist users, and civil society in general, needs improvement (an issue also common with financial reporting in the private sector);
- Capacity constraints impact on the ability of many jurisdictions to undertake accrual transition projects which therefore limits the pace of adoption. Promotion of, and support for, accrual adoption and

IPSAS implementation, both in individual jurisdictions and globally, needs to be enhanced;

- The vision for, and guidance on using accrual information to strengthen PFM that needs further development, as does the evidence base for such reforms; and
- The IPSASB also needs to consider how it can help constituents to contribute actively to its standard setting and other work going forward.

These challenges have all shaped our proposed Strategy and Work Plan 2019–2023. ■



# The IPSASB's Proposed Strategic Objective and Strategic Themes 2019–2023

- The overarching Strategic Objective that the IPSASB proposes to adopt for 2019–2023 is a refinement of the one currently in use.

Strengthening Public Financial Management (PFM) globally through increasing adoption of accrual-based IPSASs.

Delivered through two main areas of activity, both of which have a public interest focus:

- Developing high-quality IPSAS and other financial reporting guidance for the public sector; and
- Raising awareness of IPSAS and the benefits of accrual adoption.



## Specific Matter for Comment 1

Do you agree with the IPSASB's proposed Strategic Objective 2019–2023? If not please explain why, and how you believe it should be revised.

- In order to focus its work across these two areas of activity, the IPSASB proposes to base its Work Plan on five Strategic Themes. Strategic Themes A through C address the development and maintenance of standards and other forms of guidance. Strategic Themes D and E focus on raising IPSAS awareness and promoting their adoption as well as providing greater clarity over how the IPSASB plans to influence the work of others by increasing awareness of the benefits of accrual in helping strengthen PFM.

# Developing IPSAS and Other Financial Reporting Guidance for the Public Sector

## Theme A: Setting standards on public sector specific issues

As the global public sector accounting standard setter acting in the public interest the IPSASB proposes that the majority of its efforts should continue to be focused on this Theme in order to address key public sector specific reporting issues not already addressed by IPSAS. The Conceptual Framework will be used to address these challenging public sector reporting issues. In addition, the IPSASB's policy to reduce unnecessary differences with Government Finance Statistics (GFS)<sup>4</sup> will also be integral to its work. The IPSASB believes this is the main area where it can add value, as the issues under this theme relate to transactions which have not been addressed by other standards setters and are of important to users of financial statements in the public sector.

## Theme B: Maintaining IFRS convergence

IFRS convergence has been a key pillar of IPSAS development since the inception of the standards program in 1997. In many instances, government activities are the same as corporate activities and there are advantages for citizens and constituents in reporting such activities using a common global financial reporting approaches where this is appropriate. The IPSASB's convergence policy allows it, as a volunteer board with a small staff team, to develop standards efficiently that address the needs of public sector users by drawing on IASB literature to the extent appropriate. Its policy on GFS convergence is also important to work under this theme.

## Theme C: Developing guidance to meet users' broader financial reporting needs

The IPSASB recognizes that the characteristics of the public sector mean that user needs may not always be satisfied by the financial statements alone. Therefore, the IPSASB has developed guidance on broader financial reporting (Recommended Practice Guidelines 1–3<sup>6</sup>), when specific public interest needs have been identified. The IPSASB will continue to monitor user needs and emerging issues in this broader financial reporting space.

4 The IPSASB considers opportunities to reduce unnecessary differences where appropriate in all projects to develop standards and guidance.

5 The IPSASB considers its policy to converge with Government Finance Statistics (GFS) when appropriate during its projects to maintain convergence with IFRS.

6 The IPSASB has developed three Recommended Practice Guidelines (RPGs), which are pronouncements that provide guidance on good practice in preparing general purpose financial reports (broader financial reporting) that are not financial statements. The following RPGs have been developed: RPG 1, *Reporting on the Long-Term Sustainability of an Entity's Finances*, RPG 2, *Financial Statement Discussion and Analysis* and RPG 3, *Reporting Service Performance Information*.

## Raising awareness of IPSAS and the benefits of accrual adoption

### *Theme D:* Promoting IPSASs adoption and implementation

Promoting and encouraging the adoption and implementation of IPSAS is in the public interest as it can lead to improvements in public sector financial reporting globally, which benefits users by providing greater transparency and provides information to inform better decision making. The IPSASB therefore has a very active approach to outreach<sup>7</sup> enabling us to engage in a global dialogue with constituents on the adoption and implementation of IPSAS.

### *Theme E:* Advocating the benefits of accrual in strengthening PFM

The IPSASB's view is that the use of accrual information provides the foundation for strong PFM. In furthering its Strategic Objective, it is therefore important that the IPSASB plays its part in developing the understanding of the PFM benefits of IPSAS adoption in improving transparency, accountability and decision making. A recent outreach event jointly hosted in Washington by the IMF, World Bank and the IPSASB, highlighted the need for experts in key public sector areas, such as accounting, statistics, economics, public financial management specialists and auditors to coordinate and support reform programs. It is important that the IPSASB continue to encourage and support initiatives in this area, by participating in events such as the OECD Accrual Symposium, and collaborating with international and regional organizations as well as academics, in order to help ensure that the role of adoption of IPSAS in improving PFM is progressively more widely understood.

<sup>7</sup> IPSASB members and staff undertake a considered and active constituent engagement strategy, including personal appearances, participation in discussion groups and forums, as well as leveraging technology such as using webinars, to inform and engage on various technical topics.



Specific Matter for Comment 2

Do you agree with the IPSASB's five proposed Strategic Themes for the 2019–2023 period? If not please explain why, and how you believe they should be revised.

- The next section discusses the IPSASB's proposed Work Plan 2019-2023 in support of each of these Strategic Themes.

DRAFT



# Proposed Work Plan 2019-2023

## Developing high-quality IPSAS and other financial reporting guidance for the public sector

### *Criteria for project prioritization*

Themes A, B and C relate to the IPSASB's central role as a standard setter and are therefore where it has prioritized specific projects that it proposes to add to the Work Plan 2019–2023. In selecting the projects under each Theme, the IPSASB has evaluated a long list of potential projects against the following criteria, in order to help it assess which projects would provide the greatest public interest benefits to users:

1. **Prevalence.** Whether the financial reporting issue is widespread amongst public sector entities.
2. **Consequences.** Whether the issue impairs the ability of the financial statements to

provide useful information for accountability and decision-making.

3. **Urgency.** Whether, the emerging issue has recently gained significance and therefore requires consideration in the near term.
4. **Feasibility.** Whether a technically sound solution to the issue can be developed within a reasonable time period and current resource constraints without impacting adversely on the completion of other projects.

The above factors were considered together with the resources available to the IPSASB, and the need for a balanced Work Plan that includes projects with a mix of complexities. ■



### Specific Matter for Comment 3

Do you agree with the criteria the IPSASB has used in deciding the proposed issues to add to its Work Plan 2019–2023? If not please explain why, and what you would propose instead and why.

## Theme A: Setting standards on public sector specific issues

- The IPSASB's primary focus recently has been in developing public sector specific standards as this is the area of main concern of users.

