

INTERNATIONAL FEDERATION OF ACCOUNTANTS
INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD
 MINUTES OF THE PARIS MEETING
 Held on July 3 – 6, 2006

ATTENDANCE

COUNTRY	PARTICIPANTS	ATTENDEES	APOLOGY/NIA*
France	Philippe Adhémar (M)	X	
	Jean-Luc Dumont (TA)	X	
	Henri Giot (TA)	X	
Argentina	Carmen Palladino (M)	X	
	Pablo Maroni (TA)		X
Australia	Wayne Cameron (M)	X	
	Jim Paul (TA)	X	
Canada	Rick Neville (M)	X	
	Ron Salole (TA)	X	
India	Pankaj Jain (M)	X	
	Avinash Chander (TA)		X
Israel	Ron Alroy (M)	X	
	Haya Prescher (TA)	X	
Japan	Tadashi Sekikawa (M)	X	
	Ryoko Shimizu (TA)	X	
Malaysia	Mohd Salleh bin Mahmud (M)	X	
	Er Beng Kiong (TA)	X	
	Alejandro Luna Rodríguez (M)		X
Netherlands	Frans Van Schaik(M)	X	
	Thomas Van Tiel (TA)	X	
New Zealand	Greg Schollum (M)	X	
	Joanna Perry (TA)	X	
Norway	Tom Olsen (M)	X (Tuesday – Thursday)	X (Monday)
	Harald Brandsås (TA)	X	
South Africa	Erna Swart (M)	X	
	Freeman Nomvalo (TA)		X
United Kingdom	Mike Hathorn (M)	X (Tuesday – Thursday)	X (Monday)
	Liz Cannon (TA)	X	
United States	Ron Points (M)	X	
	David Bean (TA)	X	
	Andreas Bergmann (M)	X	
Public Member	John Peace (M)	X	
Public Member	Stefano Pozzoli (M)	X	
	Marcello Bessone (TA)	X	
ADB	Ping Yung Chiu (O)	X	
EU	Miguel Gracia	X (Monday – Wednesday)	X (Thursday)
	Eurostat	Eduardo Barredo	X

COUNTRY	PARTICIPANTS	ATTENDEES	APOLOGY/NIA*
IASB	Gilbert Gélard (O)	X (Tuesday - Wednesday)	X (Monday, Thursday)
INTOSAI	Robert Dacey (O)	X	
IMF	Lucie Laliberté (O)	X	X (Thursday)
OECD	Jon Blondal (O)	X	X (Thursday)
UN	Jay Karia (O)	X	
UNDP	Gwenda Jensen (O)	X	
World Bank	Marius Koen (O)	X (Monday - Wednesday)	X (Thursday)
IFAC	Paul Sutcliffe (S)	X	
	Ian Ball (CE - IFAC)	X (Wednesday - Thursday)	X (Monday - Tuesday)
	John Stanford (S)	X	
	Matthew Bohun (S)	X	

* NIA- Not in Attendance

- (M) Member
- (TA) Technical Advisor
- (B) IFAC Board
- (O) Observer
- (S) IFAC Staff
- (C) Consultant

1. WELCOME AND APOLOGIES

The Chair welcomed members to Paris for the IPSASB meeting, including the following to their first IPSASB meeting:

- Jim Paul, Technical Advisor from Australia;
- Joanna Perry, Technical Advisor from New Zealand (substituting for Simon Lee for this meeting);
- Marcello Bessone, Technical Advisor to Stefano Pozzoli, Public Member;
- Miguel Gracia, Observer from the European Commission (Directorate General – Budget);
- Eduardo Barredo, Observer from Eurostat;
- Lucie Laliberté, Observer from the International Monetary Fund;
- Marius Koen, Observer from the World Bank (substituting for Simon Bradbury for this meeting); and
- Gilbert Gélard, IASB Member from France, the nominated IASB Observer at this meeting.

The Chair noted apologies from:

- Mike Hathorn, Deputy Chair, for Monday only;
- Tom Henry Olsen, Member from Norway, for Monday only;
- Alejandro Luna Rodriguez, Member from Mexico;
- Simon Lee, Technical Advisor from New Zealand;
- Simon Bradbury, Observer from the World Bank; and
- Freeman Nomvalo, Technical Advisor from South Africa.

Wayne Cameron advised that Robert Keys, former Technical Advisor from Australia, had changed responsibilities within the Australian Accounting Standards Board and would no longer be the Technical Advisor, but passed on Robert's thanks and good wishes to the IPSASB. The Chair asked Wayne Cameron to convey to Robert, the IPSASB's thanks for his participation and input over the last six years.

The IPSASB was also advised that this would be the last meeting for Liz Cannon, who was returning to the UK's National Audit Office, after completing her secondment to CIPFA. The Chair thanked Liz for her participation and offered the IPSASB's best wishes for the future.

The Chair noted that this would be Paul Sutcliffe's last meeting as Technical Director. Members thanked Paul for his significant input to the IPSASB as the Technical Director over the past six years. The IPSASB was advised that Ms. Stephenie Fox has been appointed Technical Director, and will take up her appointment in September. Ms. Fox has previously worked for the Canadian Institute of Chartered Accountants, supporting the standards setting role of the Canadian Public Sector Accounting Board.

On Monday, July 3, M. Philippe Séguin, Premier Président of the Cour des Comptes, welcomed the IPSASB to Paris and to the Cour des Comptes. M. Séguin spoke of the history of the Cour des Comptes, the headquarters building and the role of the Cour des Comptes in the current reform of the public sector in France. M. Séguin thanked

the IPSASB for the work they had been doing, which had provided a great resource for France in progressing its program of financial reform.

On Tuesday, July 4, M. Frank Mordacq, Directeur de la Modernisation et de la Réforme Budgétaire welcomed the IPSASB to the Ministère de l'Économie, des Finances et de l'Industrie, noting the importance of the standards setting work to many jurisdictions around the world. Mme. Nathalie Morin Chef de Service à la Direction Générale de la Comptabilité Publique speaking on behalf on Mr Dominique Lamiot, Director-General of Public Accounting, gave a brief presentation on the history and progress of the financial reform being undertaken in the French public sector. She also thanked the IPSASB for the work they had done which had provided a resource for the ministry to use to develop financial reporting standards for the French public sector.

2. CONFIRMATION OF MINUTES

The meeting received the minutes from the meeting held in Tokyo on March 21 - 24, 2006.

The minutes were confirmed subject to minor editorial amendments.

