

**Approved Minutes of the Meeting of the  
INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD  
Held on December 6-9, 2022 in Toronto, Canada<sup>1</sup>**

**A. Administrative Items**

**Attendance**

	<b>Voting Members</b>	<b>Technical Advisors</b>
Present:	Ian Carruthers (Chair) Lindy Bodewig (Deputy Chair) Abdullah Al-Menthil Todd Beardsworth Claudia Beier Luzvi Chatto Maik Esser-Müllenbach Neema Kiure-Mssusa Mari Kobayashi Hervé-Adrien Metzger Chris Nyong Lynn Pamment Renée Pichard Ajith Ratnayake Kamira Sanchez Nicosia Scott Showalter Patrícia Siqueira Varela Liang Yang	Iheanyi Anyahara (Mr. Nyong) Sayja Barton (Ms. Pichard) Henning Diederichs (Ms. Pamment) Takeo Fukiya (Ms. Kobayashi) Baudouin Griton (Mr. Metzger) Anthony Heffernan (Mr. Beardsworth) Jie Zhao (Ms. Yang) Williard Kalulu (Ms. Kiure-Mssusa) Timm Klare (Mr. Esser-Müllenbach) Fabrizio Mocavini (Ms. Sanchez Nicosia) (December 6-8) Ayres Moura (Ms. Varela) Andrew van der Burgh (Ms. Bodewig) David Watkins (Mr. Carruthers) Marc Wermuth (Ms. Beier) <b>Technical Advisors Apologies:</b> Giuseppe Grossi (Mr. Ratnayake)

<sup>1</sup> For those interested in additional details on this meeting, please see the IPSASB webpage. All IPSASB agenda papers, presentations and recordings of this meeting are available here: <https://www.ipsasb.org/meetings/ipsasb-meeting-38>

	<b>Non-Voting Observers</b>
Present:	<p>Jerry Gutu (United Nations)</p> <p>Thomas Müller-Marqués Berger (CAG Chair) (December 6-8)</p> <p>Lars Ruberg (European Commission)</p> <p>John Verrinder (Eurostat) (December 6 and 9)</p>
Apologies:	<p>Adnan Chughtai (United Nations)</p> <p>David Bailey (IMF)</p> <p>Azeb Gebremedhin Tesemma (African Union)</p> <p>Srinivas Gurazada (World Bank Group)</p> <p>Guohua Huang (IMF)</p> <p>Chai Kim (ADB)</p>
	<b>IPSASB/IFAC Staff</b>
Present:	<p>Tashriq Allie, IPSASB</p> <p>Celine Chan, IPSASB</p> <p>João Fonseca, IPSASB</p> <p>James Gunn, Professional Standards (December 7-8)</p> <p>Agustina Llambi, IPSASB</p> <p>Edwin Ng, IPSASB</p> <p>Ross Smith, IPSASB</p> <p>John Stanford, IPSASB</p> <p>Dave Warren, IPSASB</p> <p>Eileen Zhou, IPSASB</p>

- A.1 The Chair welcomed members, technical advisors, and observers to the December 2022 meeting. He also welcomed everyone back to Toronto, Canada for the first time since June 2019.
- A.2 The Chair thanked those members, technical advisors and staff attending in person for their efforts in doing so. The Chair noted that the March 2023 meeting is also planned as a hybrid meeting in Washington D.C. and expressed the hope that as many members and technical advisors as possible might be able to join in person, including for the joint outreach event being planned with the International Monetary Fund (IMF) on Monday March 13, 2023.

## **1. Minutes and Communications Activities (Agenda Item 1)**

- 1.1. IPSASB Member, Luzvi Chatto proposed an update to the September 2022 minutes, noting section 1 was missing the reference to the July 2022 minutes, which were reviewed and approved at the September meeting. Members approved the minutes of the September 2022 meeting and October 2022 virtual check-in meeting, subject to noting the approval of the July 2022 Minutes at the September meeting.
- 1.2. Thomas Müller-Marqués Berger, IPSASB CAG Chair, provided members with a summary of the CAG discussions held on December 5, 2022. The CAG Chair highlighted key aspects of Saudi Arabia's journey from cash to accrual basis accounting, and summarized the advice provided by CAG members on key topics including sustainability reporting, the IPSASB's next strategy and work program, and reflections on the value the CAG provides to the IPSASB.

