



Agenda Item 5: IPSASB Landscape

Ross Smith, Program and Technical Director

IPSASB meeting

March 10–13, 2020

New York, USA

Types of Guidance - Overview

	IPSASB
Authoritative Standards	42 accrual-based IPSAS issued (37 accrual-based IPSAS currently applicable) 1 Cash-basis IPSAS
Non-Authoritative Guidance	Conceptual Framework
	3 Recommended Practice Guidelines (RPG)
Staff	Q&A
	Papers
Other	Study 14

Other Guidance

IPSASB Conceptual Framework

- Establishes the concepts that underpin general purpose financial reporting by public sector entities
- Concepts are applied to develop IPSAS and RPGs
- The Conceptual Framework does not establish authoritative requirements, nor does it override the requirements of IPSAS or RPGs
- Authoritative requirements are specified in IPSAS

RPGs

- Provide guidance on good practice in preparing general purpose financial reports General Purpose Financial Reports
- Unlike IPSAS, do not establish requirements
- Not mandatory, however, if adopted must be applied in full to claim compliance the RPG

Other Staff Publications

- Includes Question and Answers documents, and other Staff papers which are not formally approved or endorsed by the IPSASB.

Examples include:

- Emission Trading Paper Schemes–Staff Background Paper
- IPSASB Staff Questions and Answers Documents covering various topics including:
 - ✓ *Sovereign Debt Restructurings under IPSAS;*
 - ✓ *Materiality;*
 - ✓ *Service Concession Arrangements: Grantor; and*
 - ✓ *State-Owned Enterprises.*

Due Process Requirements

IPSASB adopts due process in promulgating IPSAS

- PIC oversees application of due process

Approval votes

- Votes on all pronouncements
- Approval requires $\frac{2}{3}$ of members in favor (12 members)

Consultation Papers (CPs)

- Optional stage
- Seek preliminary views on complex or new topics

Exposure Drafts (EDs)

- Mandatory stage
- Seek views on firm proposals

IPSAS – What is Authoritative vs. Non-Authoritative

		IPSAS
Authoritative	Core Text	Principles and requirements
	Application Guidance	Application of main principles/ requirements
	Some IPSAS appendices	Specific application of principles / main requirements
Non-authoritative	Basis for Conclusions	Provide the IPSASB's rationale/thinking
	Illustrative Examples	Examples of principles/requirements applied to fact pattern
	Implementation Guidance	Detailed Q&A of principles/requirements

Types of IPSASB guidance

IPSAS

Relates to general purpose financial statements (financial statements) and are authoritative.

IPSAS develops accrual IPSAS by:

- Developing IPSAS that are aligned with IFRS; and
- Addressing public sector financial reporting issues that are not dealt within existing IFRS.

IPSAS Authoritative Sections

Includes:

- Core text;
- Application Guidance (AGs); and
- Some IPSAS Appendices¹.

At the front of the AGs or Appendix of IPSAS it says, *“This AG/Appendix is an integral part of IPSAS XX”*.

