



**INTERNATIONAL FEDERATION
OF ACCOUNTANTS**

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DATE: 1 JUNE 2004
MEMO TO: MEMBERS OF THE IFAC PUBLIC SECTOR COMMITTEE
FROM: PAUL SUTCLIFFE
SUBJECT: **INTERNATIONAL PUBLIC SECTOR ACCOUNTING
STANDARDS**

ACTION REQUIRED

The Committee is asked to:

- **note** developments in the areas outlined below; and
- **provide** a verbal report on any additions

BACKGROUND

The purpose of this paper is to provide an overview and update on funding, promotion and translation activities since the last PSC meeting. This is a standing item for the PSC Agenda. The Work Program for 2004 and beyond is considered in detail at Agenda items 6.2 through 6.6. Major changes to the tables since the March meeting are highlighted by mark-ups.

(i) Standards Program Funding

Organizations approached for funding to date and the current status of fundraising efforts are summarized in Attachment 1 to this memo. A funding proposal has been prepared following discussion with the international organization represented as observers on the PSC. However, no additional funding approaches have yet been made. It is intended to co-ordinate funding approaches with recommendations of the PSC Review Committee as far as is appropriate. The report of the Review Committee will be discussed at this meeting.

Financial information regarding operations of PSC's standard program during the first half of 2004 will be provided to members at the meeting.

Current Funding Profile

Organization	Status
Public Expenditure and Financial Accountability (PEFA) Program	Support of \$50,000US for the Budget Reporting Project has been provided by PEFA. PEFA is financed jointly by the World Bank, European Commission, and UK DFID.
Multi Lateral Development Bank (MDB), and World Bank	\$75,000US to support the Development Assistance Project <u>has been provided through a fund administered by the World Bank.</u>
World Bank	Have approved \$250,000US per annum for 3 years to 2004, subject to annual application/approval.
International Monetary Fund	Have provided \$50,000US per annum for 4 years to end 2004.

Organization	Status
Asian Development Bank	Have provided funding of \$82,000US per annum for three years to end 2004.

(ii) Standards Project Promotion and Key Relationship Management

Background

A revised list of current invitations, and presentations and articles already made and/or published in 2004 is set out below. A list of past presentations, articles and meetings is included at Attachment 2 to this memorandum. If you have received invitations to present or have attended any seminars or meetings that should be included in this list, please inform Jerry. In addition to matters identified in this list, PSC members and their technical support and observers also report on a regular basis to their national boards and/or other relevant bodies on PSC activities. PSC staff also report to the IFAC Board and relevant IFAC staff and Committees on a regular basis.

2004 Invitations and Activities

Date	Location/Activity	Host/Participants/Journal	PSC Representative
January	Washington	Discussions with the following re PSC program and funding: World Bank, IMF, IDB	Philippe Adhémar
	London	Discussions with IASB, UK Audit Office, FEE – PSC Chair, UK – ASB	Philippe Adhémar and Mike Hathorn
	New York	IFAC – CEO Meeting	Philippe Adhémar
	<u>Brussels</u>	<u>European Union Standards Committee</u>	<u>Mike Hathorn</u>
February	Paris	Meeting of OECD Task Force on Harmonization and Working Groups 1 and 2	Philippe Adhémar Ian Mackintosh (for the PSC) Robert Keys Paul Sutcliffe
February	New Delhi	Presented PSC achievements and future progress to the Global Working Group of 12 Auditors General	Philippe Adhémar
February	Paris	OECD Accruals seminar	Philippe Adhémar, <u>Mike Hathorn</u> , Paul Sutcliffe
<u>February</u>	<u>Hamburg</u>	<u>Symposium of State and local government</u>	<u>Norbert Vogelpoth</u>
<u>February</u>	<u>Brussels</u>	<u>European Union Standards Committee</u>	<u>Mike Hathorn</u>
February	London	IASCF/IASB staff – Meetings re translations and work program	Paul Sutcliffe
March	Buenos Aires – Seminar	Argentinean FACPE Seminar	Philippe Adhémar Carmen Palladino Mike Hathorn Terence Nombembe Rick Neville
April	Prague	European Accounting Association	Philippe Adhémar

		(EAA) Conference	
<u>April</u>	<u>Article in “Die Wirtschaftspufung</u>	<u>Comparison of IPSASs and German Public Sector Accounting Standards</u>	<u>Norbert Vogelpoth</u>
<u>May</u>	<u>North-Rhine Germany</u>	<u>Presentation to Ministries on IPSASs</u>	<u>Norbert Vogelpoth</u>
<u>June</u>	<u>Paris</u>	<u>OECD Workshop: Implicit Liabilities and IAS 19 Employee Benefits</u>	<u>Philippe Adhémar</u>
June	Budapest	Chamber of Hungarian Auditors – International Conference	Philippe Adhémar
<u>June</u>	<u>Oslo</u>	<u>IASB - Standards Advisory Council</u>	<u>Philippe Adhémar</u>
<u>Sept</u>	<u>Boston</u>	<u>International Colloquium on Financial Management for National G’ments</u>	<u>Philippe Adhémar</u>
<u>Sept</u>	<u>Brussels</u>	<u>European Commission/FEE Public Sector Committee, Conference</u>	<u>Philippe Adhémar, Norbert Vogelpoth</u>
<u>Sept</u>	<u>Washington</u>	<u>TFHPSA</u>	<u>Philippe Adhémar and Paul Sutcliffe</u>
<u>Nov</u>	<u>London</u>	<u>IASB - Standards Advisory Council</u>	<u>Philippe Adhémar</u>

(iii) Translations

The PSC has recognized the importance of translating its pronouncements into languages other than English and identified the following as key languages: French, Spanish, Chinese, Russian and Arabic. The IPSASs issued to date are based on the International Accounting Standards (IASs) issued by the IASB. As such, there is an advantage for the IASB and the PSC to work together on translations. In 2002 the PSC entered an agreement with the IASCF to translate IPSASs into French and Spanish. We are still awaiting a report from the IASCF staff on progress since the March meeting. However, we understand that the French translation of IPSASs 1 – 18 has been completed and is currently subject to final review (translation of IPSASs 19 and 20 is also in progress), and completion of the Spanish translation of IPSASs 1-20 is expected by the end of June. In addition, translations of PSC documents into other languages are in progress or completed. The table below summarizes progress on translation activities to date. Please advise Jerry Gutu of any amendments to this listing.

