PRESENTATION OF FINANCIAL STATEMENTS

João Fonseca, Principal

IPSASB Meeting – June 2023
Agenda Item 13.2.1 (Pages 5-6)

Project Brief: Objective

Staff recommendation:

IPSASB Conceptual Framework

IFRS Alignment

GFS Alignment

Users’ Needs

- Issues Paper: “Enhance how information is communicated in the financial statements.”
- Suggestion after posting: "Enhance communication of information in the financial statements."

Does the IPSASB agree with Staff recommendation?
Staff recommendation:

• Scope In (IPSAS 1):
  – Statement of Financial Position
  – Statement of Financial Performance
  – Statement of Changes in Net Assets/Equity
  – Notes

• Scope Out:
  – IPSAS 2, *Cash Flow Statements*
  – IPSAS 22, *Disclosure of Financial Information about the General Government Sector*
  – IPSAS 24, *Presentation of Budget Information in Financial Statements*
  – Information that enhances, complements, and supplements financial statements

Does the IPSASB agree with Staff recommendation?
Agenda Item 13.2.2 (Pages 7-9)

Project Brief: Scope and Final Output

Staff recommendation:

• Final Output:
  – New IPSAS on Presentation of Financial Statement to supersede IPSAS 1

Degree of Alignment of IPSAS 1 with IAS 1

- IPSAS 1 based on an earlier version of IAS 1
- GFS alignment not considered in the development of IPSAS 1
- IPSASB Conceptual Framework approved after IPSAS 1

Does the IPSASB agree with Staff recommendation?
Agenda Item 13.2.3 (Pages 10-15)
Project Brief: Key Issues and Consultation Paper Stage

Staff recommendation:

• Key Issues:
  – IPSASB Conceptual Framework
  – Sectioned Statement of Financial Performance
  – Other Comprehensive Income
  – GFSM 2014

Does the IPSASB agree with Staff recommendation?
Agenda Item 13.2.3 (Pages 10-15)

Project Brief: Key Issues and Consultation Paper Stage

Staff recommendation:

• Consultation Paper Stage:

Consultation Paper

- Topic-based
- Illustrative ED

CP with options of FS
- Views each option as a silo

Solo ED
- Does not allow maturing of IPSASB’s thinking on PFS

Does the IPSASB agree with Staff recommendation?
**Consultation Paper, Presentation of Financial Statements**

*What financial statements?*
- Statement of Financial Position
- Statement of Financial Performance
- Statement of Net Assets/Equity
- Notes

*How to present financial statements?*
- Fair Presentation and Compliance with IPSAS
- Going Concern
- Materiality and aggregation
- Offsetting
- Comparative information

*Where to present information in the financial statements?*
- Assets
- Liabilities,
- Net Assets/Equity (Net Financial Position)
- Revenue
- Expense
- Surplus or Deficit for the Period
- Ownership Contributions and Ownership Distributions

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**Illustrative ED, Presentation of Financial Statements**

*What*—Identification of financial statements

*How*—Principles to present financial statements

*Why*—Basis for conclusions
Agenda Item 13.2.3 (Pages 10-15)
Project Brief: Key Issues and Consultation Paper Stage

Consultation Paper, *Presentation of Financial Statements* (including illustrative ED)

ED, *Presentation of Financial Statements* (including amendments to other IPSAS)

IPSAS [XX], *Presentation of Financial Statements*

**ED, Presentation of Financial Statements**
Incorporating changes to Illustrative ED, *Presentation of Financial Statements*, to address, as appropriate, matters raised as a result of the CP phase of the project

**Amendments to other IPSAS:**
- Revision of presentation requirements
- Revision to terminology

**Transition**
*How entities should transition to requirements proposed in ED, Presentation of Financial Statements*
Agenda Item 13.2.3 (Pages 10-15)

Project Brief: Key Issues and Consultation Paper Stage

Consultation Paper, Presentation of Financial Statements (including illustrative ED)

ED, Presentation of Financial Statements (including amendments to other IPSAS)

IPSAS [XX], Presentation of Financial Statements

IPSAS [XX], Presentation of Financial Statements

Issued as final Standard

Amendments to other IPSAS
Consequential amendments to other IPSAS approved. Other IPSAS are amended accordingly.