Action Required:	<i>Amend minutes. Post to IFAC Leadership Intranet and IPSASB page of the IFAC website.</i>
Person(s) responsible:	<i>Staff.</i>

3. MATTERS ARISING AND ACTION LIST

There were no matters arising from the minutes, apart from matters to be raised under other agenda items.

Action Required:	<i>Prepare Minutes and Action List from July 2006 meeting. Provide to Chair for clearance to circulate to members for review – members to advise staff of any proposed amendments.</i>
Person(s) responsible:	<i>Chair, Members, Staff.</i>

4. CHAIRMAN'S REPORT

In addition to his written report, the Chair noted a financial report from the Technical Director outlining standards program costs for 2006 and external funding currently committed. It was noted that, as reported in March 2006, the ongoing external funding position had improved considerably, with additional resources anticipated from the Government of Canada, the Canadian Institute of Chartered Accountants, the Asian Development Bank, the European Commission/Eurostat, the United Nations and the InterAmerican Development Bank. Some of this funding will be tied to particular projects. Resources are also anticipated from the People's Republic of China in the form of a secondment of a technical staff.

The additional resources will result in the secretariat expanding from the current three technical positions, to six and a half full-time equivalent positions, with the majority of these being located in Toronto, Canada. In addition to the new Technical Director, there will be an additional technical manager appointed, along with two secondments,

one from the Canadian Institute of Chartered Accountants, and one from the Chinese Ministry of Finance. There will also be an appropriate level of administrative support.

Action required:	<i>Prepare Chair's Report for November meeting.</i>
Person(s) responsible:	<i>Chair, Technical Director.</i>

5. IFAC LIAISON REPORT AND MEMBER DISTRIBUTION LIST

In addition to the written report included in the agenda papers, members noted the following:

- The technical staff will keep other IFAC Boards and Committees informed of IPSASB technical projects by providing project initiation documentation for new projects and by circulating the IPSASB's agenda and Update to the relevant IFAC technical staff.
- The Developing Nations Committee is showing increased interest in the work of the IPSASB, principally because in many instances it is the public sector that needs to lead development;
- The UN General Assembly has approved the adoption of IPSASs and implementation by some UN System bodies is well under way; and
- IFAC will be publicizing the UN accounting website on its own website and will also publish a list of countries adopting or resolving to adopt IPSASs.

Action Required:	<i>Update IPSASB distribution list with any changes. Prepare Report for November 2006 meeting. Finalize arrangements for November 2006 meeting and advise members. As part of ongoing IFAC liaison activities, provide project initiation documents and IPSASB agendas to other IFAC staff for forwarding to their Boards/Committees.</i>
Person(s) Responsible:	<i>Staff.</i>

6. REPORT ON THE IPSASB WORK PROGRAM, COMMUNICATION, TRANSLATION AND FUNDING

The IPSASB received and noted:

- Memoranda from the Technical Director regarding funding and promotion activities, the status of IPSAS translations, an update on technical activities since the last meeting and a report on the current status of projects on the IPSASB work program;
- The 2006 and 2006 to 2008 IPSASB work programs and agreed the program subject to updating to reflect decisions made in the course of this meeting and any immediate consequences of the IPSASB's discussion of its long term strategy (see below);
- A report from the Technical Director on IPSASB Standards Program costs and funding for 2006. Members noted:
 - The World Bank had made a funding commitment for 2006, and the establishment of a World Bank sponsored Trust Fund to support all IFAC activities was still in process but had not been progressed as quickly as had been anticipated;
 - An application for funding had been made to the Asian Development Bank;

- It was anticipated that the Canadian Government and Canadian Institute of Chartered Accountants (CICA) offer of financial and technical and administrative support if the IPSASB staff relocated to Canada would be formally approved during the second half of 2006, and would be accepted by IFAC with IPSASB staff being located in Toronto during 2006;
 - An application for European Commission funding to support the IPSASB's project on the applicability of IAS 19 "Employee Benefits" to the public sector was currently being finalized; and
 - An application for funding from the InterAmerican Development Bank in support of the conceptual framework project and a revised proposed standard on external assistance had been made;
- A memorandum from the Chair and the Technical Director identifying key issues for the IPSASB to consider in developing its longer term strategy and supporting material including: an update on public sector projects currently being developed by national standards setters in member jurisdictions; and an update on IASB projects of relevance to the IPSASB. Members reviewed the materials, discussed options for the IPSASB's longer term strategy and agreed that the long term objectives and work program of the IPSASB should focus on four broad areas of work priorities:
 - Development of a public sector conceptual framework;
 - Development of other public sector specific projects (including convergence with statistical bases of reporting where appropriate);
 - IFRS convergence; and
 - Other projects and activities, including promotion and communication.
 At its next meeting the IPSASB will further consider the implications of these work priorities for specific projects on its work program;
 - Correspondence from the Chair to the IFAC Chief Executive raising the potential of other IFAC committees such as the Education Committee, the Developing Nations Committee or the Professional Accountants in Business Committee to assist those jurisdictions implementing IPSASs by providing and/or promoting the development of IPSAS educational materials and providing linkages to relevant IPSAS implementation resources. Members were advised that the correspondence had been forwarded to the relevant committees for discussion at forthcoming meetings; and
 - Progress on establishing a resource on the IPSASB webpage which would direct interested parties to other websites where IPSAS implementers may exchange their implementation experiences. Members agreed that staff should continue to explore the potential to develop this resource.

The IFAC Chief Executive noted that the IFAC media unit could prepare an IPSASB fact sheet similar to that prepared for the IAASB and DNC. Members agreed this would be useful.

Action Required:	<i>Update 2006 work plan based on decisions made at this meeting and prepare materials to assist in IPSASB's ongoing review of its longer term strategy. Prepare IPSASB fact sheet.</i>
Person Responsible:	<i>Staff, IFAC media unit.</i>

7. COUNTRY BRIEFING REPORTS

The IPSASB noted the country reports included in the agenda papers.

Action Required:	<i>Prepare country briefing reports for the November 2006 meeting.</i>
Person Responsible:	<i>Members, Technical Advisors.</i>

8. ACCOUNTING FOR SOCIAL POLICIES OF GOVERNMENT- NON-PENSIONS OBLIGATIONS

The IPSASB received and noted:

- A memorandum from Staff; and
- A revised draft of an Exposure Draft (ED) of an IPSAS, “Accounting for the Social Policies of Government (excluding Pension Arrangements)”.

Members noted that the material reflected the directions provided at the Tokyo meeting. Members reviewed the draft ED and identified a number of detailed revisions and editorials (see also Attachment to Minutes).