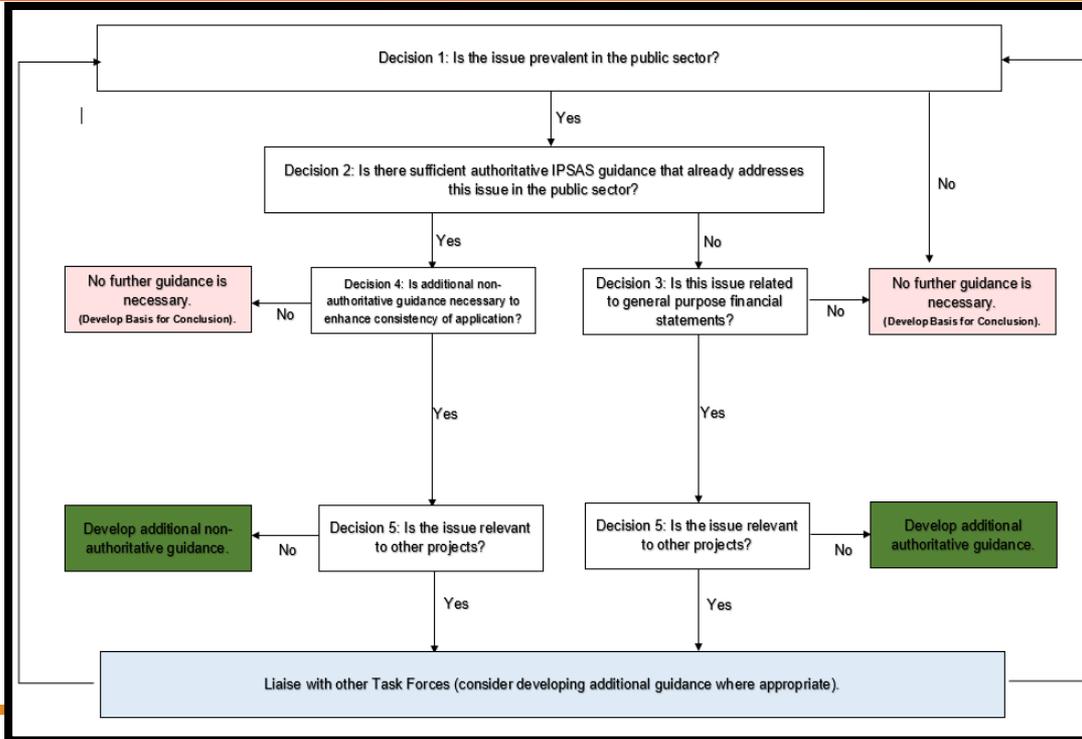
IPSAS Non-Authoritative Sections

Includes:

- Illustrative Examples (IEs);
- Implementation Guidance (IGs); and
- Basis for Conclusions (BCs).

At the front of the non-authoritative sections of IPSAS it states *“This IE/IG/BC accompanies, but is not part of IPSAS XX”*.

Guidance Development Approach: Heritage and Infrastructure



Question 1

- Do members have any questions or comments on:
 - Types of guidance developed by IPSASB and staff
 - Authoritative vs. non-authoritative guidance
 - Guidance development flowchart developed for Heritage and Infrastructure

Work Program Delivery Process

Process followed to deliver work program in an integrated manner

- Process occurs within confines of and in accordance with due process

Board discussions result in decisions and instructions

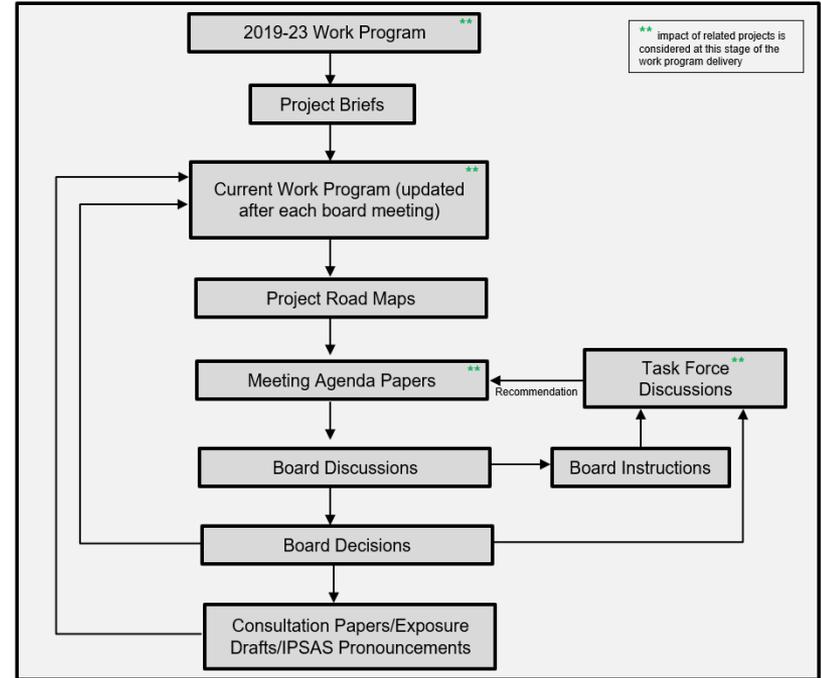
- Reviewed day 4 of meeting and reflected in minutes

Instructions

- Operational views on approach to issues, including organization and arrangement of material

