

IPSASB APPLICATION GROUP: OPERATING PROCEDURES

1. This document sets out the procedures for the IPSASB Application Group (Group or IAG), which is a Task Force set up to advise the International Public Sector Accounting Standards Board® (IPSASB®). The objective of the IPSASB is to serve 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. This is intended to enhance the quality and transparency of public sector financial reporting by providing better information for public sector financial management and decision making. In pursuit of this objective, the IPSASB supports the convergence of international and national public sector accounting standards and the convergence of accounting and statistical bases of financial reporting where appropriate; and also promotes the acceptance of its standards and other publications.
2. In meeting this objective, the IPSASB sets International Public Sector Accounting Standards® (IPSAS® Standards), IPSASB Sustainability Reporting Standards™ (IPSASB SRS™ Standards), and Recommended Practice Guidelines™ (RPG™ Guidelines) for use by public sector entities, including national, regional, and local governments, and related government agencies.

Purpose of the IPSASB Application Group

3. The purpose of the IAG is:
 - (a) To assist in fostering consistent application of the IPSAS Standards (by considering application questions or issues submitted by stakeholders; and
 - (b) To assist the IPSASB in identifying areas where changes to existing guidance, or additional guidance, may be required.
4. For clarity, the IAG is an advisory group to the IPSASB (like a project Task Force), and its output will typically consist of a staff paper with IAG recommendations to be presented at IPSASB meetings. The IAG does not have the authority to set standards or issue authoritative interpretations of the IPSAS Standards.

Group Membership

5. As the Group will focus on identifying technical issues, the membership of the Group will target representation from the following constituent groups:
 - (a) Selected current or previous IPSASB Members or Technical Advisors with a strong technical understanding of the Standards, or have practical experience in the adoption or application of the Standards;
 - (b) National standard setters (members or staff with appropriate technical experience) that either apply the Standards directly or which develop local standards based on the principles from the IPSAS Standards;
 - (c) Preparers using IPSAS Standards; and
 - (d) Practitioners such as auditors of financial statements or financial reports based on IPSAS Standards or other national accrual accounting standards (based on IPSAS Standards), or consultants who advise on the adoption and implementation of the IPSAS Standards.

6. The IAG shall consist of between four to six core members to be large enough to be representative of the groups noted in paragraph 5. The membership of the Group may be expanded as additional perspectives are required. There may also be certain technical topics where the IAG may need specific technical expertise to provide specific perspectives. In these cases, such expertise could be added on an ad hoc basis.
7. The IAG Chair will be selected by the IPSASB Chair and the Program and Technical Director from current IPSASB members and re-appointed as needed. In addition, the IPSASB Chair and Program and Technical Director will review the term of each Group member on an annual basis and re-appoint members or appoint new members as needed.

Frequency of Meetings

8. The IAG is intended to meet at least once quarterly. Meeting frequency will be adjusted as necessary based on the volume of issues identified and selected for further analysis. The meetings shall be scheduled so that the IAG can make regular recommendations to the IPSASB as a standing item on the IPSASB meeting agenda.

Issue Identification

9. To capture as complete of a population of application issues as possible for the IAG to assess, application issues may be identified as follows:
 - (a) Issues may be submitted by a constituent to the IPSASB staff—see paragraphs 10-11. This will be the main method for constituents to submit an issue to the IAG;
 - (b) By a member of the IPSASB or the IPSASB's Consultative Advisory Group (CAG);
 - (c) By IPSASB staff;
 - (d) By a member of the IAG, if the member does not fall within the above categories; or
 - (e) As part of the IPSASB's ongoing work to maintain alignment with IFRS, issues may also be identified by the Annual Improvements to IFRS Accounting Standards issued by the International Accounting Standards Board, or the interpretations and tentative agenda decisions issued by the IFRS Interpretations Committee (IFRIC).
10. Constituents can submit a formal query regarding a specific transaction or event at [\[website addressed to be finalized after IPSASB approval of the procedures\]](#). This submission page includes prompts to provide inputs such as the specific question(s) to the IAG if applicable, the background regarding the specific transaction or event, key facts including the particulars of a transaction or details regarding the parties involved, why the transaction or event is considered an issue, and how the transaction or event is currently treated by the constituent, etc.
11. In addition, more general inquiries can be submitted by constituents via direct e-mail to staff or through the current 'Contact the IPSASB' webpage at <https://www.ipsasb.org/contact-ipsasb>.

