



**International Federation of Accountants**

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ITEM 19.7  
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June 21, 2005

Gunilla Werner Carlsson  
Chairman, Public Sector Reference Group  
FAR  
Box 6417  
S-113 82 Stockholm  
Sweden

Dear Ms. Carlsson,

Your comments on the IFAC International Public Sector Accounting Standards Board (IPSASB) “Financial Reporting Under the Cash Basis of Accounting – Disclosure Requirements for Recipients of External Assistance” exposure draft have been received. The IPSASB appreciates your input and involvement in the standard setting process.

The IPSASB will consider all comments received in developing “Financial Reporting Under the Cash Basis of Accounting – Disclosure Requirements for Recipients of External Assistance.” As a matter of principle, the IPSASB does not respond separately to the comments made by individual commentators. All comments received related to the exposure draft are considered a matter of public record and will be posted on the IPSASB’s Committee’s website at [www.ifac.org/PublicSector/](http://www.ifac.org/PublicSector/) subsequent to the end of the comment period.

The objective of the IPSASB is to develop high quality public sector standards for all professional accountants that will protect the public interest and strengthen public confidence in the accounting profession and in financial reporting by governments and other public sector entities. The IPSASB believes input from constituents such as your significantly contributes to the achievement of high quality public sector accounting standards.

Yours truly,

A handwritten signature in black ink that reads 'Matthew Bohun' in a cursive script.

Matthew Bohun  
Technical Manager,  
International Public Sector Accounting Standards Board  
International Federation of Accountants

**TO: IFAC BOARD**

**FROM: PHILIPPE ADHÉMAR**  
**CHAIR**

**DATE: JUNE 29, 2005**

**RE: INTERNATIONAL PUBLIC SECTOR ACCOUNTING**  
**STANDARDS BOARD**  
**REPORT TO IFAC BOARD**

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## **Section 1 Introduction**

- 1.1 This report outlines the standard setting activities of the IFAC International Public Sector Accounting Standards Board (IPSASB) since my last report to the IFAC Council dated September 9, 2004. This report focuses on the IPSASB's contribution to the IFAC mission of serving the public interest through development and promotion of high quality public sector financial reporting standards that converge with International Financial Reporting Standards (IFRSs) and statistical bases of financial reporting.
- 1.2 The IPSASB has met twice since the last report, in New Delhi, India in November 2004, just before the Board and Council Meetings in Paris, and in Oslo, Norway on March 14 – 17, 2005 around the time of the Board meeting in Cape Town on March 17 – 18, 2005.
- 1.3 The IPSASB will meet in New York on July 25 – 28, 2005, just before the Board meeting on July 28 – 30, and in late November/early December 2005 in Cape Town, South Africa.

## **Section 2 Strategy and Objectives**

- 2.1 The IPSASB's objective is to be accepted as the international accounting standards setter for the public sector. To that end, the IPSASB engages in an extensive technical and promotional program.
- 2.2 The IPSASB's strategy in pursuing its objective is to develop high-quality financial reporting standards applicable to public sector entities, in the public interest. The International Public Sector Accounting Standards (IPSASs) are now developed to deal with public sector specific issues and to converge where appropriate with IFRSs issued by the International Accounting Standards Board (IASB). The IPSASB also attempts to converge where possible and with statistical reporting bases such as those developed by the United Nations (UN), the International Monetary Fund (IMF) and Eurostat.