Our current Work Plan has a number of active projects addressing public sector specific issues, as follows:

- **Social Benefits**—relate to key social programs, for example old age pensions and unemployment benefits and make up a significant proportion of public sector expenditure. The lack of international guidance on accounting for social benefits creates a public interest deficit. Information about social benefits can form a key input to the assessment of the sustainability of government services;
- **Non-exchange expenses**—relate to some of the most important areas of government activity, such as universally accessible services including education and health care and collective services such as defense spending. Public sector transactions that give rise to non-exchange expenses are numerous and financially significant. The lack of international guidance on the recognition and measurement for non-exchange expenses creates a public interest deficit as it leads to inconsistent reporting.
- **Revenue**—The current IPSAS exchange revenue standards and construction contracts are converged with IASB standards that are in the process of being withdrawn. The publication of IFRS 15, *Revenue for Contracts with Customers*, means that the IPSASB has an opportunity to update its standards. In addition, the approach in IFRS 15 has provided the IPSASB with an impetus to consider its approach to non-exchange revenue transactions and to address practical issues that have emerged in the application of IPSAS 23;
- **Public Sector Measurement**—translating the guidance from the Conceptual Framework on measurement across the suite of IPSAS will help to ensure comparability and the assessment of value for money in the management of public sector assets and liabilities;
- **Heritage**—providing information on heritage items is in the public interest as it promotes their effective management and preservation for future generations; and

- **Infrastructure Assets**—Citizens rely on such assets which are extensive in the public sector. The lack of specific guidance on the recognition and measurement of these assets, causes practical difficulties for preparers (particularly those in the process of adopting IPSAS).

### *New projects prioritized for inclusion in the 2019-23 Work Plan*

All potential projects have been assessed, against the project prioritization criteria above. The following ones are proposed because they provide the greatest public interest benefits: Natural Resources, Discount Rates and Differential Reporting. Appendix A provides summaries of the other potential projects that the Board has considered, but not currently prioritized for inclusion in the Work Plan. Appendix B provides an analysis of the Board's assessment of all potential projects against the project prioritization criteria.

**Natural Resources.** The issue of accounting for natural resources in the public sector is prevalent in many jurisdictions, but Governments often have little idea of the value of natural resources until after they are extracted. However, the rights to extract such resources are often granted to third parties who profit from their extraction. From a public interest perspective, this is an important issue, particularly in jurisdictions with resource-based and resource rich economies because the recognition and measurement of these assets impact their management and the benefits derived by citizens from their extraction. Developing appropriate international accounting standards may help address this significant public interest issue.

**Discount Rates.** Since the global financial crisis, the topic of discount rates used in the

measurement of long-lived assets and liabilities with long settlement dates has been a public interest concern for constituents because of the low and negative interest rate environments around the world. Although guidance is in place currently for discount rates, some constituents argue that the increased impact of these items on public sector financial position in a low/negative interest rate environment may result in estimates which do not appropriately recognize the time value of money, which might promote suboptimal decision making, so negatively impacting on the public interest. The project would therefore consider the conceptual basis for existing requirements for discounting across the suite of IPSAS and the consistency of those existing requirements.

**Differential Reporting.** Some constituents advocate the development of a less complex set of requirements for small and medium sized public sector entities, with generally simple transactions, for which full IPSAS requirements are too onerous. From a public interest perspective, consideration of the issue of differential reporting, is one that may help with alleviating capacity issues of governments adopting and implementing IPSASs. The lack of differential reporting options may be increasing the cost of adopting IPSAS and therefore creating a barrier to adoption. However, this needs to be considered in the context of the nature of the public sector, because even small and medium sized entities need to be accountable to constituents for their use of public funds.

**Conceptual Framework limited-scope review.** This will consider developments since September 2014 in the IASB's soon to be concluded project to revise its Conceptual Framework, and their relevance to the public sector. Linked to this work, the IPSASB also proposes to evaluate the need for changes to its literature in light

of the Framework chapters on Elements and Recognition in Financial Statements.

The IPSASB proposes that the above projects be prioritized for addition to the Work Plan 2019–2023, as the projects in the current Work Plan are completed, and capacity becomes available. The IPSASB will undertake initial research phases

for each project, to ensure it understands the scope of public sector issues and the resource requirements, as well as what the intended output is in terms of standards and/or guidance. To ensure that the IPSASB operates in the public interest of its constituents it is important that it undertakes this initial research phase before initiating full projects. ■



#### Specific Matter for Comment 4

Do you agree with the projects that the IPSASB proposes to prioritize for addition to the Work Plan 2019–2023 on *Theme A: Setting standards on public sector specific issues (Natural Resources, Discount Rates, Differential Reporting and Conceptual Framework limited-scope Review)*? If not please explain why, and what you would propose instead and why.

## Theme B: Maintaining IFRS convergence

The IPSASB proposes to continue to work to maintain convergence with IFRS as it believes this is in the public interest for the following reasons:

- **Common language.** Global public sector standards should have consistent principles and accounting outcomes when the economics of transactions are the same.
- **Mixed Group Consolidations<sup>8</sup>.** Different requirements are costly to those applying IPSAS when there is no public sector specific reason to develop different accounting treatments. Therefore, reducing unnecessary differences minimizes the cost of developing consolidated financial statements.
- **Leverage Resources.** When the transactions are the same in the public and private sector, it makes sense for the IPSASB to build off the best practices in the private sector reporting and develop a converged standard.

<sup>8</sup> Mixed group consolidations are when the public sector consolidates entities it controls which apply private sector accounting standards such as IFRS.

Therefore, the IPSASB's recent efforts have focused on maintaining convergence with IFRS. A recent example is the publication of IPSAS 39, Employee Benefits, which replaced an older version of the standard and notably eliminated options for accounting for actuarial gains and losses. The IPSASB has also completed a number of minor improvements projects.

Current active projects to maintain convergence following the issue of new IFRSs are:

- Revenue (IFRS 15);
- Financial Instruments (IFRS 9); and
- Leases (IFRS 16).

Despite these projects, a number of IPSAS remain based on older versions of IFRS. The next few years present a 'catch up' opportunity as a result of the IASB 2017–2021 Work Plan, where the focus is on completion of large-scale standard setting projects, while not undertaking any new major projects. The IPSASB has identified a number of possible projects, categorized as major projects, narrow scope projects and minor improvements.

Through applying the project prioritization criteria the IPSASB identified the following major project for inclusion in the Work Plan 2019–2023:

**IPSAS 18, *Segment Reporting*.** Concerns have been raised about the usefulness of the reporting

requirements in IPSAS 18. There are two aspects to this potential project. Firstly, IPSAS 18 is based on IAS 14 and this has been superseded by IFRS 8. Secondly, the need for this project has been raised with many constituents who have identified concerns with the quality and usefulness of IPSAS 18. These constituents urge the IPSASB to consider convergence with IFRS 8 and its applicability to public sector entities, as well as the potential to increase the usefulness of information for Government Finance Statistics.