We are also awaiting a letter outlining from the IASCF staff which documents arrangements for the translation of the Cash Basis IPSAS into French and Spanish.

Language	Organization	Status
French	IASB-PSC	Anticipate translation of IPSASs 1 – 20 completed by mid 2004.
	NATO	NATO has translated the black letter paragraphs of 1-8 into French. NATO representation has been included on the IASB-PSC translation panel. Arrangements being made with IASCF for translation of Cash Basis IPSAS.
Spanish	Inter-American Development Bank (IADB)	IPSASs 1 – 20 have been completed and are subject to quality assurance

	IASB – PSC	review by the IASB – PSC translation panel. Anticipate completion of translation by Mid 2004. Arrangements being made with IASCF for translation of Cash Basis IPSAS.
Czech	Chamber of Auditors of the Czech Republic and Czech Member Body of IFAC	PSC Handbook being translated by the Czech member body.
Bosnia and Macedonia	Ministry of Finance	Enquiry received
Russian	International Center for Accounting Reform (ICAR) Kazakhstan Member Body of IFAC Samara Region Institute	Translation of following completed: IPSASs 1-12, the Glossary of defined terms, PSC Studies and Guideline 1 on GBE's. The Kazakhstan member body is translating the PSC Handbook into Russian. Enquiry re authority to translate received. (Staff have advised of other Russian translation activity.)
Chinese	PRC Ministry of Finance in conjunction with World Bank Taiwan Institute	<u>Anticipate completion of IPSASs 1 – 20 by the end of July 2004</u> Study 11 has been translated into Chinese.
Arabic	The Palestinian Accounting Association Arab Society of Certified Accountants, Amman, Jordan	Translated IPSASs 1 – 12. Translation of IPSASs 13 – 20 in progress. ASCA has prepared a translation of the IASs into Arabic and translated IPSASs 1-13, Studies 3-12, Guidelines 1 and 2, and is currently translating Studies 13 and 14 and Occasional papers 4 and 5.
Italian	Italian Institute	IPSASs 1-17 completed. IPSASs 18-20 under way.
Bahasa Indonesia	Professor Indra Bastian.	IPSASs 1-15 have been translated
Maltese	Grant Thornton – Malta Office, on behalf of the Government of Malta	English versions used. No translations occurring.
Japanese	Japanese Institute	<u>Translation of IPSASs 1- 20, Cash Basis, Study 11 and Study 14 completed.</u>

Mongolian	Mongolian Institute with World Bank support.	Translation of IPSAS 1-20 in progress.
German	Swiss and German Institutes	Considering translation – no action as yet.
Bulgarian	Bulgarian Member Body of IFAC	The Bulgarian member body is translating the PSC Handbook.
Switzerland	Dr Andreas Bergman – on behalf of Swiss Government	English version used for reform process. No urgency for translation.

**ATTACHMENT 1 –
FUNDING – CONTACTS MADE AND RESPONSES TO END 2003**

UK Department for International Development	No developments since report at last meeting. In the past detailed materials to support funding has been provided at DIFD request on two separate occasions without success. Amount sought was up to \$100,000US per annum for four years.
Nordic Investment Bank	Staff provided strategy/funding papers in 2001/02. Staff advised that PSC funding did not fit Bank mandate. No further action proposed.
European Union	Representation for funding made by PSC European members, but advised funding is unlikely.
Canadian International Development Agency (CIDA)	Canadian Members and staff followed up on funding possibilities with CIDA. Advised funding now unlikely, particularly since similar organizations in other countries have not provided funding. No further action proposed for 2003.
UNESCO	Chair and staff met with UNESCO representatives in September 2001. Advised that funding support was unlikely. No further action proposed for 2003.
United Nations Development Program and UN Volunteers	The UNDP will not be able to provide funding support but may be able to provide other assistance. Staff followed up on contact with UN Volunteers made at FEE conference in November 2000, but initial contact has left UN and referral contacts have not responded. No further action proposed.
United Nations – DESA	The Division for Public Economics and Public Administration within the UN is not a funding institution. UN will attend PSC meeting as an observer.
Inter-American Development Bank	Have indicated support for the project at the same level as ADB. USA member and staff have followed up. USA member met with IADB staff in May and June. Still awaiting response.
USAID/US Treasury	USAID have indicated support for the project and are continuing to explore ways to provide support. US Treasury also approached – waiting policy decision before able to offer support.
Standard and Poor's (NY)	Contact made in 2000. Follow up letters sent in 2000 and 2001; however no response received to date. No further action proposed.
Moodys (NY)	Contact made in 2000. Follow up letters sent in 2000 and 2001; however no response received to date. No further action proposed.
Swedish International Development Agency (SIDA)	Initial contacts identified. Staff followed-up during 2001. However SIDA responded that they are reassessing their focus/strategy and are not able to support at this stage. No further action proposed for 2003.
Citigroup	Initial approach made 2000 and followed up in 2001. However no response received to date. Funding unlikely. No further action proposed.

J P Morgan Chase and Co.	Initial approach made and followed up. However no response received to date. No further action proposed.
Japan Bank for International Co-operation	Staff met with bank representatives in 2001 and followed up subsequently. Indications are that they will not be in a position to provide general funding on a broad project wide basis. No further action proposed.
AusAid	Have indicated that they do not provide support to broad based initiatives, rather they focus on country specific projects. No further action proposed for 2003.

