Approved Minutes of the Meeting of the

INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD

Held on June 23–36, 2015 in Toronto, Canada

1. Attendance, Opening Remarks, and Approval of Minutes

1.1 Attendance

	Voting Members	Technical Advisors
Present:	Andreas Bergmann (Chair)	Todd Beardsworth (Ms. Ryan)
	Jeannine Poggiolini (Deputy Chair)	Lindy Bodewig (Ms. Poggiolini)
	Stuart Barr (Tuesday-Thursday)	Takeo Fukiya (Mr. Izawa)
	Michel Camoin	Baudouin Griton (Mr. Camoin)
	Ian Carruthers	Leona Melamed (Mr. Monette)
	Robert Dacey	Fabrizio Mocavini (Mr. D'Amore)
	Mariano D'Amore	Juan Moreno Real (Ms. Mendez)
	Guohua Huang	Renée Pichard (Mr. Barr)
	Kenji Izawa	Rasmimi Ramli (Wan Sulaiman)
	Aracelly Méndez	Riaz Rehman (Mr. Yusuf)
	Rod Monette	Joanna Spencer (Mr. Youngberry)
	Leonardo Nascimento	David Watkins (Mr. Carruthers)
	Angela Ryan (Tuesday-Friday afternoon)[1]	Marc Wermuth (Mr. Bergmann)
	Adriana Tiron Tudor	
	Tim Youngberry	
	Abdullah Yusuf	
Apologies:	Rachid El Bejjet	Yangchun Lu (Mr. Huang)
	Wan Selamah Wan Sulaiman	
	Non-Voting Observers	
Present:	Dinara Alieva (UNDP)	
	Sagé de Clerck (IMF)	
	Jeriphanos Gutu (UN)[2]	
	Chai Kim (ADB)	
	Martin Koehler (European Commission)	
	Jani Laakso (World Bank)	

[1] Angela Ryan attended the meeting via conference call

[2] Jeriphanos Gutu attended the meeting in place of Chandramouli Ramanathan

Apologies:	Jón Blöndal (OECD)
	Ian Mackintosh (IASB)
	Delphine Moretti (IMF)
	Chandramouli Ramanathan (UN)
	Darshak Shah (UNDP)
	John Verrinder (Eurostat)
	IPSASB Staff
Present:	Gwenda Jensen, IPSASB
	James Gunn, Managing Director, Professional Standards (Tuesday-Wednesday)
	João Fonseca, IPSASB
	John Stanford, IPSASB
	Paul Mason, IPSASB
	Ross Smith, IPSASB
	Paul Sutcliffe, IPSASB
	Wayne Travers, IFAC (Tuesday-Wednesday)

The Chair, Andreas Bergmann, welcomed members to Toronto, the IPSASB's home location. Andreas introduced Leona Melamed, the Technical Advisor to Rod Monette, and, as observers, Chai Kim, the Controller of the Asian Development Bank, and Jerry Gutu from the United Nations System. Andreas noted that Jerry would be familiar to many members, Technical Advisors and Observers as a former staff member of the IFAC Public Sector Committee.

Martin Koehler, the European Commission Observer, provided an update on the progress of the European Public Sector Accounting Standards (EPSAS) project. He noted that the Commission will not now publish a communication to the European Parliament, but that technical work continues. An EPSAS Project Group, comprising members from Austria, France and Portugal with two technical advisors – one of whom is Ian Carruthers – met on June 1, 2015 to discuss first time adoption and the challenges around preparation of an opening statement of financial position. There is now a focus on engaging with sub-national governments. The Chair thanked Martin for his update and expressed some concerns about political opposition to the project.

Members noted the summary of the International Accounting Standards Board's (IASB) work plan and the IASB tracking table. It was noted that a meeting of the Government Finance Statistics Alignment Task Force was scheduled for June 24, 2015, and that the topic of debt valuation would be discussed. It was also noted that it is important that the GFS tracking tables should be published as soon as possible following the Task Force meeting.

2. Social Benefits (Agenda Item 2)

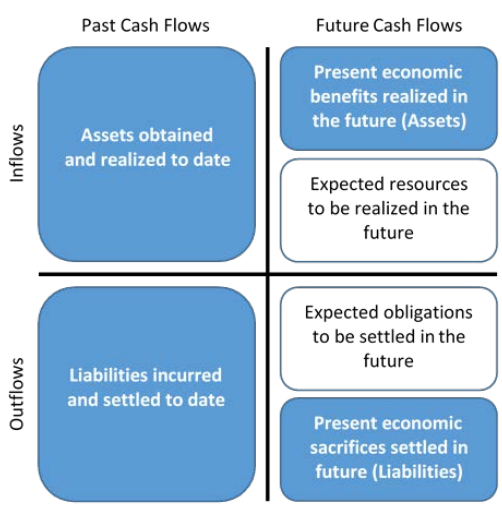
The IPSASB considered an Issues Paper and a draft Consultation Paper (CP) on social benefits.

Matter for Consideration 1 – highlighting of new thinking

Staff reported the changes that had been made to the draft CP to highlight the developments and new thinking that had taken place since the IPSASB had issued its previous consultation on social benefits in 2008.

The IPSASB agreed some minor restructuring of the introduction. The IPSASB also debated whether Figure 1 (see below) was consistent with the terminology in the Conceptual Framework. The IPSASB noted that this diagram had been taken directly from Recommended Practice Guideline 1, *Reporting on the Long-Term Sustainability of an Entity's Finances* (RPG) without amendment, and agreed to retain the diagram as it was intended to report the approach of the RPG.

Figure 1: How RPG 1 supplements information provided in the statement of financial position



Matter for Consideration 2 – structure of Chapter 1

The IPSASB debated the structure of Chapter 1, including the alternatives presented in the Issues Paper. Members considered that the paragraphs describing the history of the project would be useful for respondents. The IPSASB agreed that no changes to the structure of the chapter were required.

Matter for Consideration 3 – social insurance definition

Staff reported the changes that had been made to clarify the social insurance definition, and highlighted the alternative definitions set out in the Issues Paper.

The IPSASB agreed to retain the revised definition included in the draft CP. The IMF observer noted that the use of the word "program" may cause confusion, and the IPSASB agreed to amend the definitions of social insurance, social security and social assistance to remove the word "program." The revised definitions included in the CP are:

- **Social Insurance** is the provision of social benefits where the benefits received are conditional on participation in a scheme, evidenced by way of actual or imputed contributions made by or on behalf of the recipient. Social insurance may form part of an employer-employee relationship (employment-related social insurance) or may arise outside an employer-employee relationship (social security).
- **Social Security** is social insurance that arises outside of an employer-employee relationship, and provides benefits to the community as a whole, or large sections of the community. Social security is imposed and controlled by a government entity.
- **Social Assistance** is the provision of social benefits to all persons who are in need without any formal requirement to participate as evidenced by the payment of contributions.

Matter for Consideration 4 – feedback on responses – Specific Matter for Comment and Preliminary View

Staff noted that at the March 2015 meeting, the IPSASB had expressed concern that the Specific Matter for Comment (SMC) on which options should be considered for inclusion in a future IPSAS might be too open and potentially confusing to constituents. Staff reported that the SMC had been redrafted, and a new Preliminary View (PV) included in the draft CP to provide a framework to which constituents could respond. Staff also noted that, as requested by the IPSASB at its March 2015 meeting, the Issues Paper included possible wording for additional PVs that could be added to the end of Chapters 4–6, and an additional summary chapter.

The IPSASB discussed the proposed wording of the SMC and the PV, and agreed:

- PV 2 should be reworded to include an explanation as to why the social contract approach was not being recommended;
- PV 2 should be relocated after SMC 2 and SMC 3; and
- SMC 2 should be reworded to seek information from respondents about whether they considered the options met the objectives of financial reporting (in other words, the public interest) and how each option might provide useful information about the different types of social benefit.