- 2.3 In converging the IPSASs with IFRSs, the IPSASB's policy is to adopt the requirements, structure and wording of the equivalent IFRS unless there is a public sector specific reason for a departure.
- 2.4 In relation to convergence with statistical bases of reporting, the IPSASB has been working with the International Task Force on Harmonization of Public Sector Accounting (TFHPSA) to eliminate unnecessary differences between the two systems. In some instances differences will remain because the transparency and accountability promoted by the IPSASs demands a different treatment to the economic analysis function promoted by the statistical bases.
- 2.5 In order to become accepted as the international public sector accounting standard setter, the IPSASB has recognized the necessity of making the IPSASs available in languages other than English. The IPSASB contracted with the IASCF to prepare translations of the IPSASs in French and Spanish, with quality assurance undertaken by translation committees appointed by the IASCF. The process adopted for these translations of IPSASs is the same as translations of the IFRSs prepared by the International Accounting Standard Committee Foundation (IASCF). This approach is intended to avoid translation differences between IPSASs and the equivalent IFRS. IPSASB is also encouraging other organizations to undertake translations into other languages.
- 2.6 The IPSASB, its members, staff and IFAC take every opportunity to promote the IPSASs, be it through presentations at conferences, symposiums and seminars, or interviews with the press. IPSASB also conducts a seminar with the local profession when it meets outside New York, and meets with local area consultative group members to discuss the IPSASB work program and key projects.. As I have noted previously, these meetings have been most successful in raising the profile of IFAC and the PSC amongst constituents in the various regions.

### **Section 3 Key Achievements**

- 3.1 Since the November 2004 IFAC Board meeting, change of name from PSC to IPSASB has been promoted. This change has been reflected in the 2005 Handbook of Public Sector Pronouncements, which also includes the IPSASB's new terms of reference and an updated "Preface to International Public Sector Accounting Standards".
- 3.2 In January 2005, the IPSASB issued IPSAS 21 "Impairment of Non-Cash-Generating Assets". The issuance of this Standard represents a milestone for the IPSASB in that it is the first IPSAS issued under the name of the IPSASB. This IPSAS establishes requirements for the recognition and measurement of impairment losses (and reversal of impairment losses) in respect of assets that are not used specifically to generate cash inflows. The IPSASB determined that impairment losses in relation to these public benefit assets should only be measured when an indicator of impairment is present, such as physical damage or significant reduction in demand for the services provided by the asset. This reflects a similar approach to that adopted in the equivalent IFRS, which deals with impairment of cash generating assets.

- 3.3 In February 2005, the IPSASB issued ED 24 “Financial Reporting Under the Cash Basis of Accounting – Disclosure Requirements for Recipients of External Assistance”. This ED was developed with significant input and assistance from the Multi-Lateral Development Banks and the OECD- DAC. This ED is significant because it aims to relieve the recipients of external assistance, such as development grants or loans, from the burden of reporting under the multiple reporting regimes currently imposed upon them by the providers of the assistance. Adoption of a final standard will enhance convergence of financial reporting and will significantly reduce compliance costs for many recipients. This will enhance the efficiency and effectiveness of reporting and free funds for productive development activity.
- 3.4 In September 2004, just after I prepared my last report to the IFAC Board, the IPSASB published Spanish translations of the IPSASs on the IFAC Website. Included in this project were IPSASs 1 – 20, the Cash Basis IPSAS and the Preface to IPSASs. Publication of these translations provides public sector entities in Spanish speaking jurisdictions with easier access to the IPSASs. Translation of IPSAS 21 into Spanish is currently underway, as is the preparation of a “Handbook of International Public Sector Pronouncements” in Spanish. As noted below, the French translation of these IPSASs has now been completed and will soon be available.
- 3.5 In January 2005, the IPSASB published a research report, “International Public Sector Accounting Standards (IPSASs) and Statistical Bases of Financial Reporting: An Analysis of Differences and Recommendations for Convergence”. This research report was prepared by Working Group 1 of the TFHPSA. It identifies the major differences between IPSASs and statistical reporting bases. This research report is an important component of the IPSASB’s promotion of convergence of IPSASs and statistical bases of reporting. Convergence has benefits for users and preparers and is therefore clearly in the public interest.