ATTACHMENT 2
PSC Standards Development Program Communication/Promotion
2(a) Activity 2003

Date	Location/Activity	Host/Participants/Journal	PSC Representative
February	Melbourne	Australasian Auditors-General Annual Conference	Ian Mackintosh
February	Paris	OECD Conference	Ian Mackintosh, Paul Sutcliffe
February	London	IASB-SAC	Ian Mackintosh
February	Dar Es Salaam	ESAAG	Jerry Gutu
February	Vietnam	Ministry of Finance (MOF)	Ron Points
March	Melbourne	CPA Australia	Paul Sutcliffe
March	Miami	ICGFM	Ron Points
March	Brussels	European Union Standards Committee	Mike Hathorn
April	Virginia, USA	Society of CPAs Government Conference	Ron Points
April	Melbourne	CPA Australia Conference	Ian Mackintosh, Kevin Simpkins, Paul Sutcliffe
April	Melbourne	Round table discussion: AASB, HOTARAC, CPA Australia	PSC Members, Staff
April	Brussels	European Union Standards Committee	Mike Hathorn
June	Delhi	South Asian Comptroller-General of Accounts	Ian Mackintosh
June	Washington	IPSAS/GFS/GFS Convergence meeting	Ian Mackintosh, Robert Keys, Paul Sutcliffe
June	New York	Government Finance Officers' Association Conference	Ron Points
July	Mexico City	Mexican Institute of Public Accountants and Governments of Colombia and Peru International Seminar	Javier Saavedra
<u>July</u>	<u>Solingen Germany</u>	<u>Symposium – Local government</u>	<u>Norbert Vogelpoth</u>
September	Vancouver	International Colloquium on Financial Management for Governments	Ian Mackintosh
September	London	International and National Standards Setters meeting	Ian Mackintosh
November	Australia	Article for CPA Journal	Ian Mackintosh,

Date	Location/Activity	Host/Participants/Journal	PSC Representative
			Paul Sutcliffe
November	Berlin	Presentation to FEE Public Sector Committee	Ian Mackintosh, Paul Sutcliffe
<u>November</u>	<u>Berlin</u>	<u>Symposium</u>	<u>Ian Mackintosh, Norbert Vogelpoth</u>
December	London	IASB Standards Advisory Committee	Ian Mackintosh
December	Ferrara, Italy	International Congress on Accounting Standards for Public Administration	Philippe Adhemar
<u>December</u>	<u>Zurich</u>	<u>Round table discussion of IPSASs</u>	<u>Norbert Vogelpoth</u>

ATTACHMENT 2
PSC – Standards Development Program Communication/Promotion
2 (b) Activity 2002

Date	Location/Activity	Host/Participants/Journal	PSC Representative
2002 Invitations and Activities			
February	Jakarta Indonesia	Indonesian CPA Conference	Ron Points
February	Melbourne - Briefing	David Boymal PSC Liaison Board Member	Ian Mackintosh, Paul Sutcliffe
February	Sydney and Melbourne– briefing/discussion	IMF Mission on GFS	Ian Mackintosh, Paul Sutcliffe, Matthew Bohun
March	Beijing/Seminar	Chinese Ministry of Finance and CICPA	PSC members
March	Article	Public Fund Digest	Paul Sutcliffe
April	Amsterdam – Presentation	Royal NIVRA Seminar	Peter Bartholomeus, Aad Bac
April	Miami -Presentation	ICGFM Conference	Ron Points
April	Paris	CNC Seminar	Philippe Adhemar
May	Mongolia	Ministry of Finance	Ron Points
May	USA	IMF Budgeting and Standards	Ron Points
May	USA	Chongqing Chinese Finance Staff	Ron Points
May	Johannesburg	Work shop	Erna Swart
June	USA	AICPA Government Conference	Ron Points
June	USA	GFOA Conference	Ron Points
June	Washington D.C. - presentation	Institute of Internal Auditors World Conference	Ron Points
June	Paris	OECD -DAC Conference	Ian Mackintosh and Paul Sutcliffe
June	New York	United Nations	Ian Ball and Jerry Gutu
June	Washington	World Bank -	Paul Sutcliffe and Jerry Gutu
July	Paris	Steering Committee Social Policy Obligation	Kevin Simpkins, Mario Abela, LiLi Lian, Paul Sutcliffe
July	London	ACCA Conference	Mike Hathorn
June	Toronto	Steering Committee Non-Exchange Revenue	David Rattray, Mathew Bohun, Paul Sutcliffe
July/August (?)	Russia	ICAR Conference (to be confirmed)	David Rattray
August	Australia	Monash University	Matthew Bohun

Date	Location/Activity	Host/Participants/Journal	PSC Representative
September	Speyer, Germany	Conference of German public sector accounting experts	Norbert Vogelpoth
September	USA	US Treasury International Colloquium	David Rattray
September	USA	GASB	Ian Mackintosh, Paul Sutcliffe
September	USA	AICPA Govt Conference	Ron Points
October	Article	Public Money and Management	Paul Sutcliffe
October	Jakarta Indonesia	Ministry of Finance	Ron Points
October	Mongolia	Ministry of Finance	Ron Points
October	Delhi India	Indian Institute and AUSAID	David Bean
November 2002	Hong Kong - presentations	IFAC World Congress	Ian Mackintosh, Terence Nombembe, Ron Points, Paul Sutcliffe
November	GASB-USA	Steering Committee Non exchange Revenue	D. Rattray, M. Bohun
November	CPA- Australia	Steering Committee Social Policy Obligations	K.Simpkins, M. Abela, Li Li Lian, P.Sutcliffe

ATTACHMENT 2
PSC – Standards Development Program Communication/Promotion
2(c) Activity pre 2002