In managing its Work Plan, the IPSASB will also aim to pick up narrow scope convergence projects based on the availability of agenda time and staff resources<sup>9</sup>, and in considering the overall mix of complex projects dealing with public sector issues. The IPSASB will consider the potential public interest benefits of undertaking a particular project, against the project evaluation criteria proposed above, and in terms of the overall balance of the Work Plan. It will also undertake regular minor improvements projects in order to address issues identified with current IPSAS as well as to incorporate relevant minor changes to IASB literature.

Detailed information related to each of the potential major projects not currently prioritized for inclusion in the 2019-23 Work Plan is provided in Appendix A. ■

<sup>9</sup> The IPSASB may leverage staff resources of National Standard Setters when available to work on such IFRS narrow scope convergence projects.

### Specific Matter for Comment 5

Do you agree with the project that the IPSASB proposes to prioritize for addition to the Work Plan 2019–2023 on Theme B: *Maintaining IFRS convergence (IPSAS 18, Segment Reporting)*? If not please explain why, and what you would propose instead and why.

## Theme C: Developing guidance to meet users' broader financial reporting needs

The IPSASB has developed the following non-mandatory guidance addressing broader financial reporting needs that cannot be satisfied through general purpose financial statements alone:

- RPG 1, *Reporting on the Long-Term Sustainability of an Entity's Finances*;
- RPG 2, *Financial Statement Discussion and Analysis*; and
- RPG 3, *Reporting Service Performance Information*.

The IPSASB proposes that its main efforts during the first part of the 2019–2023 period, be primarily focused on addressing public sector specific issues and to a lesser extent on maintaining convergence with IFRS. Given the limited resources of the IPSASB, It is not currently proposing to add any specific projects to the Work Plan during 2019–2023 period related to Theme C. However, it will consider whether to undertake any further work on long term financial sustainability in the light of constituent responses to ED 63 on Social Benefits.

In the interim, it will actively monitor developments in the broader narrative reporting area. Specifically, it proposes to consider the progress of the work related to Integrated Reporting <IR>, the Corporate Reporting Dialogue and the IASB's project on *Better Communication in Financial Reporting*, and become involved to the extent that this seems appropriate and necessary.

### *Mid-period Work Plan update*

Although the Strategy and Work Plan is intended to remain in place throughout the period 2019-2023, the IPSASB is conscious that new reporting issues may emerge during that period, and that it will need to review priorities in the light of progress and evolving priorities. It therefore plans to hold a limited-scope public consultation during 2020, in order to support its consideration of these issues. In particular it may consider the addition of a specific Theme C project in the light of developments in the interim, the relative priority against other potential projects under Strategic Themes A and B, and available resources.

## Current Projects and Proposed Additions to the Work Plan 2019-2023

As discussed earlier, completion of the projects in the current Work Plan will progressively provide the space from 2019 onwards to tackle new projects. Anticipated progress with the Board’s current projects should mean that the

proposed new projects should commence as noted below. The Board will decide the order in which the specific new projects start, based on its assessment of its priorities and resources at that time.



Note: Projects in orange represent current ongoing IPSASB projects, projects in blue represent those proposed for addition to the Work Plan 2019-2023. The bars represent the expected timing of completion for all ongoing projects, and the expected commencement and completion for new projects. ■



### Specific Matter for Comment 6

Are there any projects in Appendix A that you believe should be added to the Work Plan 2019–2023 in place of a currently proposed project? If you believe that any Appendix A projects should be added, please explain your views on why the project should be included and which proposed project should not then be started and why.

## Raising awareness of IPSAS and the benefits of accrual adoption

- The IPSASB sees work in this area as a critical contribution to PFM reform. However, given the complexity of the PFM landscape, and its own resource limitations, the IPSASB's view is that building relationships with those working in this space and engagement in their work is critical to promoting the use of IPSAS in PFM reform projects. The IPSASB will actively monitor the work of others in the PFM arena and look for appropriate opportunities to support their work on the international, regional and local levels through its Members, Technical Advisors, Staff and IPSASB Alumni.

### Theme D: Promoting IPSASs adoption and implementation

As shown in the table below, the PFM reform landscape within individual jurisdictions is complex, and the IPSASB's role is limited.

Type of support	Entity Staff	Consultants / Contractors	Supranational and regional organizations	IPSASB
Promotion	✓	✓	✓	✓
Technical Guidance	✓		✓	✓
Promotion	✓	✓	✓	✓
Financial	✓		✓	
Practical / Technical	✓	✓	✓	
Capacity Development	✓	✓	✓	

In order to support accrual adoption, the IPSASB has issued *Study 14: Transition to the Accrual Basis of Accounting: Guidance for Public Sector Entities*. Study 14 is a practical tool to help with common challenges encountered in the transition to accrual accounting and draws upon

the experiences of jurisdictions that have been through the transition already. Since the current version was issued in 2010 the IPSASB proposes that it should be updated in order to reflect changes in the IPSAS suite, as well to include further best practice examples from recent

experience of those transitioning to accrual-based IPSAS.

The IPSASB's lack of resources limits the extent to which it can provide to supporting accrual adoption to speaking at conferences and attending key local meetings, in support of work of local adopters and implementers. However, given the recent global momentum in the adoption of IPSAS, and indications that this momentum will continue in the 2019–2023 period, it is important that the IPSASB Chair, Board Members, Technical Advisors and Staff continue their program of outreach and engagement in order to support the efforts of:

- Those contemplating adoption and implementation;
- Those already in the process of adopting and implementing; and
- Those who have adopted and implemented.

Direct engagement is key because the needs of constituents differ depending on their progress on adoption.

The IPSASB has recently increased its level of support for the implementation of new IPSAS through:

- Developing At A Glance summaries for all significant IPSAS publications and pronouncements;
- Issuing webinars on significant proposed and final pronouncements;
- Issuing Staff Questions and Answers (Q & A) publications highlighting aspects of IPSASB's suite of standards which are relevant to implementation, such as the recent Q & A on Materiality;
- Issuing an annual Handbook, which is a one stop shop to all of the IPSASB's current pronouncements; and
- Development and maintenance of training materials and limited training activities (subjects to availability of limited staff resources).

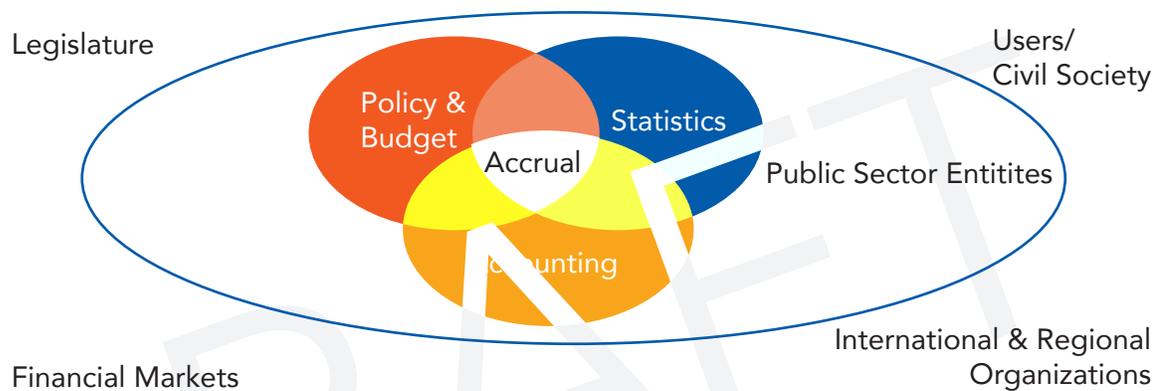
The IPSASB's outreach activities in promoting adoption and implementation, also present an opportunity to learn about issues that are important to users. This important feedback mechanism can identify public sector specific issues and areas for further IFRS convergence or other broader financial reporting needs that should be addressed in the future. ■



## Theme E: Advocating the benefits of accrual in strengthening PFM

In order to maximize the benefits of moving to IPSAS, the IPSASB believes that accrual-based information should be used for as many purposes as possible. The diagram below illustrates the various potential users of, and variety of uses for accrual information in PFM.