## **Section 4 Work in Progress**

- 4.1 As I noted in my last report, IPSASB has contracted with IASCF to prepare a French translation of the IPSASs. That translation is now complete and I anticipate delivery of the translation imminently. This translation will enable public sector entities in the many French speaking jurisdictions to access the IPSASs.
- 4.2 The IPSASB has begun development of an ED “Revenue from Non-Exchange Transactions (Including Taxes and Transfers) and Contributions from Owners”. This ED covers an area of public sector financial reporting that is very significant for all public sector entities, and for which international accounting standards do not exist. This ED builds on the work of the Steering Committee we established in 2001, which produced an Invitation to Comment. I anticipate that the ED will be approved at the July 25 – 28, 2005 meeting of the IPSASB.
- 4.3 The IPSASB is developing EDs on the social policy obligations of governments. The IPSASB has decided to proceed with this project by addressing non-pension social policy obligations separately from pensions. The IPSASB is of the view that the complexity of the issues relating to pensions are such that it is sensible to develop the pension and non-pension components separately. Subject to the availability of sufficient staff resources, the IPSASB will also develop an ED based on IAS 19

“Employee Benefits”. The IPSASB anticipates there to be some synergistic savings in resources by dealing with them at the same/similar time.

- 4.4 IPSASB has also developed an ED that proposes requiring public sector entities that publish budgets to include budget information in the general purpose financial statements with the actual results, and an explanation of the material differences between budgeted and actual amounts. The ED proposes that the IPSAS would apply to all entities that publish budgets, irrespective of whether they prepare financial statements under the cash basis or accrual basis of accounting. This project was partly funded by a grant from the World Bank’s PEFA fund, and a consultant was engaged to undertake much of the work. IPSASB staff are completing the project. I anticipate that the ED will be approved at the meeting in July.
- 4.5 The IPSASB has made significant progress on developing an ED that proposes amendments to 11 IPSASs as part of its IFRS convergence program. These IPSASs are based on IASs that have subsequently been amended by the IASB’s general improvements program. This has been a long term project. The IPSASB will review a final draft ED in July 2005. I anticipate that the IPSASB will approve the ED at its July meeting and will issue the ED by September. The ED proposes amendments to the following IPSASs:
- IPSAS 1, “Presentation of Financial Statements”
  - IPSAS 3, “Accounting Policies, Changes in Accounting Estimates and Errors” (revised title)
  - IPSAS 4, “The Effects of Changes in Foreign Exchange Rates”
  - IPSAS 6, “Consolidated and Separate Financial Statements” (revised title)
  - IPSAS 7, “Investments in Associates” (revised title)
  - IPSAS 8, “Interests in Joint Ventures” (revised title)
  - IPSAS 12, “Inventories”
  - IPSAS 13, “Leases”
  - IPSAS 14, “Events After the Reporting Date”
  - IPSAS 16, “Investment Property”
  - IPSAS 17, “Property, Plant and Equipment”
- 4.6 In accordance with the recommendations of the TFHPSA Working Group 1, published in the research report noted in 3.5 above, the IPSASB is developing an ED on “Disclosure of Financial Information About the General Government Sector”. This ED proposes that where a government prepares consolidated whole-of-government financial statements, it would be permitted to disclose information about the general government sector (as defined in the IMF’s *Government Finance Statistics Manual 2001*) in accordance with the requirements laid out in the proposed IPSAS. This ED represents another important step towards convergence of the IPSASs with statistical bases of reporting where appropriate.
- 4.7 As you are aware the International Auditing and Assurance Standards Board (IAASB) has signed a Memorandum of Understanding (MOU) with the International Organization of Supreme Audit Institutions (INTOSAI) to enable INTOSAI to provide public sector representation on IAASB Task Forces developing International

Standards on Auditing (ISAs). Prior to the signing of this MOU, the Public Sector Committee (PSC) reviewed proposed ISAs and where necessary submitted a Public Sector Perspective (PSP) to the IAASB for inclusion in the relevant ISA. The terms of the MOU on ISAs necessitate the IPSASB continue the PSP process for those ISAs under development as at January 1, 2005. Since the last IFAC Board meeting, PSPs were proposed by the IPSASB (and submitted to the IAASB) for the following ISAs:

