

**Approved Minutes of the Meeting of the
INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD**

Held on December 6-9, 2016 in Stellenbosch, South Africa

1. Attendance, Opening Remarks, and Approval of Minutes

1.1 Attendance

	Voting Members	Technical Advisors
Present:	Ian Carruthers (Chair) Jeanine Poggiolini (Deputy Chair) Stuart Barr Mike Blake Michel Camoin Robert Dacey Sebastian Heintges Kenji Izawa Aracelly Méndez Rod Monette Leonardo Nascimento (Wednesday-Friday) Angela Ryan Bernhard Schatz Adriana Tiron Tudor Marc Wermuth Juan Zhang (Tuesday-Thursday) Abdullah Yusuf	Lindy Bodewig (Ms. Poggiolini) Claudia Beier (Mr. Wermuth) Takeo Fukiya (Mr. Izawa) Baudouin Griton (Mr. Camoin) Anthony Heffernan (Ms. Ryan) Evelyn Ling (Mr. Blake) Leona Melamed (Mr. Monette) Ayres Moura (Mr. Nascimento) Renée Pichard (Mr. Barr) Riaz Rehman (Mr. Yusuf) Gillian Waldbauer (Mr. Heintges) David Watkins (Mr. Carruthers) Haifeng Yang (Ms. Zhang) (Tuesday-Thursday)
Apologies:		Fabrizio Mocavini (Ms. Tiron Tudor) Jakob Prammer (Mr. Schatz) Juan Moreno Real (Ms. Méndez)

Non-Voting Observers

Present: Rosa Aldea Busquets (European Commission)
Dinara Alieva (UNDP)
Sagé de Clerck¹ (IMF)
Jerry Gutu² (UN)
Chai Kim (ADB)
Martin Koehler (European Commission)
Jani Laakso (World Bank)
Thomas Müller-Marqués Berger (CAG Chair)
Takatsugu Ochi (IASB)
John Verrinder (Eurostat)

Apologies: Guohua Huang (IMF)
Delphine Moretti (OECD)
Chandramouli Ramanathan (UN)
Darshak Shah (UNDP)

IPSASB Staff

Present: João Fonseca, IPSASB
James Gunn, Managing Director, Professional Standards (Tuesday)
Gwenda Jensen, IPSASB
Paul Mason, IPSASB
Ross Smith, IPSASB
Joanna Spencer, IPSASB
John Stanford, IPSASB

¹ Johann Seiwald attended the meeting with Sagé de Clerck

² Jerry Gutu attended the meeting in place of Chandramouli Ramanathan

The Executive Mayor of Stellenbosch, Gesie van Deventer, welcomed the IPSASB to Stellenbosch.

The Chair then welcomed members, TAs and observers to the fourth meeting of the year. He also welcomed the Chair of the Consultative Advisory Group (CAG), Thomas Müller-Marqués Berger and noted the successful meeting of the CAG on December 5. He acknowledged:

- Takatsugu Ochi, the new IASB observer;
- Jo Spencer, the new IPSASB staff member;
- Evelyn Ling, the new Australian Technical Adviser;
- Francesco Capalbo, the incoming member from Italy;
- Trix Coetzer, the Chair of the South African Accounting Standards Board;
- Erna Swart, the Chief Executive of the South African Accounting Standards Board and former IPSASB member and Deputy Chair; and
- Andreas Bergmann, the former IPSASB Chair.

He also acknowledged the members of the Consultative Advisory Group (CAG) who were in the public gallery following the CAG meeting and a full observer gallery.

The Chair noted that Lindy Bodewig (South Africa), Francesco Capalbo (Italy) and Chris Nyong (Nigeria) had been appointed to the IPSASB for a first three-year term from 2017 to 2019. Aracelly Mendez (Panama), Stuart Barr (Canada) and Leonardo Nascimento (Brazil) had been appointed to the IPSASB for a second three-year term (2017 to 2019).

The minutes of the meeting from September 22-25 were approved.

The report on outreach activities was noted and the Chair thanked the Board for their commitment to outreach activities. He indicated that linkage with national standard setters would be very important in 2017.

John Verrinder, the Eurostat Observer, provided an update on the project to develop European Public Sector Accounting Standards (EPSAS). The focus of the project is on enhancing transparency while development of EPSAS goes ahead, then looking to ensure comparability in the medium to longer term.

There had been three meetings of “cells” (expert working groups) on First Time Implementation (FTI), EPSAS Governance and EPSAS Standards. The cell on FTI has focused work on the EPSAS glossary of terms in use, the definition of the reporting entity and consistency between FTI guidance and IPSAS 33, *First Time Adoption of Accrual Basis IPSAS*. The EPSAS Governance cell is developing principles for governance structures. The cell on EPSAS Standards is comparing approaches and definitions of principles and qualitative characteristics in cell members’ jurisdictions, IPSASB literature and the European Commission with a view to developing an EPSAS structure of principles. The outline broadly covers the IPSASB QCs and the constraints on information included in general purpose financial reports, as well as the considerations from IPSAS 1, *Presentation of Financial Information*.

The third meeting of the EPSAS Working Group took place on November 22-23 in Rome and was hosted by the Italian Ministry of Economy and Finance. It was preceded by an international conference on accruals on the previous day. The main discussion at the Working Group was focused on:

- The reports from the three cells;
- Three issues papers commissioned from EY;
- An update on stakeholders’ activities; and
- The next steps for EPSAS work.

Eurostat has commissioned 10 EPSAS issues papers on specific public sector accounting topics. The aim of the papers has not been to establish a common position, but to initiate and structure discussion. The five issues papers which have now been presented at Working Group meetings in 2016 are all publicly available on the Communication and Information Resource Centre for Administrations, Businesses and Citizens (CIRCABC) website – IPSASB staff has provided information on how to access them:

- Relief for smaller and less risky entities;
- Approach for narrowing down of options;
- Accounting for taxes;
- Accounting for employee benefits (pensions); and
- Accounting for social benefits.

The remaining issues papers to be finalized shortly are:

- Accounting for heritage items;
- Segment reporting;
- Accounting for infrastructure assets;
- Accounting for military assets; and
- Accounting for social contributions.

In 2017 work will focus on:

- Further financial support for the modernization of public accounting systems on an accruals basis in the Member States; and
- Continuing the development of the elements of the EPSAS framework and preparations for future EPSAS standards, including finalizing the work of the three Cells referred to earlier.

A further contract has been issued for the preparation of 10 additional Issues papers on key accounting topics as well as further analysis of some important “impact considerations”, including:

- Lessons learnt from experiences of accruals implementation;
- Capacity issues in the Member States;
- How EPSAS could support financial audit and control in the Member States and in the European Union context;
- The measurement and monitoring of the transparency of public sector financial reporting in the Member States; and
- Widening communication with stakeholders, including the Economic and Finance Committee and the European Parliament; and through Eurostat hosting the June 2017 meeting of the IPSASB in Luxembourg.