### Uses/Users of accrual in PFM



Other international and regional organizations provide guidance and thought leadership, or otherwise influence the use of accrual information in these broader areas of PFM. The IPSASB believes it is important to build relationships with these organizations, so that its accrual accounting expertise is drawn upon by them, in order to expand the use of accrual information for PFM purposes, and to increase the alignment between the requirements of these different user groups. In turn their knowledge and expertise can influence the IPSASB's own work. In many cases, IPSASB already has relationships with these organizations through its oversight and advisory structures as well as through their Observer roles on the IPSASB.

Recently the IPSASB has worked to establish more formal outreach opportunities and has actively participated in forums in this area, such as:

- The annual Organisation for Economic Co-operation and Development (OECD) Public Sector Accruals Symposium;
- Engagement with the Government Finance Statistics (GFS) Community through participation in the IMF GFS advisory committee;
- Participation in the joint IMF/World Bank/IPSASB Seminar: Transparency and Beyond: Harnessing the Power of Accrual in Managing Public Finances; and
- World Bank Governance Forum.

The IPSASB believes that its advocacy work in the area of increasing the use of accrual in PFM should be taken forward through:

- Further work with the GFS community on reducing unnecessary differences between IPSAS and GFS in order to facilitate the use of IPSAS data for GFS purposes, and in turn its use in supporting budgetary and macroeconomic policy decisions;
- Participating in international and regional organization-sponsored PFM-related events;
- Participation in training and other 'internal' events for these organizations staff in order to raise awareness and disseminate knowledge of IPSAS; and
- Commenting on guidance and thought leadership papers during their development; and Participation in relevant working groups. ■



### Specific Matter for Comment 7

The IPSASB views its work under Theme D: Promoting IPSASs adoption and implementation and Theme E: Advocating the benefits of accrual in strengthening PFM as critical contributions to PFM reform and as important to increasing the adoption, implementation and use of IPSAS to support accountability and decision making in the public sector. The IPSASB does not intend to undertake direct project work related to either Theme as a result of resource constraints. However, the IPSASB views building relationships with those in the PFM space and engaging in their work as critical to furthering the use of IPSAS in PFM reform projects. Therefore, under Themes D and E, the IPSASB will actively monitor the work of others and look for appropriate opportunities to engage and support that work.

- Do you agree with the IPSASB's proposed approach under these Themes? If so, are you aware of any ongoing initiatives which the IPSASB should monitor and look to engage with (please provide details).
- If you do not agree, please explain your views on why you do not agree.

# Managing Delivery of Strategy and Work Plan 2019–2023

The proposed Strategy and Work Plan 2019–2023 is ambitious, and draws on the full capacity of the IPSASB to deliver high-quality standards in a timely manner. The IPSASB’s current capacity includes:

- Seventeen volunteer members and a remunerated independent Chair who collectively commit approximately 13,000 hours of time annually.<sup>10</sup>
- An experienced full-time technical and administrative team of eight staff, with the IPSASB’s administrative structures and processes facilitated by IFAC.
- An annual operating budget<sup>11</sup> that supports staffing, meeting, travel and other direct costs necessary for the IPSASB to be able to execute its Strategy and carry out its Work Plan.

Managing delivery of the IPSASB’s Strategy and Work Plan within these limited resources, and with due consideration of the external context in which it operates is a priority of the IPSASB leadership. Key focus areas include:

- The strength of the IPSASB’s reputation and global acceptance of the IPSASs—Managed through:
  - Ongoing commitment to ensuring both the quality and timeliness of delivery of new standards. This includes developing high-quality principle-based standards that are usable and provide user with information that is relevant and faithfully representative;
  - Fully transparent standard-setting activities, adherence to due process including broad public consultation on all proposed standards, and a focus on responsiveness to public feedback;
  - A robust and broad-based stakeholder outreach program, to understand stakeholder interests and needs; and
  - A close and active governance dialogue with the Public Interest Committee and the IPSASB Consultative Advisory Group. Including a focused, responsiveness to their advice, observations, and

<sup>10</sup> In addition, most IPSASB members are aided by technical advisors.

<sup>11</sup> The IPSASB receives support from the Asian Development Bank, the Chartered Professional Accountants of Canada, the New Zealand External Reporting Board, and the governments of Canada and New Zealand. The structures and processes that support the operations of the IPSASB are facilitated by the International Federation of Accountants (IFAC).

recommendations and a steadfast commitment to developing high-quality standards in the public interest.

- **Capacity at the leadership, volunteer and staff levels**—Managed through:
  - Appointment of a part-time (0.75 FTE) remunerated Chair (since 2016);
  - Optimizing IPSASB plenary time, balancing debates on both strategic and technical considerations, and continuous improvement of effective and issues-focused material;
  - Use of task forces and task based groups to aid in standards development work;
  - Appointment through the independent nominations process a diverse mix of IPSASB members, with the requisite skills, resources and capacity to contribute to the projects on the Work Plan;
  - Attracting, developing and retaining diverse, knowledgeable and highly qualified staff; and
  - Collaborating with national public sector accounting standard setting boards and the International Accounting Standards Board to leverage their work and resources, including staff support when possible.
- **Operational effectiveness and stability**—Managed through:
  - Organizing and conducting IPSASB meetings and other activities in the most effective, efficient and timely way;
  - Using IPSASB, Staff and other resources in a focused and effective manner; and

- Maintaining relationships with existing funders, and ongoing consideration of additional approaches to increase and broaden funding base.

- **Robust outreach and communication with constituents**—Managed through:
  - Development and release of supporting communication material, such as ‘At a Glance’ and Q&A documents, webinars and podcasts, for example when a new standard addresses complex issues;
  - An extensive Chair, member and staff outreach program;
  - Platforms such as the Public Sector Standard Setters Forum to discuss national issues of international relevance; and
  - Use of technology for webinars and live streaming of meetings when possible.

The IPSASB recognizes that in some jurisdictions the public sector accounting expertise needed to implement IPSAS is limited. Further, ensuring that those using the standards understand the information being communicated is an ongoing challenge. The IPSASB responds to these challenges through its outreach activities which aim to influence others working in the wider PFM space to ensure activities are coordinated and the needs of jurisdictions are considered.