Decisions

- Explained in BCs



Task Forces

Task Forces for most major projects

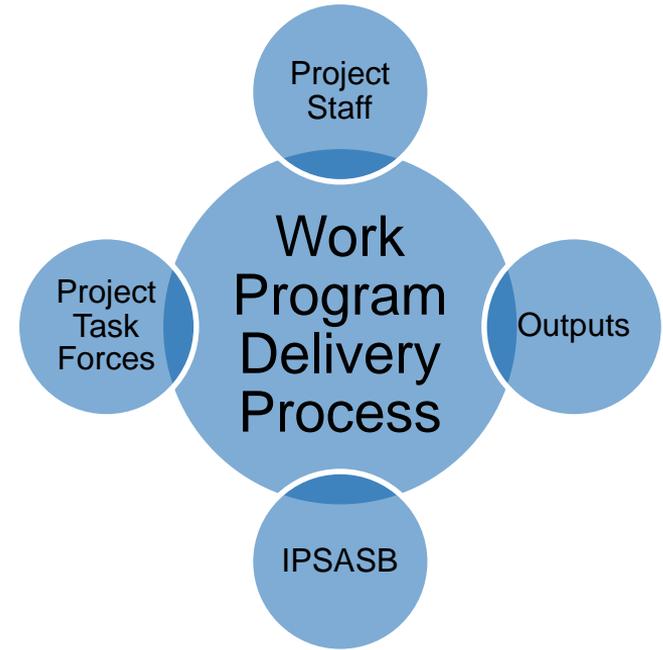
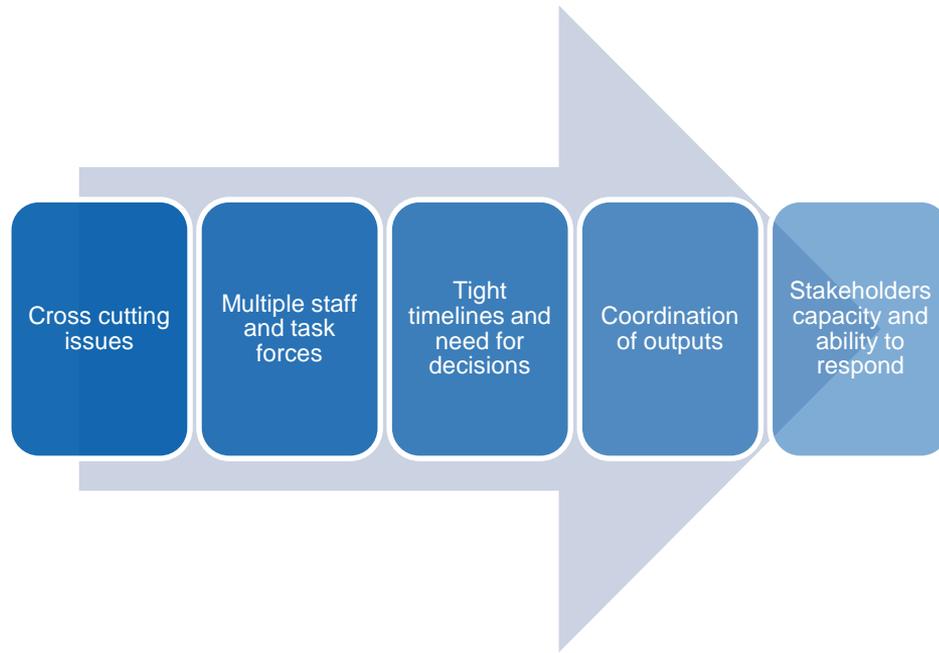
- Member-chaired – include other Members, TAs, Observers
- External members – expertise, build potential member pipeline
- Assist staff in progressing projects
- Conference calls between meetings – face to face meetings exceptionally
- Task Forces provide recommendations
- Some non-authoritative material may be delegated by IPSASB to Task Force