The next meeting of the EPSAS Working Group is likely to be held in April or May 2017. Portugal, which is currently modernizing its government accounting, has offered to host the meeting.

The Chair thanked John Verrinder for the very informative and full update.

Takatsugu Ochi provided an update on IASB developments. The IASB is looking for a period of calm once two major projects have been completed – the Insurance IFRS and Conceptual Framework. The Insurance IFRS is scheduled to be published by the end of June 2017 and discussions on the Conceptual Framework should be finalized early in 2017. More detailed work on the distinction between liabilities and equity will continue as part of the Financial Instruments with Characteristics of Equity Project.

A key theme for the IASB going forward is 'Better Communication and the Improvement of Financial Statements'. Takatsugu highlighted the Disclosure Initiative and the project on Primary Financial Statements. Outputs from the Disclosure Initiative include a Practice Statement on Materiality, which will be issued shortly and a Discussion Paper on the Principles of Disclosure.

The project on Rate Regulated Activities has a strong linkage with IFRS 15, *Revenue from Contracts with Customers*. There are a number of projects in the research pipeline, including one on the Equity Method. Projects in the research pipeline are not currently active but will be started before the next work plan consultation.

The project on Goodwill is focusing on subsequent measurement including the merits of impairment and amortization. This was the biggest issue to arise from the Post Implementation Review of IFRS 3, *Business Combinations*.

The IASB has a continuing concern with the consistency of application and implementation to ascertain how standards are working in practice.

The Chair noted the interest of IPSASB in areas where IFRS developments have a direct influence on IPSASB's work, in particular where the IPSASB is seeking to maintain convergence with IFRS: – IFRS 15 *Revenue from Contracts with Customers*, and IFRS 16, *Leases*, and also the upcoming IFRS on Insurance which will inform one of the recognition models in the Social Benefits project.

Sebastian Heintges reported back on the annual World Standard Setters (WSS) Meeting that he had attended in London in late September. There had been a discussion of new pronouncements and the development of standards. The most important theme of WSS had been 'Better Communication', in particular what constitutes 'operating profit'. There had been a number of different perspectives in break-out sessions and a number of industry-specific issues had been identified. As part of the initiative there is also an aim to exclude what is not important from the financial statements.

The IPSASB noted both the IFRS Tracking Table and the GFS Tracking Table. The Chair said that the higher level update of where the IPSASB stands in terms of IFRS convergence had been held over for this meeting, due to agenda congestion and resourcing issues. He also noted that GFS Advisory Group would meet the week following the March IPSASB Meeting. He reminded members, TAs and observers of the Seminar with the IMF and World Bank on March 6th and the Public Sector Standard Setters Forum in early July in partnership with the Swiss Public Sector Financial Reporting Advisory Committee (SRS).

2. Governance (Agenda Item 2)

The Managing Director, Professional Standards informed the IPSASB that there had been a change in membership of the Public Interest Committee (PIC) with Manal Fouad becoming the representative of the International Monetary Fund. The next PIC meeting will be held in Paris on March 1, 2017. The procedures of the Consultative Advisory Group (CAG) had been finalized with respect to the election of the CAG Chair, which will take place at the third meeting of the CAG in June 2017. The PIC has also been kept closely informed of the IFAC Nominations process.

The CAG Chair provided an update on the meeting of the CAG, which he considered had been very successful. Building on the inaugural CAG meeting in June, the discussions were again very constructive, engaged, and adopted a public interest perspective. This resulted from the CAG specific agenda papers, which set the tone for the discussions by focusing on key public interest issues and which provided targeted questions for the CAG's consideration and deliberations.

The CAG agenda had two main parts:

Part 1 – Session on broader aspects of Public Financial Management

Responding to a request from several CAG members during and after the first meeting in June this agenda item allowed a broader discussion on “Public Financial Management – the needs and perspectives in the current environment”. The session was introduced by the IPSASB Chair, with an open CAG discussion following. It was intended to clarify the IPSASB’s role and responsibility in the Global PFM landscape, and to allow the IPSASB to receive input and feedback for consideration as a first step in the upcoming strategy and work plan discussions which will begin in 2017. This broader debate focused on three topics:

- Key trends in PFM;
- Current users’ PFM needs (in particular those not being met); and
- Barriers to IPSAS implementation as perceived by CAG members.

Part 2 – Work Plan and project focused discussions on ongoing IPSASB projects

The IPSASB Technical Director provided an update on work plan changes since the June CAG meeting. The Technical Director also reported back on how the June CAG discussions on Social Benefits and Revenue and Non-Exchange Expenses had been considered by the IPSASB and their impact on the development of each project. CAG members had considered it very valuable to see how CAG reflections contributed to the IPSASB’s discussions and how the projects had progressed. Responding to CAG members’ requests in June the CAG had then considered the following projects from a public interest perspective:

- Public Sector Combinations and Financial Instruments;
- Update of IPSAS 28-30, Financial Instruments, Presentation, Recognition and Measurement and Disclosure;
- Heritage ;and
- Leases.

The CAG Chair provided further details of CAG views during the individual IPSASB agenda items on these projects.

Part 1

The CAG Chair provided further details of the discussions on the broader aspects noted by CAG members, such as developments related to Integrated Reporting in the public sector. Some CAG members cautioned that the scale of implementing IPSAS for financial reporting together with Integrated Reporting might pose a significant challenge to many countries.

Furthermore, other dynamic forms of reporting with opportunities for users to customize their own analysis based on pre-structured data provided by reporting entities were seen as an emerging trend in communicating with users.

It was suggested that users need information on the economic consequences of policy decisions and the comprehensiveness of budget information. While the understandability of financial information is important, understandability should not lead to an over-simplification of the reporting requirements in a manner that would blur the economic substance of transactions being reported on. In this context, there is a need to educate the media, as media professionals who report on accounting standards, often do not understand them. CAG members also expressed a view that preparers might not sufficiently identify their users and their users' specific needs. It was recommended that users' needs in the public sector is an area that could benefit from academic research. In regards to barriers to adoption of IPSASs, the CAG acknowledged that – beyond costs, lack of capacity and IT restrictions – the unpopularity of information to be provided through IPSAS (such as pension information) is a hurdle for accounting reforms. The CAG agreed that holding governments and entities to account is unpopular in general, and this in many cases leads to a lack of commitment of policy makers to implementing accounting reforms. Acknowledging these barriers CAG members recommended that the IPSASB should act as a facilitator to engage in a broader discussion with stakeholder groups, but more specifically with policy makers.

