

PRESENTATION OF FINANCIAL STATEMENTS

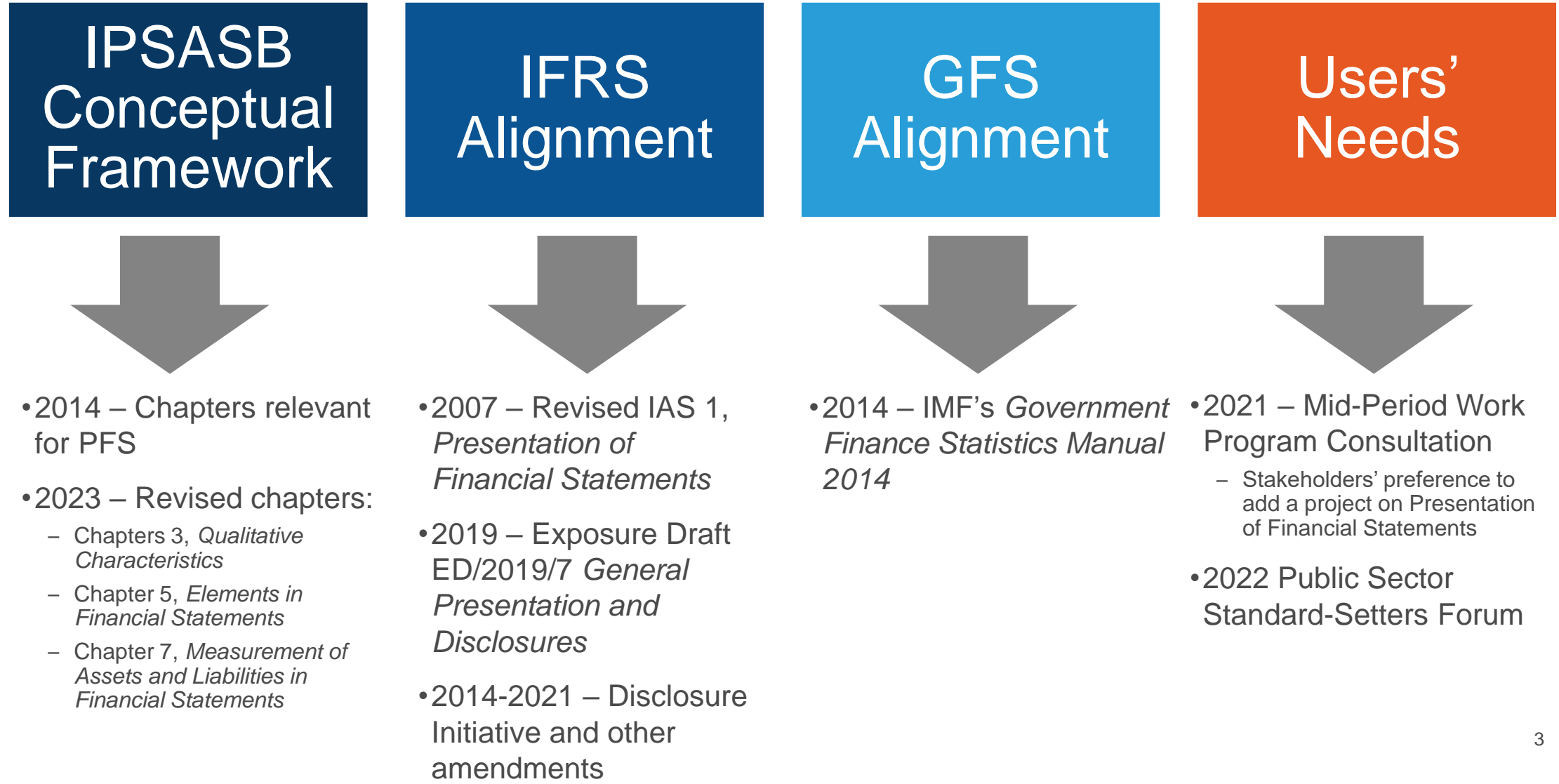
João Fonseca, Principal

IPSASB CAG Meeting – June 2023

Background

- **May 2000** – Issuance of IPSAS 1, *Presentation of Financial Statements*
- **December 2006** – Revision of IPSAS 1
- **July 2021** – Mid-period consultation on Strategy and Work Plan 2019-2023
 - Proposal to add *Presentation of Financial Statements* project
- **March 2022** – IPSASB added *Presentation of Financial Statements* project to its work program
- **December 2022** – First IPSASB discussion on scoping and research
 - Exploratory discussion of options to develop the project – No decisions taken
- **June 2023** – IPSASB will discuss:
 - Project Objective
 - Project Scope and Final Output
 - Key Issues and Consultation Paper Stage

Project Objective



Project Objective

Question for the CAG (1)

- In addition to the sources identified, are there other sources the IPSASB should consider when enhancing how information is communicated in the financial statements?

Project Scope

- Scope In (IPSAS 1):
 - Statement of Financial Position
 - Statement of Financial Performance
 - Statement of Changes in Net Assets/Equity
 - Notes
- Scope Out:
 - IPSAS 2, *Cash Flow Statements*
 - IPSAS 22, *Disclosure of Financial Information about the General Government Sector*
 - IPSAS 24, *Presentation of Budget Information in Financial Statements*
 - Information that enhances, complements, and supplements financial statements

