Project Background

Analysis

- *Making Materiality Judgements* is a precommitment from the 2021 Mid-Period Work Program Consultation.

- IFRS Practice Statement 2 *Making Materiality Judgments:*
  - Nature of Practice Statement 2;
  - IASB's definition of material information;
  - The Public Sector is faced with similar challenges; and
  - Practice Statement 2 can be adapted to the public sector context.

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Project Brief: Objective and Scope

Analysis

- The proposed Project Objective and Scope considers:
  - Support from stakeholders for the IPSASB to develop guidance on making materiality judgments based on IFRS® Practice Statement 2 *Making Materiality Judgements* for the public sector.
  - Consistent with the IPSASB's 2024-2028 Strategic Objective, Delivering Global Standards (Main Activity).
    - Addresses constituents' needs;
    - Collaborates internationally; and
    - Clarifies principles.
  - Consistent with the Practice Statement 2's objective and scope

Recommendation

- Project Objective and Scope:

  Develop guidance to clarify how to make materiality judgments when preparing general purpose financial statements in accordance with IPSAS.

Project Brief: Key Issues

Analysis

- Staff identified two key issues, which are proposed for addition to Making Materiality Judgements' Project Brief
  - *Aligning the Definition of Material across the IPSASB's literature*
    - *Guidance to be developed is about the application of the concept of materiality and*
    - *There are inconsistencies within the IPSASB literature*
  - *Status of Guidance and Type of Document*
    - *Practice Statement 2 is a standalone document providing non-authoritative guidance.*

Recommendation

- *Project Brief should include the following key issues:*
  - *Aligning the Definition of Material across the IPSASB's literature*
  - *Status of Guidance and Type of Document*

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