The IPSASB will continue to monitor external developments and evaluate how changes may impact its approach to delivery of its Strategic Objective. This includes monitoring the growth of demands on the IPSASB as the adoption and implementation of IPSASs increases. ■

# Request for Comments

- This Consultation, *IPSASB Strategy and Work Plan 2019–2023*, was developed and approved by the International Public Sector Accounting Standards Board® (IPSASB®).

The proposals in this Exposure Draft may be modified in light of comments received before being issued in final form. **Comments are requested by June 15, 2018.**

Respondents are asked to submit their comments electronically through the IPSASB website, using the “[Submit a Comment](#)” link. Please submit comments in both a PDF **and** Word file. Also, please note that first-time users must register to use this feature. All comments will be considered a matter of public record and will ultimately be posted on the website. This publication may be downloaded from the IPSASB website: [www.ipsasb.org](http://www.ipsasb.org). The approved text is published in the English language.

## Specific Matters for Comments

### Specific Matter for Comment 1

Do you agree with the IPSASB’s proposed Strategic Objective 2019–2023? If not please explain why, and how you believe it should be revised.

### Specific Matter for Comment 2

Do you agree with the IPSASB’s five proposed Strategic Themes for the 2019–2023 period? If not please explain why, and how you believe they should be revised.

### Specific Matter for Comment 3

Do you agree with the criteria the IPSASB has used in deciding the proposed issues to add to its Work Plan 2019–2023? If not please explain why, and what you would propose instead and why.

### Specific Matter for Comment 4

Do you agree with the projects that the IPSASB proposes to prioritize for addition to the Work Plan 2019–2023 on Theme A: *Setting standards on public sector specific issues (Natural Resources, Discount Rates, Differential Reporting and Conceptual Framework limited-scope Review)*? If not please explain why, and what you would propose instead and why.

### Specific Matter for Comment 5

Do you agree with the project that the IPSASB proposes to prioritize for addition to the Work Plan 2019–2023 on Theme B: *Maintaining IFRS convergence (IPSAS 18, Segment Reporting)*? If not please explain why, and what you would propose instead and why.

**Specific Matter for Comment 6**

Are there any projects in Appendix A that you believe should be added to the Work Plan 2019–2023 in place of a currently proposed project? If you believe that any Appendix A projects should be added, please explain your views on why the project should be included and which proposed project should not then be started and why.

**Specific Matter for Comment 7**

The IPSASB views its work under Theme D: *Promoting IPSASs adoption and implementation* and Theme E: *Advocating the benefits of accrual in strengthening PFM* as critical contributions to PFM reform and as important to increasing the adoption, implementation and use of IPSAS to support accountability and decision making in the public sector. The IPSASB does not intend to undertake direct project work related to either Theme as a result of resource constraints. However, the IPSASB views building relationships with those in the PFM space and engaging in their work as critical to furthering the use of IPSAS in PFM reform projects. Therefore, under Themes D and E, the IPSASB will actively monitor the work of others and look for appropriate opportunities to engage and support that work.

- Do you agree with the IPSASB’s proposed approach under these Themes? If so, are you aware of any ongoing initiatives which the IPSASB should monitor and look to engage with (please provide details).
- If you do not agree, please explain your views on why you do not agree.

## Strategy and Work Plan Consultation Timeline

Month/Year	Activity
January 2018	Issue Consultation Paper
January 2018-June 2018	Roundtables and IPSASB member outreach
September 2018	Review responses
December 2018	Approve final Strategy and Work Plan 2019–2023
January 2019	Publish Strategy and Work Plan 2019–2023
2019-2023	Implement Strategy and Work Plan 2019–2023

# Appendix A: Projects Considered but not Prioritized for the IPSASB Work Plan 2019–2023

This appendix outlines projects that have been considered for the Work Plan 2019-2023. Although, these projects have not included at this time, they will be considered and evaluated when future Work Plan consultations are undertaken. The IPSASB intends to undertake a mid-term Work Plan consultation in 2020.

## Theme A: Setting standards on public sector specific issues

### *Intangible Assets–Public Sector Specific*

Responses to the October 2012 Consultation Paper, *IPSASs and Government Finance Statistics (GFS) Reporting Guidelines*, highlighted the view that differences remain between IPSASs and GFS on the treatment of costs related to research and development (R&D). IPSAS 31, *Intangible Assets*, is based on IAS 38, *Intangible Assets*, which has rigorous requirements for the recognition of intangibles. Some constituents question if research has different objectives in the public sector that justify capitalization prior to the development stage under specific circumstances. Some also note that this project is related to the project below on *Sovereign Powers and their Impact on Financial Reporting*.

### *Military Assets*

IPSAS 17, *Property, Plant, and Equipment*, applies to specialist military equipment. These items or transactions usually account for a significant proportion of government expenditure. The IPSASs and Government Finance Statistics (GFS) project identified that guidance on the capitalization, classification and measurement of weapons and platforms would be helpful. This might lead to more uniform IPSAS application by governments and enhance consistency with GFS. One of the key aspects of the project is when to apply IPSAS 17 and when to apply IPSAS 12, *Inventories*. Another issue highlighted by constituents is the sensitivity of disclosing information on military assets.

## Sovereign Powers and their Impact on Financial Reporting

This potential project was identified during development of the Public Sector Conceptual Framework. Governments are unique in that they have a number of sovereign powers, for example, the power to levy taxes and to issue permits, concessions and licenses. Some constituents have questioned whether a government's sovereign powers are intangible assets that should be recognized and measured in the financial statements.

## Accounting for Tax Expenditures

IPSAS 23, *Revenue from Non-exchange Transactions (Taxes and Transfers)* has different requirements for tax expenses (benefits paid through the tax system, for example health insurance contributions) and tax expenditures (use of the tax system to encourage or discourage behaviors, for example allowing homeowners to deduct mortgage interest from gross income to reduce taxable income). IPSAS 23 requires taxation revenue to be presented net of tax expenditures. The treatment of tax expenditures raises a public interest concern because of the potential lack of transparency in the provision of tax concessions, which impairs the accountability of governments.

## Asset Retirement Obligations

This project would consider the need for amendments to guidance related to legal and non-legally binding obligations for the decommissioning of tangible capital assets. This project would consider revisions to IPSAS 17, *Property, Plant, and Equipment* and IPSAS 19, *Provisions, Contingent Liabilities and Contingent Assets* and would be informed by the Conceptual Framework.

## IPSAS 22, Disclosure of Financial Information about the General Government Sector

IPSAS 22 was issued in December 2006. Since then there have been significant developments, including revisions to the GFS related pronouncements referenced in IPSAS 22. The Consultation Paper, *IPSASs and Government Finance Statistics (GFS) Reporting Guidelines*, outlined options for the future of IPSAS 22 given its very limited application (only one country is known to be applying IPSAS 22). Respondents' views on the future of IPSAS 22 were divided between the three options in the CP—withdraw, replace and revise. When IPSAS 22 was developed, it was noted that the benefits of applying IPSAS 22 might not exceed the costs for those governments that do not regularly report this information and it was on that basis that IPSAS 22 was not made mandatory. This project would identify revisions to IPSAS 22 arising from changes to GFS and barriers to implementation. ■



## Theme B: Maintaining IFRS convergence

### *IPSAS 1, Presentation of Financial Statements*

IPSAS 1 is based on the December 2003 version of IAS 1. The IASB issued a revised version of IAS 1 in September 2007 which introduces other comprehensive income as a component of financial performance separate from profit or loss. There have been further subsequent amendments to IAS 1, notably in June 2011, and the IASB currently has a research project on the primary financial statements and an active project on materiality that has already resulted in a Practice Statement. Recent changes to IAS 1 have resulted from the IASB's ongoing Disclosure Initiative project. The chapter on Presentation in the IPSASB's Conceptual Framework completed in 2014, would also influence a future project to update IPSAS 1.