The revised wording for SMC 2 and PV 2 is as follows:

Specific Matter for Comment 2

(a) Based on your review of Chapters 4 to 6, which approach or approaches do you support?

(i) The obligating event approach;

(ii) The social contract approach;

(iii) The insurance approach.

Please provide your reasons for your views, including the conceptual merits and weaknesses of each option; the extent to which each option addresses the objectives of financial reporting; and how the different options might provide useful information about the different types of social benefit.

(b) Are you aware of any additional approaches to accounting for social benefits that the IPSASB should consider in developing an IPSAS? If yes, please describe such approach(es) and explain the strengths and weaknesses of each.

Preliminary View 2

The IPSASB considers that a combination of option 1 (obligating event approach) and (for some or all contributory schemes) option 3 (insurance approach) may be required to reflect the different economic circumstances arising in respect of social benefits. The IPSASB does not consider that option 2 (social contract approach) is consistent with the Conceptual Framework. For this reason, the IPSASB has taken the preliminary view that the social contract approach is unlikely to meet the objectives of financial reporting.

Following the discussions regarding PV 2 and SMC 2, the IPSASB discussed the need for the additional PVs and the additional summary chapter. The IPSASB noted the views of some members that providing a clear position through the additional PVs would assist stakeholders prepare their responses. Other members considered that providing additional PVs could close down some approaches and result in respondents providing less information. The IPSASB agreed that the additional PVs were not required. The IPSASB noted that an "At a Glance" summary of the CP would be made available, and considered that this rendered the additional summary chapter redundant.

Matter for Consideration 5 – clarification of Option 1 (obligating event approach)

The IPSASB supported staff's amendments to Chapter 4.

Matter for Consideration 6 – amendments to Figures 3 and 4

Staff noted that the IPSASB had approved Figures 3 and 4 at its March 2015 meeting. Staff reported that a member of the Task Based Group had suggested further amendments to provide greater clarity and continuity with the text in Chapter 4. The IPSASB agreed to amend the diagrams as proposed, and directed staff to make the consequential amendments.

The revised diagrams are as follows:

Figure 3: The five points at which an obligating event may give rise to amounts being recognized in the financial statements

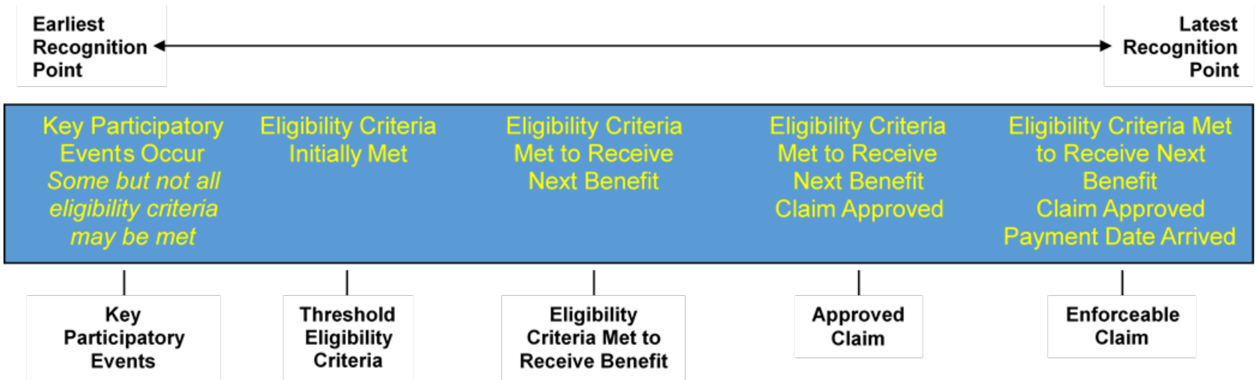
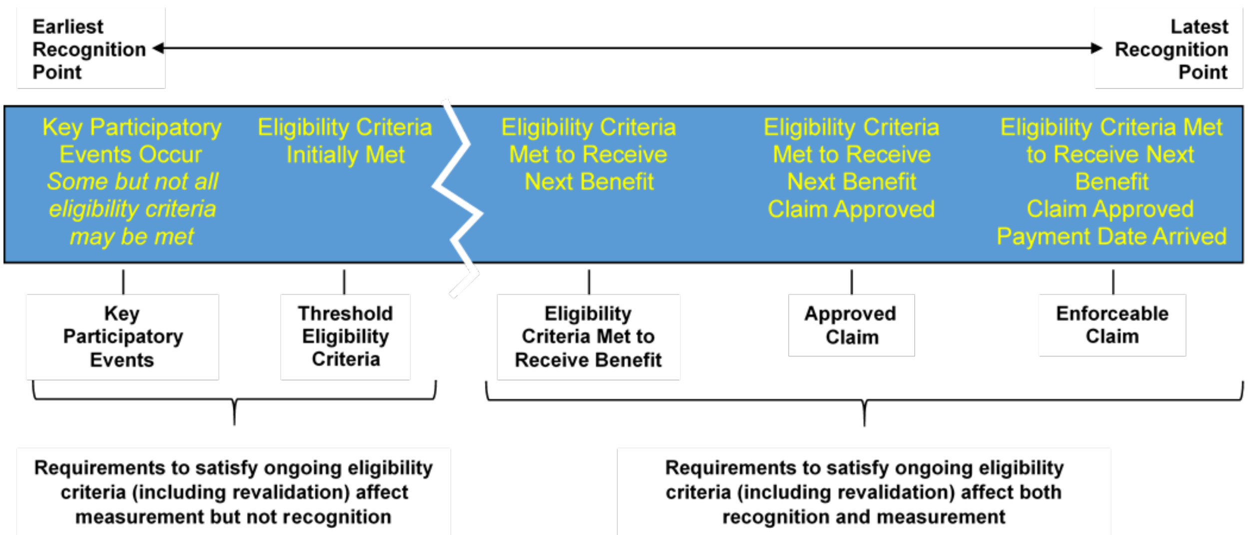


Figure 4: How requirements to satisfy ongoing eligibility criteria (including revalidation) affect the five points at which an obligating event may give rise to amounts being recognized in the financial statements



Matter for Consideration 7 – references to measurement (discounting, IPSAS 25 and IAS 19).

The Issues Paper highlighted that the discussion in the CP of the measurement of assets and liabilities in IPSAS 25, *Employee Benefits*, and IAS 19*, Employee Benefits*, may require updating following the IPSASB's decision at the March 2015 meeting to start a limited-scope project to review IPSAS 25.

The IPSASB discussed the issue, and agreed that the discussion of discount rates was too detailed for a CP, and that it was premature to include such a discussion. The IPSASB agreed to delete the relevant paragraphs (4.90–4.93 of the CP) and amend SMC 7 accordingly.

Matter for Consideration 8 – clarification of example in Option 3 (insurance approach)

At the IPSASB's March 2015 meeting, Staff noted that revised wording was required for the insurance approach example. Staff reported that the required amendments had been made, and also noted that the Issues Paper included an alternative approach that replaced the example with simpler wording.

The IPSASB agreed to retain the example.

Matter for Consideration 9 – page-by-page review

During the page-by-page review, members agreed a number of minor amendments and the following more significant changes:

- A paragraph has been added to the discussion of the Conceptual Framework in Chapter 1 to outline the measurement bases.
- References to "benefits payable" should be replaced throughout the CP by "benefits provided", unless it is clear from the context that a cash payment is being discussed.
- The following SMC has been added to Chapter 6 to seek stakeholders' views on the applicability of the insurance approach:

  Specific Matter for Comment 9

  Do you agree with the IPSASB's conclusions about the applicability of the insurance approach?

  Please explain your reasons for your view.
- In Appendix A, the sections on the "application of the approach in this CP" that followed each example have been removed. In their place, a section on "accounting considerations" has been added at the end of the examples for each type of benefit.

Matter for Consideration 10 – Approval of CP

The IPSASB **approved the CP** and agreed that the comment period would be six months. Sixteen members voted in favor, with two absentees.

