

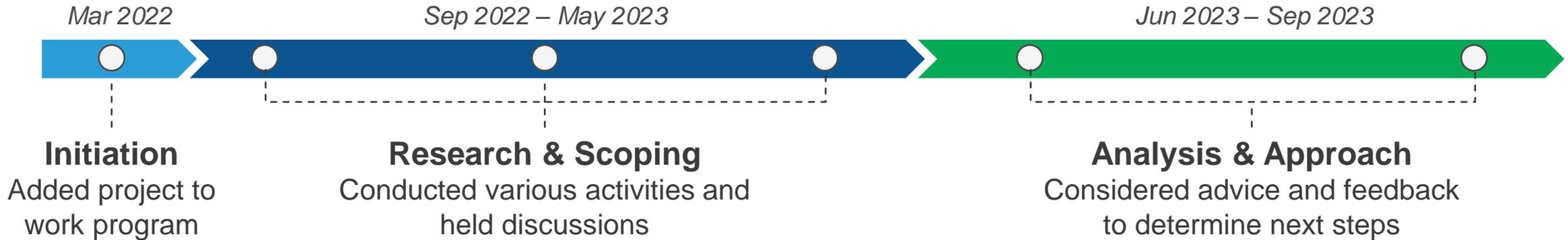
DIFFERENTIAL REPORTING

IPSASB Meeting – September 2023

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Objective of the Differential Reporting Initiative



- ✓ **Reflect on findings** from research and scoping activities
- ✓ **Acknowledge potential inconsistencies and challenges** with a standard-setting approach (i.e., development of an international differential reporting model)

- ✓ **Understand the public sector need**
- ✓ **Consider other options** to address that need

Objective of the Differential Reporting Initiative

Analysis

The public sector user need:

- Resource and capacity limitations amplify challenges in navigating, understanding, and applying full IPSAS
- IPSAS Handbook continues to grow
- Existing resources are not sufficiently helping entities navigate, thereby understand and apply, IPSAS

Additional support navigating IPSAS:

- Provides relief in response to identified need
- Is consistent with IPSASB's approach on past initiatives
- Is a non-standard-setting approach

Recommendation

Objective

- Facilitate the development of practical support material, to help public sector entities better access, understand, and apply IPSAS

Output from the Differential Reporting Initiative

Objective

- Facilitate the development of practical support material, to **help public sector entities better access, understand, and apply IPSAS**

Content

- Consider **nature and types** of transactions and balances
- Apply **materiality**
- Refer to **relevant IPSAS** and other **resources**

Format

- Balance **impact, time** to market, **resource** demand
- Need **pragmatic, timely, effective** support
- Take a **balanced approach**



Navigating IPSAS

Output from the Differential Reporting Initiative



Navigating IPSAS



Purpose and content

- Helps a public sector entity:
- Consider its **transactions** in the context of **materiality**;
 - Identify **relevant IPSAS** for **common** transactions;
 - Obtain a high-level understanding of applicable **accounting principles**; and
 - Find other helpful **resources**.

Time to market

1-2 years

Format

Static PDF (first edition)



Execution

- Developed by a **strategic partner organization**
- Ongoing involvement by:
 - **IPSASB Staff**
 - **User/Preparer Panel** of volunteers



In the future

- **Review**: Did it achieve objective?
- **Determine**: Improvements? Additions?

Output from the Differential Reporting Initiative

Summary



Navigating IPSAS



Can help public sector entities identify its **transactions**, apply **materiality**, and better understand and apply IPSAS **principles** to **common public sector transactions**.



Can be developed by a **strategic partner organization**, with support from **staff** and a potential **User/Preparer Panel**.



Intended to **meet objective** of Differential Reporting initiative and provide **pragmatic, timely, effective support** to meet public need.

Recommendation

- **Endorse** development of “*Navigating IPSAS*”
- **Empower** staff to source strategic partner organization to take on the work
- **Establish** a User/Preparer Panel comprised of volunteers
- **Communicate** intended approach and proposed output