- ISA 700, “The Independent Auditor’s Report on a Complete Set of General Purpose Financial Statements”
- Draft ISRE, “Review of Interim Financial Information by the Auditor of the Entity”

## Section 5 Planned Activities for 2005

- 5.1 During the remainder of 2005, in addition to the work in progress noted in the previous section, the IPSASB will begin work on a number of new projects. It is anticipated that these projects will eventually lead to either new IPSASs, or revisions to existing IPSASs. The IPSASB will be undertaking these projects in cooperation with other standards setters, which will promote convergence of the other standard setters standards and IPSASs.
- 5.2 Having issued IPSAS 21, “Impairment of Non-Cash-Generating Assets” the IPSASB is seeking to develop an IPSAS on the impairment of cash-generating assets that is harmonized with IAS 36, “Impairment of Assets” to the extent appropriate for the public sector. This project is being developed by a task force of IPSASB members and technical advisors from Canada, South Africa and the United States of America.
- 5.3 When the PSC issued IPSAS 17, “Property, Plant and Equipment” it recognized the special measurement issues faced by public sector entities with respect to heritage assets and did not require entities to recognize those assets. The PSC intended to revisit the issue, and an opportune time has arisen to do so. The United Kingdom’s Accounting Standards Board and the IPSASB are engage in a joint project to develop a discussion paper on the topic. An IPSASB sub committee, including representation from some other national bodies which have developed heritage assets projects or proposals (for example France and South Africa) and staff will work to develop an international issues paper. I anticipate that this will be a medium term project due to the financial reporting consequences that the recognition and measurement of heritage assets has for all public sector entities.
- 5.4 The IASB’s International Financial Reporting Interpretations Committee (IFRIC) has issued a series of draft IFRICs proposing financial reporting requirements for operators of service concession arrangements. Service concession arrangements are becoming increasingly common in many jurisdictions. They include arrangements in which a public sector entity contracts with a private sector entity to build or acquire, own and operate infrastructure for a period of time, and may also include provision to return/transfer the assets in a specified condition to the public sector entity at the end of the contract term. The IPSASB has previously written to the IASB proposing a joint project to ensure that appropriate financial reporting requirements are developed for both the public sector grantor entity and the private sector operator. The IPSASB has submitted comments to the IFRIC, expressing concerns with the scope of the

Draft Interpretations and with certain of their requirements. The IPSASB has also reiterated its view that a joint project with the IASB makes sense. The IPSASB will continue to monitor the work of the IASB and IFRIC on this matter. If a joint project with the IASB is not possible, the IPSASB will need to develop its own Standard or guidance on accounting by grantors in service concession arrangements.

- 5.5 In addition to these matters the IPSASB will also be reviewing the responses to ED 24 and amending the Cash Basis IPSAS, or issuing a supplement to the Cash Basis IPSAS, and developing an Occasional Paper dealing with developments in government accounting in the USA.

## Section 6 Planned Activities for 2006

- 6.1 2006 is shaping up to be yet another busy year for the IPSASB. One of the major tasks for 2006 will be to analyze the responses to, and finalize the IPSASs based on, the EDs that are planned to be issued in late 2005, including:
- ED “Revenue from Non-Exchange Transactions (Including Taxes and Transfers) and Contributions from Owners”
  - Budget Reporting
  - ED “Disclosure of Financial Information about the General Government Sector”
  - Revisions to the 11 IPSASs included in the improvements project, noted in paragraph 4.5
- 6.2 The IPSASB is planning to issue in 2006, Exposure Drafts dealing with:
- Non-pension social policy obligations;
  - Pension social policy obligations; and
  - Employee entitlements, based on IAS 19.
- 6.3 The IPSASB will also issue, a paper on the measurement of heritage assets in the public sector.
- 6.4 The IPSASB will also further develop guidance on the reporting of budgeted information by governments, with a view to issuing further IPSASs on the topic.