The IPSASB noted that next steps were for staff to make the final revisions directed at the June meeting. These would be reviewed on a fatal flaw basis by IPSASB members. The CP is planned for issuance by the end of July, 2015.

3. Cash Basis IPSAS Review (Agenda Item 3)

At this meeting the IPSASB considered:

- An Issues Paper outlining potential approaches to overcome obstacles to adoption of the Cash Basis IPSAS, *Financial Reporting Under the Cash Basis of Accounting,* that arise as a result of the requirements relating to consolidation, external assistance and third party payments. The Issues Paper also identified "housekeeping" type updates that may usefully be considered as part of this review of the Cash Basis IPSAS, including aspects of the IPSAS that could be revised to ensure consistency with relevant new and updated accrual IPSASs;
- The report of the IPSASB Task Force (2010), a submission by the International Consortium on Governmental Financial Management (ICGFM) and comments of the ICGFM Ad Hoc Committee on Accounting Standards; and
- Sections of the Cash Basis IPSAS annotated and marked-up to identify the broad areas and nature of amendments proposed by staff.

The IPSASB discussed the alternate approaches to providing relief to the requirements relating to consolidation, external assistance and third party payments identified in the Issues Paper, and staff views thereon. The IPSASB also discussed the nature of "housekeeping" issues that should be addressed within the scope of this review. The IPSASB noted the views of Task Based Group (TBG) members and the ICGFM submission on each of these matters.

During the course of this discussion, one member noted opposition to the allocation of resources to projects directed at encouraging or facilitating greater adoption of the Cash Basis IPSAS, expressing concern that there may be a disincentive to adopt the accrual IPSASs if relief provided to adopters of the Cash Basis IPSAS meant the Cash Basis IPSAS is less onerous than the accrual IPSASs. Members agreed that it should be made clear in introductory paragraphs of the IPSAS and material supporting the review process that, consistent with the IPSASB's overall strategic objectives: (a) adoption of the Cash Basis IPSAS is a step on the path to adoption of the accrual basis IPSASs; (b) the IPSASB strongly encourages the adoption of the accrual IPSASs, but acknowledges that in some jurisdictions a transitionary process may be necessary to achieve that end; and (c) the revisions to the Cash Basis IPSAS proposed by this project are intended to encourage entities to adopt the Cash Basis IPSAS as an intermediate step in the process of transitioning to adoption of the accrual IPSASs rather than an end in itself.

Some members also noted that, as currently expressed, in some instances the combination of encouragements and requirements in the Cash Basis IPSAS worked together to provide fewer transitionary concessions to entities on the transition path from the cash basis to the accrual basis than are provided by IPSAS *33, First Time Adoption of Accrual Basis IPSASs*. Members agreed that the relief provided to first time adopters of accrual IPSASs by IPSAS 33 should also be provided to those entities that complied with the Cash Basis IPSAS and were adopting particular IPSASs for the first time as they transitioned to the accrual basis.

After further discussion, the IPSASB agreed that for the next meeting it would consider, as a basis for its ongoing deliberations, a marked-up draft exposure draft (ED) that reflects the following.

Consolidation

In respect of the requirements and encouragements relating to consolidation:

- The requirement in Part 1 of the IPSAS that controlling entities are to prepare consolidated financial statements that encompass all controlled entities is to be recast as an encouragement and moved to Part 2;
- Part 1 of the IPSAS is to require that if consolidated financial statements are prepared they are to encompass only controlled entities and are to comply with the consolidation procedures included in the Cash Basis IPSAS. The consolidation procedures currently identified in the Cash Basis IPSAS are to be updated to ensure that they are not in conflict with the procedures identified in IPSAS 35, *Consolidated Financial Statements*;
- Part 1 of the IPSAS is to explain that the term consolidated financial statements is to be used only when the financial statements encompass all controlled entities. In other cases, a term that better describes the group of controlled entities that are encompassed by the group financial statements is to be used. For group financial statements prepared in respect of national, state/provincial or local governments, such terms may, for example and as appropriate, refer to the group financial statements of (a) core government activities, (b) non-commercial activities, (c) the budget sector, (d) the general government sector (GGS) or (e) all controlled entities other than state owned enterprises. Similar terms may be adopted for government agencies which are controlling entities and prepare and present financial statements which consolidate some controlled entities;
- Part 2 of the IPSAS is to encourage the preparation of group financial statements that represent an inner or outer budget sector, or GGS as reflected in the accrual IPSASs as an useful interim step in the transition to full consolidation as required by accrual IPSASs;

- The current requirements in Part 1 of the IPSAS to disclose the name, the jurisdiction of operation of the controlled entity if different from the controlling entity and the reasons for not consolidating a controlled entity are to remain in the draft ED. Additional requirements are to be added to the draft ED for review at the next meeting to disclose in notes:
    - Where all controlled entities are not consolidated, the classes (or characteristics) of controlled entities that are included in, and excluded from, the group financial statements together with an explanation of the reason for the exclusion of any classes from the group accounts; and
    - Entities that have been added to, or deleted from, those included in the group financial statements since presentation of the previous period's general purpose financial report (GPFR).

External Assistance:

The IPSASB noted the background and process of development of the current requirements and encouragements for disclosure of information about external assistance, and discussed staff proposals for their reconfiguration consistent with the objectives of this limited scope review of the IPSAS. Some members noted that it was appropriate that all external assistance in cash would be recognized in the Statement of Cash Receipts and Payments. However, they were not convinced that the additional specific requirements and encouragements for disclosures of the details of external assistance received in the form of cash or third party payments should be retained in the IPSAS, whether as a requirement or an encouragement. This was because the information necessary to fully satisfy the requirements and encouragements is often not made available to recipients, and the usefulness for accountability and decision-making purposes of the disclosure of this incomplete additional information about external assistance is questionable.

In the course of this discussion, members noted that many of the external assistance disclosure requirements and encouragements currently included in Parts 1 and 2 of the IPSAS are in the nature of information that might well be included in special purpose financial reports but do not sit comfortably in GPFRs. Some members also noted that these required and encouraged disclosures are more detailed and onerous than in the existing accrual IPSASs. They expressed concern that this is not consistent with the IPSASB's view of the role that Part 2 of the IPSAS is to play in the future – that is, that the Cash Basis IPSAS is a step on the transition to the accrual basis, and the role of the encouraged disclosures in Part 2 of the IPSAS is to support an entity's transition to compliance with the accrual basis IPSASs.

After further discussion, the IPSASB agreed that for purposes of the marked-up draft exposure draft (ED) to be considered at the next meeting:

- The required disclosures about external assistance in Part 1 of the IPSAS are to be recast as encouraged disclosures and moved to Part 2. They are also to be reduced to focus primarily on disclosure of details of external assistance received and used during the reporting period in the form of cash and third party payments and the balance of undrawn external assistance that is available to the reporting entity as at reporting date. The encouragements currently included in Part 2 of the IPSAS are also to be reduced to reflect this focus on the amount of external assistance received and used during the period and available to the entity as at reporting date;
- Commentary is to be included in Part 2 to explain that:

  - The encouraged disclosures include some matters not specifically required by the accrual IPSASs because they provide additional information useful in assessing how the entity is resourced; and
  - Such information is useful to all users of GPFRs for accountability and decision-making purposes and may also be relevant to the "special purpose" needs of providers of external assistance for information useful in monitoring the provision and use of assistance provided to the entity.

