

**Public Interest Committee
3rd Meeting**

23 March 2016

1. The third meeting of the Public Interest Committee (“the Committee”), the oversight body for the International Public Sector Standards Board (IPSASB), was held in the OECD Headquarters in Paris on 23 March 2016.
2. The meeting was attended by all members of the Committee. In addition, the Chair and Technical Director of the IPSASB together with senior staff of the International Federation of Accountants (IFAC) attended parts of the meeting. See Appendix 1 for a complete list of participants.
3. This Summary Record is organized around the meeting agenda and reflects the ensuing discussions.

Founding Documents

4. The IPSASB *Terms of Reference* and *Due Process and Working Procedures* documents include text referring to the activities of the Committee in the review of due process. They will form the formal basis for the Committee’s work.
5. The Committee requested changes in the wording of both documents related to the matters of the due process before their final endorsement by the IPSASB.
6. The Committee also agreed that, going forward, press releases and standards issued by the IPSASB will include the following wording: *“The governance and standard-setting activities of the IPSAS Board are overseen by the Public Interest Committee (PIC), to ensure that they follow due process and reflect the public interest. The PIC is comprised of individuals with expertise in public sector or financial reporting and professional engagement in organizations that have an interest in promoting high-quality and internationally comparable financial information.”*

IPSASB 2016 strategy, work program, and budget

7. The Chair and Technical Director of the IPSASB presented a summary of recent Board’s activities, and the strategy and work programme going forward. They emphasized that six of seven standards currently being developed are public sector specific in nature.
8. The Committee congratulated the Chair on his recent appointment, and welcomed the IPSASB’s work programme and its focus on public sector-specific standard-setting.

9. The Committee noted that the timescale for major projects, including on social benefits and non-exchange expenses, exceeded two years and asked the Chair to explore mechanisms to accelerate this work, including focusing resources further on major projects and making greater use of task-based groups. The Committee also asked for information on costs associated with each project so that these might be weighed against their relative benefits.

10. The Committee welcomed the Chair's report that the first meeting of a newly established Public Sector Standard Setters Forum (the "Forum") took place on 14-15 March 2016, hosted by the U.S. Governmental Accounting Standards Board. The Committee suggested that IPSASB clarify the expected role of the Forum in IPSASB activities going forward, in particular vis-à-vis the newly created IPSASB Consultative Advisory Group.

Nomination process and recruitment strategy

11. The President of the IFAC Board gave an overview of the status of nominations for the International Public Sector Accounting Standards Board (IPSASB) membership in 2017.

12. The Committee congratulated the efforts of IFAC in maintaining a high-level of technical expertise and personal commitment by IPASB members through its nomination process and initiatives such as the *Volunteer Performance Program*.

13. The Committee underscored the need for further efforts to foster greater geographical, language, and gender diversity on the Board, suggested that calls for applications be supplemented by pro-active outreach-based recruitment of underrepresented groups, and asked that clear benchmarks for improving diversity be set which would allow assessing progress over time.

14. The Committee emphasized the importance of focusing on diversity not only in the nomination and selection processes but also in the course of the ongoing Board operations. Mentoring of new members, translation services, and other initiatives could be launched in this respect.

Establishment of the IPSASB Consultative Advisory Group (CAG)

15. The Inaugural Chair of the CAG presented an update on the development and organization of the IPSASB CAG. The Chair indicated that the CAG's call for candidature generated strong interest and 20 members should be nominated by end of April 2016. The first meeting of the CAG is scheduled to take place in June 2016, with two annual meetings planned going forward.

16. The Committee congratulated the Inaugural Chair for his nomination and progress in setting up the CAG. It also welcomed the choice of 20 CAG members with diverse professional and regional backgrounds.

17. The Committee noted that CAG members should make early preparations for electing a Chair from their ranks - by end 2017 at the latest. The CAG should also work on identifying potential new members. In particular, users of governments' financial statements, including parliaments or parliamentary budget offices, need to be further represented in the CAG.

18 The Committee recommended that the CAG members set out a formal work programme, publish agendas before their meetings, and make available summaries of their discussions and recommendations. Its meetings should include sessions dedicated to potential issues with IPSAS implementation, as one of the principal reasons for setting up the CAG was to solicit the views of implementers and users of IPSAS.

Due Process

19. The Technical Director of the IPSASB informed the Committee that two standards were approved by the IPSASB in March 2016: *Improvements to IPSASs 2015* and *The Applicability of IPSAS*.

20. The Technical Director of the IPSASB presented the due process, which followed five stages: i) Project Brief; ii) Development of the Proposed Standard; iii) Public Exposure; iv) Consideration of Respondents' Comments on the Exposure Draft; and v) Approval.

21. The Chair of the IPSASB confirmed to the Committee that the Board followed the stated due process in developing and approving of the standards.

22. The Committee questioned the Chair and Technical Director of the IPSASB on the main comments set out in the 12 responses to the exposure draft on *Improvements to IPSASs 2015*. The Chair and Technical Director of the IPSASB provided detailed explanations on how the board dealt with them.

23. The Committee concluded that due process appeared to be followed with due regard for the public interest.

Annex 1: List of participants

Public Interest Committee (PIC) meeting 23 March 2016

Committee's members

Jon Blondál, Head of Budgeting and Public Expenditures Division, Organization for Economic Cooperation and Development (OECD)

Richard Hughes, Public Financial Management Division Chief, Fiscal Affairs Department (FAD), International Monetary Fund (IMF)

Samia Msadek, Director, Governance Global Practice Group, World Bank.

Dominique Pannier, INTOSAI's representative, and Principal Auditor of the Government Financial Statements, Court of Accounts (France)¹.

IFAC

Olivia Kirtley, President of IFAC Board (by phone)

Gary Pflugrath, Director Public Policy and Regulation

IPSASB

Ian Carruthers, IPSASB Chair

Thomas Müller-Marqués Berger, Inaugural Chair of the Consultative Advisory Group (by phone)

John Stanford, Technical Director

James Gunn, Managing Director, Professional Standards

Committee's Secretariat

Svetlana Klimenko, Lead Financial Management Specialist, World Bank

Delphine Moretti, Senior Policy Analyst, Budgeting and Public Expenditures Division, Organization for Economic Cooperation and Development (OECD).

¹ Rapporteur général de la certification des comptes de l'État, Cour des comptes (France).