### *IPSAS 20, Related Party Disclosures*

IPSAS 20, Related Party Disclosures, is based on the 1994 version of IAS 24, Related Party Disclosures. In 2009 the IASB issued a revised IAS 24 to simplify the definition of a "related party" and to provide a partial exemption from the disclosure requirements for some government-related entities. The structure and substance of IPSAS 20 differs significantly from IAS 24.

### *IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations*

The IPSASB has previously taken a view that the measurement requirements for non-current assets

held for sale in IFRS 5, *Non-Current Assets Held for Sale and Discontinued Operations* are not appropriate for the public sector. However, during the project to develop IPSAS 40, *Public Sector Combinations*, it was suggested that there may be a need to evaluate to the appropriateness of IFRS 5 to the public sector and that the IPSASB should undertake a convergence project.

### *IFRS 6, Exploration for and Evaluation of Mineral Resources*

The IASB issued IFRS 6, *Exploration for and Evaluation of Mineral Resources*, as an interim standard until it develops a comprehensive standard for the exploration for and evaluation of mineral resources. IFRS 6 effectively allows an entity to continue to use the accounting policies applied immediately before the adoption of IFRS. Extractive industries are the exploration for, and discovery of minerals, oil and natural gas deposits, and the development and extraction of those deposits. The IPSASB has proposed that Natural Resources be included in the Work Plan 2019-2023. As a result of the interim nature as well the commercial focus of IFRS 6 the IPSASB will not converge with IFRS 6. However, IFRS 6 will be considered in the research phase to inform the IPSASB's work on this challenging topic.

### *IFRS 14, Regulatory Deferral Accounts*

Rate regulation is the setting of prices to customers for services or products often when an entity has a monopoly or dominant market position that gives it significant market power. In the public sector some controlled entities are subject to regulation, for example government owned telecommunications entities.

IFRS 14 is an interim standard while the IASB continues its project on Rate Regulated Activities. It is unlikely that the IPSASB would undertake a project on rate regulated activities until the IASB completes its project, as the impact of an IASB pronouncement on regulators would need to be assessed. If the IPSASB did initiate a project in this area, it would focus on governments and regulatory bodies that have rate regulatory powers.

### *IFRS 17, Insurance Contracts*

IFRS 17 provides principle-based guidance to account for all types of insurance contracts. This is a topic with potential applicability in the public sector in areas such as export credit guarantees. However, to date the IPSASB has not identified a demand for an IPSAS, primarily drawn from IFRS 17 or a view that the absence of such an IPSAS creates a public interest deficit. The IPSASB included an optional insurance accounting approach in its ED 63, *Social Benefits* for those schemes which are fully funded and have the characteristics of insurance schemes and are managed like insurance contracts. This optional proposal for social benefits refers to an appropriate national or international insurance standard—IFRS 17 or a standard based on IFRS 17.

### *IAS 34, Interim Financial Reporting*

A project on interim financial reporting would provide guidance on what should be included in interim reports. This project is likely to be most applicable for jurisdictions that have already adopted accrual-based IPSASs and so might result in the development of a Recommended Practice Guideline. The IASB provides non-mandatory guidance in IAS 34, *Interim Financial Reporting*, and this might serve as the starting point. Issues that might need to be considered included

whether full remeasurement of assets and liabilities is required at each interim reporting date. Only a limited number of jurisdictions produce interim accounts and it is questionable whether a public interest need exists related to this project. ■



## Theme C: Developing guidance to meet users' broader financial reporting needs

### *Revising RPG 1, Reporting on the Long-Term Sustainability of an Entity's Finances*

Since RPG 1 has been approved the IPSASB has considered if such a report should be made mandatory. The ongoing Social Benefits project has highlighted the need for broader sustainability reporting, to complement information in the financial statements. Deteriorating public finances, ageing demographics and low growth rates in many countries mean that the public interest benefits of this project are becoming more apparent. ED 63, *Social Benefits* asks constituents whether the IPSASB should initiate a project to make RPG 1 mandatory because of the broader financial reporting information needs related to Social Benefits. Depending on the ED 63 constituent feedback (comment period closes March 31, 2018), this project may be added to the Work Plan 2019-2023.

### *IASB Initiative—Better Communication in Financial Reporting.*

Borne out of the IASB's previous work related to its disclosure initiative, work in this area is based on the IASB's desire to make the communication of financial information more effective. The IASB's work related to this initiative relates to:

- Primary Financial Statements;

- Principles of Disclosure;
- Definition of Material;
- Materiality Practice Statement; and
- IFRS Taxonomy.

The IPSASB recently published a staff document: *The Application of the Concept of Materiality to the Preparation of Financial Statements* that provides reporting entities with guidance on making materiality judgments in the preparation of the financial statements. The IPSASB will monitor developments related to this IASB initiative to determine if outputs related to it may be applicable to improving financial communication in the public sector.

### *Defining Public Sector Key Financial Performance Indicators*

Constituents argue that the benefits of accrual IPSAS are fully realized when the information is used in decision making. The lack of defined key performance metrics for public sector entities is a limitation. Therefore, a project that looks to identify and define such key performance indicators may enhance the power of accrual IPSAS and lead to better comparative information.

#### Public Sector Guidance for Cost Accounting

Cost accounting can benefit from high-quality accrual information. Guidance on cost accounting is important to PFM, because it is needed both to measure performance and to better evaluate if public sector entities are providing public services in an efficient manner. Some constituents consider there is a need for principles and a standardized

methodology for cost accounting in order to promote better comparability of such information between entities and jurisdictions, with the aim of making better use of accrual information for management purposes. ■



## Monitoring broader financial reporting initiatives

### *Integrated Reporting <IR>*

In recent years alternative forms of broader financial reporting have emerged. In particular, <IR> is a process founded on integrated thinking that results in a periodic integrated report by an organization about value creation over time and related communications regarding aspects of value creation. An integrated report is a concise communication about how an organization's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term. High-quality financial reporting is the foundation of an <IR> report and the work of the IPSASB can inform and enhance <IR>. Therefore it is important for the Board to monitor the work in this area.

### *Corporate Reporting Dialogue*

The Corporate Reporting Dialogue (CRD) is an initiative designed to respond to market calls for greater coherence, consistency and

comparability between corporate reporting frameworks, standards and related requirements. The IPSASB's constituents often raise similar concerns, which is why the IPSASB will continue to monitor CRD developments to assess their relevance to public sector financial reporting.