  Members agreed that they would discuss further at the next meeting whether some or all of the encouraged disclosures included in the marked-up draft ED should be deleted or retained as a useful bridge to the accrual IPSASs. (The extent to which the encouraged disclosures that remain in the ED align with requirements and encouragements in IPSAS 23, *Revenue from Non-Exchange Transactions (Taxes and Transfers),* is to be highlighted as input for this discussion.);

- Part 1 is to include additional commentary supporting paragraph 1.3.12 to note that for many public sector reporting entities in developing economies, the amount of external assistance received as cash is likely to warrant separate disclosure. (Paragraph 1.3.12 requires that the Statement of Cash Receipts and Payments present total cash receipts and payments of the entity and major classes thereof as appropriate to the entity, as well as beginning and closing balances of cash.);
- Part 2 paragraphs 2.1.90 and 2.1.91 are to be revised as proposed by staff to clarify the distinction between external assistance in the form of third party payments and assistance provided in the form of goods and services in kind. However, whether or not such clarification is necessary will be revisited at the next meeting as the amendments to, and repositioning of, the requirements and encouragements of external assistance are further considered;
- Staff is to seek input from the ICGFM regarding the potential inclusion in Part 2 of additional guidance on the factors that should be considered in assessing whether bank accounts established by development partners for payments relating to a particular program of assistance represent bank accounts controlled by the reporting entity or bank accounts controlled by the development partner for third party payments on behalf of the entity.

Third Party Payments

The IPSASB agreed that for purposes of the draft ED to be considered at the next meeting:

- The disclosure of information about payments made by third parties which are not part of the economic entity to which the reporting entity belongs currently required in Part 1 of the IPSAS are to be recast as encouraged disclosures and moved to Part 2; and
- The disclosure of information about payments made by third parties which are part of the economic entity to which the reporting entity belongs currently required in Part 1 of the IPSAS are to be retained.

"Housekeeping"

The IPSASB discussed what amendments to the Cash Basis IPSAS might be encompassed within the housekeeping update as intended by this limited scope review, and agreed that the "housekeeping" revisions to Part 1 should be narrowly focused. As such, housekeeping amendments are to be directed at ensuring that the existing requirements in Part 1 of the Cash Basis IPSAS are not inconsistent with the requirements in accrual IPSASs currently on issue that deal with the same matters, except where those differences reflect the narrower focus on cash rather than all resources and obligations and changes therein. The IPSASB agreed that:

- Consistent with the narrow scope of this review, additional requirements dealing with matters addressed in “new” IPSASs but not in the Cash Basis IPSAS, should not be added to Part 1 of the Cash Basis IPSAS;
- Consistent with the IPSASB’s decision that the role of Part 2 of the Cash Basis IPSAS is to support the transition to adoption of the accrual IPSASs, Part 2, or the Introduction to Part 2 as appropriate, is to:
  - Include a clear explanation of the role of Part 2 of the Cash Basis IPSAS. Such explanation is also to be included in material issued with the ED as well as in the final updated Cash Basis IPSAS;
  - Identify the IPSASs that had been issued since issue of the Cash Basis IPSAS, including IPSAS 33 and those IPSASs that deal with matters not specifically addressed in Part 1 of the Cash Basis IPSAS; and
  - Explain that reporting entities should plot their path to adoption of the accrual IPSASs, and commence the process of building the information necessary to comply with those IPSASs consistent with the transition path they had adopted and the transitionary provisions of IPSAS 33.

The IPSASB also agreed that the draft ED prepared for consideration at the next meeting would, for the most part, reflect the broad nature of amendments as proposed by staff, but also directed that:

- The scope section of the Cash Basis IPSAS is to include wording based on that proposed for inclusion in the Preface to *International Public Sector Accounting Standards* to identify the types of public sector entities for which IPSASs are prepared;
- The encouragements in Part 2 are to reflect similar relief to that in IPSAS 33 for entities which adopt individual IPSASs as they transition from the cash to the accrual basis;
- Documentation supporting the issue of the ED is to seek input on whether additional requirements and/or encouragements based on aspects of recently issued IPSASs and RPGs such as, for example: employee benefits, financial instruments, service concessions, long term sustainability and financial statement discussion and analysis should be included in Part 1 or Part 2 of the IPSAS in the future.

  As input to for the preparation of such documentation, the IPSASB directed staff to undertake a review of Part 2 of the Cash Basis IPSAS, including sections of the IPSAS that deal with matters other than consolidation, external assistance and third party payments, to identify:

  - Encouraged disclosures or treatments in Part 2 that are not required by the existing accrual IPSASs and which, consistent with the role intended for Part 2 of the IPSAS, could be removed because they are more demanding than required by the accrual IPSASs; and
  - Requirements of the existing accrual IPSASs that would need to be dealt with in the transition to the accrual IPSASs, but are not currently embraced by the encouragements and related commentary proposed in Part 2.

Communication Strategy

The IPSASB broadly agreed the communication strategy proposed by staff, but directed that, in addition to seeking input on whether additional requirements or encouragements based on recently issued IPSASs and RPGs should be included in the IPSAS in the future (see above), supporting material should also note that the IPSASB:

- Intends to revisit the Cash Basis IPSAS within a specified number of years in the future to consider whether any further amendments are necessary and/or commence the process of updating the IPSAS for any such amendments, including amendments identified by respondents to this ED. (The IPSASB is yet to determine the number of years that may be specified for such a follow-up review if necessary.); and
- The IPSASB proposes that, as part of its standards development process, as a new accrual IPSAS is developed it would consider whether the Cash Basis IPSAS should be updated with additional requirements or encouragements to acknowledge this addition to the suite of accrual IPSASs. Any such updating of the Cash Basis IPSAS would of course be subject to due process.

Structure of the Draft ED

The IPSASB agreed that Part 1 of the draft ED prepared for consideration at the next meeting should comprise only the sections of Part 1 that are subject to substantial amendment. The IPSASB also agreed that a similar approach may be adopted for Part 2, though staff should determine whether the changes to Part 2 agreed at this meeting are so pervasive that there is little benefit in carving out those areas that are relatively untouched.

4. Governance Update and Consultative Advisory Group (Agenda Item 4)

The Managing Director, Professional Standards provided an update on the development of the new governance arrangements, including the first meeting of the Public Interest Committee (PIC) in late March 2015 in Paris, France. The PIC will initially comprise representatives of the World Bank Group, the Organisation for Economic Cooperation and Development, the International Monetary Fund and the International Organization of Supreme Audit Institutions. The PIC will review IPSASB's governance arrangements and advise the IPSASB on the public interest responsiveness of the processes and structures of the IPSASB; and promote the public interest in the standard-setting activities of the IPSASB.

The inaugural PIC meeting was attended by the Chair, the IFAC Chief Executive Officer and the Managing Director, Professional Standards. The PIC members discussed what the PIC and governance success would be and agreed that success would be achieved if the IPSASB is successful. Governance and oversight under the PIC is intended to be proactive rather than a reactive process. Therefore, the PIC's activities and involvement will be targeted at the front end of the standard-setting process, focusing on the IPSASB nominations and strategy and work program procedures and processes, with the ultimate aim of ensuring that the public interest is served. IPSASB governance and oversight under the PIC is not meant to be consistent with the Public Interest Oversight Body arrangements in place for the other IFAC standard-setting bodies.

IPSASB members raised questions and shared observations in regards to IPSASB governance under the PIC. One member who chairs a national standard setting body with governance arrangements in place, noted that approximately 50% of their time was spent dealing with governance issues and the governance committee. The member recommended that the memorandum of understanding being developed between the IPSASB and the PIC clearly delineate responsibilities of the IPSASB and the PIC and procedures and processes. It was noted that ambiguity can lead to misunderstandings, as well as significant changes in operations for governance bodies when membership of the board or governance committee changes. It is therefore advisable to ensure clarity from the outset in the memorandum of understanding.

One member raised a concern that the PIC seemed to lack authority over the IPSASB. The Chair and Managing Director, Professional Standards, noted this is a result of the oversight and legal arrangements of the members of the PIC. Because of their oversight processes, any stronger legal wording in the governance arrangement might lead to the boards of the PIC members having to approve all decisions of the PIC in relation to governance. Such a requirement would be much too onerous and would impede good governance of the IPSASB. Further, it was noted that the governance arrangement is completely transparent and open, with all agenda papers and documents widely available. Constituents of the IPSASB will be free to see the IPSASB's interactions with the PIC. Therefore it would be likely that the IPSASB would take on recommendations of the PIC, even if not compelled to do so. The Chair stressed that he believes the PIC will have de facto power, because if the advice of the PIC is not taken by the IPSASB, the participating organizations might withdraw from the PIC, which would greatly impair the credibility of the IPSASB.