Date	Location	Host	PSC Representative
December 2001	Ankara, Turkey	World Bank and the Turkish Ministry of Finance - International conference on expenditure management reform	Erik Peters
December 2001	Australia	Financial Reporting Council (FRC)	Ian Mackintosh
December 2001	Australia	RMIT Research Seminar Series	Mathew Bohun
November 28 – 30, 2001	Rome, Italy	UN	John Stanford
November 9, 2001	Germany	German public sector accounting experts	Norbert Vogelpoth
October 2001	Brussels	European Union	Philippe Adhemar
October 25, 2001	Australia	HOTARAC	Ian Mackintosh
October 26, 2001	Australia	AASB	Ian Mackintosh
October 16 - 17	Washington DC	IASB Standards Advisory Council	Ian Mackintosh
October, 15 – 17 2001	Norfolk, VA, USA	NATO	Ron Points
October 2001	Washington DC	IMF Task Force on Monitoring Standards and Codes (TAMS)	Bert Keuppens
October, 7 – 11 2001	Prague, Czech Republic	10th International Anti-Corruption Conference – Transparency International	Ron Points
September 7, 2001	Paris France	UNESCO – Peter Leslie and Mark Warren	Ian Mackintosh, Paul Sutcliffe, Jim Sylph
September 2001	Paris, France	OECD Symposium on Accrual Accounting and Budgeting	Members, Technical Advisers, Observers invited to attend.
September 5, 2001	Zagreb, Croatia	Croatian Association of Accountants and Financial Experts and the Croatian Ministry of Finance	Ian Mackintosh, Terence Nombembe, David Rattray, Mike Hathorn, with other PSC members

Date	Location	Host	PSC Representative
August 28 – 31, 2001	Dalian, People's Republic of China	Department of Budget of China's Ministry of Finance and the China Accounting and Finance Research	Ian Mackintosh
July 22, 2001	London, UK	IASB Standards Advisory Council	Ian Mackintosh
July 22 – 24, 2001	Langkawi Island, Malaysia	Institute for State and Local Governments Accounting Research, School of Accountancy, University Utara Malaysia	Paul Sutcliffe
July 10 – 13, 2001	Yuovnde, Cameroon	Ministry of Economy and Ministry of Finance (with European Union sponsorship) <ul style="list-style-type: none"> • Internal seminar for preparation of a new financial constitution • Participation, as international expert, in the seminar and presentation of IFAC PSC work. 	Jean-Luc Dumont
June 4 – 5, 2001	Washington D.C., USA	<ul style="list-style-type: none"> • Inter-American Development Bank • The World Bank • International Association of Development Funds 	David Rattray
June 3, 2001	Philadelphia, USA	Governmental Finance Officers Association	David Rattray
June 15, 2001	Spain	CIGAR	Philippe Adhémar
May	Australia	AASB Consultative Group	Paul Sutcliffe
May 29, 2001	New York, USA	UN (Peter Leslie)	Jim Sylph and Simon Lee
May 16, 2001	London, UK	ICAEW Public Sector Committee	Mike Hathorn
May 2001	Melbourne, Australia	Australian Accounting Standards Board	Paul Sutcliffe

Date	Location	Host	PSC Representative
May 2001	New York, USA Connecticut, USA	<ul style="list-style-type: none"> • UN Division of Economic and Social Affairs (DESA) • UNDP • Japan Bank for International Co-operation • GASB 	Paul Sutcliffe and Simon Lee
May 2001	Santiago, Chile	Colegio de Contadores de Chile	Ian Mackintosh, PSC members, Observers
April 19, 2001	Istanbul, Turkey	US Treasury	Ron Points
April 2 – 6, 2001	Miami, USA	International Consortium on Governmental Financial Management (ICGFM)	Ron Points
March 26, 2001	Malawi	ESAAG	Paul Sutcliffe
March, 2001	Australia	IASB PSC Liaison representative Warren McGregor	Ian Mackintosh, Paul Sutcliffe
February, 2001	Australia	International Valuation Standards Committee Public Sector Experts Group	Ian Mackintosh, Paul Sutcliffe, Matthew Bohun
February 24, 2001	Islamabad, Pakistan	Seminar on IPSASs <ul style="list-style-type: none"> • Institute of Cost and Management Accountants of Pakistan (ICMAP); • Institute of Chartered Accountants of Pakistan (ICAP); • Pakistan Institute of Public Finance Accountants (PIPFA); and • Pakistan Consortium on Governmental Financial Management (PCGFM). 	Muhammad Rafi and Muhammad Abdullah Yusuf
January 24, 2001	London, UK	Central Government Heads of Accounting	John Stanford
November, 2000	Amsterdam, Netherlands	FEE, Royal NIVRA	Ian Mackintosh, Mike Hathorn, Erik Peters
November, 2000	Paris, France	OECD Symposium	Paul Sutcliffe
November 2000	UK	IFAD	Mike Hathorn Jon Blondal (OECD)
November, 2000	London, UK	UK Treasury	Paul Sutcliffe

Date	Location	Host	PSC Representative
October 2000	Australia	Commonwealth of Australia Department of Finance	Paul Sutcliffe
October, 3 – 4 2000	Quebec, Canada	Colloquium 2000 on Financial Management for National Governments	Ian Mackintosh and Paul Sutcliffe
October, 2000	Washington DC and New York – Funding meetings	<ul style="list-style-type: none"> • World Bank • Inter-American Development Bank • International Monetary Fund • United Nations Development Program • INTOSAI Committee on Accounting Standards • Federal Accounting Standards Advisory Board 	Ian Mackintosh and Paul Sutcliffe



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DATE: 1 JUNE 2004
MEMO TO: MEMBERS OF THE IFAC PUBLIC SECTOR COMMITTEE
FROM: PAUL SUTCLIFFE
SUBJECT: **PSC STANDARDS PROGRAM WORK PLAN**

ACTION REQUIRED

- **review and confirm** the draft work plan or provide directions regarding any amendments.

AGENDA MATERIAL:

	Pages
Item 6.3 Work Plan 2004	6.21
Item 6.4 Work Plan 2004 – 2006	6.22
Item 6.5 Standards Program status June 2004	6.23-6.25
Item 6.6 Projects of national standards setters	6.26-6.28

Status June 2004

The 2004 and 2004-2006 work plans have been updated to reflect progress made at/since the March 2004 meeting. Clean copies of the work plans are attached as items 6.3 and 6.4. Major activities/outputs since that meeting and an update on major projects are outlined below. The work plans are subject to change dependent on decisions made at this meeting. In particular, the PSC's discussion of the PSC's IASB Harmonization strategy at agenda item 12 is central to the work plan. The proposed harmonization strategy covers the period 2004 – 2009. A work plan for 2004 – 2009 is included at item 12.3 to support the strategy discussion.