### *Global Reporting Initiative*

The Global Reporting Initiative (GRI) helps businesses and governments worldwide understand and communicate their impact on critical sustainability issues such as climate change, human rights, governance and social well-being. This facilitates action to create social, environmental and economic benefits for everyone. The GRI Sustainability Reporting Standards are developed with multi-stakeholder contributions and rooted in the public interest. The GRI standards deal with issues that are of interest to the IPSASB's constituents and therefore the IPSASB will continue to monitor developments to consider their relevance to public sector financial reporting. ■

# Appendix B: Analysis of Potential Projects Against Selection Criteria

Potential Projects	Prevalence	Consequences	Urgency	Feasibility	Prioritized for Inclusion in the Work Plan 2019-2023
<i>Theme A – Setting standards on public sector specific issues</i>					
Natural Resources	In resource rich economies.	Currently the lack of guidance in this area impairs decision making.	As IPSAS adoption increases.	Other standards setters have developed guidance in this space.	Yes
Discount Rates	Expected to impact all entities.	The principles underpinning IPSAS requirements and guidance are unclear and may not reflect current interest rate environment.	More urgent as a result of the current low/negative interest rate environment.	Other standard setters are undertaking work currently, which the IPSASB can draw on.	Yes
Differential Reporting	All jurisdictions have entities of different sizes and complexities.	Will lead to more entities providing better financial information in a cost effective manner.	Identified as an issue impacting adoption and implementation of IPSAS.	Many standards setters have differential reporting models.	Yes

Potential Projects	Prevalence	Consequences	Urgency	Feasibility	Prioritized for Inclusion in the Work Plan 2019-2023
Limited Review of the Conceptual Framework	The Conceptual Framework underpins IPSAS standard setting activities.	The Conceptual Framework impacts the IPSASB's standard setting activities and requirements and guidance in IPSAS.	IASB is expected to publish their revised Framework in Q1 2018.  There will be issues not considered in the development of the IPSASB's Framework.  Application of the Framework at standards level has also identified some issues which might justify minor revisions.	Feasible to consider minor changes based on items identified in applying the framework and arising from the IASB Framework when finalized.	Yes
Accounting for Tax Expenditures	Limited to tax collecting entities.	A lack of transparency over tax expenditures provided by governments undermines the accountability of governments to resource providers.	Does not directly relate to the face of financial statements, but important accountability implications. These implications are increasing in some jurisdictions.	IPSASB's Revenue project is considering the accounting treatment of taxation revenue with long settlement dates. Might be appropriate to focus on taxation issues with impact on financial statements in 2019-2023 Work Plan, prior to reconsidering a project on Tax Expenditures as part of a review of RPG 2, Financial Statement Discussion and Analysis.	No

Potential Projects	Prevalence	Consequences	Urgency	Feasibility	Prioritized for Inclusion in the Work Plan 2019-2023
<b>Military Assets</b>	Mainly limited to national governments, but highly significant in terms of expenditure.	<p>If IPSAS 12, Inventories and IPSAS 17, Property, Plant and Equipment is applied appropriately military assets would be faithfully represented in the financial statements.</p> <p>Some question whether the disclosure requirements of IPSAS 17 are appropriate for military assets.</p>	Not an emerging issue as IPSAS 12 and 17 set out requirements applicable for military inventory and property, plant and equipment. No evidence that existing requirements are flawed, although some would welcome greater clarity as to when IPSAS 12 and IPSAS 17 should be applied.	Would be dependent on the current Public sector Measurement Project, and the Infrastructure project might influence the approach and nature of output.	No
<b>Intangible Assets– Public Sector Specific</b>	Expected to impact entities widely.	Questionable whether IPSAS 31, Intangible Assets, which is primarily drawn from IAS 38, Intangible Assets, provides relevant requirements for the recognition and measurement of some public sector specific intangible items.	Possibility that transactions and events potentially giving rise to public sector specific intangibles are increasing. However, IPSAS 31 provides guidance for such transactions and events.	<p>Dependent on current ongoing Measurement and Revenue projects. Strong links to the potential project on Sovereign Powers as that project would explore whether sovereign powers give rise to intangible assets.</p> <p>A further possible link to the proposed project on Natural Resources.</p>	No

Potential Projects	Prevalence	Consequences	Urgency	Feasibility	Prioritized for Inclusion in the Work Plan 2019-2023
<b>Sovereign Powers and their Impact on Financial Reporting</b>	Expected to impact entities widely where public sector entities have sovereign powers.	Some question if public sector entities should be able to recognize assets related to sovereign powers (right to taxation, right to regulate). However, recognition of sovereign powers on their own was considered during the development of the IPSASB's Conceptual Framework and the decision was that sovereign powers on their own cannot be recognized as assets, because of the lack of a past event until the sovereign power is exercised and the rights exist to receive resources.	Unclear, some have identified addressing sovereign powers as an important issue. However, others consider that current IPSAS already appropriately addressed recognition and measurement of sovereign powers.	The IPSASB Conceptual Framework is clear that assets related to sovereign powers only arise when the power is exercised and the rights exist to receive resources. Therefore, recognition of sovereign powers in themselves as assets does not appear feasible. There has not been an indication that the Conceptual Framework thinking in this area is flawed.	No

Potential Projects	Prevalence	Consequences	Urgency	Feasibility	Prioritized for Inclusion in the Work Plan 2019-2023
IPSAS 22, Disclosure of Financial Information about the General Government Sector	<p>Reporting on the General Government Sector (GGS) is a key characteristic of the public sector.</p> <p>However, the low rate of adoption of this standard may question if this is a prevalent issue in a financial reporting context.</p>	IPSAS 22 does provide additional information but its limited adoption does not appear to impair the use of financial statements for decision making.	Information on general government sector available through reporting outside the financial statements.	IPSASB could draw upon current statistical guidance to review IPSAS 22.	No

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Potential Projects	Prevalence	Consequences	Urgency	Feasibility	Prioritized for Inclusion in the Work Plan 2019-2023
<b>Asset Retirement Obligations (AROs)</b>	Impact limited to those entities which engage in activities that impact the environment or are engaged in the management of assets, which will give rise to future remediation activities related to the asset or the natural environment in which the asset is operated.	If current IPSAS are applied AROs would be faithfully represented in the financial statements.	IPSAS 19, Provisions, Contingent Liabilities and Contingent Assets, which is primarily drawn from IAS 37, Provisions, Contingent Liabilities and Contingent Assets, provides requirements and guidance on the recognition of liabilities related to environmental remediation and decommissioning obligations. The Conceptual Framework may have significant implications for the recognition requirements in IPSAS 19, but there are no indications that there are flaws in current IPSAS 19 related to accounting for AROs.	Some standard setters have developed specific guidance for AROs. More specific guidance is feasible to develop, however, it is questionable if additional guidance is needed.	No