The Managing Director, Professional Standards discussed with the IPSASB the formation of the IPSASB Consultative Advisory Group (CAG), including presenting the draft Terms of Reference (ToR) for approval by the IPSASB.

The CAG ToR were unanimously approved by a vote of the IPSASB members in attendance.

5. Consequential Changes from Chapters 1-4 of Conceptual Framework (Agenda Item 5)

The IPSASB considered the approach to consequential amendments arising from Chapters 1-4 of the Conceptual Framework (the Framework) relating to:

- Qualitative Characteristics (QCs) and constraints on information in general purpose financial reports (constraints);
- Recognition;
- Hierarchy for selection of accounting policies where there is no IPSAS; and
- Replacement of term "economic entity"' by "group entity".

QCs and Constraints

The IPSASB agreed to delete Appendix A, *Qualitative Characteristics of Financial Reporting,* from IPSAS 1, *Presentation of Financial Statements,* and references to Appendix A elsewhere in the literature. The IPSASB also directed that there is no need to replace Appendix A with a summary of the new QCs and constraints.

Recognition

Staff explained that the Framework adopted the QC "faithful representation" rather than "reliability" and explained that "faithful representation is attained when the depiction of the phenomenon is complete neutral and free from material error." Members agreed that the term "reliability" should be replaced by "faithfully representative" in the literature, except for recognition criteria.

Staff noted that there is a specific issue relating to recognition. Currently the recognition criteria in IPSASs are that: (a) it is probable that future economic benefits or service potential associated with an item will flow to the entity; and (b) the cost or fair value of the item can be measured reliably.

Staff stated that these criteria are not consistent with the recognition criteria in Chapter 6 of the Framework:

- An item satisfies the definition of an element; and
- Can be measured in a way that achieves the QCs and takes account of constraints in information in GPFRs

Recognition is outside the scope of this project. Nevertheless, the retention of “reliability” is problematic, because reliability is no longer a QC and therefore it is questionable what it means. Staff put forward three possible approaches to addressing this issue

- Retain “reliably” in the recognition criteria;
- Replace “reliably” with “faithfully representative”; and
- Bring recognition within the scope of this project.

Staff did not favor making piecemeal changes to the recognition criteria. Staff acknowledged that bringing recognition into the scope of the project might be considered to be the most straightforward approach, but expressed a view that that recognition is more appropriately addressed when the changes to the elements are considered. Modification of the recognition criteria also has a consequential impact in other areas; for example, the discussion of a provision in IPSAS 19, *Provisions, Contingent Liabilities and Contingent Assets*, and the definition, and subsequent discussion, of a contingent liability in IPSAS 19. Staff therefore proposed retaining “reliably” as an interim measure with an explanation in a footnote and in the Basis for Conclusions of IPSAS 1.

Staff was asked to explain why replacing “reliably” with “in a faithfully representative manner” in the recognition criteria would be an interim approach. Staff explained that this was because other aspects of the recognition criteria are no longer consistent with the Framework, so that the recognition criteria will probably have to be further modified. Staff favored looking at all issues relating to recognition together. One member suggested that the issues relate to both elements and measurement.

A member considered that the International Accounting Standards Board would face the same situation with recognition criteria in International Financial Reporting Standards as the IASB has replaced the QC of “reliability” with “faithful representation”. Staff was asked what approach the IASB was going to take. Staff noted that the IASB was at ED stage with its overall Framework and that the IASB was not proposing standards-level changes to recognition criteria at this time.

Members considered whether “reliability” should be formally defined. Staff suggested that withdrawing “reliability” as a QC, but then defining it for what may be a short period might appear contradictory and would be difficult to explain to constituents. It was agreed not to define “reliability” formally.

The IPSASB accepted the staff proposal, but directed that there should be a footnote in each IPSAS with recognition criteria, rather than just in IPSAS 1.

Hierarchy for selection of accounting policies where there is no IPSAS

Staff explained that paragraphs 12-15 of IPSAS 3, *Accounting Policies, Changes in Accounting Estimates and Errors*, provide guidance on the selection of accounting policies where there is not an IPSAS that specifically applies to a transaction, event or condition. IPSAS 3 further provides a hierarchy of sources that management shall refer to, and consider the applicability of, when determining an accounting policy where there is no governing IPSAS.

Members first considered paragraph 12 of IPSAS 3. Members agreed that that the term “reliable” should be replaced by “faithfully represents”. Some members expressed a view that the paragraph should refer to all the QCs and constraints rather than just “relevance” and “faithful representation”, so that preparers would consider all the QCs when determining accounting policies. Other members considered that “relevance” and “faithful representation” are the key QCs for the selection of accounting policies. It was suggested that “relevance” and “faithful representation” should be referenced first, followed by the other QCs and the constraints. Staff expressed some reservations about such an approach, noting that the IASB had distinguished “fundamental” and “enhancing” characteristics, with “relevance” and “faithful representation” identified as “fundamental” QCs in its Conceptual Framework. The IPSASB had decided not to make such a distinction.

The Chair proposed that there was no need to adopt the IASB’s approach and that the reference in paragraph 12 should be to “relevance, faithful representation, the other QCs and constraints.” The IPSASB accepted this wording.

A member asked whether the IPSASB had received feedback from adopters on this issue. The Chair indicated that adopters in Columbia had emphasized the importance of “verifiability” in the context of the recognition of rights to natural resources and had reviewed all the QCs. Members also directed that:

- The reference to “management” in paragraphs 12 and 14 should be changed to “preparers”; and
- There should not be a direct reference to “the economic substance of transactions”, “neutrality”, “prudence” and “completeness in all material respects” in the revised IPSAS. There should be a discussion of these terms in the Basis for Conclusions.

Members then considered the sources to which preparers should be referred if there is no IPSAS dealing with a transaction, other event or condition. It was agreed that the first source should be the requirements in IPSASs dealing with similar and related issues.

Staff identified an issue as to whether the second level source should be the definitions, recognition and measurement criteria for assets, liabilities, revenue and expense described in other IPSASs or, alternatively, in the Framework. Staff indicated that until the IPSASB had considered modifications to IPSASs resulting from the Framework chapters on elements, recognition and measurement, a reliance on the Framework might lead to accounting policies that are not consistent with requirements in other IPSASs.

Members acknowledged this view. However, they considered that such a risk should not be exaggerated and that the Framework represents the IPSASB’s up-to-date thinking. Therefore it was decided that the second level source should refer to the Framework.

The Chair noted that the identification of other sources is a third level consideration. It was emphasized that preparers should only refer to non-IPSASB related sources if they do not conflict with the requirements in IPSASs dealing with similar and related issues and definitions, recognition and measurement criteria for assets, liabilities, revenue and expense in the Framework.

Staff proposed that the reference to the IASB’s Framework should be deleted now that the IPSASB had published its own Framework. However, staff was aware that some constituents would prefer to retain the reference to the IASB’s Framework. Members supported the staff proposal, because of risks that aspects of the IASB Framework might conflict with the IPSASB’s conceptual approach.

Staff favored retaining the reference to International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee and the former Standing Interpretations Committee as examples of pronouncements of other standard-setting bodies. Staff acknowledged that such references might be subsumed within the all-encompassing term "IFRS", but considered that such references are helpful to readers. Members supported the retention of these examples.

It was also agreed that in referring to the list of sources to which there should be reference in the absence of a specific IPSAS the phrase "descending order" is ambiguous. The IPSASB therefore directed that the phrase "following order" should be used.

Replacement of term 'economic entity' by' group entity'.