## **2. Program and Technical Director's Report (Agenda Item 2)**

- 2.1. Ross Smith, IPSASB Program and Technical Director, discussed the key items identified in Agenda Item 2. The IPSASB noted the projects available for approval in December 2022 and approved the proposed work program updates to reflect the impacts of pronouncement approvals being phased across the December 2022 and March 2023 meetings.
- 2.2. The IPSASB agreed to add a second phase of the measurement project to commence after the planned approval of IPSAS [X], *Measurement*, in March 2023. This second phase would focus on the potential application of the new Current Operational Value (COV) measurement basis across the existing suite of IPSAS.

## **3. Conceptual Framework – Limited Scope Update – Measurement (Agenda Item 3)**

- 3.1. Staff presented Agenda Item 3. The IPSASB considered a final draft of *Conceptual Framework Update; Chapter 7, Measurement of Assets and Liabilities in Financial Statements*, and reviewed the final revisions on the relationship between transaction price, transaction costs and historical cost.

### **Decisions**

- 3.2. After reviewing an updated draft reflecting the IPSASB's instructions and drafting comments received during the meeting (actioned where appropriate), the IPSASB decided that:
  - a) All significant issues raised by respondents had been discussed;

- b) Updated Chapter 7 was approved by a vote;
  - One member voted against the approval of *Conceptual Framework Update; Chapter 7, Measurement of Assets and Liabilities in Financial Statements*. The member stated his basis for voting against was based on views shared at the March 2022 meeting.<sup>2</sup>
- c) In line with the approach for the 2014 Conceptual Framework there should be no effective date as it would be effective immediately on publication; and
- d) There had been no substantial change to the exposed document so a vote on re-exposure was unnecessary.

#### **Instructions**

- 3.3. All IPSASB's instructions during the meeting were actioned in the updated version presented for approval.

#### **4. Property, Plant, and Equipment (Agenda Item 4)**

- 4.1. Staff presented Agenda Item 4 addressing the remaining issues on IPSAS [X], *Property, Plant, and Equipment* to be considered before its approval.

#### **Decisions**

- 4.2. After reviewing an updated draft reflecting the IPSASB's instructions and drafting comments received during the meeting (actioned where appropriate), the IPSASB decided that:
  - a) A cross-reference to IPSAS [X], *Measurement* when measuring deemed cost of an item of property, plant, and equipment should be added;
  - b) All significant issues raised by respondents had been discussed;
  - c) IPSAS [X], *Property, Plant, and Equipment* was approved by a vote;
    - One member voted against the approval of IPSAS [X], *Property, Plant, and Equipment*. The Member did so because she agrees with the views of those constituents that supported the option of measuring a class of assets either at COV or fair value (FV) in ED 78, *Property, Plant and Equipment* (SMC 2). The Member's view is that whether an item of property, plant, and equipment (PP&E) is held for its operational or financial capacity alone should not drive the selection of current measurement bases, and that the characteristics of the assets and the availability of relevant data should also be considered. Additionally, the member believes items of PP&E measured at COV and FV should be presented in separate classes of PP&E to enhance the understandability of information and avoid practical issues requiring the revaluation of the entire class of PP&E.<sup>3</sup>
  - d) IPSAS [X], *Property, Plant, and Equipment*, should have an effective date consistent with IPSAS [X], *Measurement*, which is planned for approval in March 2023; and
  - e) There had been no substantial change to the exposed document so a vote on re-exposure was unnecessary.

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<sup>2</sup> The member with the dissenting view provided a written summary to the IPSASB staff.

<sup>3</sup> The member with the dissenting view provided a written summary to the IPSASB staff.

### **Instructions**

- 4.3. All IPSASB's instructions during the meeting were actioned in the updated version presented for approval.