IPSASs, Exposure Drafts and Other Documents Issued

- Budget Reporting The Research Report was finalized in May 2004 and included on the IFAC web in the first week of June.
- PSC Update 11 PSC Update 11 was issued in English, French and Spanish in April 2004, following the March 24-26, 2004 PSC meeting

Documents included in this Agenda for PSC review

- Impairment of Assets Draft IPSAS
- Budget Reporting Final Research Report – Text only
- Accounting for Development Assistance Updated draft Exposure Draft
- Harmonization – GFS, ESA, IPSAS Project Briefs on Disclosure of the General Government Sector and Performance Reporting
- Harmonization – IPSAS, IAS/IFRS Proposed IASB Harmonization Strategy; and marked up drafts of four IPSASs in the "Improvements Project".

- Report of External Review Panel Summary of Responses to Review Questionnaire and Report on status of Review. The Review Panel Report will be distributed to members under separate cover.

Project Updates – major items for discussion at this meeting

Report of the Review Panel

The Report of the Review Panel will be distributed by the Review Panel Chair directly to PSC members for their review and comment. Members are requested to forward their comments to staff by June 14 (sooner if possible) for circulation to other PSC members prior to the meeting. A staff summary of PSC members comments will be prepared and distributed as soon as available. A brief status report is included at Agenda item 13. The Review Panel Report will be discussed at on the first day of the meeting.

Impairment of Assets

A draft IPSAS has been prepared following PSC discussions at the March 2004 meeting. The draft IPSAS together with staff recommendations on the resolution of outstanding issues are included at Agenda item 8.

Budget Reporting

The Research Report on budget reporting was finalized in May and included on the IFAC web in the first week of June. It is made clear that the Report reflects the views of the author and not necessarily those of the PSC. The Research Report together with staff proposals for moving forward is included at Agenda item 9. (The Appendices to the Research Report are not included in Agenda materials. They are quite lengthy and can be downloaded from the IFAC web.) Dr Jesse Hughes will be in attendance to discuss his Recommendations with members.

Development Assistance

The draft exposure draft considered by the PSC of its March meeting has been updated by Charles Coe, the consultant on this project, and together with a Progress Report, is included at Agenda item 10. Comments from PAP members will be included in the second distribution of materials to the PSC. Ian Mackintosh, the Chair of the Project Advisory Panel for this project, and Charles Coe will attend this PSC meeting to discuss the updated draft ED and provide members with an update on the consultative process with the PAP.

GFS, ESA 95, IPSAS Convergence

Project briefs on the disclosure of information about the General Government Sector and Performance Reporting are under development and will be included at Agenda item 11 in the second distribution of Agenda materials. Work has also been progressing on the development of a PSC Occasional Paper/Research Report which includes a matrix identifying differences between IPSAS, GFS and ESA 95 and recommendations of Working Group 1 of the Task Force on harmonization of Public Sector Accounting (TFHPSA) on mechanisms to achieve greater convergence of IPSASs, with GFS, ESA 95 and SNA as far as is appropriate given the different objectives of the accounting and statistical financial reporting models. A verbal report on progress will be provided at the meeting.

IASB Harmonization

At the last PSC meeting Staff were directed to prepare for discussion a strategy paper on how to deal with the continuation of harmonization of IPSASs. The proposed strategy was to provide for a stable platform of IPSAS to ensure that constituents were not faced with an ever changing suit of IPSASs, and to provide time lines that would allow for French and Spanish translations of IPSAS to be in place when the next generation of IPSASs became effective. The Chair requested the Vice-Chair, Mike Hathorn, to coordinate the IASs/IFRSs harmonization project. Staff met with the Vice-Chair in the course of developing the proposed strategy and work program at Agenda items 12.1-12.

The PSC is updating the IPSASs for changes emanating from the IASB Improvements Project. The existing IPSASs have been marked up to identify changes necessary to harmonize with improved IASs/IFRSs. IPSASs 1, 3, 16 and 17 are included for consideration at this meeting. Papers which outline the basis on which amendments were identified, the major changes to IPSASs are included at Agenda item 12A. A draft response to the IASB on the recent IASB exposure draft proposing amendments to IAS 19 *Employee Benefits* is included for discussion and approval at Agenda item 12.B and the draft revised Preface to IPSASs will be included in the second distribution of Agenda materials at Agenda item 12.C.

Consultative Group

The updated Consultative Group membership list is included at Agenda item 14. A meeting with North American members of the Consultative Group and other key constituents will take place on July 6. It is intended that at the meeting the Recommendations of the Budget Reporting Research Report be considered. Dr Hughes, the author of the Report is also a member of the Consultative Group and will be present. It may also be an opportunity to discuss the proposed IASB Harmonization Strategy with the Group. A list of attendees will be included in the second distribution, or circulated prior to the meeting.

Other Matters

Occasional Papers

The work plan provides for preparation of Occasional Paper on USA experience and a Survey on the use of IPSASs. It is anticipated that at the November 2004 meeting a first draft of the USA paper and the Project Brief on the Survey will be presented.

Heritage Assets

It is proposed that the project proposal be developed for consideration by the PSC at its November 2004 meeting, and be considered in the light of PSC decisions on its IASB Harmonization Strategy and implications thereof for its broader work program.

Other Projects

Agenda item 6.6 provides a high level summary/overview of the broad types of projects that are being considered by standards setters and authoritative bodies in PSC member countries. These encompass short, medium and long term projects. This summary/overview is provided here for members to consider as they review the PSC 2004 draft work program. The summary/overview was prepared from input provided by members in response to a request from staff (early February 2004). It will be updated as additional input is received. Please advise staff of any revisions, additions etc and we will update for next distribution.

Invitations to Comment

Comments on the following ITCs are due June 30, 2004:

- *Non-Exchange Revenue, Including Taxes, Grants and Transfers*; and
- *Accounting for Social Policies of Government*

To date six responses to the ITCs have been received. An update on responses received will be provided at this meeting. It is intended that the PSC commence the substantive discussion of responses to the ITCs in November 2004.