Potential Projects	Prevalence	Consequences	Urgency	Feasibility	Prioritized for Inclusion in the Work Plan 2019-2023
<i>Theme B – Maintaining IFRS convergence</i>					
Update of IPSAS 18, Segment Reporting	Expected to impact entities widely.	IPSAS 18 is based on an old IASB standard.  Indications received from preparers and IPSASB partners engaged in IPSAS implementation, are that IPSAS 18 does not provide useful information and is difficult to apply.	IPSAS 18 addresses segment reporting. However, IPSAS adopters, where for profit entities apply IFRS, identify a need for consistency between the public and private sectors.	The principles in IFRS 8, Operating Segments could be readily adapted through a convergence project for the public sector.	Yes

Potential Projects	Prevalence	Consequences	Urgency	Feasibility	Prioritized for Inclusion in the Work Plan 2019-2023
IPSAS 1, Presentation of Financial Statements	Expected to impact entities widely.	The current IPSAS 1 is based on an obsolete version of IAS 1. In addition IPSAS 1 has been only partially updated to reflect all changes arising from the Conceptual Framework.	IPSAS 1 addresses presentation of financial statements. However, recent IASB developments and the IPSASB Conceptual Framework have introduced new concepts and ideas which may improve communication through financial statements.	<p>Developments related to IAS 1, may depend on the IASB's ongoing communication initiative, which when completed can be considered for its applicability to the public sector.</p> <p>A significant change in the 2007 version of IAS 1 was the introduction of "other comprehensive income", a component of income outside profit or loss. The IPSASB examined this component of income in the development of its Conceptual Framework and concluded that it was inappropriate in the public sector.</p>	No

Potential Projects	Prevalence	Consequences	Urgency	Feasibility	Prioritized for Inclusion in the Work Plan 2019-2023
IPSAS 20, Related Party Transactions	Expected to impact entities widely.	IPSAS 20 is based on an old IASB standard. Revising or replacing IPSAS 20 to reflect the revised IAS 24, Related Party Disclosures, may provide more useful information.	IPSAS 20 addresses related party transactions, but is based on superseded IASB standard. IPSAS adopters where, for profit entities apply IFRS, identify a need for consistency between the public and private sectors.	A project to replace or update IPSAS 20 could proceed without reliance on other projects.	No
IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations	Limited, would impact only public sector entities with assets held for sale.	Currently the lack of guidance impairs transparency and decision making related to sales of non-current assets in the public sector.	Some argue it is not a relevant issue in the public sector. However, others note that accountability related to asset management requires greater transparency, especially for assets held for sale.	Appropriate measurement basis for assets held for sale will be considered in the ongoing Measurement Project, so there is a risk of duplication if a separate project is initiated.	No

Potential Projects	Prevalence	Consequences	Urgency	Feasibility	Prioritized for Inclusion in the Work Plan 2019-2023
IFRS 6, Exploration for and Evaluation of Mineral Resources	An increasingly prominent issue in jurisdictions with mineral and resource based economies, where IPSAS adoption and implementation is increasing.	Currently the lack of guidance in this area impairs decision making.	As more jurisdictions in mineral and resource based economies adopt IPSAS.	This project would be in the same area as the proposed Natural Resources project. Further, IFRS 6 is an interim pronouncement that permits the retention of pre-IFRS adoption accounting policies, although IASB has no current plans to replace it. IFRS does not have a focus that addresses key public sector issues.	No

Potential Projects	Prevalence	Consequences	Urgency	Feasibility	Prioritized for Inclusion in the Work Plan 2019-2023
<b>IFRS 14, Regulatory Deferral Accounts</b>	<p>Issue is limited to rate regulated industries (such as electric or gas utilities).</p> <p>Likely that entities affected by rate regulation are profit seeking entities that are reporting under IFRS or national for-profit standards.</p>	<p>Entities such as utilities which operate in regulated industries are likely applying IFRS or national for-profit standards entities. IPSAS are not primarily designed for such entities.</p>	<p>Not an emerging issue in the public sector.</p>	<p>Regardless of its limited relevance for non-commercial public sector entities, IFRS 14, which allows entities adopting IFRS to continue previous accounting policies would not form an appropriate basis for an IPSAS.</p> <p>The IASB has an active project considering accounting for rate regulated activities.</p> <p>The IPSASB should not progress this project until the IASB work is complete. Any IPSASB project should focus on regulators.</p>	No
<b>IFRS 17, Insurance Contracts</b>	<p>Relevant to entities issuing insurance contracts (limited in the public sector).</p>	<p>IPSAS 3 hierarchy directs users to IFRS 17, so the absence of an IPSAS on insurance accounting does not appear to have detrimental effects.</p>	<p>Not an emerging issue in the public sector.</p>	<p>IFRS 17 is a high-quality standard that could provide a sound basis for development of an IPSAS.</p>	No

Potential Projects	Prevalence	Consequences	Urgency	Feasibility	Prioritized for Inclusion in the Work Plan 2019-2023
IAS 34, Interim Financial Reporting	Only relevant for entities in jurisdictions where interim reporting is a feature of the reporting framework.	The lack of an IPSAS on interim financial reporting drawn from IAS 34 is not preventing entities from developing interim financial reports.	Not an emerging issue in the public sector.	IAS 34 would provide a sound basis for development of an IPSAS.	No
<i>Theme C – Developing guidance to meeting users’ broader financial reporting needs</i>					
Revising RPG 1, Reporting on the Long-Term Sustainability of an Entity’s Finances	Limited to higher levels of government, where a macro view of future resource inflows and outflows can be assessed for sustainability reporting (such as the whole of government level).	No Impact on this issue related to the financial reporting within the financial statements, however, information on the sustainability of an entities finances is thought to be useful to users and compliments financial statements.	The IPSASB has noted a potential need to revise RPG 1 in ED 63, Social Benefits.	Before RPG 1 is revised, the IPSASB will need to consider the responses to ED 63 and complete the development of a social benefits standard. Revisions to RPG 1 will need to complement that standard.	No
IASB Initiative- Better Communication in Financial Reporting	Expected to impact entities widely.	Improvements to financial reporting communication may make financial statements more meaningful and useful to users.	IPSAS 1 addresses presentation of financial statements. However, recent IASB developments may improve financial reporting and information communicated to users.	The IASB initiative related to better communication is still ongoing and the IPSASB should continue to monitor developments.	No

Potential Projects	Prevalence	Consequences	Urgency	Feasibility	Prioritized for Inclusion in the Work Plan 2019-2023
Defining Public Sector Key Financial Performance Indicators	Expected to impact entities widely.	The lack of defined public sector key financial performance indicators limits the power of accrual accounting for decision making in jurisdictions which have adopted IPSAS.	In some jurisdictions accrual financial reports are produced, but not used for decision making purposes. Defining key financial performance indicators for the public sector would enhance the value of accrual accounting	Developing guidance on key financial performance indicators for public sector entities is feasible. However, the selection of such indicators may reflect need to jurisdictional factors. There is also a risk that such a project might be over granular.	No
Public Sector Guidance for Cost Accounting	Does not directly relate to financial reporting for public sector entities.	The lack of public sector cost accounting guidance does not directly and adversely impact IPSAS financial reporting.	Developing guidance for cost accounting may be useful, however, it is questionable if developing such guidance is within the IPSASB's core remit.	Developing guidance for cost accounting is feasible, but questionable whether the IPSASB is best positioned to undertake such a project.	No



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