Members found the CAG discussions very rich and an important input to the discussions of the IPSASB. The discussion of users included consideration of the needs of parliamentarians and investors. It was suggested that the IPSASB needs to improve its softer communication approach, particularly for complex projects. IFAC Communications might help in this regard and the relationship with Accountability Now (AN) is important. It was noted that AN has been invited to the Washington event that will precede the March IPSASB meeting. In communicating the importance of the standards and the accrual basis it would be positive to be able to refer to savings resulting from improved credit ratings as a benefit of accrual adoption.

While the CAG debate had indicated the importance of prospective information for users a member noted that RPG 2, *Financial Statement Discussion and Analysis*, does not recommend forward-looking information. This appeared to conflict with the perceived importance of prospective information.

In communicating the benefits of accrual accounting a paper issued by the Fédération des Experts Comptables Européens Public Sector Group was noted as a straightforward concise high-level summary.

3. Technical Director's Report on Work Plan (Agenda Item 3)

Review of work plan on day one

The Technical Director presented the current work plan. He identified changes to the work plan and the projects where the timeline had been modified in line with decisions at the September 2016 meeting:

- (a) **Public Sector Combinations:** Approval of the final pronouncement had been brought forward to this meeting in light of the analysis of responses presented at the September 2016 meeting;
- (b) **Financial Instruments (Update to IPSASs 28–30):** Approval of the Exposure Draft (ED) on has been deferred until June 2017 in light of the volume of consequential amendments, the requirement for the IPSASB to review these amendments as authoritative material, and the potential requirement for a face-to-face meeting of the Task Based Group;
- (c) **Leases:** Approval of the ED has been deferred until June 2017 to allow for the analysis of further lessor accounting models;
- (d) **Public Sector Measurement:** Initial discussion of the *Public Sector Measurement* project has been deferred until March 2017 as the focus on the completion of other documents at this meeting did not allow sufficient agenda time for a full discussion; and

- (e) **Infrastructure:** Consistent with the view that discussion on this project should start after the initial discussion on Public Sector Measurement, the Infrastructure project has been deferred until June 2017.
- (f) **ED 61, Amendments to Financial Reporting under the Cash Basis of Accounting (the Cash Basis IPSAS™):** The Technical Director noted that, since the September 2016 meeting, the initial review of responses to has been deferred until March 2017, because of the very full agenda at this meeting.

The Technical Director reported that Lucy Qi has resigned from the staff of the IPSASB. Contingency arrangements are being put in place to ensure that work on the Financial Instruments project is not interrupted.

The IPSASB noted that progress on the work plan was dependent on decisions taken at this meeting. It was agreed that the timelines for all projects would be considered at the further review of the work plan on day four.

Members provided suggestions for improving the communication with stakeholders, noting, for example, that the *Revenue and Non-Exchange Expenses* project affected the timing of the recognition of transactions, and therefore had a direct impact on surplus or deficit.

The CAG Chair reported that the CAG appreciated the consideration being given to stakeholders in terms of overload. The CAG suggested that, rather than deferring the release dates of some consultations, it would be preferable to stagger the response dates by extending the consultation period, allowing more time for activities such as translation to take place.

In this context, the IPSASB noted that there was a bunching of projects, and agreed to consider at its March 2017 meeting whether it was necessary to undertake an *Improvements* project in 2017.

The IPSASB noted that the work plan currently includes the approval of the ED on *Public Sector Specific Financial Instruments* in December 2017 and the first review of responses on the *Update of IPSASs 28-30* in March 2018. The IPSASB considered that, given the links between these projects, it would be appropriate to discuss the two projects together. The IPSASB **instructed** staff to consider how this could be achieved.

Further review of work plan on day four

The Technical Director noted that the following changes had been agreed during the meeting:

- (a) **Public Sector Combinations:** The project had been completed and will be removed from the work plan and included in the completed projects list;
- (b) **Leases:** Approval of the ED has been deferred until September 2017 as a result of the IPSASB not arriving at a decision as to which lessor model should be adopted. The IPSASB will also need to ensure that the selected model is compatible with IPSAS 16, *Investment Property*.
- (c) **Revenue and Non-Exchange Expenses:** Approval of the Consultation Paper (CP) on has been put back to March 2017.
- (d) **Heritage:** The CP has been put back to March 2017.

Members recognized the challenging timetable for the *Social Benefits* project in light of issues raised at the meeting. Members also questioned whether, given the other priorities, it was necessary to undertake an *Improvements* project in 2017. No changes were made to the work plan for these projects, but the position will be reassessed at the initial and final work plan reviews at the March 2017 meeting.

The Technical Director reported that work on the following projects is expected to commence or recommence in 2017:

- (a) **Public Sector Specific Financial Instruments.** The project is expected to recommence in March 2017 with an initial and high-level review of responses to the CP.
- (b) **Public Sector Measurement.** The project is expected to commence in March 2017.
- (c) **Cash-Basis IPSAS.** The project is expected to recommence in March 2017 with a review of responses to the ED.
- (d) **Infrastructure.** The project is expected to commence in June 2017.

The Technical Director reported that the staff paper on *Emissions Trading Schemes* is with the IFAC Communications team for finalization and will probably be issued in the New Year.

The IPSASB noted that the work plan did not currently include a review of the IPSASB's literature for consistency with the Conceptual Framework on recognition and elements. This will be considered in the work plan discussions in 2017. In this context, the IPSASB also noted the resourcing implications of producing the Handbook and supporting the new governance arrangements.

Next Steps

The IPSASB Chair and Technical Director will review the work plan again during January 2017, after which it will be posted to the website.

4. Public Sector Combinations (Agenda Item 4)

Staff presented issues papers and the draft IPSAS 40, *Public Sector Combinations*.

Classification approach

Staff presented the revised wording of the classification approach, following the instruction from the IPSASB at its September 2016 to clarify the approach by removing references to a "rebuttable presumption."

The IPSASB generally supported the revised drafting, but considered that some improvements could be made:

- (a) The IPSASB **decided** that the main description of the classification approach in paragraph 8 of the draft IPSAS 40 should be revised to express the concept in a more positive manner.
- (b) The IPSASB considered whether paragraph 8 should include a hierarchy for the different types of amalgamations, and **decided** that this issue was sufficiently covered in paragraph 7 of draft IPSAS 40.
- (c) The IPSASB **decided** to replace the term "an entity considers" with "an entity shall consider."
- (d) The IPSASB **decided** not to explain the difference between the resulting entity gaining control and a combining operation gaining control within the definitions, but to include a cross reference to the Application Guidance where this issue is discussed.

The CAG Chair commented that the CAG had confirmed the Standard provided clear guidance on the classification approach from a conceptual approach, and was drafted in a way that could be understood.

Subject to the changes above being made, the IPSASB **decided** to adopt the revised wording in IPSAS 40.

Joint ventures and joint arrangements

Staff presented an issues paper on the amendments to other IPSASs in respect of joint ventures and joint arrangements, noting that the IASB had deferred the implementation of the equivalent paragraphs in IFRS. Staff proposed retaining the proposed amendments, with an effective date to be determined by the IPSASB at a later date.