## **5. Measurement (Agenda Item 5)**

- 5.1. Staff introduced Agenda Item 5, and presented each section of the draft IPSAS, *Measurement*, for the IPSASB's consideration. Members provided comments and instructed staff to reflect final editorial changes in advance of the expected approval in March 2023.

### **Decisions**

- 5.2. The IPSASB decided that:
- a) COV should be permitted when determining the deemed cost of an item of property, plant, and equipment; and
  - b) The potential application of COV across the existing suite of IPSAS should be added to the work program as a separate phase, with work to begin after the expected approval of IPSAS, *Measurement*, in March 2023.

### **Instructions**

- 5.3. The IPSASB instructed staff to:
- a) Work with the drafting group to develop the revised deemed cost definition and guidance, and to appropriately articulate the IPSASB's views in the basis for conclusions; and
  - b) Reflect editorial changes in the final draft of IPSAS [X], *Measurement*, for consideration at the February 2023 check-in meeting, in advance of the planned March 2023 approval.

## **6. Other Lease-Type Arrangements (Agenda Item 6)**

- 6.1. Staff presented Agenda Item 6 with the remaining issues to be considered on draft Exposure Draft (ED) 84 before its approval and a draft Feedback Statement for IPSASB's review.

### **Decisions**

- 6.2. The IPSASB decided that:

#### **Agenda Item 6.2.1**

- (a) The title of ED 84 should be: *Concessionary Leases and Right-of-Use Assets In-kind* (Amendments to IPSAS 43 and IPSAS 23);
- (b) The marked-up amendments to the Basis for Conclusions and editorials to ED 84 should be accepted;
- (c) ED 84 should have the four Specific Matters for Comment proposed, subject to minor editorial amendments;

#### **Agenda Item 6.2.2**

- (d) The Feedback Statement should be published subject to the editorials identified by the IPSASB;

### **Agenda Item 6.2.3**

- (e) After reviewing an updated draft reflecting the IPSASB's instructions and drafting comments received during the meeting (actioned where appropriate), ED 84, *Concessionary Leases and Right-of-Use Assets In-kind* (Amendments to IPSAS 43 and IPSAS 23) was approved by a vote; and
- (f) ED 84 should have a four-month comment period.

#### **Instructions**

- 6.3. All IPSASB's instructions during the meeting were actioned in the updated version presented for approval.

## **7. Sustainability Reporting (Agenda Item 7)**

- 7.1. Staff presented Agenda Item 7, summarizing the detailed responses submitted by respondents to the Consultation Paper (CP), *Advancing Public Sector Sustainability Reporting*. Overall, the IPSASB had received positive feedback from constituents supporting all the proposed preliminary views including the need for and the IPSASB's leadership role in developing public sector specific sustainability reporting guidance. Constituents also identified key issues for the IPSASB to consider in developing such guidance.

#### **Decisions**

- 7.2. There were no decisions.

#### **Instructions**

- 7.3. There were no instructions.

## **8. Sustainability Reporting (Agenda Item 8)**

- 8.1. The IPSASB held a private session to discuss its sustainability reporting strategy. The IPSASB discussed the implications of the positive feedback received and key issues identified by constituents in response to the CP, *Advancing Public Sector Sustainability Reporting*.
- 8.2. The IPSASB reviewed the resources currently available and additional resources needed to begin guidance development, the priority areas for guidance, and how this might be approached.

#### **Decisions**

- 8.3. The IPSASB decided that pending securing the resources needed to begin guidance development:
  - (a) Scoping and research work should commence on the following potential public sector specific sustainability reporting projects:
    - i. General Requirements for Disclosure of Sustainability-related Financial Information,
    - ii. Climate-Related Disclosures, and
    - iii. Natural Resources – Non-Financial Disclosures (in parallel with the development of financial reporting guidance proposed in the Consultation Paper, *Natural Resources*); and

- (b) A Sustainability Task Force should be established to oversee this first phase of research and scoping, as well as the program of work required to prepare the IPSASB and staff to begin guidance development; and
- (c) A press release and social media should be used to publicize the decisions under (a) and (b).