## Section 7 Other Matters

- 7.1 The IPSASB is continuing to implement the recommendations of the External Review. I have already noted that, the “International Public Sector Accounting Standards Board” is now well known and the “Preface to International Public Sector Accounting Standards” and the “Terms of Reference” have been amended, and the selection of public members for the IPSASB is underway. The IPSASB already has a Consultative Group (CG), however, at its March meeting the IPSASB noted that the appointment of Regional Chairs as recommended, would conflict with the structure of the Consultative Advisory Groups (CAGs) established for the Public Interest Activity Committees (PIACs), consequently the IPSASB, in consultation with its Consultative Group, decided to postpone any restructuring of the CG until the IPSASB is designated as a PIAC.

- 7.2 The IPSASB remains in dire need of additional funds and I must draw your attention to a critical situation. Currently our only sources of funding are from IFAC and the World Bank. The IFAC President, Chief Executive, IFAC past President and I, together with other IPSASB members and other IFAC officers and staff as appropriate, are actively seeking additional funds.
- 7.3 IPSASB recognizes that to be effective as the international financial reporting standard setter for the public sector, the IPSASs must be available in languages other than English. Apart from the French and Spanish translations referred to earlier, other translations are being undertaken by IFAC member bodies or other organizations in accordance with the IFAC Translations Policy and the IFAC Permissions Policy. These include translation of IPSASs into the following languages:
- Bahasa Indonesian
  - Bosnian/Macedonian
  - Bulgarian
  - Chinese (IPSASs 1 – 20 and Glossary complete)
  - Czech
  - German
  - Hebrew
  - Italian
  - Jordanian Arabic
  - Lithuanian
  - Mongolian (IPSASs 1 – 20 and Glossary complete)
  - Palestinian Arabic (IPSASs 1 – 18 and Glossary complete)
  - Russian (IPSASs 1 – 8 complete)
- 7.4 The IPSASB actively promotes adoption of IPSASs for financial reporting by governments and international institutions. Some national governments prefer to converge their national standards with IPSASs, rather than adopt IPSASs as their own. The following international institutions are understood to have adopted IPSASs or converge national standards with IPSASs:
- European Commission (will prepare financial statements in accordance with IPSASs)
  - IFAC (prepare financial statements in accordance with IPSASs)
  - North Atlantic Treaty Organisation (prepare financial statements in accordance with IPSASs)
  - Organisation for Economic Cooperation and Development (OECD) (prepare financial statements in accordance with IPSASs)
- 7.5 In addition, a number of countries have adopted IPSASs or parts thereof or taken IPSASs as a direct reference for their national standards.
- 7.6 I must add that the seminars held in conjunction with IPSASB meetings, such as the ones held in New Delhi in November 2004 and Oslo in March 2005, are a good opportunity for the IPSASB Chair, and members to make presentations to in substantial seminars. The IPSASB Chair, IPSASB members and their technical

advisors, and IPSASB staff also make presentations at various other symposiums throughout the world.

## **Section 8 Conclusion**

- 8.1 I am pleased to be involved with IFAC and to be Chair of the IPSASB at such an exciting time in the history of financial reporting standard setting. I believe that the crises in government financial reporting that are so much in the news of late present IFAC and the IPSASB not only with an opportunity, but a duty, to serve the public interest by establishing and encouraging the use, of high-quality International Public Sector Accounting Standards. The financial crises that the developed world faces in meeting social policy obligations is mirrored in the developing world by the level of debt accumulated by governments over many years. Timely and appropriate financial reporting of government assets, liabilities, revenue and expenses highlights how a government is managing the resources entrusted to it by its citizens. It is essential that the accounting profession work with governments and others to ensure that government are at least as, and even more, accountable and transparent as publicly listed companies.
- 8.2 I urge you to continue to support the work of the IPSASB, and to assist us in the promotion of the IPSASs and sound financial reporting by governments around the world. Public sector entities are not established to make a profit, but nor are they established to waste public resources. When full accrual accounting is mandated by governments for public companies, they ought to be prepared to lead by example. Robust cash basis financial reports should help other countries to build sound financial reporting and greater transparency. Sound financial reports, backed by an independent audit undertaken in accordance with ISAs and INTOSAI principles, will enlighten the citizens about whether or not their government is managing the resources entrusted to it.