It was initially intended that at this meeting the PSC consider the ongoing role of the Steering Committees that developed the ITCs. In particular, whether the Steering Committee should be requested to reconvene to review responses and make recommendations to the PSC. The PSC previously discussed the role of the Steering Committees at its meeting in November 2003 (when the ITC's were approved for issue), and agreed that the PSC would decide whether the Steering Committee should have a role in developing the Exposure Draft, or sections thereof, as it made decisions on how each project was to be developed. At that meeting, it was also noted that some Steering Committee members had expressed the view that if it was considered useful and appropriate, they would welcome the opportunity to provide their views on submissions to the PSC.

Staff propose that the discussion of the ongoing role of the Steering Committees be deferred until the November 2004 meeting when the PSC reviews responses to the ITC. At that time the PSC will be better placed to determine how it intends to progress these projects and how they fit within its broader work program. In the interim, staff propose that responses to the ITCs and staff analysis thereof be provided to Steering Committee members for their information, at the same time that it is provided to PSC members. Staff are of the view that this is appropriate given the role of the Steering Committee in developing the ITCs.

Non-Technical – Promotion and Translation

Translation and promotion activities are identified in detail in Agenda item 6.1.

2004 Work Program - Summary

Projects proposed for the PSC's 2004 Work Program are:

- 1. *Projects Currently in Process/agreed***
 - (a) *Being progressed by, or potentially including the involvement of, Steering Committees*
 - Non-Exchange Revenue Reporting – Consider responses to ITC (Nov. 2004)
 - Social Policy Obligations Reporting – Consider responses to ITC (Nov. 2004)
 - Budget Reporting – PSC response to Research Report (July 2004). Follow-up as necessary
 - (b) *Being progressed by the PSC with, in some cases, the assistance of Project Advisory Panels or Working Groups*
 - Impairment of Assets – Consider draft IPSAS (July 2004)
 - IPSAS-IFRS Harmonization – ED on IPSAS Improvement Project (July 2004 and ongoing)

- IPSAS-GFS-ESA 95 differences/convergence – Project Briefs (July 2004)
Participation in TFHPSA (September 2004 and ongoing). Consider Research Report/Occasional Paper on “matrix” of differences
 - Development Assistance – prepare ED (with the assistance of Project Advisory Panel) (July and Nov. 2004)
 - Occasional Paper – the USA experience being prepared by USA delegation
2. ***Additional project proposals***
- Heritage Assets – Project proposal and follow up (Nov. 2004)
 - Study on use of IPSASs – consider project proposal (Nov. 2004)
3. ***Other***
- IASB Harmonization Strategy and follow up (July 2004)
 - Respond to recommendations of the PSC Review Panel as appropriate (July 2004 and ongoing)
 - Monitor work of IASB and respond to IASB exposure drafts as appropriate (July 2004 and ongoing)
 - Consider strategy re emerging priority projects such as conceptual framework, public-private sector arrangements, non-financial performance indicators (2004 and 2005)
 - Liaison with other IFAC committees and groups such as the IAASB, Ethics Committee and Compliance (ongoing)
 - Promotion of the output of the PSC, attendance at seminars and encouragement of translation activity will continue during 2004

Staffing 2004

An update on staffing arrangements will be provided at the meeting.

IFAC PUBLIC SECTOR COMMITTEE (PSC) DRAFT WORK PLAN 2004 (Prepared for March 2004)			
Work Plan Jan 04-Dec 04	Quarter 1	Quarter 2	Quarter 3
Project:	<i>PSC Meeting March</i>	<i>No PSC Meeting</i>	<i>PSC Meeting November</i>
Impairment of Assets	Consider comments	<i>Meeting</i>	Finalize IPSAS
Cash Basis IPSAS	No action 2004		Issue IPSAS
Transitional Guidance Study 14	Issue 2nd edition - Web		Review Implementation Experience
Development Assistance	PAP comments / first draft ED		Consider if further update is necessary
Glossary	Issue Glossary		Consider comments/Issue IPSAS
Revenue - Non-Exchange	Issue ITC*		Update Glossary as necessary
Social Policy Obligations	Issue ITC*		Develop/Issue ED/develop IPSAS
Budget Reporting	Draft Report	Report Issued	Develop/Issue ED/develop IPSAS
GFS/ ESA/SNA Harmonization	Reports from WG1/Task Force*		Issue ED/develop IPSAS (?)
Conceptual Framework			Follow up activity
Monitor IASB/IFRS	Staff Rep-IASB Update		Follow up activity
IASs/IFRSs Harmonization Projects			Staff Rep-IASB Update -ongoing
-Improvements Project	Consider marked-up IPSAS		Follow-up activity as necessary
- Updated Preface			Finalize/Issue ED/Revised IPSASs
-Employee Benefits	Monitor IASB/SNA review		Finalize/Issue ED/Revised Preface
-Business Combinations	Monitor IASB/No action 04		Follow-up, prepare issue ED/IPSAS
-Fin. Inst: Recog & Measure.	Report on Status/No action 04		Follow-up activity as necessary
- Other IFRSs	Monitor IASB/No action 04		Follow-up activity as necessary
Other Pub Sector Projects			
-Heritage Assets-Recog/Msmnt.			
-Non-fin.Performance Report	No Action 2004		Project Proposal - ITC*?
-Public/Private S. Arrangement	No Action 2004		Consider strategy
Argentinean Occasional Paper	Paper Issued		Consider strategy
USA Occasional Paper			Consider USA Paper
Occasional Paper - use of IPSASs			Proj Proposal- Survey IPSASs
Non-Technical			
PSC Review	Note Preliminary Report		Follow up activity
Consultative Group	Local area Members meeting		Local area Members meeting
Translation - Key Languages:	Status French and Spanish		Consider Arabic, Chinese, Russian, Other Key languages
Promotion	PSC Seminars/Presentations		PSC Seminars/Presentations
* SC - Steering Committee	*ITC Invitation to Comment		*OECD Task Force
			*Working Group I