The IPSASB noted the comment from some members that some jurisdictions are legally required to set an effective date, but considered this was a jurisdiction specific issue that the IPSASB need not address.

The IPSASB **decided** to accept the recommendation from staff to retain the proposed amendments, with an effective date to be determined by the IPSASB at a later date.

The IPSASB **decided** to include an additional paragraph in the Basis for Conclusions regarding the combination of two or more joint arrangements.

Information regarding planned combinations

Staff presented an issues paper on information regarding planned combinations, noting that existing IPSASs and RPGs permitted, but did not require, the disclosure of information regarding planned combinations. The issues paper included a suggested amendment to IPSAS 1, should the IPSAS agree this would be helpful to users of the financial statements.

The CAG Chair reported that the CAG has discussed this issue and had significant concerns with the proposed disclosure, including confidentiality matters and that the disclosure would be onerous.

The IPSASB agreed with the concerns identified by the CAG, and **decided** not to include the proposed disclosure in IPSAS 40.

Due Process: Approval of IPSAS 40, Public Sector Combinations, Effective Date and Publication

The IPSASB completed a page-by-page review of the draft final pronouncement and identified minor editorials, which it **instructed** staff to action. These included:

- (a) References throughout the standard to “net assets/equity” were changed to “components of net assets/equity.”
- (b) The definition of an acquisition was amended to “An acquisition is a public sector combination in which one party to the combination gains control of one or more operations, and there is evidence that the combination is not an amalgamation.”
- (c) A reference to IPSAS 23, *Revenue from Non-Exchange Transactions (Taxes and Transfers)*, was added to the paragraphs on income taxes.
- (d) Paragraph 47 dealing with licenses and similar rights was amended to cover situations where the license or similar right was granted for an indefinite period. In such cases, the license or similar right would be tested for impairment at least annually.
- (e) The disclosures to be made by resulting entities in an amalgamation (paragraph 50) were modified to allow for those cases where a resulting entity is not a new entity. In such cases, the reporting entity will report on the assets, liabilities and components of net assets/equity assumed.
- (f) The requirement to include prior period information on the comparison with the budget when an entity elects to present prior period information (paragraph 53) was deleted, as this requirement went further than is required by IPSAS 24, *Presentation of Budget Information in Financial Statements*,

- (g) The additional paragraph dealing with situations where fair value cannot be determined was deleted, and replaced with a similar paragraph in the Basis for Conclusions. The wording in the Basis for Conclusions requires items to be measured in a manner that is consistent with other IPSASs.
- (h) The measurement period for acquisitions was changed back to one year, consistent with the measurement period for acquisitions. This is in line with the advice received from the CAG.
- (i) The amendment to paragraph 90A of IPSAS 26, *Impairment of Cash-Generating Assets*, dealing with the allocation of goodwill to cash-generating units was modified to allow for the situation where a non-cash-generating operation is acquired and the allocation is to the entity as a whole.
- (j) Paragraph BC68 was amended to clarify the reasons why it is appropriate not to eliminate a license or similar right previously granted by one combining operation to another combining operation.

The Technical Director asserted that due process had been followed effectively, in that:

- A CP and an ED had been issued for consultation;
- Responses to the CP and the ED were received and made publicly available on the IPSASB website;
- The IPSASB had deliberated significant matters raised in the comment letters, and significant decisions had been or would be minuted; and
- The IPSASB had considered whether there were any issues raised by respondents, in addition to those summarized by staff, that it considered should have been discussed by the IPSASB, and agreed there were none.

The IPSASB approved the final pronouncement, IPSAS 40, *Public Sector Combinations*, and agreed the Basis for Conclusions, on December 6, 2016. Sixteen members voted in favor. No members voted against or abstained. One member was absent.

The Technical Director provided his assessment that there had been no substantial change to the exposed document such that re-exposure is necessary. No member contested this assessment. The IPSASB agreed an effective date of January 1, 2019. Early application will be encouraged.

Next Steps

The Technical Director indicated that, subject to the approval of the Public Interest Committee on the IPSASB adherence to due process, the final pronouncement will be published in late January or February 2017.

5. Heritage (Agenda Item 5)

The IPSASB Chair asked Mr. Thomas Muller-Marques Berger, the Chair of the Consultative Advisory Group (CAG), to provide feedback on the CAG's discussion of financial reporting for heritage. The CAG Chair provided a summary, which highlighted that the CAG considers that financial reporting for heritage is an important topic to address. IPSASB members then commented on issues raised, including the need for guidance on the measurement of heritage. The IPSASB Chair thanked the CAG Chair for his contribution.

Staff presented the first three chapters of the Heritage Consultation Paper (CP), which had been revised to address IPSASB instructions from September. The IPSASB carried out a page-by-page review and instructed that further revisions should be made during the meeting. The main revisions were to:

- (a) *Chapter 1*: Remove a paragraph on the Heritage Project; add a paragraph on constituents' concerns; replace the phrase "applies the Conceptual Framework" with "draws on the Conceptual Framework";

add a Specific Matter for Comment (SMC) on characteristics of heritage items; and, revise the CP's structure to include an additional chapter on subsequent measurement.

- (b) *Chapter 2:* Reorder the introduction; shorten the coverage of heritage identification; include a new paragraph on why a description of heritage items is needed; replace the word "definition" with "description" in the preliminary view (PV) on heritage items; delete an SMC on heritage categories; and, include a PV on the exclusion of living plants and organisms from natural heritage.
- (c) *Chapter 3:* Remove examples of heritage items that have service potential or generate economic benefits; delete paragraphs about control residing with another entity; and, delete the SMC.

The IPSASB then voted on approval of these chapters. 16 members voted in favor. There was one absentee,

The IPSASB reviewed Chapter 4 of the CP, on recognition and measurement of heritage assets, and directed staff to make the following revisions:

- (a) Include a new section on the measurement objective in the context of heritage assets;
- (b) Shorten the paragraphs that discuss faithful representation and the cost-benefit constraint;
- (c) Revise the SMC to ask whether there are situations (or factors) where the cost–benefit constraint would apply such that heritage assets should not, therefore, be recognized; and
- (d) With respect to subsequent measurement, remove the section in Chapter 4 on this topic and draft the main points to cover in the new Chapter 5.

The revised Chapter 4 and a summary of points to cover in Chapter 5 were circulated at the meeting, and IPSASB members were asked to provide staff with comments by December 16, 2016.

Next Steps

The IPSASB will review Chapters 4–7 at its March 2017 meeting.

6. Revenue and Non-Exchange Expenses (Agenda Item 6)

The Chair opened the session reminding the Board that it had been agreed at the September 2016 meeting to restructure the Consultation Paper (CP) with a separate chapter on the categorization of public sector transactions. Staff presented a further draft of the CP that reflected this Board decision.