**2005-2006 Strategic Priorities  
International Public Sector Accounting Standards Board**

For each of the Strategic Priorities listed below, please indicate the actions taken by your respective board, committee or permanent task force since the last IFAC Board meeting held March 2005 through the end of June 2005.

**Section 1 Standard-Setting**

Strategic Priorities	Actions Taken
<ul style="list-style-type: none"> <li>▪ Implement the agreed IFAC reforms, including the establishment of a PIOB, the strengthening of the standard-setting processes, establishment of consultative advisory groups, and the increasing of transparency of IFAC activities.</li> </ul>	<p>IPSASB is not currently under the auspices of the PIOB. The Likierman Report recommended that it should be subject to inclusion in PIOB membership of persons with appropriate public sector expertise. The IPSASB agreed with the Likierman Report recommendation and awaits developments on PIOB membership. IPSASB continues to develop its Consultative Group, hold its meetings in public, make agenda materials publicly available before each meeting, and expose its proposed standards for public comment. The IPSASB anticipates appointment of public members in the near future. It awaits nominating committee and Board decisions on such appointments.</p>
<ul style="list-style-type: none"> <li>▪ Proactively address regulatory issues related to accounting and auditing, including standard setting, ensuring effective dialogue with the PIOB, the regulators' Monitoring Group and its individual members.</li> </ul>	<p>IPSASB has proactively initiated projects dealing with non-exchange revenue (including taxes and transfers), social policy obligations of governments, and budget reporting. IPSASB monitors the work of the IASB, has provided a response to recent draft IFRICs exposed for comment, is a member of the IASB-SAC, participates in the International Task Force for Harmonization of public accounting (TFHPSA), responds to IASB EDs as appropriate, participates in government accounting for a, and has contributed to recommendations for reform of the System of National Accounts (SNA 93).</p>

Strategic Priorities	Actions Taken
<ul style="list-style-type: none"> <li>▪ Obtain endorsement of IFAC standards on auditing, assurance and ethics by the European Commission, the International Organization of Securities Commissions and key regulators with influence over significant exchanges, for example the United States Public Company Accounting Oversight Board and the United Kingdom Financial Reporting Council.</li> </ul>	<p>International Public Sector Accounting Standards (IPSASs) are adopted by the European Commission.</p>
<ul style="list-style-type: none"> <li>▪ Actively support global convergence to IFAC standards and International Accounting Standards Board standards and work towards resolving barriers towards convergence, including consideration of the approach to writing pronouncements and the need to simplify language where appropriate.</li> </ul>	<p>IPSASB actively promotes the IPSASs in many forums. Several international institutions now prepare financial reports in accordance with IPSASs, including IFAC, OECD, NATO and the European Commission. Many countries refer to or adopt the requirements of IPSASs in the development of national standards and . IPSASB's policy is to converge IPSASs with IFRSs and statistical bases of reporting where appropriate.</p> <p>In 2004, the IPSASB issued ED 24 which proposes requirements for disclosure of information about external assistance received by recipients who adopt the cash basis of accounting. Currently donors impose a wide range of different reporting requirements on recipients. Adoption of a final standard will be a significant step in convergence and will significantly reduce compliance costs for many recipients. This will enhance the efficiency and effectiveness of reporting and free funds for productive development activity. The OECD DAC has operated as the Project Advisory Panel on this project.</p>
<ul style="list-style-type: none"> <li>▪ Establish structures and processes for IFAC's governance and standard setting so that they are accepted by international bodies, including regulatory organizations and by member bodies and the Forum of Firms.</li> </ul>	<p>IPSASB holds meetings in public, exposes documents for public comment and promotes IPSASs actively. The World Bank has designated IPSASs as an acceptable basis for borrowers to prepare financial reports on.</p>