Project Scope

Question for the CAG (2)

- Taking into account the resource constraints and the multiple perspectives on each topic, what is the CAG advice to manage and balance the constituents' views within the project scope?

IPSASB
Conceptual
Framework

IFRS
Alignment

GFS
Alignment

Users'
Needs

Consultation Paper with Illustrative Exposure Draft

- **December 2019** – CAG’s advice on when to use a Consultation Paper with illustrative Exposure Draft
- **December 2022** – IPSASB discussed three options on how the project may develop
 - IFRS Alignment
 - GFS Alignment
 - Public Sector-Specific

**CP with
options of FS**



- Views each option as a silo

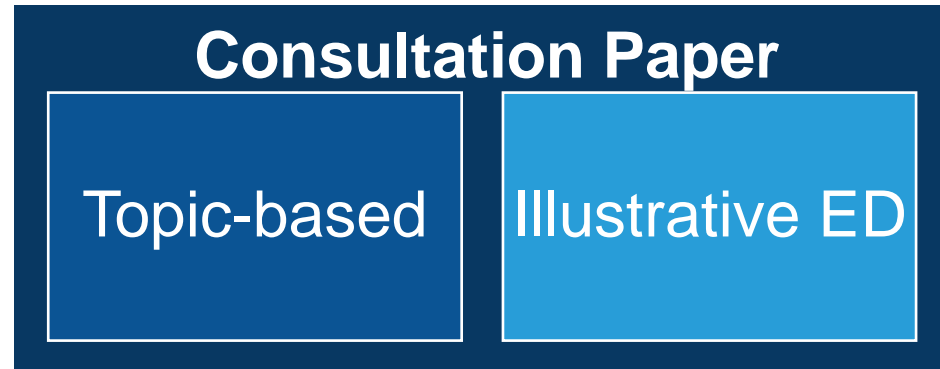
Solo ED



- Does not allow maturing of IPSASB’s thinking on PFS

Consultation Paper with Illustrative Exposure Draft

- Staff's recommendation to IPSASB:



- Benefits:
 - Holistic approach to topics
 - Allows maturing of IPSASB's thinking on presentation of financial statements
 - Provides constituents with a clearer view of the IPSASB's direction of travel
 - More transparent and better feedback

Consultation Paper with Illustrative Exposure Draft

Question for the CAG (3)

- Does the CAG see any issues with the suggested approach? Are there aspects of an illustrative Exposure Draft the IPSASB should consider to enhance the responses to the Consultation Paper?



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