Members agreed that for the next meeting staff should develop a revised draft ED that:

- Is entitled “Social Policy Obligations”;
- Includes within its scope all social policy obligations arising from non-exchange transactions regardless of whether retirement age is an eligibility criterion (see also Agenda Item 9), thereby including social security pensions; and
- Deals with specific amendments and editorials identified by the Board.

Action Required	<i>Revise ED to reflect modified direction.</i>
Person(s) Responsible	<i>Staff</i>

9. SOCIAL SECURITY PENSIONS

The IPSASB received and noted:

- A presentation from the INTOSAI Observer;
- A memorandum from Staff;
- A key issues paper on present obligations and social security pensions;
- Revised draft extracts of a draft ED on Social Security Pensions; and
- An extract from the *Short Report on the Meeting of the Advisory Expert Group* in January and February 2006.

There was general agreement with the Staff conclusion in the key issues paper that, whilst the contributory nature of a social security pension program might have an impact on the point at which an obligating event giving rise to a constructive obligation occurs, it would be difficult to develop a universally based Standard on a basis other than that a present obligation arises when all eligibility criteria have been satisfied. It was also accepted that, if the contributory nature of a program providing social benefits in non-exchange transactions led to present obligations arising at an earlier point than for a non-contributory program, there would be implications for a

large number of similar non-exchange contributory programs where the attainment of retirement age is not an eligibility criterion.

A majority of members agreed that social security pensions should be combined with the ED at Item 8.2 and a single Standard should be developed to deal with all social benefits provided in non-exchange transactions. The Basis for Conclusions will explain the rationale for this approach. There will also be specific matters for comment on whether there should be separate Standards dealing with social security pensions and other social benefits for which attainment of retirement age is an eligibility criterion and separate Standards dealing with contributory and non-contributory programs providing benefits in non-exchange transactions.

Some members pointed out that the term “state retirement benefits” could lead to confusion with occupational pension schemes. It was agreed to revert to the term “social security pensions”.

Members also considered whether the revised combined ED should include requirements for disclosure of the projected future cost of social security pension programs or other major cash transfer programs. It was agreed that such disclosure requirements should not be included. The Basis for Conclusions would contain a rationale and would indicate that the IPSASB might in the future initiate a project on sustainability reporting.

Members noted the extract from the Short Report on the Meeting of the Advisory Expert Group (AEG) in January and February 2006. The views of the AEG in the Short Report were consistent with those provisionally reported at the Tokyo Meeting.

<i>Action Required</i>	<i>Integrate ED extracts and draft ED at Agenda Item 8.2 as directed.</i>
<i>Person(s) Responsible</i>	<i>Staff</i>

10. EMPLOYEE BENEFITS

The IPSASB received and noted:

- A memorandum from Staff; and
- A draft of an Exposure Draft (ED) of an IPSAS XX, “Employee Benefits”.

Members provided guidance on the issues identified by Staff and agreed that the ED should reflect a requirement for the discount rate for discounting post-employment benefit obligations to be a risk-free rate based on government bonds, or, where such bonds do not provide the best reflection of a risk free rate, high-quality corporate bonds. An amended Specific Matter for Comment would be included on this issue.

The ED was subjected to a page-by-page review and a number of amendments and editorials were identified (see attachment to these minutes for details). It was agreed that: in order to facilitate its orderly introduction the ED would become operative five years after issuance and that adjustments as a result of adoption of the Standard should be reported as adjustments to the opening balance of accumulated surpluses or deficits with no requirement for comparative information to be restated.

As a result of this decision the majority of transitional provisions in the draft ED were no longer necessary. Staff was, however, asked to review the necessity of the transitional provision relating to actuarial gains and losses at paragraphs 169 and 170.

Members approved the ED for issuance subject to review by a subcommittee comprising South Africa and Canada.

<i>Action Required</i>	<i>Revise ED and prepare for issuance.</i>
<i>Person(s) Responsible</i>	<i>Chair, Staff, South African Member and Canadian Technical Advisor.</i>

11. ED XX DISCLOSURE REQUIREMENTS FOR RECIPIENTS OF EXTERNAL ASSISTANCE

The IPSASB received and noted:

- A memorandum from the Technical Director and a history sheet on the project; and
- A draft exposure draft “Financial Reporting under the Cash Basis of Accounting – Disclosure Requirements for Recipients of External Assistance” proposing amendments to the Cash Basis IPSAS to include required and encouraged disclosures by recipients of external assistance.

The Chair of the OECD Development Assistance Committee - Joint Venture on Public Financial Management (OECD-DAC-JV) made a brief presentation to the IPSASB during the Consultative Group meeting thanking the IPSASB for making a copy of the draft ED publicly available to interested parties before the meeting and for specifically seeking JV views on it. He noted that the ED had broad support from the JV but that the JV proposed that certain specific disclosures encouraged by the draft ED be reclassified as required disclosures (see attachment to these minutes for details), that the ED be subject to field testing and that the ED clarify the distinction between third parties which are, and which are not, part of the economic entity to which the reporting entity belongs.

It was noted that the IPSASB, Eastern and Southern African Association of Accountants General (ESAAG) and the Ministry of Finance in Namibia were developing arrangements to field test the ED before development of a final IPSAS. The Chair of the OECD-DAC-JV noted that the JV would work with the IPSASB to ensure that field testing of the ED would occur in additional countries which were members of the JV.

The IPSASB undertook a page by page review of the draft ED and unanimously approved it for issue subject to processing of final amendments (as outlined in the attachment to these minutes) and review by Chair.

Following this meeting the ED will be finalized and prepared for publication on the IPSASB web page.

<i>Action Required:</i>	<i>Finalize and issue ED</i>
<i>Person(s) Responsible:</i>	<i>Chair and Staff.</i>

RE AGENDA ITEMS 12 AND 13: PUBLIC PRIVATE PARTNERSHIPS (SERVICE CONCESSION ARRANGEMENTS) and PUBLIC SECTOR CONCEPTUAL FRAMEWORK

In conjunction with this meeting the IPSASB met with representatives of a number of National Standards Setters and similar organizations from Argentina, Australia, Canada, France, Israel, Malaysia, Italy, the Netherlands, New Zealand, Spain, South Africa, Switzerland, the United Kingdom and the United States of America to discuss the potential for collaborative projects on the development of a public sector conceptual framework and on financial reporting of public private partnerships (PPPs, also known as service concession arrangements). Also participating in the discussion were members and/or staff of the Public Sector Committee of the Fédération des Experts Comptables Européens (FEE), the International Accounting Standards Board (IASB), the Task Force on Harmonization of Public Sector Accounting (TFHPSA) and Eurostat.