#### **Instructions**

- 8.4. There were no instructions.

### **9. Transfer Expenses and Revenue (Agenda Item 9)**

- 9.1. Staff presented Agenda Item 9, which included the timeline for completing the revenue and transfer expenses projects, a review of the completeness of resolution of issues raised by respondents to ED 70 and 71, a listing of proposed illustrative examples for both revenue and transfer expenses, and a proposed approach to the completion of amendments to other IPSAS for both projects. The IPSASB also performed a detailed page-by-page review of the core text, application guidance, basis for conclusions, and implementation guidance in the draft IPSAS for both revenue and transfer expenses.

#### **Decisions**

- 9.2. The IPSASB decided that:
- (a) Subject to the upcoming work on illustrative examples, all issues raised in response to ED 70 and 71, and advice provided by CAG members, had been considered and addressed by the IPSASB;
  - (b) Subject to instructions regarding capital transfers, the lists of proposed illustrative examples for the draft Revenue and Transfer Expenses IPSAS are appropriate;
  - (c) The proposed approach to developing the revised Amendments to Other IPSAS for both the draft Revenue and Transfer Expenses IPSAS was appropriate; and
  - (d) Subject to proposed drafting changes, the core text, application guidance, basis for conclusions, and implementation guidance sections in both the draft Revenue and Transfer Expenses IPSAS were appropriate for inclusion in the final IPSAS.

#### **Instructions**

- 9.3. The IPSASB instructed staff to:
- (a) Explain the objective and approach for illustrative examples in the basis for conclusions; and
  - (b) Work with specific IPSASB members to address editorial comments from the detailed review (i.e., page-by-page) of the core text, application guidance, basis for conclusions, and implementation guidance sections, and revise guidance to incorporate the discussions concerning capital transfers.

## 10. Conceptual Framework–Limited Scope Update–Next Stage (Agenda Item 10)

- 10.1. Staff presented Agenda Item 10, which provided a summary and analysis of the responses to the specific matters for comment in ED 81 on the definition of, and guidance on, a liability and the proposed rights-based approach to an asset.

### Decisions

- 10.2. The IPSASB decided that:
- (a) The definition of a liability proposed in ED 81, *Conceptual Framework Update: Chapter 3, Qualitative Characteristics and Chapter 5, Elements in Financial Statements*, should be adopted in the updated Chapter 5;
  - (b) The guidance proposed in ED 81 on a 'Transfer of Resources' in the context of a liability should be included in the updated Chapter 5;
  - (c) The expanded and restructured guidance proposed in ED 81 on a liability, which aligns with the components of the revised definition approved under (a), should be included in the updated Chapter 5; and
  - (d) The rights approach to resources in the context of an asset proposed in ED 81 should be adopted in Chapter 5 subject to consideration of whether an asset of the reporting entity arises from employee services and services in-kind.

### Instructions

- 10.3. The IPSASB instructed staff to:
- (a) Carry out further analysis of whether, and, if so when, an asset of the reporting entity arises from employee services and services in-kind.

## 11. Presentation of Financial Statements (Agenda Item 11)

- 11.1. Staff presented Agenda Item 11, which summarized feedback received from respondents to the 2021 Mid-Period Strategy and Work Program Consultation, participants at the 2022 Public Sector Standard Setters Forum, and initial research performed by IPSASB staff related to presentation of financial statements project.

### Decisions

- 11.2. There were no decisions.

### Instructions

- 11.3. The IPSASB instructed staff to:
- (a) Update the analysis and scenarios proposed to reflect discussions held in the December 2022 meeting; and
  - (b) Make [A Guide to Data Storytelling in the Public Sector](#) available for IPSASB consideration at the next IPSASB discussion.