Editorial Groups

Editorial Groups

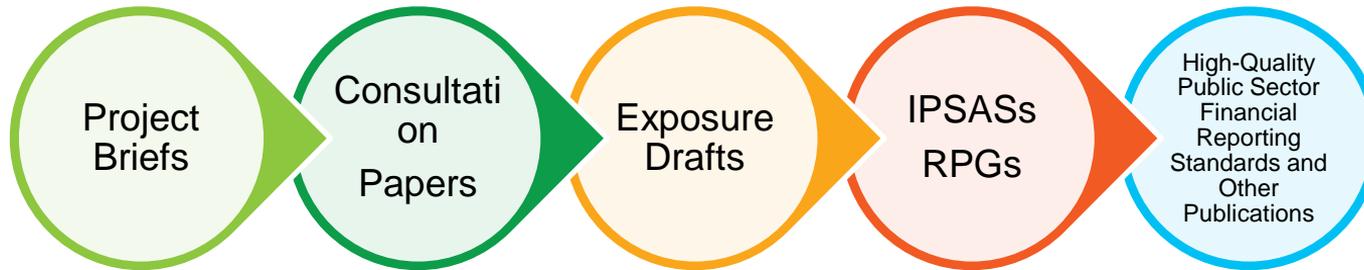
- Purpose is to remove detailed drafting from IPSASB plenary, so debates can focus on substantive matters;
- Actions editorial changes to documents subsequent to their approval;
- IPSASB Members, Technical Advisors and Observers can volunteer to contribute;
- Technical Director reviews and informs IPSASB Chair final to ensure changes are editorial in nature.

Program Management – Balance of Complexities



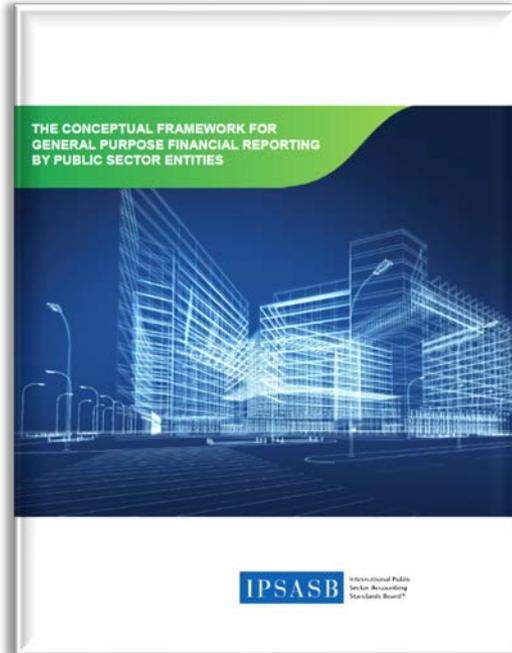
IPSASB: Rigorous standard-setting process

Stakeholder Input



Due Process – PIC and CAG

Conceptual Framework



Role and Authority of the Conceptual Framework

Objectives and Users of General Purpose Financial Reporting

Qualitative Characteristics

Reporting Entity

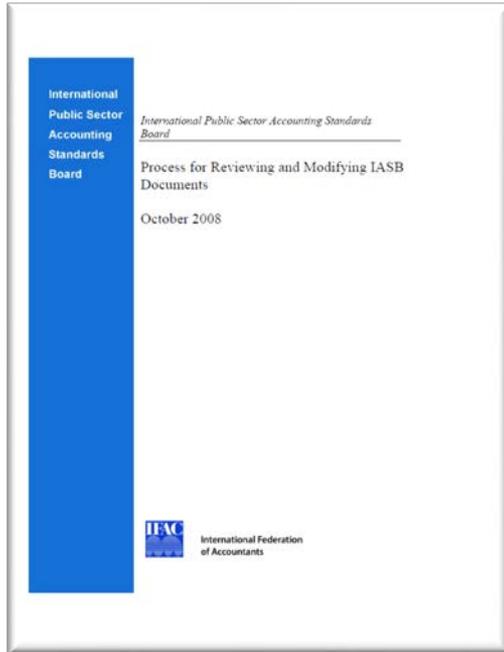
Elements in Financial Statements

Recognition in Financial Statements

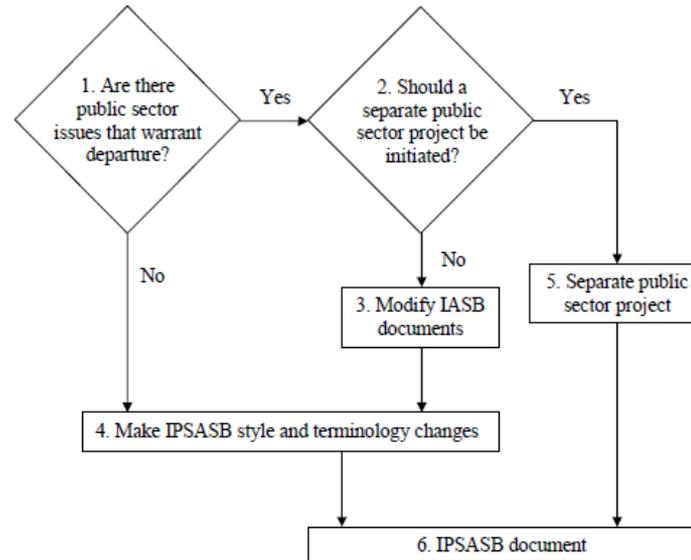
Measurement of assets and liabilities in Financial Statements