12. PUBLIC PRIVATE PARTNERSHIPS (PPPs) – (SERVICE CONCESSION ARRANGEMENTS)

The IPSASB received and noted:

- A memorandum from the Chair of the Subcommittee monitoring the development of the International Financial Reporting Interpretations Committee's (IFRIC's) Interpretation dealing with service concession arrangements;
- A staff note on recent developments in the IFRIC process;
- An agenda for the meeting with national standards setters and other organizations; and
- A staff paper on issues to be considered in actioning a collaborative project on this topic.

The IASB staff and IASB member provided an update on progress being made by IFRIC on the development of the Interpretation dealing with service concession arrangements.

The IPSASB and national standards setters and similar organizations participating in the meeting agreed to initiate a collaborative research project on financial reporting of public private partnerships (PPPs) by both grantors and operators. The IPSASB in consultation with the national standards setters and similar organizations will develop for approval at the next IPSASB meeting a project brief, proposals for the composition and staffing of a subcommittee to carry the project forward and a project advisory panel, and project development arrangements. The subcommittee will then develop a consultation paper as the first step in the due process intended to lead to authoritative requirements for public sector entities.

It was also agreed that the IPSASB subcommittee monitoring the IFRIC project would continue in that role until the actioning of the collaborative project, and would work with staff to develop the project brief.

<i>Action Required:</i>	<i>Monitor progress of IASB and IFRIC on service concessions. Develop in consultation with national</i>
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	<i>standards setters and similar organizations project brief, proposals for subcommittee and project advisory panel membership and operating procedures for approval at next IPSASB meeting.</i>
<i>Person(s) Responsible:</i>	<i>Chair, Subcommittee, Staff.</i>

13. CONCEPTUAL FRAMEWORK PROJECT – STRATEGY SESSION WITH NATIONAL STANDARDS SETTERS AND OTHER ORGANIZATIONS

The IPSASB received and noted:

- A memorandum from the Chair of the IPSASB Subcommittee monitoring the work of the national standards setters (NSS-4) who are considering the implications of the IASB-FASB conceptual framework project for not-for-profit entities (including the public sector), and a summary of the NSS-4 monitoring reports;
- An agenda for discussion of a collaborative project with national standards setters and similar organizations; and
- A project brief which outlines strategic issues to be dealt with in actioning and pursuing a collaborative project to develop a conceptual framework project for the public sector, proposed timelines for completion of major milestones and mechanisms for progressing the project.

It was agreed that the IPSASB will lead a collaborative project on the development of a conceptual framework for public sector financial reporting in conjunction with participating national standards setters and similar organizations (NSSs).

The draft project brief and tentative development program was considered and the broad characteristics of the project were agreed. The project will be coordinated by a sub-committee comprising IPSASB and NSS members, the IPSASB will chair the subcommittee and NSS staff will provide input on a task by task basis. The IPSASB, in consultation with the national standards setters and similar organizations will, develop for approval at the next IPSASB meeting detailed arrangements for progressing the project, including an updated project brief and key project milestones and the proposed composition of the subcommittee. Key issues identified included whether:

- Additional representation from the NSS should be included on the subcommittee;
- The initial development focus should be on the framework for financial reporting with issues related to performance reporting and budget reporting being developed as a second stage; and
- Discussion/consultation papers should be issued as the first stage of the project development, with an exposure draft comprising all components of the financial reporting framework then being issued as the second phase.

It was also agreed that the IPSASB subcommittee monitoring the IASB-FASB joint project would continue in that role until the collaborative project is actioned, and would work with staff and the NSS to develop the revised proposed project material.

Action Required:	Monitor NSS work on implications for the public sector of the IASB-FASB conceptual framework project. Revise/update in consultation with national standards setters and similar organizations the project brief and operating procedures, and develop proposals for subcommittee membership for approval at next IPSASB meeting.
Person(s) Responsible:	Chair, Subcommittee, Staff.

14. ED 27 – BUDGET REPORTING – COMPARISON ACTUAL AND BUDGET

The IPSASB received and noted:

- A memorandum from the Technical Director identifying staff views on major issues identified by respondents and otherwise arising in development of the draft IPSAS;
- A first draft proposed IPSAS “Presentation of Budget Information in Financial Statements” prepared to reflect decisions made at the last IPSASB meeting; and
- An analysis of additional comments on ED 27 and copies of additional responses.

The IPSASB commenced its consideration of a first draft of an IPSAS based on ED 27, “Presentation of Budget Information in Financial Statements”. The IPSASB provided staff with directions on revisions to the draft IPSAS to deal with key issues (as outlined in the attachment to these minutes), and agreed to develop a separate IPSAS dealing with the presentation of budget information by entities adopting the accrual basis of financial reporting, and to amend the Cash Basis IPSAS to include requirements for the presentation of budget information by entities adopting the cash basis of reporting.

A revised draft accrual IPSAS and draft amendments to the Cash Basis IPSAS will be considered by the IPSASB at its next meeting.

Action Required:	Prepare revised draft IPSAS for consideration at next meeting..
Person(s) Responsible:	Staff.

15. GENERAL IMPROVEMENTS PROJECT

The IPSASB received and noted:

- A memorandum from staff proposing the approval of a revised Preface to International Public Sector Accounting Standards, revised IPSASs 1, 3 and 4;
- A table of other comments received on the preface and IPSASs 1, 3 and 4;
- Draft IPSAS 1, “Presentation of Financial Statements” (marked up copy);
- Draft IPSAS 3, “Accounting Policies, changes in Estimates and Errors” (marked up copy);
- Draft IPSAS 4, “The Effect of Changes in Foreign Exchange Rates” (marked up copy); and

- A memorandum from staff addressing the IPSASB’s concerns regarding the removal of “equity accounting” as an option for reporting an investment in a controlled entity in the separate financial statements of a controlling entity.

The IPSASB reviewed the proposed revised Preface and IPSASs 1, 3 and 4 proposed by staff and, after voting on each individually, agreed to issue the Preface and revised IPSASs on the IFAC internet site and in the *2007 Handbook of International Public Sector Pronouncements*, subject to the following:

- The other IPSASs in the General Improvements Project being approved at the November IPSASB meeting – to ensure that any cross references and common issues are dealt with consistently;
- A review of the effective date to ensure that users are not overburdened by too many IPSASs becoming effective on the same date and ensuring that the IPSASs that are part of the General Improvements Project are effective on the same date, even if this means adopting a later effective date;
- Processing of the minor amendments outlined in the appendix to these minutes;
- Any additional editorial amendments identified during finalization of the documents; and
- A final review by the Chair.

