



MALAYSIAN INSTITUTE
OF ACCOUNTANTS

22 February 2024

Mr Ross Smith
Program and Technical Director
International Public Sector Accounting Standards Board
International Federation of Accountants
277 Wellington Street West
Toronto, Ontario M5V 3H2
Canada

Dear Mr Smith

Consultation Paper: Strategy and Work Program 2024-2028

The Malaysian Institute of Accountants (MIA) is pleased to provide comments on the International Public Sector Accounting Standards Board (IPSASB) Consultation Paper, Strategy and Work Program 2024-2028 as attached in Appendix 1 to this letter.

We hope our comments would contribute to the IPSASB's deliberation in finalising the matter. If you have any queries or require clarification of this submission, please contact Rasmimi Ramli, Executive Director of Sustainability, Digital Economy, and Reporting at +603 2722 9277 or by email at rasmimi@mia.org.my.

Yours sincerely

MALAYSIAN INSTITUTE OF ACCOUNTANTS

DR WAN AHMAD RUDIRMAN WAN RAZAK
Chief Executive Officer

Specific Matter for Comment 1:

The IPSASB proposes to update its strategic objective to reflect the shift in the balance of public sector financial reporting needs towards the maintenance of IPSAS and the development of International Public Sector Sustainability Reporting Standards.

- a) **Do you agree with the strategic objective?
Strengthening Public Financial Management and sustainable development globally through increasing adoption and implementation of accrual IPSAS and International Public Sector Sustainability Reporting Standards.**
- b) **Do you agree with the IPSASB's proposal to deliver its strategic objective through two main activities (Delivering Global Standards and Inspiring Implementation)?**

If you do not agree, please explain your reasoning and your proposed alternatives.

- a) We agree with the strategic objective proposed. We believe that any project aimed at enhancing quality and financial decision-making should be given top priority, which also includes focusing on the connectivity between financial and sustainability information.
- b) We agree with the IPSASB's proposal to deliver its strategic objective through two main activities (Delivering Global Standards and Inspiring Implementation). We also believe that capacity building and engagements with constituents are two critical activities that will assist the IPSASB in achieving its strategic objectives.

Specific Matter for Comment 2:

The IPSASB proposes to add maintenance activities to its Work Program, including a process to assess IPSAS application challenges and to undertake post implementation reviews. Therefore, at this time, the IPSASB is not proposing to add new major financial reporting standard setting projects.

Do you agree with the proposal to add maintenance activities? If you do not agree, please explain why, including any proposed alternatives.

We agree with the IPSASB's proposal to add maintenance activities to its Work Program.

We also agree with the IPSASB to assess IPSAS application challenges and to undertake post implementation reviews (PIR) instead of developing new major standards. In addition, we propose the following:

1. The IPSASB provides specific implementation guidance addressing public sector issues.

2. The support provided by the Application Panel should have clear criteria for dealing with application questions, rigorous process in place, clear outputs produced as well as reasonable time taken in addressing the application issues.
3. The IPSASB encourages or facilitates sharing of information on the challenges faced by various constituents in accrual adoption and how they overcome the challenges.
4. The IPSASB to publish educational materials that will support consistent application of IPSAS.

Specific Matter for Comment 3:

The IPSASB's Potential Future Financial Reporting Projects, see Appendix A, include projects for the development of new IPSAS and the maintenance of existing IPSAS.

1. **Are there other major financial reporting projects the IPSASB should consider adding to its Potential Future Financial Reporting Standard Setting Projects list?**
2. **Are there other IPSAS that the IPSASB should consider as a potential project for its maintenance program?**
3. **If the IPSASB's proposal to implement a PIR process is supported, what IPSAS are of the highest priority in your jurisdiction?**

1. We agree that no other major financial reporting projects that the IPSASB should consider other than listed in Appendix A.
2. We agree that there is no other IPSAS that the IPSASB should consider for its maintenance program.
3. We propose that the IPSASB to implement a PIR for IPSAS 33 *First-time Adoption of Accrual Basis IPSASs*. We wish to highlight that among the challenges faced by our jurisdiction in transitioning from cash accounting to accrual accounting are:
 - (a) obtaining the political commitment and stakeholders buy-in,
 - (b) defining the roles and responsibilities of various stakeholders,
 - (c) addressing skills gaps and
 - (d) tightening the internal controls, assurance, and parliamentary oversight.

Specific Matter for Comment 4:

Upon completion of the three pre-committed sustainability reporting standard projects, what are the key public sector sustainability reporting issues the IPSASB should consider adding to its Work Program?

When answering please provide your rationale as to why the IPSASB should undertake such a project (s).

We propose that the IPSASB to provide illustrative guidance showing the linkages between financial and sustainability impact on the reporting entities and the Government.

We also propose for the IPSASB to provide sustainability reporting standards that help public sector entities to report the achievement of Sustainable Development Goals (SDGs) (financial and non-financial information) comprehensively which will not be limited to climate-related activities.