Staff highlighted further changes made to the CP, which included:

- The eight steps in the Public Sector Performance Obligation Approach (PSPOA) for revenue had been reconfigured into a 5-step approach which better reflected the 5-steps in IFRS 15, *Revenue from Contracts with Customers* with a similar change from the seven steps in the PSPOA for non-exchange expenses; and
- Enforceability was retained as an essential aspect of the PSPOA, but had been modified to reflect public sector mechanisms.

The Chair asked for general comments before commencing a page-by-page review.

The Technical Director indicated that in Chapter 1 he had tried to distinguish consumption of resources and the lapse of time in accordance with an instruction at the September meeting, but was uncertain whether he had captured the distinction. He also said that he had reservations about the substance of the distinction.

It was agreed that he would work off-line with the Deputy Chair on this issue and revised text would be brought back on day four of the meeting.

Some members commented that, in places, the drafting was unclear whether it was referring to revenue or expense transactions. Further, sometimes revenue and expense transactions were addressed in the same sentence which was also confusing. Staff agreed to restructure the discussion to clarify which transactions were being referred to.

Members commented that tripartite arrangements were common in the public sector and it was not clear how these arrangements were addressed in the CP. Members **instructed** staff to add a diagram illustrating a tripartite relationship between a resource provider, resource recipient and resource beneficiary in Chapter 1.

The IPSASB conducted a page-by-page review of the draft CP.

The IPSASB **instructed** staff that the discussion of social benefits in paragraph 1.9 needs to be updated and aligned with the current position in the Social Benefits project.

It was also noted that capital grants and timing issues had been identified as issues with IPSAS 23, *Revenue from Non-Exchange Transactions (Taxes and Transfers)*, and it was questioned whether the same issues occur for multi-year grants as for capital grants. Staff considered that the main issue for capital grants is the pattern of revenue recognition, sometimes referred to as “lumpiness”. This might depend on the terms of the capital grant agreement.

A number of members expressed a view that the discussion of enforceability in Chapter 4 over-emphasized the recipient returning/refunding resources if a performance obligation is unfulfilled and neglected other remedies available to resource providers. One member contrasted three types of resources – those arising from appropriations where obligations are very general in nature and cannot be easily linked to performance obligations; those arising on a “public contractual basis” where repayment can be enforced but generally is not, and commercial contracts. It was noted that the Australian standard on revenue acknowledged reductions in future funding as a remedy available to the resource provider.

It was suggested that, the context of performance obligations, there was no need to depart from the use of the term “distinct” in IFRS 15, *Revenue from Contracts with Customers*, and replace it with “specific and identifiable”. Members **instructed** staff to make this change.

It was also pointed out that the drafting on performance obligations varies between references to the fulfillment of “performance obligations” and references to the fulfillment of “performance obligations to deliver goods and services.” This reflected the attempt to stretch the IFRS 15 approach to capital grants where the fulfillment of performance obligations is unlikely to be directly related to the delivery of goods and services. Staff would consider this issue in revising the CP. It was noted that the Australian Accounting Standards Board had treated capital grants as a residual issue, rather than one appropriate for a performance obligation approach.

In the context of timing requirements a number of members expressed reservations about the use of “other resources” and “other obligations.” Reasons included that the use of other resources and other obligations would open the door to the broader use of these “other economic phenomena” and that their use would be problematic for many entities with unforeseen consequences. Members also indicated that the CP should be clearer on what the use of other resources and other obligations would involve. Staff argued that, given that the Conceptual Framework had developed a justification for the use of other resources and other obligations in considerable detail and that the discussion had focused on time requirements it would seem

strange to ignore them altogether. Staff was **instructed** to provide a more balanced discussion of the approaches for addressing time requirements.

The Chair asked members if they had any high level comments on Chapter 6 on Measurement. One member questioned why the chapter had been included. The Deputy Chair explained that the fair value of revenue could differ from the fair value of receivables at initial recognition. Revenue is estimated and is subject to change, IPSAS 23 had not addressed this issue. There also needs to be a link between revenue and expenses and receivables and payables

The following further significant issues were identified:

- The scope for ensuring a consistency of approach between resource providers and resource recipients should be identified as a driver for the project in Chapter 1;
- In Chapter 1 it should be clarified that income taxes payable are outside the scope;
- The reference to separate presentation of information about exchange and non-exchange transactions in paragraph 1.6 was unclear and should be revised or deleted;
- There was some debate as to whether Category B in the categorization of transactions in Chapter applies to non-exchange expenses as well as revenue. However, as the PSPOA is applied to non-exchange expenses in Chapter 5 it was decided to retain the reference;
- There should be a better link between Chapter 3 dealing with the categorization of transactions and Chapter 5 on Non-Exchange Expenses;
- In the categorization of transactions according to whether they contain performance obligations and the nature of those performance obligations in Chapter 3 references to exchange and non-exchange transactions were confusing and should be deleted;
- Preliminary View 2 in Chapter 3 should be amended to clarify that it is about revenue transactions;
- The Five Step diagram in Chapter 4 on how transactions would be treated under the PSPOA was generally useful and should be retained;
- The reference to “economic compulsion” in the context of “enforceability” in Chapter 4 was not supported by the discussion elsewhere and should be deleted;
- Because Chapter 4 deals with revenue recognition it should be drafted from the perspective of a resource recipient, rather than a resource provider;
- There should be one specific matter for comment (SMC) on each of the two models in Chapter 4, rather than an SMC on each of the steps in the PSPOA. The same approach should be used in Chapter 5;
- The use of the terms “funding” and “consideration” in Chapters 4 and 5 was inconsistent and should be revised;
- In discussing donation components in Chapter 4 the assertion that where both the existence and amount of the donation component is unclear the entire amount of funding is included in the agreed funding balance allocated across performance obligations should be deleted;
- The discussion of control in paragraph 4.41 was unnecessary and should be deleted;
- Paragraphs 4.43 and 4.44 on the resource recipient demonstrating how the resource recipient demonstrates fulfillment of performance obligations to the resource provider should be deleted;
- The discussion of services in-kind in paragraphs 4.65-4.68 should not refer to particular national standard-setters;
- “The IPSAS 19 Approach” in Chapter 5 should be renamed “The Obligating Event Approach”

The CAG chair commented that he appreciated the way in which the CAG comments at its June 2016 meeting, had been reflected in the revised draft CP. He thought it might be helpful to refer to European Commission (EC) pre-financing arrangements when addressing timing issues.

On the final day of the meeting staff presented a revised Consultation Paper. Members reviewed Chapters 1-3, which reflected the instructions of members. This included a reference to EC pre-financing arrangements and a modification of the text on the consumption of resources/lapse of time issue. Members identified further editorial changes. Members then approved the chapters. Sixteen members voted in favor with one absentee.