The IPSASB reviewed the staff recommendations on retaining the equity method of accounting as a means of reporting an investment in a controlled entity in the separate financial statements of a controlling entity. The IPSASB concluded that given that the IFRS treatment evolved from equity accounting to accounting as a financial instrument over a lengthy period it may also be appropriate to allow the IPSAS treatment to evolve from equity accounting to treatment as a financial instrument over time, given the current practice in the public sector and statistical reporting. The IPSASB decided it would retain the equity method, as an allowed alternative, for the draft of IPSAS 6, “Consolidated Financial Statements and Accounting for Controlled Entities” to be considered at the next meeting. At that meeting it would consider the issue further.

<i>Action Required</i>	<i>Finalize documents for publication. Prepare further draft IPSASs from the General Improvements Project for the November 2006 meeting.</i>
<i>Person(s) Responsible</i>	<i>Chair</i>

16 ED 28 – GENERAL GOVERNMENT SECTOR

The IPSASB received and considered:

- A memorandum from staff;
- An analysis of late responses to ED 28, “Disclosure of Financial Information about the General Government Sector”;
- A table of other comments received on ED 28;
- Copies of late responses to ED 28; and
- Draft IPSAS XX, “Disclosure of Financial Information about the General Government Sector”.

The IPSASB reiterated its policy that late responses are not to be given greater weight than responses received within the allowed time frame. Staff noted that the additional responses did not change the recommendations that the staff would otherwise have made, except for the inclusion of an additional illustration of the statement of financial performance as proposed by the TFHPSA.

The IPSASB undertook a page by page review of the draft IPSAS and, after voting to approve the IPSAS, agreed to issue the IPSAS on the IFAC internet site as soon as possible, and in the *2007 Handbook of International Public Sector Pronouncements*, subject to the following:

- Processing of the minor amendments outlined in the appendix to these minutes;
- Any additional editorial amendments identified during finalization of the documents; and
- A final review by the Chair.

<i>Action Required:</i>	<i>Finalize IPSAS XX for publication.</i>
<i>Person(s) Responsible:</i>	<i>Staff, Chair.</i>

17. UPDATE ON OTHER TECHNICAL PROJECTS

A. IMPAIRMENT OF CASH-GENERATING ASSETS

The IPSASB received a verbal update from Staff, noting that ED 30, “Impairment of Cash-Generating Assets” had been circulated to Members, TAs and Observers on May 22 2006, together with a memorandum highlighting changes from the version of the ED considered at the Tokyo Meeting and a ballot form. Members had been requested to submit the ballot form, indicating whether they supported issuance of the ED, by 9 June 2006. It was reported that 13 members had voted in favor of issuance, which under the IPSASB’s due process was sufficient for the ED to be issued. Ballots had still to be received from five members and it was agreed that Staff would contact these members out of session requesting that ballot forms be submitted. Whilst voting in favor of issuance a number of members had raised issues and editorials and Staff were in the process of working through these. The ED would then be issued, subject to the Chairman’s approval.

<i>Action Required</i>	<i>Contact members who had not submitted ballot forms. Revise ED in light of issues and editorials raised by Members and prepare for issuance, subject to Chairman’s approval.</i>
<i>Person(s) Responsible</i>	<i>Chair, Members and Staff</i>

B: ED 29 REVENUE FROM NON-EXCHANGE TRANSACTIONS – RESPONSES RECEIVED TO DATE

Staff tabled a memorandum noting that twenty-five responses had been received and that three extensions had been requested. The Chair reiterated the IPSASB’s view on late responses, in particular noting that in respect of this ED, there was a longer than usual comment period. The IPSASB directed staff to prepare an analysis of comments

and first draft IPSAS for consideration of the IPSASB as soon as possible. It was agreed that members would provide comments to staff prior to the November 2006 meeting. It was also agreed that the responses to ED 29 and draft IPSAS would be considered as the first technical item at the November 2006 meeting, during the course of the meeting staff would revise the draft IPSAS as directed by members, and the revised draft would be reconsidered on the final day of the meeting.

Action Required:	<i>Prepare analysis of responses, table of other comments and draft IPSAS. Circulate initial draft to members as soon as possible. Provide comments to staff.</i>
Person(s) responsible:	<i>Staff, members.</i>

18. IPSASB UPDATE – GOVERNANCE, ADMINISTRATION ETC.

The IPSASB was advised that the first annual report of the Public Interest Oversight Board had been issued. The PIOB currently has observer status on the IFAC Nominations Committee and scrutinizes that Committee's actions, including the recommendation of appointments to the IPSASB. At this time this is the extent of the PIOB's involvement with the IPSASB. The PIOB is aware of the growing interest in the work of the IPSASB and that oversight by the PIOB in the medium term is desirable.

19. IPSASB CONSULTATIVE GROUP

The IPSASB received and noted:

- A copy of the current membership list of the Consultative Group; and
- A copy of the current operating procedures of the Consultative Group.

On the first day of its meeting, the IPSASB met with Consultative Group members and other key constituents from France, Ghana, Italy, New Zealand, South Africa, Spain the United Kingdom and the OECD Development Assistance Committee Joint Venture (DAC - JV). The discussion focused on the proposed revised draft exposure draft on disclosure of external assistance under the cash basis of accounting, accounting for social policies of governments, accounting for employee benefits, disclosure of budget information in financial statements and the IPSASB work program. The discussion provided valuable input for the IPSASB's deliberations. The Chair thanked all participants, noting that it had been a most useful discussion.

Action Required:	<i>Note views of Consultative Group members in development and discussion of IPSASB materials.</i>
Person(s) Responsible:	<i>Members, Staff.</i>

20. FUTURE MEETINGS

The IPSASB received and noted a memorandum from staff with details of the planned future meetings of the IPSASB. The IPSASB discussed future meeting dates and agreed that the IPSASB's future meetings would be as follows:

Dates	Locations
November 7 – 10, 2006	Norwalk, USA
March 20 – 23, 2007	Accra, Ghana
July 3 – 6, 2007	Montreal, Canada

Dates	Locations
November 2007	New York (to be confirmed)
March 2008	Wellington, New Zealand

Professor Ato Ghartey, President of the Institute of Chartered Accountants (Ghana), and member of the Council of the Association of Accountancy Bodies of West Africa was present and provided the IPSASB with an update on arrangements for the meeting in Accra in March 2007, noting that it was anticipated that pan African forums would be held in conjunction with the meeting.