Staff noted that, in discussing the key characteristics of a reporting entity, Chapter 4 of the Framework uses the term "group reporting entity". IPSAB's literature uses the term "economic entity", which is defined in IPSAS 1 as meaning "a group of entities comprising a controlling entity and one or more controlled entities." The term "economic entity" is used extensively throughout the suite of IPSASs and has most recently been used in IPSASs 34-38, *Interests in Other Entities.*

Staff further stated that the Framework adopted a high level concept of the reporting entity derived from the objectives of financial reporting and acknowledged that this high level concept would be developed and fully explored at the standards level. Staff expressed a view that the definition of an economic entity is not at odds with the Framework. The term "economic entity" has been in the literature since the first IPSASs were published in 2000 and reflected a view that a public sector specific term was appropriate to denote a controlling entity and one or more controlled entities. Nevertheless, staff considered it confusing to use different terms in the Framework and at standards level for what is the same phenomenon.

Staff therefore proposed that the defined term "economic entity" should be replaced with a definition of a group reporting entity as "a controlling entity and one or more controlled entity," and that references to an "economic entity" should be changed to a "group entity". Staff acknowledged the views of those who argued that such a change is unnecessary.

Members did not accept the staff proposal. Members considered that the term "economic entity" is:

- Consistent with the Framework;
- Is familiar to users; and
- Should therefore be retained.

Next Steps

Staff proposed that the Framework-related consequential amendments should be included as a component of a broader Improvements ED that would also include improvements derived from the IASB's Improvements Project, rather than in a separate stand-alone ED. Members supported this approach and directed that a draft ED be developed for the September 2015 meeting. It was agreed that the improvements should be presented in the ED in the following sequence:

- Improvements related to Chapters 1-4 of the Conceptual Framework;
- Other non-IFRS-related Improvements; and
- IFRS-related Improvements.

6. Revenue (Agenda Item 6)

Todd Beardsworth from the New Zealand External Reporting Board presented the Revenue Issues Paper. Todd was supported by Aimy Luu Huynh of the staff of the New Zealand External Reporting Board, who attended the meeting.

The IPSASB noted that the Issues Paper did not explore the current risks and rewards approach in IPSAS 9, *Revenue from Exchange Transactions,* and IPSAS 11, *Construction Contracts*, nor the differences between the risks and reward approach and the performance obligation approach in IFRS 15, *Revenue from Contracts with Customers*. It was noted that the IASB changed their approach because the risks and rewards approach was not considered suitable for the transactions in the scope of IFRS 15.

There was general support from the IPSASB for the performance obligation approach for establishing the accounting for some public sector revenue because a risks and rewards approach was too subjective. Also, it was noted that the risks and rewards approach was difficult to apply to principal and agent relationships.

The IPSASB noted that public sector revenue transactions often involve more than two parties. For example, the government (party one) provides funding to a public sector entity (party two) to pay social benefits to members of the public that qualify for the benefit (party three).

The IPSASB noted that the performance obligation approach is more easily applied to transactions where there is a high degree of specificity over the obligations of the parties to the transaction. However, the performance obligation approach does not work for transactions where the terms and conditions of the transaction are less specific, and an IPSAS 23, *Revenue from Non-Exchange Transaction (Taxes and Transfers),* type standard would be needed for such transactions.

The IPSASB noted that IPSAS 23 starts by considering whether there is an asset. This is a different starting point from the performance obligation approach. The IPSASB agreed that rather than starting from scratch for non-exchange revenue transactions that do not have a performance obligation, staff should consider the issues that have been raised in respect of IPSAS 23 and look to address those issues for revenue transactions that do not have a performance obligation.

The IPSASB discussed transfers between different levels of government, where the transfer has conditions attached but it is questionable whether the level of government receiving the transfer has performance obligations.

The IPSASB discussed the examples in the Issues Paper, noting that certain examples did not contain sufficient detail to come to a view about the accounting. The examples did not elaborate sufficiently on the performance obligations, nor explore the consequences of non-performance. They all assumed that the performance obligation had been carried out.

The IPSASB asked the revenue project staff to work closely with the non-exchange expenses project staff, where the projects intersect. This will be the case for those revenue transactions where the other side of the transaction is a non-exchange expense within the scope of the non-exchange expenses project. The IPSASB is interested to understand whether or not there would be symmetry in accounting for the transactions, and if not why not. The IPSASB encouraged staff on both projects to use common examples.

There will be another Issues Paper presented at a future IPSASB meeting that further explores the application of the performance obligation approach to some public sector revenue. The IPSASB still expects to be in a position to decide at the December 2015 IPSASB meeting whether a consultation paper is required.

7. Non-Exchange Expenses (Agenda Item 7)

The Chair introduced David Bean, Director of Research and Technical Activities of the Governmental Accounting Standards Board.

Matter for Consideration 1 – Additional authoritative or non-authoritative literature

David presented an overview of existing authoritative and non-authoritative literature that deals with non-exchange transactions. The literature presented to the IPSASB included:

- IPSASB, *The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities*
- IPSAS 19, *Provisions, Contingent Liabilities and Contingent Assets*
- IPSAS 23, *Revenue from Non-exchange Transactions (Taxes and Transfers)*
- IPSASB Draft Consultation Paper, *Recognition and Measurement of Social Benefits*
- IMF, *Government Finance Statistics Manual (2014)*
- International Financial Reporting Standard 15, *Revenue from Contracts with Customers*
- Canadian Public Sector Accounting Board, PS 3410, *Government Transfers*
- New Zealand Treasury, *Guidance on Recognising Liabilities and Expenses (2013)*
- Federal Accounting Standards Advisory Board (United States), Statement of Federal Financial Accounting Standards 5: *Accounting for Liabilities of the Federal Government (1995)*
- Governmental Accounting Standards Board (United States)
  - *(a)* Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*
  - *(b)* Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*
  - *(c)* Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues*
  - *(d)* Statement No. 65, *Items Previously Reported as Assets and Liabilities*
  - *(e)* Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*

At David's request, a member provided additional elaboration upon the rationale for some of the provisions of PS 3410, specifically why the guidance did not attempt to establish symmetry between non-exchange revenue and expense recognition. Also at David's request another member elaborated upon the New Zealand Treasury document, *Guidance on Recognising Liabilities and Expenses*.

The IPSASB was asked whether the project staff should consider any other authoritative or non-authoritative literature as part of this project.

Another member suggested that staff should consider literature on debt forgiveness (as a non-exchange expense) and concessionary loans.

Another member suggested that the Canadian PSAB's loan receivable standard, which treats loans as government transfers, may be an area of consideration for this project.

A member suggested the staff look at Indonesian Technical Bulletins No. 4 and No. 7, which deal with presentation and disclosure.

Another member suggested that the staff conduct outreach with preparers who have dealt with non-exchange transactions to collect information about the types of transactions they have encountered in practice and how they have accounted for those transactions.

David noted that the project staff had planned to perform outreach as part of the next steps in the project.

Matter for Consideration 2 – Scope

David provided an overview of the project staff's analysis of non-exchange transactions. He explained that although the notion of non-exchange may at first appear easy to define, interpretations of the notion and how it is operationalized vary. He also noted that many transactions in the public sector may be interpreted as either exchange or non-exchange. The project staff suggested that nearly all public sector transactions can be viewed as being made up of two parts: one part exchange, the other non-exchange. To assist the IPSASB in determining the potential scope of the project, David then provided a series of examples of typical public sector transactions and asked the IPSASB to consider whether the specific types of transactions potentially were within the scope of the project. The IPSASB considered these notions and how they might inform the development of the scope of the non-exchange expense project.

One member noted that when considering the scope of a project, the scope should be informed by what scope best serves the public interest. The member added that the IPSASB should consider the types of criteria to determine whether or not the scope of the project best serves the public interest.

Another member noted that any scope issue has the potential for arbitrage.