Next Steps

Members were asked to provide comments on Chapters 4-6 and to also comment on the examples that staff had circulated. A revised version of the Consultation Paper will be brought to the March meeting.

7. Financial Instruments (Updates to IPSAS 28-30) (Agenda Item 7)

Staff presented an issues paper on the development of the Exposure Draft (ED), *Financial Instruments: Recognition and Measurement*. The IPSASB discussed and provided instructions in the areas of hedging, transition, basis for conclusions and specific issues of accounting for hybrid instruments.

Issue 1: December 2016 CAG Session

Staff provided feedback to the IPSASB on the December 2016 CAG session. It was noted that several issues which the IPSASB and Task Based Group (TBG) have discussed were considered by the CAG. One CAG member in particular noted that the approach that the IPSASB was undertaking, to align with the principles in IFRS 9 and add additional public sector guidance in the illustrative examples and implementation guidance was appropriate, and that member cautioned that the IFRS 9 principles and models are well developed and may lose their effectiveness if one-off changes are introduced. The IPSASB CAG Chair, Mr. Thomas Müller-Marqués Berger also noted that CAG members provided feedback that the accompanying material to the ED, would be important for information purposes and that education on the various different financial instruments themselves would be useful. CAG members further noted that such educational material was important and that the requirements based on IFRS 9, would require investments in capacity building for public sector entities.

Issue 2: Project Management and September Decisions Recap

The IPSASB reviewed and confirmed the decisions from the September 2016 meeting:

- Approach to developing the draft ED – start with IFRS 9 then include changes for public sector terminology and changes for public sector specific transactions already included in IPSAS 29, *Financial Instruments: Recognition and Measurement* (concessionary loans, financial guarantees arising from non-exchange transactions);
- Changes to IFRS 9 terminology included in the draft ED;
- Approach to dealing with IFRS references to standards not included in the IPSAS suite (such as IFRS 13, *Fair Value Measurement*, and IFRS 15, *Revenue from Contracts with Customers*);
- Classification model and measurement in the draft ED – consistent with IFRS 9 for authoritative guidance, additional public sector guidance to be added in non-authoritative material; and
- Expected loss impairment model in the draft ED - consistent with IFRS 9 for authoritative guidance, additional public sector guidance to be added in non-authoritative material.

Staff reviewed the project roadmap with the IPSASB. It was noted that the timeline is still to approve the ED at the June 2017 meeting. Staff also highlighted the April 2017 in-person TBG meeting to be held at the Royal Netherlands Institute of Chartered Accountants offices in Amsterdam, to review the non-authoritative material (illustrative examples and implementation guidance). The IPSASB Chair thanked the TBG members and their organizations for making time available to attend and agreeing to participate in the in person meeting. IPSASB members re-affirmed the importance of the At-a-Glance document for this project given the comments of the CAG and **instructed** staff that although this document is normally not reviewed by members, it might be useful if this is prepared in advance of the June 2017 meeting so the IPSASB can see it.

Issue 3: ED Development – Hybrid Instruments

Staff introduced the changes on accounting for hybrid instruments, noting that IFRS 9 does not require an assessment of embedded derivatives for bifurcation and instead requires the assessment of each instrument in its entirety using the classification model. Staff proposed that examples will be developed to deal with student loan schemes with contingent payment features and investments in development agencies with put options (where the investment can be redeemed at the investor's option). The IPSASB agreed with this approach.

An IPSASB member noted that the Public Sector Specific Financial Instruments Consultation Paper, looks at the measurement of the investment in the International Monetary Fund and **instructed** that the feedback received on this issue should be considered prior to the finalization of the ED.

IPSASB members noted hybrid instruments are a good example of the types of instruments that should be further explained in the education/communication document intended to accompany the approved IPSAS, and **instructed** staff to include this issue when developing this document.

The IPSASB further **instructed** that the education/communication document should explain if the accounting outcome provides the right information from a public policy perspective, considering the different information provided using a fair value model compared to an amortized cost model.

The IPSASB agreed that the principles related to hybrid instruments based on IFRS 9 were appropriate and consistent with previous decisions on classification and measurement. An IPSASB member noted that this was also consistent with the decision to retain the IFRS 9 model for accounting for unquoted equity instruments and reminded the IPSASB that it is important to apply the principles in the IFRS 9 model and provide additional public sector guidance in the illustrative examples and implementation guidance, as the model may not work as intended if one off exceptions are introduced.

An IPSASB member noted that the disclosure requirements – especially those on concessionary loans need to be considered. Staff noted that the scope of the project is to consider the changes introduced by IFRS 9, and not to do a full financial instruments disclosure review. The IPSASB confirmed the scope. However the IPSASB asked that the TBG and staff to undertake a high level disclosure review and, based on that review, to either propose additional minor changes in the ED or to feed issues into the upcoming strategy and work plan consultation process.

Issue 4: Hedging

Staff introduced the hedge accounting changes introduced in IFRS 9. Staff noted that, in comparison with IPSAS 29, the new model is much more principle-based and allows for more flexibility in the items which qualify for hedge accounting, as well as in the documentation requirements for monitoring the effectiveness

of hedging transactions; this allows entities to use more of their own internal risk management documentation, rather than the more prescriptive documentation requirements of IPSAS 29.

The IASB observer noted that the changes to hedge accounting introduced in IFRS 9, are seen as the biggest improvements to the financial instruments requirements, as IAS 39 was deemed quite onerous and difficult to apply. IFRS 9 focuses on the nature of the instruments and the hedging relationship and provides greater opportunities to apply hedge accounting.

The IPSASB **decided** that the ED should include the IFRS 9 hedging requirements as marked-up in the draft ED.

Issue 5: Transitional Provisions

Staff introduced the transitional provisions noted in the draft ED.

The IPSASB agreed with the proposed transitional provisions in the draft ED. The IPSASB **instructed** staff to consider the need for an additional transitional provision for concessionary loans with contingent payment features.

Issue 6: Basis for Conclusions

Staff introduced sections of the Basis for Conclusions (BC), which the IPSASB agreed. The IPSASB **instructed** staff to draft a section of the BC to capture the education/communication points related to the enhanced At-a-Glance document discussed during the session. The IPSASB noted some other minor editorials to be amended in the next draft.

Issue 7: Page-by-Page Review of the Draft ED

The IPSASB completed a page-by-page review of the draft ED. The IPSASB agreed the sections of the ED related to objective, scope, definitions, classification, measurement, impairment, hedging and transitional provisions and identified minor editorials to be amended in the next draft.

Next Steps

Next Steps

Staff will develop the amendments to other IPSASs arising to be discussed at the March 2017 meeting and the non-authoritative material for the in-person TBG meeting in April 2017. A revised complete version of the ED will be brought to the June meeting.