<i>Action Required:</i>	<i>Liaise with hosts (where applicable) for 2006/07 meetings.</i>
<i>Person(s) Responsible:</i>	<i>Staff.</i>

ATTACHMENT TO MINUTES OF PARIS MEETING

Held on July 3-July 6 2006

6. IPSASB LONGER TERM STRATEGY

Members discussed whether the IFAC website should include publications, articles and presentations on IPSASs that members and other interested parties may refer to. Members noted that the current IFAC website includes a speech and articles library where articles can be posted, the IFAC agenda item includes a list of recent presentations by members and staff, and staff prepare and regularly update a general paper and presentation slides to support presentations on the IPSASB work program. Members agreed that this was sufficient at this stage, but that a brief promotional document to supplement the IPSASB presentation and general overview paper would also be useful. The IFAC Chief Executive noted that IFAC media unit could prepare an IPSASB fact sheet similar to that prepared for the IAASB and DNC. Members agreed this would be useful.

Members noted the following potential additional specific projects that might be adopted under the revised priority listing:

- Restructuring of government activities;
- Applicability of fair value measurement to governments;
- Reporting long term fiscal sustainability and/or sustainability of particular social policy programs;
- Promotion of IPSASs and the benefits of their adoption;
- Survey on adoption of IPSASs in different jurisdictions and implementation issues that had arisen.

Members also discussed:

- Whether staff views should be prepared on all IASB-EDs for review by the IPSASB. Members noted that an IASB Update was prepared and included in agenda materials for each meeting and that, subject to resource availability, that report could usefully be supplemented with staff views on key IASB documents issued since the last IPSASB meeting. Staff expressed the view that a verbal report on key documents rather than a written report was more likely to be possible within current/anticipated staff capacity;
- Process to be adopted for converging with IFRSs where appropriate for the public sector including “refreshing” existing IPSASs, filling in the gaps and keeping pace with IFRSs where appropriate;
- Mechanisms to ensure ongoing contact with the statistical financial reporting community; and
- Whether IFAC compliance work will identify deviations from IPSASs in IFAC member jurisdictions.

Members agreed to continue their discussion of these matters at the next meeting.

8. ACCOUNTING FOR SOCIAL POLICIES OF GOVERNMENT- NON-PENSIONS OBLIGATIONS

The IPSASB agreed that Staff should make the following changes and/or consider the following matters:

- Deleting much of the discussion of state retirement pensions (social security pensions) currently in paragraph 4 of the ED;
- Modifying the definition of “Retirement Age” at paragraph 11, so that it reads “Retirement Age is an age at which an individual will become eligible for social security pensions subject to the satisfaction of any other eligibility criteria”;
- Reviewing the grey letter paragraphs on Retirement Age and State Retirement Pensions (Social Security Pensions) and deleting language which reads as though it relates to Scope;
- Include a black letter requirement in the Measurement section that “the amount recognized as a liability for cash transfers shall be the amount of the next payment accrued to the reporting date unless governing legislation or regulations specify otherwise”, and modify grey letter commentary to reflect this requirement and provides a rationale in the Basis for Conclusions;
- Give an indication in the section on “Present Obligations” of the liability that arises from the present obligation by cross-referring from this section to the section on Measurement;
- Include a comment on termination payments-programs that have within their provisions the payment of a final lump sum to a beneficiary when an individual ceases to satisfy eligibility criteria;
- Include within the Basis for Conclusions the rationale that a present obligation for individual goods and services does not arise to beneficiaries as this would involve recognition of an expense for future services or undelivered goods. The Board rejected the following reasons, also given in paragraph BC 24 of the draft ED, that:
 - Up until the point that the goods and/or services are delivered it is feasible for the transferor to avoid sacrificing economic benefits; and
 - The individual has still to make himself/herself available in order to benefit from the transfer of resources following the satisfaction of eligibility criteria.

These reasons are to be deleted from the revised ED.
- Abbreviates the section on Contingent Liabilities and cross refers to IPSAS 19; and
- Include a consequential amendment to IPSAS 1 deleting the words “under exchange transactions” in paragraph 89, which lists minimum requirements for line items in the Statement of Financial Position.

Staff were also asked to review the need for transitional provisions in a revised ED.

9. SOCIAL SECURITY PENSIONS

The presentation from the INTOSAI Observer highlighted the background to, and development of, the Statements of Social Insurance in the Stewardship Information in the Financial Report of the United States Government. The Statements cover the Social Security and Medicare programs and two more minor programs with trust status, financed in part by contributions or other earmarked funding. It was noted that for 2006 the statements will be within the scope of the audit report of the General Accountability Office. Members thanked the INTOSAI Observer for a highly interesting presentation and noted that, if IPSASB initiates a project on sustainability reporting, the approach in the consolidated federal financial statements will provide important input.

Members also considered whether a Standard reflecting that present obligations arise when all eligibility criteria have been satisfied should require disclosure of the projected costs of social security pension schemes. Members recognized that the requirements for present obligations and the measurement of liabilities would lead to the recognition of relatively small liabilities for cash transfers and that information on potential future obligations would also be useful and relevant. Support for such disclosure requirements was tempered by views including that:

- There are risks in presenting partial information which does not take account of projected future inflows;
- There are risks in overloading the primary financial statements with supplementary statements;
- At this stage of the development of accrual accounting, such requirements might be too demanding for some jurisdictions; and
- Such disclosures would be better addressed in a separate project on sustainability reporting.

10. EMPLOYEE BENEFITS

The IPSASB agreed that Staff should make the following changes and/or consider the following matters:

- Revise the publication and request for comments dates in the “Request for Comments” section;
- In the “Introduction” note that in addressing composite social security schemes benefits provided other than as consideration in exchange for service rendered by ex-employees of public sector entities as well as employees are outside the scope;
- In the “Objective” section note that an entity may consume service potential arising from service provided by an employee in exchange for employee benefits as well as economic benefits;
- Not include guidance for entities operating in jurisdictions with no deep market in either government bonds or high quality corporate bonds;
- Include an additional requirement for disclosure of whether the rate is based on government bonds or high quality corporate bonds and the jurisdiction from which discount rates have been derived where different from that in which the entity is reporting;

- Not include an additional requirement for disclosure where available, of the discount rate that would have been applied and the amount of the liability had the discount rate been based on yields on high quality corporate bonds (where government bonds have been used) and yields on government bonds (where high quality corporate bonds have been used);
- Include commentary that in the public sector, reimbursements might arise from the legally binding commitments of other public sector entities;
- Adopt the presentational requirements in IAS 19 for actuarial gains and losses and include a consequential amendment to IPSAS 1 that, where the statement of changes in net assets/equity is used to present actuarial gains and losses, the statement is re-termed a statement of recognized income and expense and may only include certain specified items;
- Ensure the formatting is correct in the Example following paragraph 81; and
- In paragraphs 107 and 108 ensure that the term “statement of recognized revenue and expense” is used consistently.

