



International
Federation
of Accountants

International Public Sector Accounting Standards Board

IPASB Update

Andreas Bergman

Chair

IPSASB

OECD Accrual Symposium

07 March 2013

Session coverage

- Environment & Strategy
- Prospective governance and staffing changes
- Work plan consultation
- Conceptual Framework
 - Mainly covered in separate session
- Brief update on other current projects

Strategic Objectives

Developing a **conceptual framework** for the public sector

Public sector critical projects (public sector specific, IFRSs convergence, maintenance)

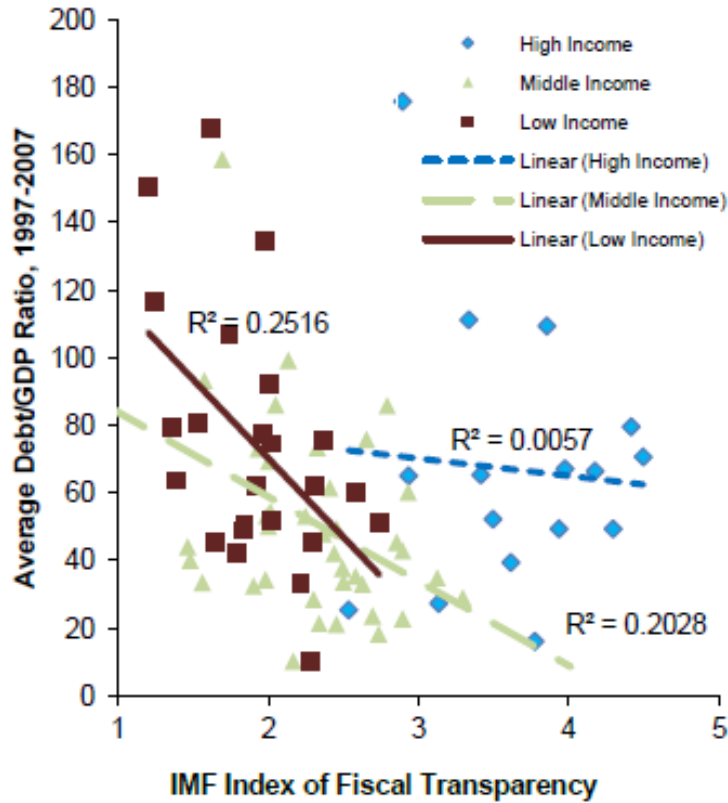
Communications and promoting adoption & implementation

Opportunities

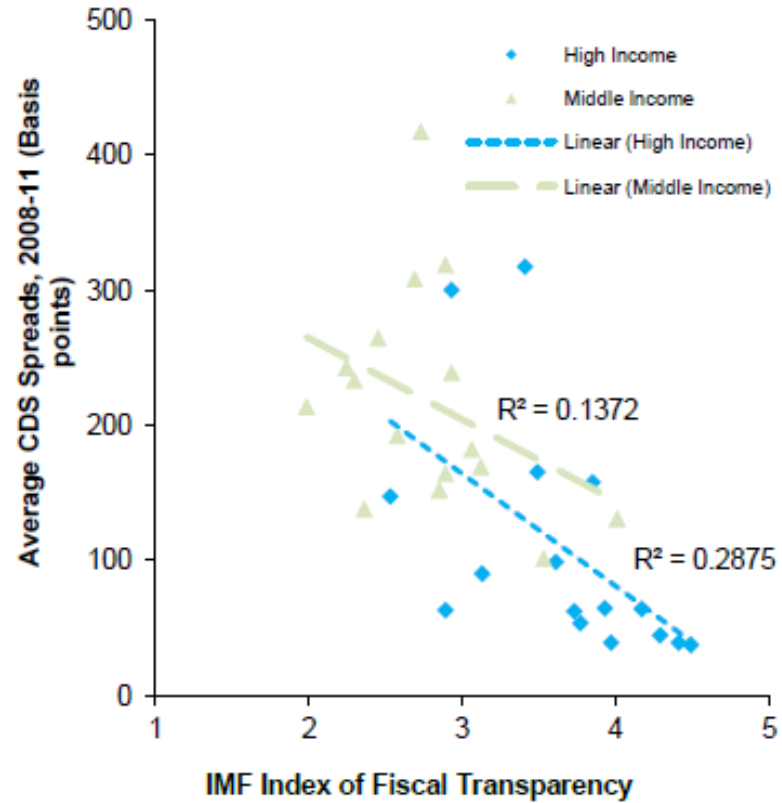
- IMF-FAD addressing issue of transparency in a comprehensive paper
 - Fiscal transparency does matter
 - Harmonization of Accounting and Statistics needed
 - ROSC initiative should be followed up
- Eurostat Report
 - Covered in a separate session
 - Endorsement mechanism as expected
 - Some caution the risk of dual standards and of a backward step for those who are already on IFRS/IPSAS
- G20 Finance Ministers press release February 2013
 - Strengthening government balance sheet → looking at financial reporting