8. Social Benefits (Agenda Item 8)

Scope and definitions

Staff presented an issues paper that set out the scope of the project. Staff also presented draft definitions and guidance on social benefits and social risks. Staff reported that the definitions and guidance had been circulated out of session, and the draft presented at the meeting reflected the comments received.

The Chair commented that, in seeking to add all the additional guidance that has been requested, clarity had been lost. This was a case where “less would be more”.

The IPSASB discussed the definitions of social benefits and social risks, and the related guidance.

The IPSASB **decided** to delete the three paragraphs prior to the final paragraph in the guidance on social benefits. These paragraphs begin:

- Public sector entities may provide benefits...
- Where benefits are provided directly to specific individuals...
- Where benefits or services are universally accessible...

The IPSASB **decided** to include a definition of “universally accessible” in a further version of the ED.

The IPSASB **instructed** staff to consider whether the reference to “in cash or in kind” in the definition of social benefits was required; and if not, whether it should be removed completely or replaced with a discussion in the Basis for Conclusions (BC).

The IPSASB **instructed** staff to consider whether the reference to “insurance-based schemes” in the guidance on social benefits required amendment. The IPSASB noted the link to the IASB’s insurance project.

An observer commented that some of the discussion on insurance was helpful as many social benefit schemes are similar to insurance schemes, The Chair noted that some of this material might be appropriate for the BCs.

An observer suggested that there was a tension between the words “to address the needs of society as a whole” and the provision of benefits to individuals and households. The IPSASB considered a suggestion to delete the words “society as a whole” but was generally minded to retain the wording. The IPSASB **instructed** staff to consider this issue further, and discuss it with the observer.

The IPSASB **decided** to retain the final sentence (“Where benefits in kind are universally accessible...”) in the final paragraph of the guidance on social benefits.

A member commented that they did not think it was clear why geographical risks were excluded. Other members suggested additional reasons why the distinction is appropriate:

- The hazards that give rise to a social risk are different to those that give rise to a geographical risk.
- Individuals can take action to avoid geographical risks but not social risks.
- Governments’ actions in respect of the two risks are often different (reactive in the case of geographical risks, proactive in the case of social risks).

The IPSASB **instructed** staff to consider changes to the wording to address the member’s concerns.

The IPSASB **decided** to delete the fourth paragraph of the guidance on social risks (“Public sector entities may provide benefits to mitigate the effect of risks other than social benefits...”).

The IPSASB **decided** to delete the final sentence in the guidance on social risks (“Social benefits are provided to mitigate social risks in the following ways...”). The IPSASB **instructed** staff to consider whether any of the issues covered in the text needed to be reflected in the definitions.

Obligating Event

Staff presented an issues paper discussing the “key participatory event” obligating event and “the liability accumulates over time” obligating event. Staff’s recommendation, based on the analysis in the paper, was that these obligating events would not satisfy the recognition criteria for a liability and should not be included in a future ED.

The IPSASB discussed staff's recommendation.

The IPSASB noted that the analysis linked the obligation to the payment of a contribution or premium. The coverage period in the IASB's ED on insurance can commence prior to the payment of a premium. This is not expected to change in the final pronouncement. The IPSASB **instructed** staff to reflect this in a future ED, either in the core text or the Basis for Conclusions.

In considering staff's proposal that the key participatory event is not analogous to an insurance contract, the IPSASB noted that a key issue is when to use the insurance approach and when to use the obligating event approach. Some members commented that there might need to be some flexibility for preparers to choose the most appropriate approach. The Chair noted that this discussion would be contingent on the IASB's final pronouncement.

The IPSASB suggested that it broadly supported the analysis that the key participatory event is not analogous to an insurance contract, subject to further work being undertaken. The IPSASB **instructed** staff to develop a paper on the proposed IFRS on insurance contracts. The IPSASB noted that it will be important to develop criteria as to when the insurance approach should be used. The IPSASB noted that adopting the staff recommendation not to include the key participatory event obligating event and the liability accumulates over time obligating event would mean that obligations to current participants would not be recognized as liabilities. It would be important to communicate which programs were outside the scope of a social benefits standard, and ensure tax-payers were getting the information they needed on those programs. The IPSASB also noted the non-contractual nature of most social benefits programs.

The IPSASB considered staff's proposal that the key participatory event did not satisfy the recognition criterial for a liability in the Conceptual Framework. The IPSASB held a wide-ranging discussion on what might constitute a past event under the key participatory event approach, and noted that it is very difficult to be conclusive about a past event.

The observer from the IASB noted that the IASB may consider a staff paper on the past event early in 2017. The IPSASB **instructed** staff to review this paper once issued as it might provide the IPSASB with useful insights.

It was suggested that, given the difficulties of determining a past event, it may be beneficial to concentrate on whether a valid expectation had been raised, and if so, whether an entity had a realistic alternative to settling the obligation.

Some members commented that, if the key participatory event obligating event and the liability accumulates over time obligating event were not included in a future ED, it may cause problems for accounting for state pensions. Staff noted that it might be possible to account for some of these schemes using the insurance approach. The IPSASB noted that there may also be generational issues with different generational cohorts having different expectations about receiving pensions.

The IPSASB noted that stakeholders are likely to want information on fiscal sustainability, and if the recommendations were accepted, much sustainability information would be outside the scope of this project. It would be important to explain that there would be significant requirements that are generally dealt with in other general purpose financial reports.

The IPSASB noted that the analysis in respect of the liability accumulates over time obligating event was similar to that in respect of the key participatory events obligating event. The IPSASB considered that issues in respect of the liability accumulates over time had been adequately covered in the earlier discussions.

The IPSASB **instructed** staff to further develop the obligating event approach.

Presentation and Disclosure

Staff presented an issues paper that set out some initial thoughts on the disclosures that might be required in a future IPSAS.

The IPSASB had an initial discussion on the issues identified by staff, and **instructed** staff to develop a range of options, taking into account the points raised by the IPSASB. The key points made were as follows:

Disclosure framework, including disclosure of assumptions

- There was support for the general direction.
- The use of headings in the disclosure framework was thought to be helpful.
- The IPSASB urged caution over the requirement for forward looking information in the notes. The use of maturity tables incorporating undiscounted cash flow information was suggested as an alternative.

Gross versus net presentation

- Although some members commented that it was too early to make a firm decision, other members indicated that the arguments in the issue paper supporting gross presentation were persuasive.

Contingent liabilities

- The IPSASB generally supported a disclosure requirement if obligations that meet the definition of a liability could not be measured in a way that meets the qualitative characteristics (QCs), but noted that this should be exceptional.
- The IPSASB considered that a future IPSAS should require recognition and measurement in all cases; allowing disclosure where a liability could not be measured in a way that meets the QCs should be limited to an implementation period, and should be included within the transitional provisions rather than within the disclosure requirements section of a future IPSAS.
- Staff will hold further discussions with some members on this issue off-line.