Strategic Priorities	Actions Taken
<ul style="list-style-type: none"> <li>▪ Update ethics standards for all professional accountants.</li> </ul>	<p>IPSASB member for Norway is participating in the Ethics Task Force developing ethical guidance for professional accountants in government.</p>
<ul style="list-style-type: none"> <li>▪ Develop and maintain international education standards.</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Develop and maintain international public sector accounting standards.</li> </ul>	<p>IPSASB has issued one new standard, a new ED and a research report since November 2004. IPSASB is currently developing EDs on Non-Exchange Revenue, Social Policy Obligations, Disclosure of Financial Information about the General Government Sector and Comparison of Budget and Actual Amounts.</p>

## Section 2 Quality Assurance

Strategic Priorities	Actions Taken
<ul style="list-style-type: none"> <li>▪ Work with the Forum of Firms, through the Transnational Auditors Committee, and with the SMP Permanent Task Force to undertake initiatives to improve firms' audit quality, including efforts made to increase transparency of international accountancy firms.</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Enhance the IFAC compliance program for member bodies through the assessment of information provided and action plans developed by member bodies.</li> </ul>	

### Section 3 Professional Leadership

Strategic Priorities	Actions Taken
<ul style="list-style-type: none"> <li>▪ Undertake a global review of corporate governance practices, recognizing the need to strengthen key areas of corporate oversight. IFAC’s role will be to build on the work completed by various international groups, such as the Organization for Economic Cooperation and Development, ensuring that the existing pronouncements and practices reflect the role of the audit and the responsibility of professional accountants in business.</li> </ul>	<p>In 2002 the PSC issued Study 13 “Governance in the Public Sector”. This Study has been reissued by the Eastern and Southern African Association of Accountants General (ESAAG)</p>
<ul style="list-style-type: none"> <li>▪ Undertake initiatives aimed at promoting the importance of adherence to high quality ethical practices by all professional accountants whether they are operating in industry, commerce, the public sector, the not-for-profit sector, in academia or in public practice.</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Identify and address the needs of professional accountants operating in industry, commerce, the public sector, the not-for-profit sector and in academia, working in cooperation with member bodies and other relevant groups.</li> </ul>	<p>IPSASB members and staff participate in programs of member bodies.</p>
<ul style="list-style-type: none"> <li>▪ Identify and address the needs of small- and medium- sized practices, working in cooperation with member bodies and other relevant groups, sharing knowledge and assisting member bodies.</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Identify the needs of developing and emerging economies in</li> </ul>	<p>The IPSASB issued Cash Basis IPSAS “Financial Reporting Under</p>

Strategic Priorities	Actions Taken
<p>establishing a high-quality accountancy profession committed to serving the public interest, working in cooperation with member bodies, regional organizations, the United Nations Conference on Trade and Development and other relevant groups, sharing knowledge and assisting member bodies.</p>	<p>the Cash Basis of Accounting” in January 2003 specifically to address needs of developing and emerging economies. In Jan 2005 IPSASB issued ED 24 “Financial Reporting Under the Cash Basis of Accounting – Disclosure of External Assistance” to provide a standardized basis on which developing/emerging economy governments can report to providers of external assistance such as development grants and loans.</p>
<ul style="list-style-type: none"> <li>▪ Develop and maintain best practice guidance in areas of critical importance for professional accountants in business.</li> </ul>	<p>The IPSASB has issued and periodically updates Study 14 which provides guidance to those entities migrating towards the accrual basis of financial reporting.</p>
<ul style="list-style-type: none"> <li>▪ Become the recognized spokesperson for the worldwide accountancy profession on global public policy issues.</li> </ul>	<p>The IPSASB is increasing being recognized as the Board which establishes internal public sector accounting standards.</p>