11. ED 24 DISCLOSURE REQUIREMENTS FOR RECIPIENTS OF EXTERNAL ASSISTANCE

Staff advised they had received a proposal from a member of the Project Advisory Panel that the proposed ED should require the identification of individual donors and the amounts of assistance each donor provided – on the grounds that this disclosure would allow donors to gain additional assurance from the financial statements at little additional cost. Staff noted that this could enhance the prospects of donors harmonizing the reporting requirements they impose on recipients around the IPSAS. This issue was also raised for discussion with the IPSASB Consultative Group (CG) at the commencement of the meeting. The IPSASB noted the views of its CG on this matter and agreed with the CG that this could be encouraged in the ED but should not be required.

The OECD-DAC-JV Chair noted the JV proposed the following amendments to the draft ED:

- The encouraged disclosures at paragraph 2.1.83 relating to debts rescheduled or cancelled, should be reclassified as required in all cases. The IPSASB agreed to reclassify this disclosure as required; and
- Subject to field testing confirming that the requirements are not unduly onerous, the following disclosures should be reclassified from encouraged to required;
 - Disclosure at 2.1.67 of terms and conditions that determine, affect access to, or limit the use of external assistance. After advice from the OECD Observer, the IPSASB agreed that a specific question should be asked about whether the disclosure should be required, and should note the IPSASB was agreeable to such classification if supported by respondents - members noted that this was what it had proposed in ED 24 but a number of respondents to ED 24 had expressed concern that it was too onerous. However, members agreed that the disclosure should not be reclassified as a required disclosure in the ED; and

- Disclosures at 2.1.74 of terms and conditions that have not been complied with together with the consequences of the noncompliance. Members reviewed the disclosure and agreed that disclosure of significant terms and conditions that had not been complied with should be required when non-compliance resulted in cancellation of the assistance. In other cases, terms and conditions not complied with should not be required, but should be encouraged when significant with this reclassification.

As part of its page by page review of the ED, the IPSASB agreed that:

- The third paragraph of the Introduction (noting that this ED deals with amendments to the Cash Basis IPSAS) be moved to become the last paragraph in the section;
- Specific matter for comment be added on whether the proposed required separate disclosures of the amount of external assistance should be made on the “face or in the notes to the Statement of Cash Receipts and Payments” as was proposed in the draft ED or only on the face of the Statement of Cash Receipts and Payments. In addition, paragraph 1.9.6 of the draft ED is to be amended such that disclosure on the face of the Statement (rather than either on the face or in notes) is required;
- The illustrative example in the Appendix is to illustrate the disclosure of major classes of provider;
- Commentary is to be added to clarify the differences between third parties which are, and which are not, part of the economic entity to which the reporting entity belongs;
- Paragraph 1.9.10 is to reflect that the entity may be funded from taxes and/or internal sources;
- The consolidated financial Statement of Cash Receipts and Payments on page 11.34 is to be amended such that “and Aid” be deleted from the line item “Other Grants and Aid” and to clarify that multi and bilateral agencies are classes of provider;
- No additional transitional provisions are required, given the restructuring of the ED to specify most disclosures as encouraged (rather than required);
- The illustrated financial statements are to be revised to reflect the change in status of certain disclosures as required rather than encouraged as proposed by the OECD-DAC JV and agreed by the IPSASB (see above);
- Paragraph 2.1.72 is to be amended to include reference to payments of interest in the opening sentence;
- Paragraph BC5 is to be amended (editorial); and
- Paragraphs BC14 and BC15 are to be clarified.

Members also agreed that:

- An illustration of the disclosure of a project specific entity is not to be included. In addition, illustrative examples of the following are not to be added to the ED: a government entity which controls its own bank account and a government department which operates under a single account system such that a central entity administers cash receipts and payments on its behalf; and

- The ED is not to deal with the equal authority of black and grey letter text or with other amendments that might flow as a consequence of the IPSAS Improvements project. Rather these matters would be considered as part of the review of the Cash Basis IPSAS anticipated to occur in 2007.

The IPSASB noted that the use of the terms “material”, “significant” and “major” throughout the draft was not always consistent and agreed that terminology should be standardized such that material was applied for information presented in the financial statements and significant used in other circumstances.

All members present (17, with one absentee) voted in favor of issuing the ED subject to processing of final amendment and review by the Chair.

12. PUBLIC PRIVATE PARTNERSHIPS (PPPs) - SERVICE CONCESSION ARRANGEMENTS

During the course of the discussion of this topic:

- The representative of the USA-GASB noted that, subject to the agreement of the GASB Chair and Board, GASB may be prepared to provide staff to take the lead in the drafting of papers for review by the subcommittee;
- All participants noted an interest in the project. In addition, standard setters and other organizations from the following countries noted it was likely they could provide staff resources to support and actively participate in the project, though they would not be able to provide staff to lead the project: France, South Africa, Australia, Spain, Netherlands and UK; and
- It was agreed that a project brief would be developed by IPSASB staff and the current IPSASB subcommittee and circulated to all interested participants. It was also agreed that the IPSASB Chair and staff would follow up with participants to confirm their interest in participation in the project as a member of the subcommittee or project advisory panel, and whether they could commit staff resources to the project.