The IPSASB discussed how the scope of the social benefits project would impact the scope of the non-exchange expenses project. The IPSASB discussed how varying types of transaction should be classified and whether they fell within the scope of the social benefits project or the non-exchange expenses project. One member explained that the social benefits project focuses on individuals and households, whereas the non-exchange expenses project would focus on transactions with other entities. Some members, however, did not agree that all transfers to individuals were inherently social benefits. They emphasized the importance of the presence of a social risk in determining whether a transaction should be defined as a social benefit. Members discussed what is meant by social risks. One member noted that, if certain transfers to individuals fall outside of scope of the social benefits project, they should fall within the scope of the non-exchange expenses project. Additionally, the member added that the boundaries of the respective scopes of the two projects should be consistent. No conclusions were reached.

The IPSASB next discussed transactions other than social benefits and how to identify the scope for those transactions. The IPSASB deliberated whether transactions that contain a performance obligation should be considered an exchange transaction for financial reporting purposes. The IPSASB also discussed whether transactions with performance obligations that contain additional requirements or limitations, such as eligibility requirements or resources subject to appropriation, would fall within the scope of the non-exchange expenses project. The IPSASB did not reach any conclusions at this stage.

Matter for Consideration 3 – Definition

The IPSASB next discussed a proposal to revise the definition of non-exchange transactions.

One member asked if it would be appropriate to consider whether a single definition of non-exchange transactions should be retained, or if the IPSASB should consider proposing multiple definitions of non-exchange transactions, each specific to the three respective projects that are underway. IPSASB members discussed this proposal. Another member noted that it may be too early to refine the existing definition and that the IPSASB should tentatively work with the existing definition.

IPSASB members next provided feedback on the proposed definition in the Issues Paper and how it could be improved. The IPSASB did not reach any conclusions at this stage.

Matter for Consideration 4 – Recognition

The IPSASB discussed the project staff's proposal regarding potential recognition approaches to non-exchange transactions. The approaches proposed by the project staff were those deliberated by the IPSASB for the social benefits project. The IPSASB was asked to identify other possible approaches to recognition that the project staff should consider for the non-exchange expenses project.

One member asked if it was appropriate to consider the social contract approach for the non-exchange expenses project. Another member questioned whether the insurance approach would be appropriate to the types of transactions that would fall within the scope of the non-exchange expenses project. No conclusions were reached.

Next Steps

The project staff proposed addressing the symmetry issues together with the non-exchange revenue project staff. They proposed that discussion of whether or not symmetry would be appropriate should be considered at the September meeting. The IPSASB will be presented with issues to illustrate both sides of the transaction during the September discussion.

The project staff also noted that they will refine the scope as part of the next non-exchange expenses discussion.

8. Government Business Enterprises (Agenda Item 8)

The IPSASB discussed an Issues Paper that considered aspects of the draft Exposure Draft 56 (ED 56), *The Applicability of IPSASs to Public Sector Entities*, and reviewed the ED.

Title of the ED 56

The IPSASB decided to remove the wording "to Public Sector Entities" from the title of the ED 56 and not to use again the term "Government Business Enterprises" because since the Consultation Paper phase the project had broadened to consider the more general applicability of IPSASs.

Revision of the Preface

The IPSASB approved the revision to the *Preface to International Public Sector Accounting Standards*. The IPSASB adopted the following draft description of the characteristics of public sector entities:

The IPSASs are designed to apply to public sector entities[3] that:

- *(a) Are responsible for the delivery of services[4] to benefit the public and/or to redistribute income and wealth;*
- *(b) Mainly finance their activities, directly or indirectly, by means of taxes and/or transfers from other levels of government, social contributions, debt or fees and do not have capital providers that are seeking a return on their investment or a return of their investment; and,*
- *(c) Do not have a primary objective to make profits.*

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[3] Paragraph 1.8 of *The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities* identifies a wide range of public sector entities for which IPSASs are designed.

[4] Services encompasses goods, services and policy advice.

The IPSASB decided to introduce the term “policy advice” in a footnote to characteristic (a) to include other types of services delivered by public sector entities. Staff added the term “benefit” because policy advice is not delivered to the public, rather it is delivered for the benefit of the public.

The IPSASB decided to introduce the term “mainly” in characteristic (b) because entities do not need to be wholly financed by means of taxes and/or transfers from other levels of government, social contributions, debt or fees to be considered a public sector entity for which IPSASs are intended.

The IPSASB discussed the fact that, although the *Preface to IPSASs* contains characteristics of a public sector entity which IPSAS are designed for, is not an authoritative document and not subject to due process. Therefore, the IPSASB decided to remove from IPSASs and RPGs any reference to the *Preface of IPSASs*.

Deletion of black and grey letter references to GBEs in the scope sections of IPSASs and RPGs

The IPSASB decided to remove the black and grey letter references to GBEs in the scope sections of IPSASs and RPGs, to remove the reference to GBEs in paragraph 3 of IPSAS 22*, Disclosure of Financial Information about the General Government Sector*, and replace in the term “Government Business Enterprises” with the term “commercial entities” in paragraph 3 of IPSAS 24, *Presentation of Budget Information in Financial Statements.* In other IPSASs and RPGs GBEs will also be replaced with the terms “commercial entities” or “commercial public sector entities” to distinguish, when appropriate, from other public sector entities for which IPSASs are intended and from commercial private sector entities.

Approval of the ED and Exposure Period

The IPSASB **approved ED 56*.*** Fifteen members voted in favor, with three absentees. The IPSASB agreed that the comment period would be four months. ED 56 is planned for issuance in late July/early August 2015.

9. Public Sector Combinations (Agenda Item 9)

Staff presented an Issues Paper on the classification of public sector combinations. As directed by the IPSASB at its March 2015 meeting, the Issues Paper considered classification by reference to both control and a range of other factors.

Approaches to factors

Staff outlined the two approaches discussed in the Issues Paper, explaining that the factors identified could be used:

- To assist in determining whether an entity had gained control; or
- As additional factors to be considered in addition to control to determine the appropriate accounting treatment.

Staff then presented the analysis of the different factors identified in the Issues Paper. There was a wide-ranging discussion about how the two approaches could be applied.

Some members expressed concern that the second approach (which considered multiple factors alongside control) concentrated on identifying the appropriate accounting treatment rather on classifying the combination.

The IPSASB agreed that it should explore a variation of this approach, whereby the multiple factors are used in determining the classification of a combination, rather than moving directly to the accounting treatment.

Members questioned how control related to the other factors in the (modified) second approach. Members agreed that under this approach, control should be considered first. If no party to the combination gains control of operations, then the combination should be classified as an amalgamation. If one party to the combination does gain control of an operation, then other factors have to be considered when determining whether a combination is an acquisition or an amalgamation. In determining that a combination is an acquisition, control is necessary but not in itself sufficient to determine the classification.

Members debated the merits of the two approaches. Some members considered that the first approach (control as the sole criterion) was preferable as it would result in greater comparability. These members considered that the second approach introduces more subjectivity, which increases as more factors are added.

Other members accepted that the second approach introduces more subjectivity, but stated that the additional factors lead to a richer consideration of the combination. In their view, considering a range of factors would result in information that was more relevant and useful to users of the financial statements.

Following this discussion the IPSASB agreed to proceed with an approach that considered multiple factors.

Factors to be considered

The IPSASB discussed the individual factors identified in the Issues Paper, and made the following comments:

- Change of sector – the IPSASB agreed that a change of sector was not an additional factor to be considered. The IPSASB considered that a change of sector was a potential consequence of a change of control, and, as such, did not add anything to the control criteria.
- Consideration – the IPSASB agreed that significant consideration is an indicator of an acquisition, whereas no consideration is an indicator of an amalgamation. The IPSASB noted that in describing this factor, there should be no reference to fair value as this could result in some circularity. The IPSASB also noted that because this factor could point to both an acquisition and an amalgamation, the wording used to describe the factor would be important.
- Compulsion – the IPSASB noted that there was an overlap between compulsion and common control as in both cases, a party external to the combination may direct the parties to combine. Similarly there are overlaps between compulsion and decision making. Compulsion was seen as a subset of decision making. Some IPSASB members noted that compulsion may be exercised as either a regulatory power or a control power.
- Accountability – some members had concerns that this factor could be used to achieve a desired outcome. The factor may be helpful in discussing whether treating a combination as an acquisition or an amalgamation reflects the economic substance of the transaction. This may not be a factor in its own right, but something that is referred to in assessing whether the overall decision is appropriate.
- Decision making – some members saw this as the starting point. A ministerial decision to “shuffle the deckchairs” was contrasted with an organization deciding it needed to acquire other operations to fulfill its objectives. Some members noted that an entity may have the power to direct a combination without gaining the benefits and therefore would not meet the control tests in IPSAS 35. Members considered that a single factor that included decision making, regulation and compulsion could describe the mechanism by which the combination was achieved.