Presentation and Disclosure

IFRS Convergence – “Rules of the Road”



- Process for reviewing and modifying IASB Documents

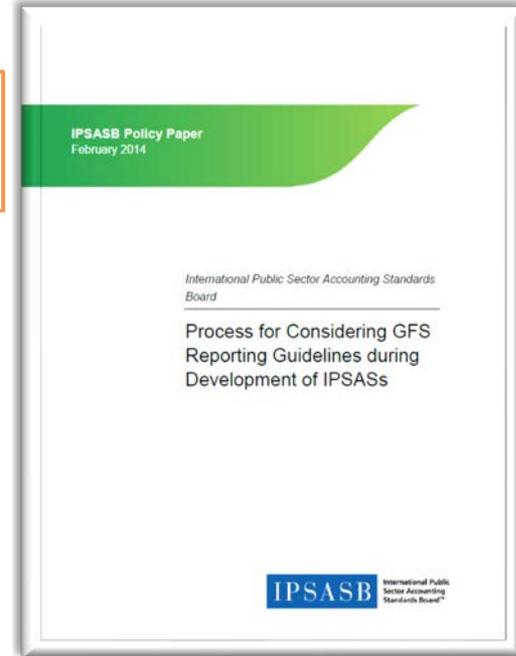
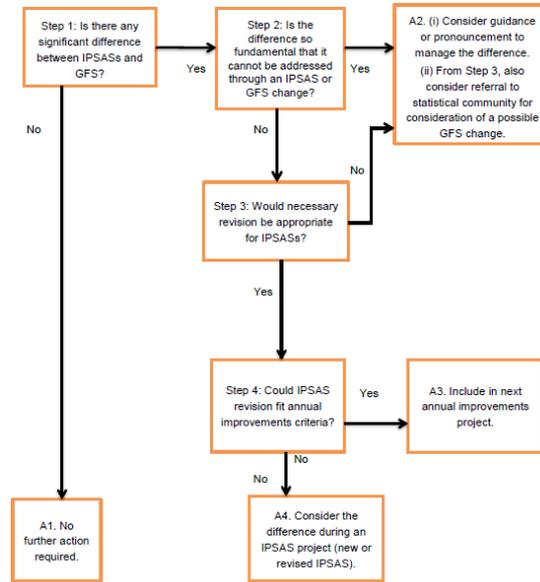


Guidelines on Statistical Reporting

Unnecessary differences between GFS reporting guidelines and IPSASs should be avoided.

The reduction of unnecessary differences is an important factor in the review and development of IPSASs.

