

Public Interest Committee

Minutes of the 8th Meeting, 6 March 2019

1. The Public Interest Committee (“the Committee”), the oversight body for the International Public Sector Standards Board (IPSASB) held its 8th meeting on April 6, 2019 in OECD Headquarters in Paris.
2. The meeting was attended by all members of the Committee. In addition, the Chair and Technical Director of the IPSASB together with the Chair of the Consultative Advisory Group (CAG) attended the meeting. Representatives of the International Federation of Accountants (IFAC) joined the meeting via conference call. See Appendix 1 for a complete list of participants.
3. This Summary Record is organized around the meeting agenda and reflects the ensuing discussions.

IPSASB Activities

4. The IPSASB Chair summarized the activities. He highlighted that:
 - The consultations and regional round tables were aimed at broadened constituent input on the Strategy and Work Plan and were useful to gather feedback. A continuous dialogue is required to develop a capacity-building program. However, the objective of such consultations should be very clear.
 - Proposal to set up a process to identify projects for a research pipeline involving MoF, academics, national standard setters etc. Such discussions will lead to projects being proposed to the Board. Furthermore, the CAG is a good platform on which to gather feedback.
 - A consultation paper on measurement will have a table comparing methodology and data requirements under GFS and IFRS to assist with the alignment. To the extent possible, we will align with the GFS within the conceptual framework.
5. The Committee acknowledged that consultations could be time consuming and costly and as such IPSASB would need to be selective in arranging consultations and make use of CAG and other aid agencies to gather feedback.
6. To avoid the misinterpretation of “Adoption, Alignment, Implementation”, it would be good to clarify each term and mark the distinction between “Full/Partial” implementation.
7. The Committee also suggested that to progress with GFS alignment, it would be good to have a team member within IFAC who has knowledge and experience of GFS.

IPSASB Work Plan and Priority Projects:

8. The IPSASB Chair summarized the work plan and priority projects. He highlighted that:
- The IPSAS 42 on Social Benefits was approved. An implementation review will be carried out in five years.
 - The Exposure Draft on Emergency relief/ collective services was published.
 - After extensive consultations and outreach, the Strategy and Work Plan was finalized.
 - Three major projects will be rolled out in 2019 and could overflow to 2020, hence the Natural Resources and Limited Review projects will be initiated accordingly.
 - IPSASB will work with IMF through the Public Sector Financial Instrument and IFRS 9 paper to align better with GFS. IPSASB will reach out to IMF to hear their views and the Exposure Draft in September 2019 will provide the opportunity for discussion.
9. The Committee congratulated IPSASB on the Social Benefits project which was extremely important and a high priority requirement from users. It also acknowledged the need for a post implementation review to monitor progress.
10. The Committee requested IPSASB to include the Natural Resources and Limited review in the work plan for 2019.

IPSASB Nomination

11. IPSASB and IFAC colleagues provided insights into memberships and its associated challenges:
- Europe is over represented, and Asia is under represented as no members from China or Japan. The member from China did not renew her term and the nominated candidates from China and Japan were not strong enough. IPSASB is continuing its efforts with China and Japan to identify a suitable candidate.
 - In order to have a strong cohort of candidates, the IPSASB plans to support potential nominees to gain the required expertise and provide language support.
 - It is challenging to connect with Francophone Africa but the roundtables could be a way of connecting. Continued conversations are required to raise awareness about the IPSASB, and discussions with PIC members to understand the regions better could be an option.
 - While IPSASB cannot be too prescriptive concerning membership criteria, it is clear about the requirements.

12. The Committee acknowledged IPSASB's efforts to date to achieve diversity in its membership with regards to gender and legal/accounting tradition (other than Anglo Saxon) and the associated challenges. The Committee recommended continued dialogue with regions and develop a strategy on how to attract and mentor suitable candidates for future membership.

Consultative Advisory Group (CAG)

13. The CAG Chair and IPSASB technical Director provided insights into CAG membership:

- CAG has a policy that any member missing two sessions will receive a warning letter and after the third time, the membership will be revoked. Such a practice will ensure that members are responsive.
- CAG nominations are now considering if the members would be suitable candidates for future board membership. Also, there is a potential to engage CAG members as technical experts on projects but they would have to refrain from CAG discussions on those topics to avoid a conflict of interest.

14. The Committee congratulated CAG on appointment of its new members and thanked CAG for taking PIC's comments into consideration and staggering the process of appointing new members.

15. The Committee agreed with the proposal to have CAG members serve as technical experts and suggested the process to be formalized and discussed in the next meeting.

Governance Review

16. The IPSASB Chair confirmed that the current governance and advisory arrangements are fit for purpose; however, the review process should be structured in a manner that would get beneficial outputs without undue burden.

17. The Governance Review would be carried out with an objective to raise awareness/ understanding of PIC, review of recommendations and status of implementation, set goals for future and manage expectations.

18. The Committee advised that it will build on the feedback of stakeholders that is currently available i.e. the strategy and work plan; it already embeds many of the characteristics of a review; and furthermore there is to date no sign of default to be addressed. Hence a review with senior external leadership or assistance will be costly, disruptive and non-value adding.

19. The IPSASB suggested that it could prepare a report evaluating the recommendations received from PIC overtime and its implementation status. However, it will await the Committee's decision.

20. The Committee welcomed this suggestion. The Committee concluded that it will explore the option of a self-review or self-evaluation mechanism.

Next Step

21. The next meeting of the Committee will take place in October 2019 virtually.

Annex 1: List of participants

Committee members

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

Manal Fouad, Chief of the Public Financial Management Division II, Fiscal Affairs Department, International Monetary Fund (IMF)

Jennifer K. Thomson, Director of Operational Policy and Country Services, Chief Financial Management Officer, World Bank.

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

IPSASB

James Gunn, Managing Director, Professional Standards

Ian Carruthers, IPSASB Chair

John Stanford, Technical Director

Ross Smith, Deputy Technical Director

International Federation of Accountants

In-Ki Joo, IFAC President and Chair Nominating Committee

Kevin Dancey, IFAC Chief Executive Officer

Elena Churikova, Senior Manager

Sylvia Tsen, Executive Director

Consultative Advisory Group

Thomas Muller-Marques Berger, CAG Chair

Committee's Secretariat

Nooryar Zohra Farooq, Senior Financial Management Specialist, Governance Global Practice, World Bank

Andrew Blazey, Deputy Head of 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).