IFAC PUBLIC SECTOR COMMITTEE (PSC) WORK PLAN 2004 - 2006

	2004	2005	2006
Technical Projects			
Impairment of Assets	Finalize IPSAS	Issue IPSAS	
Cash Basis IPSAS		Review Implementation	Update as necessary
Transitional Guidance - Study 14			Review/develop third edition if necessary
Development Assistance	Issue ED	Develop/Issue Cash Basis IPSAS	Follow up for accrual IPSASs if necessary
Glossary		Update if necessary	
Revenue - Non-Exchange	Issue ITC. Consider comments on ITC	Develop and issue ED/EDs?	Develop IPSAS
Social Policy Obligations	Issue ITC. Consider comments on ITC	Develop ED	Issue ED - Develop IPSAS
Budgetary Reporting	Issue Research Report	Issue ED (ex-post/budget comparson)	Develop IPSAS/update IPSAS 1
-Prospective Budget		Steering Com develop ITC	Issue ITC
GFS, ESA and SNA Harmonization	Agree strategy/Develop "matrix"	Issue "Matrix" paper	Follow up action
Gen Gov. Sector and Performance Rep	Project Briefs	Develop ED and Perf Rep. ITC	Issue GGS ED. Issue ITC Perf. Rep
Conceptual Framework	Consider Strategy/Monitor developments		Develop ED
Monitor IASB- IASs/IFRSs	Ongoing	Ongoing	Ongoing
- IASB Improvements Project	Action project/Develop ED	Issue ED	develop improved IPSASs
- Updated Preface	Action project/Develop ED	Issue ED	develop improved Preface
- Employee Benefits	Monitor IASB/SNA activity/Strategy		Develop and issue ED
- Business Combinations	Monitor IASB activity/consider strategy		Develop and issue ED
- Fin. Inst. Recog & Measure.	Consider strategy re IA39 and IPSAS 15	Issue ED endorsing IAS 39	
- Other IFRSs	Consider Strategy	Follow up activity	Issue ED - Develop IPSAS
Heritage Assets-Recog Measurement	Project Proposal/Monitor national projects	Follow up activity	Issue ITC/ED ?
Public/Private S. Arrangements	No action	Consider Strategy	Follow up activity
Non-financial Performance Reporting	No action	Consider Strategy	Follow-up activity
W.I.P non-exchange Services	No action	Consider if action necessary	
Occasional Papers	Develop USA paper	Paper on other country	Paper on other country
	Consider Survey on adoption of IPSAS	Develop survey/prepare paper	Issue paper - monitor

PSC WORK PROGRAM: STATUS AS AT JUNE 2004

Technical Projects	PSC Standards Program Original Program (1997-2002)	Current Status	IAS/ IFRS
Study 11	Governmental Financial Reporting: Accounting Issues and Practices	Final Study issued	NA
IPSAS 1	Presentation of Financial Statements	Final IPSAS issued	IAS 1 (& IAS 5)
IPSAS 2	Cash Flow Statements	Final IPSAS issued	IAS 7
IPSAS 3	Net Surplus or Deficit for the Period, Fundamental Errors and Changes in Accounting Policies	Final IPSAS issued	IAS 8
IPSAS 4	The Effects of Changes in Foreign Exchange Rates	Final IPSAS issued	IAS 21
IPSAS 5	Borrowing Costs	Final IPSAS issued	IAS 23
IPSAS 6	Consolidated Financial Statements and Accounting for Controlled Entities	Final IPSAS issued	IAS 27
IPSAS 7	Accounting for Investment in Associates	Final IPSAS issued	IAS 28
IPSAS 8	Financial Reporting of Interests in Joint Ventures	Final IPSAS issued	IAS 31
IPSAS 9	Revenue from Exchange Transactions	Final IPSAS issued	IAS 18
IPSAS 10	Financial Reporting in Hyperinflationary Economies	Final IPSAS issued	IAS 29
IPSAS 11	Construction Contracts	Final IPSAS issued	IAS 11
IPSAS 12	Inventories	Final IPSAS issued	IAS 2
IPSAS 13	Leases	Final IPSAS issued	IAS 17
IPSAS 14	Events Occurring After Reporting Date	Final IPSAS issued	IAS 10
IPSAS 15	Financial Instruments: Disclosure and Presentation	Final IPSAS issued	IAS 32
IPSAS 16	Investment Property	Final IPSAS issued	IAS 40 (& IAS 25)
IPSAS 17	Property Plant and Equipment	Final IPSAS issued	IAS 16
IPSAS 18	Segment Reporting	Final IPSAS issued	IAS 14
IPSAS 19	Provisions, Contingent Liabilities and Contingent Assets	Final IPSAS issued	IAS 37
IPSAS 20	Related Parties	Final IPSAS issued	IAS 24
-	Business Combinations (revised 1998)	Monitor IASB. Consider strategy 2004	
-	Employee Benefits	Monitor IASB. Consider strategy 2004	IFRS3 (IAS22) IAS19
PSC Standards Program Additional Projects (1997-2004)			
ITC	Invitation to Comment: The Development of International Public Sector Accounting Standards: Which Bases of Accounting	Completed.	NA
Study 14	Guidance on the Transition From Cash Accounting to Accrual Accounting	Study 14 Updated, 2 nd Edition issued	NA
ITC	Impairment of Assets (<i>ITC published July 2001, ED published Sept 2003</i>)	Consider comments March 2004	IAS 36

1) IASs in brackets (IAS 5), have been withdrawn.