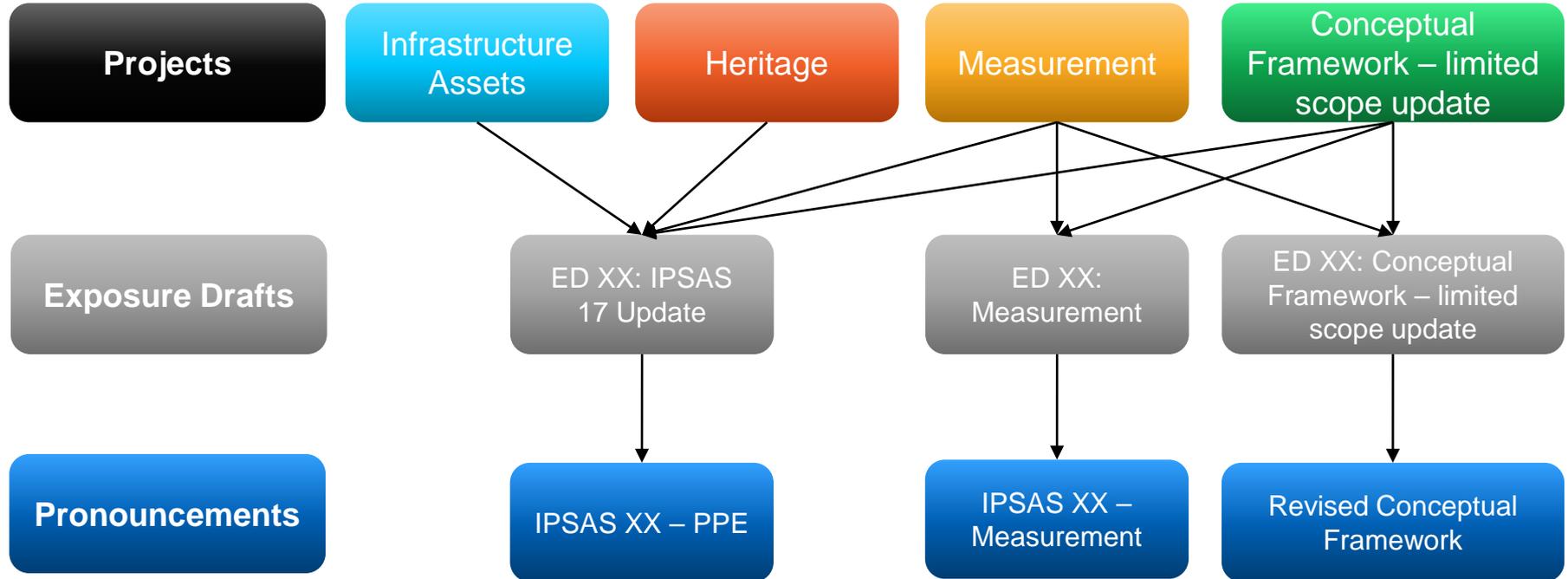
Process for Considering Differences between IPSASs and GFS Reporting Guidelines



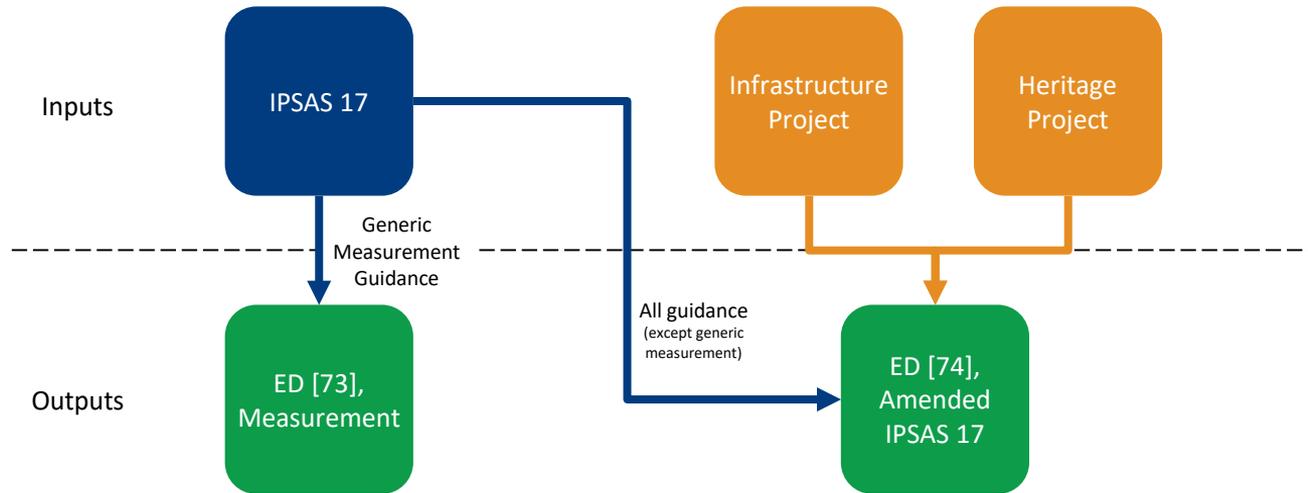
Question 2

- Do members have any questions or comments on:
 - The work program delivery process
 - IPSASB policies
 - Due process and project management

Interrelated Projects – Management Plan



Measurement, Heritage and Infrastructure: IPSAS 17 Impact



Question 3

- Do members agree with the proposed approach to manage the interrelated Measurement, Heritage, Infrastructure and Conceptual Framework-Limited Scope Update Projects



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