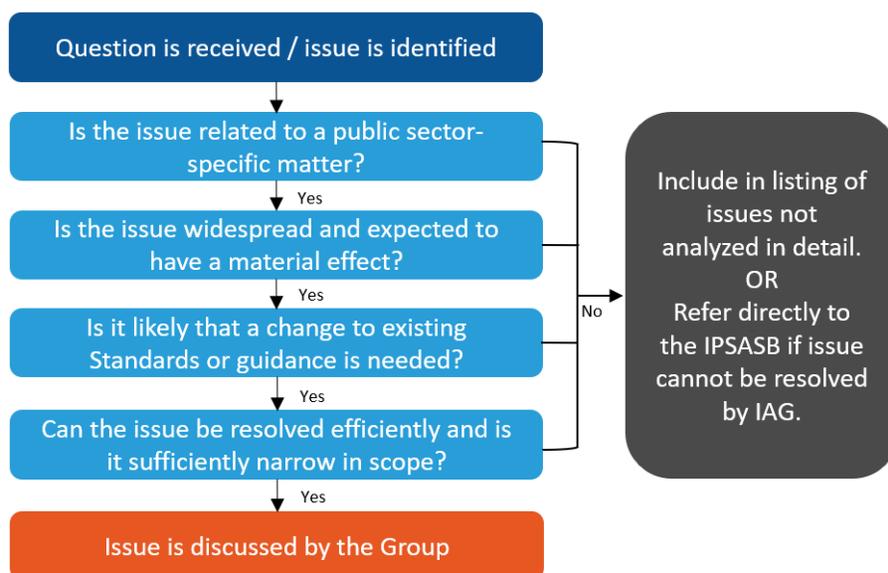
Issue Selection

12. After an issue is identified, the IPSASB staff assesses whether the issue warrants technical analysis

based on the following criteria:

- (a) The issue relates to a public sector-specific matter—i.e., the Group is not meant to re-open issues or redeliberate issues on IPSAS guidance that is aligned with IFRS that were addressed by the IASB or its IFRIC;¹
- (b) The issue has a widespread and/or material impact;
- (c) The issue may require potential changes to existing Standards—i.e., the issue is currently not adequately addressed by existing Standards or the existing Standards are not sufficiently clear;
- (d) The IAG can realistically address the issue—e.g., it is limited to a single or limited number of IPSAS and sufficiently narrow in scope; and
- (e) If it is a broader issue, then the issue may need to be referred to the IPSASB for discussion.

13. The above issue selection process is depicted by the following flowchart:



14. Staff will perform the detailed analysis of whether an issue is to be analyzed by the IAG. A listing of issues that will not be analyzed in detail, along with a summary of how these issues do not meet the four criteria above, will be provided to the IAG for their review by exception.
15. In addition, in the event that an issue is so prevalent or material that it cannot be adequately addressed by the IAG, the issue will be referred directly with the IPSASB.

¹ When the IPSASB develops guidance based on an IFRS Accounting Standard or an IFRS Sustainability Disclosure Standard, the IPSASB considers if the principles from an IFRS Standard are appropriate for the public sector. Where the IPSASB identifies public sector differences related to the transaction or sustainability-related context, it modifies or adds guidance to ensure public sector needs are appropriately addressed. Therefore, while the IAG will not focus on the private sector guidance which formed the basis of an IFRS-aligned IPSAS Standard or IPSASB SRS Standard, the public sector-specific modifications or additions can be selected for analysis by the IAG.

How the Analysis Should be Performed

16. To ensure consistency with the quality of analysis performed in the development of IPSAS Standards, the detailed analysis is performed and presented to the IAG by the IPSASB staff.
17. Staff's analysis will apply the principles from the IPSASB's Standards to the case facts submitted and provide a recommendation to the IAG. The staff's output could include a recommendation on whether to deliberate the issue(s) raised and, when appropriate, a recommendation on how the issue(s) could be addressed by existing guidance. The IAG will discuss the issue and either agree with the recommendation or ask staff to clarify the aspects of the analysis for the group to review at a future meeting.
18. When the IAG agrees with the recommendation, or agrees on an alternative, the recommendation becomes the IAG's recommendation and will be presented to the IPSASB.

Potential Outputs from the IPSASB Application Group

19. The questions or fact pattern provided by the constituent, the IAG's discussions and recommendation will be documented in an agenda item and presented to the IPSASB. As the information will be publicly available, the facts submitted by constituents will be anonymized to remove any identifying details. Potential recommendations may include:
 - (a) The conclusion, along with supporting documentation, that the submitted issue is adequately addressed by existing IPSAS and that no further analysis is necessary; or
 - (b) The conclusion that the submitted issue warrants consideration by IPSASB on whether changes to existing guidance or the development of additional application and/or implementation guidance and/or education materials are necessary. This can include issues that cannot be adequately addressed by the IAG.
20. Based on the IAG's recommendation in the agenda item presented, the IPSASB decides if additional standard setting activities² and/or education materials should be undertaken. As noted in paragraph 4, the IAG is similar to a Task Force which provides recommendations to the IPSASB and does not have the authority to set standards or issue authoritative interpretations of the IPSAS Standards. However, the IPSASB's decision, which would include the conclusions noted in paragraph 19, would be published on the IPSASB's website and communicated to the constituent who submitted the issue.

Potential Due Process Considerations

21. As the output from the Group will be no different than the output from a Task Force, there is no need to publish the outputs externally. However, the analyses of issues will be publicly available in the agenda items posted for discussion at the IPSASB's meetings. In situations that could result in a

² Such standard setting activities could include the development of a new standard, the amendment of the principles within an existing standard, the addition of application guidance or non-authoritative guidance to support the implementation of the principles in an existing standard, or minor amendments of an existing standard through the IPSASB's annual improvements process.

proposed change to the IPSASB's Standards, the IPSASB will need to apply its Due Process to the development and exposure of any new guidance.

Review of the Operating Procedures

22. The above operating procedures are subject to periodic review at least once every three years. The IPSASB will decide upon its first triennial review whether the above procedures should be expanded to include potential consideration of issues related to the application of IPSASB SRS Standards.