## **12. Closing Remarks and Conclusion of the Meeting**

- 12.1. The Chair highlighted that it had been a highly successful meeting, and emphasized the strong progress achieved at the fourth in-person meeting in 2022 as a result of input both during the meeting and in the collaboration time around the meeting.
- 12.2. The Chair thanked members, technical advisors, observers, and staff for their contributions throughout 2022. He noted that the IPSASB's next meeting would be in Washington, D.C. in March 2023, preceded by a day-long seminar to be co-hosted with the IMF.

**Appendix 1: Vote – Conceptual Framework Update; Chapter 7, Measurement of Assets and Liabilities in Financial Statements**



Agenda Item 3	Minutes Item 3	Date Vote Taken	December 9, 2022
Description	<i>Conceptual Framework</i>	<i>Conceptual Framework – Limited Scope Update – Measurement</i>	Approved at meeting

Final Standard □	ED □	CP □	Other ■	ABSENT	TOTAL
IPSASB MEMBER	FOR	AGAINST	ABSTAIN		
Ian Carruthers, Chair	√				
Lindy Bodewig, Deputy Chair	√				
Abdullah Al-Mehthil	√				
Todd Beardsworth	√				
Claudia Beier	√				
Luzvi Chatto	√				
Maik Esser-Müllenbach	√				
Neema Kiure-Mssusa	√				
Mari Kobayashi	√				
Hervé-Adrien Metzger	√				
Chris Nyong	√				
Lynn Pamment	√				
Renée Pichard	√				
Ajith Ratnayake		√			
Kamira Sanchez Nicosia	√				
Scott Showalter	√				
Patrícia Siqueira Varela	√				
Liang Yang	√				
<b>TOTAL</b>	<b>17</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>18</b>

## Appendix 2: Vote – IPSAS [X], Property, Plant, and Equipment

Agenda Item 4	Minutes Item 4	Date Vote Taken			December 9, 2022
Description	IPSAS [X]	Property, Plant, and Equipment			Approved at meeting
Final Standard ■	ED □	CP □	Other □	ABSENT	TOTAL
IPSASB MEMBER	FOR	AGAINST	ABSTAIN		
Ian Carruthers, Chair	√				
Lindy Bodewig, Deputy Chair	√				
Abdullah Al-Mehthil	√				
Todd Beardsworth	√				
Claudia Beier	√				
Luzvi Chatto	√				
Maik Esser-Müllenbach	√				
Neema Kiure-Mssusa	√				
Mari Kobayashi	√				
Hervé-Adrien Metzger	√				
Chris Nyong	√				
Lynn Pamment	√				
Renée Pichard	√				
Ajith Ratnayake			√		
Kamira Sanchez Nicosia		√			
Scott Showalter	√				
Patrícia Siqueira Varela	√				
Liang Yang	√				
<b>TOTAL</b>	<b>16</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>18</b>

**Appendix 3: Vote – Exposure Draft 84, Concessionary Leases and Right-of-Use Assets In-kind (Amendments to IPSAS 43 and IPSAS 23)**



Agenda Item 6	Minutes Item 6	Date Vote Taken	December 9, 2022
Description	ED 84	Concessionary Leases and Right-of-Use Assets In-kind (Amendments to IPSAS 43 and IPSAS23)	Approved at meeting

Final Standard <input type="checkbox"/>	ED <input checked="" type="checkbox"/>	CP <input type="checkbox"/>	Other <input type="checkbox"/>	ABSENT	TOTAL
IPSASB MEMBER	FOR	AGAINST	ABSTAIN		
Ian Carruthers, Chair	√				
Lindy Bodewig, Deputy Chair	√				
Abdullah Al-Mehthil	√				
Todd Beardsworth			√		
Claudia Beier	√				
Luzvi Chatto	√				
Maik Esser-Müllenbach	√				
Neema Kiure-Mssusa	√				
Mari Kobayashi	√				
Hervé-Adrien Metzger	√				
Chris Nyong	√				
Lynn Pamment	√				
Renée Pichard	√				
Ajith Ratnayake	√				
Kamira Sanchez Nicosia	√				
Scott Showalter	√				
Patrícia Siqueira Varela	√				
Liang Yang	√				
<b>TOTAL</b>	<b>17</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>18</b>