Public Sector Specific Issues – 2004+

F/W	Framework for Financial Reporting in the Public Sector
ITC	Accounting for Non-Exchange Revenues
ITC	Social Policy Obligations
ITC	Budgetary Reporting
-	GPFS/GFS/ESA95 Harmonization
-	Heritage Assets
-	Public/Private Sector Arrangements
-	WIP of 'Free' Services
-	Non-Financial Performance Reporting

Other

Guide	Revision of PSC Guideline 1 – Financial Reporting by GBEs
Paper	UK Occasional Paper
Paper	French Occasional Paper
Paper	Argentinean Occasional Paper
Paper	USA Occasional Paper
Paper	Use of IPSASs
Paper	IPSAS/GFS/ESA/SNA Harmonization

Additional IFRSs

IASB Improvement Project (13 IASs)

-	Income Taxes
-	Interim Financial Reporting
-	Non-current assets held for sale and Discontinued Operations
-	Intangible Assets
-	Financial Instrument: Recognition and Measurement
-	Agriculture
-	First Time Application IFRSs
-	Share-Based Payment
-	Insurance Contracts

Non-Technical Projects

PSC	External Review
	Translation of IPSAS into languages other than English:
•	French
•	Spanish
•	Chinese
•	Russian
•	Arabic

Item 6.5 *Standards Program Status June 2004*
PSC New York July 2004

Current Status

Consider Strategy Nov. 2004	IAS/ IFRS
ITC issued	IASB, UK- ASB
ITC issued	IAS 20
Consider revised Draft Research Report March 04	NA
Consider Working Grp Report/Strategy March 04	NA
Consider Project Proposal Nov. 2004	NA
Consider strategy Nov. 2004	NA
No Action 2004	NA
No action planned for 2004	NA

Guideline 1 Withdrawn November 2002	NA
Issued June 2002	NA
Issued 1 st Quarter 2003	NA
Issued 1 st Quarter 2004	NA
Consider draft Nov. 2004	NA
Consider Project Proposal Nov. 2004	NA
Consider need for paper at March 2004	NA

Developing Omnibus ED

Consider Strategy	13 IASs
Consider Strategy	IAS 12
Consider Strategy	IAS 34
Consider Strategy	IFRS5/IAS 35
Consider Strategy	IAS 38
Consider Strategy	IAS 39
Consider Strategy	IAS 41
Considered – No action necessary	IFRS 1
Not Started	IFRS 2
Not Started	IFRS 4

Consider Report and follow-up action 2004
IASB Agreement
IPSAS 1 – 20 in progress. Cash basis actioned
IPSAS 1 – 20 in progress. Cash basis actioned
Completed IPSAS 1-20, Others in progress
Completed IPSAS 1-12, others in progress
Completed IPSAS 1-12, 13-20 in progress

- Other
Promotion of PSC Pronouncements
Fundraising

Many in progress
Promotion Activity Ongoing
Fundraising Ongoing

Non-Standards Project

Study13
IAASB Corporate Governance in the Public Sector: A Governing Body Perspective
Public Sector Perspectives on ISAs

Issued August 2001
Ongoing, as needed

NA
NA

BROAD OVERVIEW OF PROJECT TYPES – STANDARD-SETTERS IN PSC MEMBER JURISDICTIONS

**PUBLIC SECTOR PROJECTS AS AT FEBRUARY 2004
(COMPILED FROM INFORMATION PROVIDED BY PSC MEMBERS/TECHNICAL ADVISORS)**

TOPIC	Arg	Aust	Can	Fra	Isr ¹	Jap	Mal	Nlnd	NZ	Nor	SA	UK	USA FAS AB	USA - GAS B
<i>Conceptual Type Projects</i>														
Performance Reporting – and aspects of including: Non-fin. service/performance indicators.			✓ ✓					✓ ✓				✓ ✓	✓ ✓	
Fin. reporting formats and statements and discussion /analysis and economic condition reporting.		✓											✓	
Conceptual Framework or aspects thereof, including Financial Reporting Entity		* ✓	* ✓								✓	✓	✓ ✓	✓ ✓
Measurement in fin. statements – including val'n and reval'n of property, plant and equipment, present value		✓									✓	✓	✓	✓
<i>Projects on issues in IPSASs or on PSC active program</i>														
Asset Impairment											✓		1.	✓
Capital Assets/Infrastructure Asset		*									✓		✓	✓
Other IASB/IPSAS Harmonization and Projects that overlap with IPSASs, including inventories, segments, rel. parties, sale/lease back, liabilities, contingent liabilities, hyperinflation economies		✓	✓						✓		✓	*		
Non Exchange Revenues and components thereof - Transfers, Contributions, Contributions in kind		✓	✓								✓		✓	✓
Social Policy Obligations		*	*								✓		✓	
Budgetary Reporting		*						✓			✓		✓	
Development Grants and Other Aid											✓		✓	
GAAP/GFS Convergence		✓									✓			

TOPIC	Arg	Aust	Can	Fra	Isr'l	Jap	Mal	Nlnd	NZ	Nor	SA	UK	USA FAS AB	USA - GAS B
<i>Projects considered by PSC not yet actioned</i>														
Heritage Assets		*									✓	✓	✓	
Government / Business Combinations		*							✓				✓	✓
Financial Instruments recognition/measurement or aspects thereof - Derivatives and Hedging			✓						✓			✓		✓
Intangible Assets		✓							✓		✓			✓
Employee Benefits									✓				✓	✓
Exchange and Exchange-like Revenues		*	✓									✓	✓	✓
Other IAS/IFRS Harmonization (No IPSAS) and IASB overlap projects, including: termination benefits		✓	✓						✓		✓	✓		✓
Joint Ventures		✓							✓		✓			
Associates											✓			
Consolidated and Separate Financial Statements											✓			
Segment Reporting											✓			
<i>Other Projects</i>														
Earthworks														
Service Concessions		✓									✓			
Simplified/Abbreviated Financial Reporting		✓						✓						
Net Assets / Fund Balance Reporting													✓	✓
Other Post-Employment Benefits (OPEB)													✓	
Pollution Remediation Obligations													✓	✓
Fiduciary Responsibilities													✓	✓
Disclosures about Administered Items		✓												
Electronic Reporting														✓
Securitizations and Other Transfers														✓
GAAP, including hierarchy of guidance			✓											

TOPIC	Arg	Aust	Can	Fra	Isr'l	Jap	Mal	Nind	NZ	Nor	SA	UK	USA FAS AB	USA - GAS B
Review of National Standards for Government		✓	✓								✓			

+ Following Project indicates it is an active PSC project, or has already been dealt with.

* Consideration of National Standards for Governments and Government Departments in a number of jurisdictions is likely to involve at least some consideration of these issues.

1. Partially covered in SFFAS 6. No active project.