13. PUBLIC SECTOR CONCEPTUAL FRAMEWORK

During the course of the meeting it was noted that:

- It may be appropriate that the size of the subcommittee be increased to 10 or more to respond to the significant interest in participation expressed by national standards setters and other organizations;
- The 4 national standards setters monitoring the IASB-FASB joint project would extend the contract of their consultant Kevin Simpkins by one day per month if possible and make that available to the IPSASB;
- The New Zealand Government would contribute NZ\$50,000 (USA\$30,000) in 2006/2007 to support the project (with a commitment to review for future years);
- IPSASB staff should act as project leader to co-ordinate the work of staff of individual national standards setters and other organizations working on specific tasks on the project;

- The Ministry of Finance of the People’s Republic of China would allocate the equivalent of one staff member to the project;
- Subsequent to the meeting, the Chair would write to all participants at the meeting to confirm their interest in participation in the collaborative project, and the nature of that participation;
- The timing for completion of the project was very tight and may well extend beyond initial expectations/projections – but the project brief should not push out anticipated completion date too far beyond that specified in the draft project brief;
- There was a good case for preparing discussion/consultation documents on all phases as the first step, rather than moving to an exposure draft on specific topics as the first phase. It was also noted that after considering responses to the discussion/ consultative documents, an exposure draft of the full framework could usefully be issued; and
- As the project developed, it would be appropriate to explore/note the relationship to concepts in statistical bases of accounting.

14 BUDGET REPORTING

The IPSASB agreed that the draft accrual IPSAS and proposed amendments to the cash basis IPSAS should:

- Include additional explanation in the Introduction and Objective paragraph to make it clear that the objective was to compare actual with the budget that had been approved by the legislature or similar body and had been made publicly available – whether pursuant to requirements imposed on the entity or because the entity had elected to do so;
- Include reference to the two aspects of accountability, accountability for performance and accountability for compliance;
- Amend paragraph 12 to remove the reference to relief from providing comparative information for the previous period. Rather, a new paragraph is to be introduced towards the end of the IPSAS providing such relief for all the requirements required by the IPSAS;
- Amend paragraph 12(c) to remove the phrase “before, at the same time as, or” so that explanation is to be included in the financial statements or reports issued “in conjunction with the financial statements”;
- The heading before paragraph 11 is either to be deleted or changed to “Initial Approved Budget”;
- Amend paragraph IN2, to note that “In addition, some individual entities may be required to make publicly available.....”;
- Amend paragraph IN6(b) for consequences arising from Board directions on location of explanation of variances;
- Amend IN6(c) to note that a reconciliation is not required where budget and actual are on the same basis;
- Amend paragraph 29 to require that the explanation of differences may be made in reports issued before or in conjunction with the financial statements, or in the financial statements, and if such explanations are not in the financial statement, a reference to the relevant report must be made. Members noted they would revisit

this decision in conjunction with their review of decisions made on paragraph 12 regarding inclusion of material in reports issued in conjunction with (but not before) the financial statements. Members also noted they would revisit paragraphs 12 and 29 to determine if differences regarding the location of disclosures were appropriate when dealing with “amounts of difference” and “explanations of differences”; and

- Clarify that in some jurisdictions “actual” as used in the IPSAS may be referred to as budget out-turn or budget execution in budget reports.

Members did not complete their review of the draft IPSAS at this meeting. It was agreed that the review will continue at the next meeting.

Members also noted the issues raised in discussion with Consultative Group members may be discussed further including:

- (a) implication and interpretation issues in respect of the classification of requirements relating to multi year budgets. Members noted they would consider whether clarification of aspects of this is necessary;
- (b) the need for the IPSASB to include within its suite of IPSASs an IPSAS on operative review or management discussion and analysis, which could then be used to illustrate explanations of variance from budget and changes from original to final budgets; and
- (c) that presentation/location of actual to budget comparisons as a distinct component within the notes could overcome concerns about mixed messages arising from different basis of accounting in the financial statements. In this context, members noted that they would consider whether guidance should be included to clarify that the “Statement of budget vs actual” may differ from the rest of the statements when the budget is not on a comparable basis.

15. GENERAL IMPROVEMENTS PROJECT

The IPSASB agreed that Staff should make the following changes and/or consider the following matters;

- In relation to the “Preface to International Public Sector Accounting Standards”:
 - In paragraph 1, check the document types to ensure that they correspond to IFAC’s list of standard document types;
 - In paragraph 7, the composition of the IPSASB should be updated;
 - In paragraph 8, the number of members required for a quorum should be checked; and
 - In paragraph 14, “progressively: should be changed to “prospectively”;
- In relation to IPSAS 1, “Presentation of Financial Statements”:
 - The address of the IASB should be updated (applies to all IPSASs);
 - The term “dividends” should be replaced with “dividends, or similar distributions,” throughout the IPSAS;
 - In paragraph BC 7, the first sentence should note that revenue in IPSASs may encompass some of the things that the IFRS would describe as income, and the last sentence should be deleted;

- Paragraph BC 10 should not refer to minority views of the IPSASB, but rather note the existence of differing views. This paragraph should also explain the IPSASB's reasons for not prohibiting the disclosure of extraordinary items. Paragraph BC10 is to be circulated to members for verification; and
- The second dot point in the Comparison with IAS 1 should be checked for accuracy.

16. DISCLOSURE OF FINANCIAL INFORMATION ABOUT THE GENERAL GOVERNMENT SECTOR

The IPSASB agreed that Staff should make the following changes and/or consider the following matters;

- Paragraph IN4 should say “consolidates” rather than includes and should use the explanation of the term from the statistical manuals for the general government sector, that the general government sector “consists of all entities that are controlled by the government and are engaged in non-market activities”. This paragraph should also note that the IPSAS proposes a disaggregation of consolidation rather than “recasts” the financial statements;
- Paragraph 5 should refer to the “United Nations and other international organizations”;
- Paragraph 6 is to be restructured and rephrased to refer to consolidating controlled entities (not including) and should be redrafted accordingly. Members and technical advisors from Australia, the Netherlands and the United Kingdom agreed to review the wording of this paragraph, in addition to the Chair's review;
- Paragraph 22 should provide examples of the differences between the statistical reports and the consolidated government financial statements, for example a non-resident government business enterprise will be included in the consolidated financial statements, but will not be part of the public sector in the statistical statements. Other examples may also be included;
- The proposed first sentence of paragraph 37, should be the first sentence of paragraph 38, and the deleted sentence should be reinstated;
- All cross-references should be checked;
- In Appendix A, the description of the general government sector should be the same as that in IN4, as amended at this meeting;
- Appendix B “Qualitative Characteristics of General Purpose Financial Reporting” should be deleted;
- In the Implementation Guidance, the second last sentence of the first paragraph should read “... PFCs and PNFCs are not consolidated in the GGS disclosures, but are reflected as investments and at the carrying amount of the net assets of the investees.”;
- The proposed alternate Statement of Financial Performance is to be included; and
- The second sentence of BC4 should read “The statistical community encouraged the IPSASB to develop an IPSAS covering the presentation of GGS information...”; and
- “Central” should be deleted from paragraph BC7