Comparison with RPG 1, *Reporting on the Long-Term Sustainability of an Entity's Finances*

- This issue will be discussed further at a future meeting.

Amendments to other IPSASs

Staff reported that the draft ED contained the amendments to other IPSASs that staff considered would be needed, noting that the proposed changes to IPSAS 33, First-time Adoption of Accrual IPSASs, was incomplete pending further decisions by the IPSASB. Staff also reported that references other references to social benefits in IPSAS 22, *Disclosure of Financial Information about the General Government Sector*, Conceptual Framework; and RGP 1, were not considered to require amendment.

A member questioned whether paragraph 17 of the Preface to the Conceptual Framework was using the term social benefits in the same way as the draft ED. The IPSASB **instructed** staff and the Technical Director to discuss this outside of the meeting.

Next Steps

Staff will carry out further analysis of the obligating event approaches for the March meeting.

9. Leases (Agenda Item 9)

Staff presented an issues paper with key issues on lease accounting.

Lessor—Analysis of lessor accounting models and approaches

The IPSASB discussed two mutually exclusive approaches of the right-of-use model for lessor accounting:

- (a) Approach 1—Lessor continues to recognize the underlying asset in its entirety, recognize a liability (unearned revenue), and a lease receivable; and
- (b) Approach 2—Lessor derecognizes the portion of the carrying amount of the underlying asset that represents the lessee's right to use the underlying asset during the term of the lease, reclassifies as a *residual asset* the remaining portion of the carrying amount of the underlying asset that represents the rights in the underlying asset that the lessor retains, recognizes lease revenue representing the present value of the lease payments, lease expense representing the cost of the portion of the underlying asset that is derecognized at the date of commencement of the lease, and a lease receivable.

Ten members (less than two thirds) supported Approach 1, four members supported Approach 2 and three Board members were undecided.

Lease—Measurement (including “peppercorn leases”)

The IPSASB decided to:

- (a) Replace the term “peppercorn leases” with the term “concessionary leases”;
- (b) Measure leases that are exchange transactions at cost and measure concessionary leases at fair value;
- (c) Account for the subsidized component in a concessionary lease in the same way as in a concessionary loan.

Next Steps

Staff will bring an additional analysis of the consistency of Approaches 1 and 2 for lessor accounting with sale and leaseback, transfer of the control of assets, and IPSAS 16, *Investment Property* to the March 2017 meeting.

Closing Remarks and Conclusion of the Public Meeting

The Chair thanked Jeanine Poggiolini and Lindy Bodewig for their very active involvement in the arrangements for a very enjoyable meeting. The Chair acknowledged the contributions of Jeanine Poggiolini and Abdullah Yousef. The Chair highlighted the approval of a pronouncement on public sector combinations. He also noted that three chapters of the Consultation Papers on Heritage and Revenue and Non-Exchange Expenses had been tentatively approved. The Chair then closed the meeting.

The Technical Director and the IPSASB then met in camera and discussed matters relating to the meeting.

10. Appendix 1 – December 2016 Action List

Action Required	Person(s) Responsible	Date to be Completed
1. Communications <ul style="list-style-type: none"> • Action List posted to IPSASB Extranet • Draft minutes circulated to IPSASB for comment • Update IPSASB Summary of IASB Work Plan and Tracking Table • Update GFS Tracking Table 	Leah Weselowski Leah Weselowski Ross Smith João Fonseca	December 20, 2016 December 29, 2016 February 17, 2017 January 31, 2017
2. Governance <ul style="list-style-type: none"> • Governance agenda papers posted (if any) 	John Stanford/Ross Smith	February 17, 2017
3. Technical Director’s Report on Work Plan <ul style="list-style-type: none"> • Revised work plan posted to web after discussions between Chair and Technical Director • Report on Work Plan for March meeting posted 	John Stanford/Paul Mason	January 31, 2017 February 10, 2017
4. Public Sector Combinations <ul style="list-style-type: none"> • Revised text and associated documents sent to PIC for consideration of due process • Final version of IPSAS 40 sent to Communications team for finalization • At-a-Glance and news release sent to Communications team for finalization • News release sent to Chair • IPSAS 40 final pronouncement posted to web 	Paul Mason	January 6, 2017 January 10, 2017 January 10, 2017 January 18, 2017 January 31, 2017
5. Heritage <ul style="list-style-type: none"> • IPSASB comments on draft Chapter 4, circulated at meeting, provided to staff • Draft chapters (4–7) circulated to IPSASB for intermeeting review • Agenda papers posted 	Gwenda Jensen	December 16, 2016 January 31, 2017 February 17, 2017
6. Revenue and Non-Exchange Expenses <ul style="list-style-type: none"> • Circulate examples to IPSASB • Agenda papers posted 	Joanna Spencer/John Stanford	January 31, 2017 February 21 2017

Action Required	Person(s) Responsible	Date to be Completed
<p>7. Financial Instruments (Updates to IPSASs 28-30)</p> <ul style="list-style-type: none"> • Conference call with TBG members • Agenda papers posted 	<p>Ross Smith</p>	<p>January 31, 2017 February 17, 2017</p>
<p>8. Social Benefits</p> <ul style="list-style-type: none"> • Conference call with TBG members • Agenda papers posted 	<p>Paul Mason</p>	<p>January 31, 2017 February 17, 2017</p>
<p>9. Leases</p> <ul style="list-style-type: none"> • Draft Issues Paper for conference call with TBG • Conference call with TBG • Possible conference call with TBG • Agenda papers posted 	<p>João Fonseca</p>	<p>January 13, 2017 January 18 or 19, 2017 Week commencing February 6, 2017 February 17, 2017</p>

11. Appendix 2 – Voting Record

Vote #1– Approve *Public Sector Combinations*

Vote #1– Approve *Public Sector Combinations*,
final pronouncement

Agenda Item 4

Minutes Item 4

Date Vote Taken

December 6, 2016

Description

*Final
 Pronouncement*

*Public Sector
 Combinations*

Approved at meeting

Final Standard ■	ED □	CP □	Other □	ABSENT	TOTAL
IPSASB MEMBER	FOR	AGAINST	ABSTAIN		
Ian Carruthers, Chair	√				
Jeanine Poggiolini, Deputy Chair	√				
Stuart Barr	√				
Mike Blake	√				
Michel Camoin	√				
Robert Dacey	√				
Sebastian Heintges	√				
Kenji Izawa	√				
Aracelly Méndez	√				
Rod Monette	√				
Leonardo Nascimento				√	
Angela Ryan	√				
Bernhard Schatz	√				
Adriana Tiron Tudor	√				
Marc Wermuth	√				
Abdullah Yusuf	√				
Juan Zhang	√				
TOTAL	16	0	0	1	17