Opportunities

a. Fiscal Transparency & Government Debt



b. Fiscal Transparency & CDS Spreads



Prospective governance and staffing changes (1)

- Oversight
 - Deficit in IPSASB Governance
 - Public Interest Oversight Board (PIOB)
 - PIOB oversees other IFAC Standard Setting Boards (IAASB)
 - Alternative is public sector specific oversight
- Monitoring Group Roundtable: February 27th 2013
- Eurostat assessment of IPSAS addresses the issue

Prospective governance and staffing changes (2)

- Change in composition of IPSASB 2014 – beyond IFAC member bodies
- Revision of Terms of Reference
- Formation of a Consultative Advisory Group (CAG) by 2014
 - Existing observers (?)
- Full-time Chair 2015-2016
- Additional staffing 2016+

Work Plan Consultation (1)

- Limited scope
- First Public Consultation
 - Four months to 31st October 2012
 - 38 respondents
- Only two projects likely to be initiated in 2013-2014
 - Existing priorities
 - Resource implications

Work Plan Consultation (2)

- Considerable support for Social Benefits
 - IPSASB project deactivated in 2008
- Emissions Trading Schemes second most favoured
 - Project on IASB's Research Agenda
 - Possibility of joint working with IPSASB focus on grantor/administrator
- Other projects with reasonable support
 - Heritage assets
 - Update of IPSAS 23
 - Impact of Sovereign Powers on Financial Reporting
 - Leases
- Decision on projects at June Meeting
- Further consultations likely on future work plans

Conceptual Framework: Progress and Challenges

- **First Four Chapters published: January 11th 2013**
 - 1: Role and Authority of the Conceptual Framework
 - 2: Objectives and Users of General Purpose Financial Reporting
 - 3: Qualitative Characteristics
 - 4: Reporting Entity
- **EDs on Elements and Measurement: Consolation Expiry: 30th April**
 - Deferred Inflows and Deferred Outflows
 - Approach to Historical Cost
 - Approach to Fair Value
- **Presentation**
 - ED approval in First Half 2013
 - Tacking more comprehensive scope of reporting

Brief update on other current projects (1)

- **Public Sector Combinations**
 - Acquisitions and amalgamations both under and not under common control
 - Inappropriate to draw directly from IFRS 3, *Business Combinations*
 - ED in second half of 2012
- **Financial discussion and analysis**
 - IPSASB term for Management Commentary and Management's Discussion and Analysis
 - Audit implications
 - Authoritative or non-authoritative?
 - Pronouncement in 2013
- **First time adoption of IPSASs**
 - No current equivalent of IFRS 1, *First-time Adoption of International Financial Reporting Standards*
 - *Assertion of compliance with IPSAS*
 - *ED in 2013*

Brief update on other current projects (2)

- Updates of IPSAS 6-8 (consolidations, associates, joint ventures)
 - Alignment with IFRS 10, *Consolidated Financial Statements* IFRS 11, *Joint Arrangements* and IFRS 12, *Disclosure of Interests in Other Entities*
 - Temporary control
- Reporting on the long-term sustainability of public finances
 - Recommended Practice Guideline in 2013
- Service performance reporting
 - No specification of Key Performance Indicators
 - ED in 2013
- Government Business Enterprises
 - Current assumption that report under IFRS
 - Accounting and disclosure

Brief update on other current projects (3)

- Alignment of IPSAS and Public Sector Statistical Reporting Guidance
 - Consultation Paper: open until March 31st
 - Issues identified for both IPSASB and statistical reporting community

Questions and discussion



- Visit the webpage <http://www.ipsasb.org>
- Or contact us by e-mail
 - Chair IPSASB andreasbergmann@ipsasb.org
 - Technical Director stepheniefox@ipsasb.org