- Citizens' rights – the IPSASB agreed that citizens' decision making (for example, where combinations were subject to approval through a referendum) should be part of the decision-making criteria. Members were not convinced by the discussion of resources in the Issues Paper and agreed this element of citizens' rights was not a factor that needed to be considered.
- Ownership interest and quantifiable ownership interests – ownership interests were seen as forming part of the control criteria, and did not need to be considered independently.
- Common control – this was seen as a subset of control and not as an independent factor.

The IPSASB directed staff to undertake further work to clarify how these factors should be taken into account in classifying public sector combinations.

The IPSASB did not identify any further factors that needed to be considered.

Scenarios

The IPSASB discussed the scenarios set out in the Issues Paper, noting that the factors that the IPSASB had agreed to consider were different to those included in the Issues Paper. The IPSASB made a number of comments.

The IPSASB agreed that in assessing control, the assessment needed to be made against the entities that are parties to the combination. This is a key issue that needs to be highlighted in the draft ED.

The IPSASB supported the staff conclusion that the purchase of private sector operations should be an acquisition.

Some members considered that bargain purchases and donated operations may not always be acquisitions when the other party is a not-for-profit organization. These members considered that such combinations have a non-commercial nature that is not best served by considering the combination to be an acquisition. There was some discussion as to whether this related to measurement – because it is not possible to measure the fair value of the not-for-profit organization – or to a conceptual difference between combinations involving for-profit organizations and not-for-profit organizations.

Members who considered that, where a not-for-profit organization was party to a bargain purchase or donated operation, the transaction should be treated as an amalgamation, considered that this reflected the economic substance of the transaction. Where not-for-profit organizations are involved, the nature of the combination may be that there is no commercial substance. In the discussions, Members noted that a distinction needs to be drawn between consideration (amounts paid in exchange for the operations) and payments which compensate entities for costs incurred.

The IPSASB directed staff to consider transactions involving not-for-profit organizations when developing the factors for the next meeting.

Members also noted that a future ED would need to address measurement uncertainty where the classification approach suggested an acquisition. There may also be cost-benefit concerns about applying acquisition accounting in all circumstances.

The IPSASB supported the staff conclusions that nationalizations should be classified as acquisitions. The IPSASB noted that there may be measurement difficulties when dealing with bailouts. The IPSASB also noted that there may be some overlaps with bargain purchases and donated operations, and that these will need to be addressed in the draft ED.

The IPSASB considered the transfer of operations between two levels of government. Some Members suggested that this is likely to be treated as an acquisition.

The IPSASB supported the staff conclusions regarding territorial boundaries being rearranged to create three municipalities out of two original municipalities being treated as an amalgamation.

The IPSASB discussed the scenario where two municipalities combine to form a single municipality. Members generally considered that this scenario was similar to the scenario where territorial boundaries are rearranged, and should result in the same classification (an amalgamation).

The IPSASB discussed combinations under common control. Members noted that different outcomes might be reported by different reporting entities, but questioned whether this was appropriate for accountability reasons. The potential inconsistency at different levels of government was not considered to be helpful. The IPSASB generally considered that all combinations under common control should be treated as amalgamations.

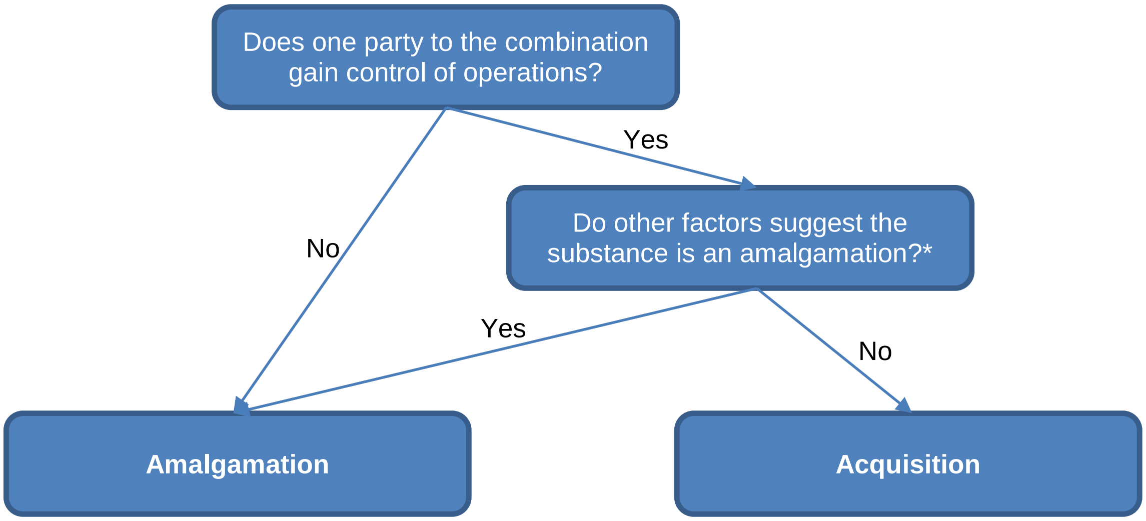
The preliminary views expressed by the IPSASB regarding the different scenarios are summarized in the following table:

Scenario	**Classification**
Purchases at market value	Acquisition
Bargain purchase	Acquisition if private sector; may be amalgamation if not-for-profit
Donated operations	Acquisition if private sector; may be amalgamation if not-for-profit
Nationalizations	Acquisition
Bailouts	Acquisition
PSCs wholly in the public sector but not under common control	
• The transfer of operations from one level of government to another existing level of government.	Acquisition (view expressed by some members)
• Territorial boundaries being rearranged to create three municipalities out of two original municipalities.	Amalgamation
• Two municipalities combining to form a single municipality.	
➢ New municipality is created	Amalgamation
➢ An existing municipality receives the operations	Amalgamation
Public sector combinations UCC	Amalgamation

Final directions to staff

The IPSASB agreed that producing definitions based on the factors discussed would be difficult and it may be more appropriate to include descriptions of acquisitions and amalgamations in the draft ED.

The approach agreed by the IPSASB is summarized as follows.



* Wording of this question to be determined

10. Work Plan (Agenda Item 10)

Staff noted that the revised project briefs for those projects approved in March 2015 had been included in the agenda papers for information:

- Revenue (Exchange and Non-exchange);
- Non-exchange Expenses;
- Review of Cash-Basis IPSAS;
- Limited scope review of *Financial Reporting Under the Cash Basis of Accounting (the Cash Basis IPSAS)*;
- Limited scope review of IPSAS 25, *Employee Benefits*; and
- Consequential amendments arising from Chapters 1-4 of the Conceptual Framework.

Staff informed members that the timetable in the Review of the Cash-Basis IPSAS had been further discussed with the Senior Adviser, who is the staff lead on this project. Staff had concluded that the project is more complex than originally envisioned and that it is therefore unrealistic to bring an Exposure Draft (ED) to the September 2015 meeting. The project brief had therefore been amended to project approval of an ED at the December 2015 meeting. Members approved this revision.

Members then considered project briefs for:

- Public Sector Measurement
- Heritage Assets
- Infrastructure Assets

Staff noted that separate project briefs had been developed for heritage assets and infrastructure assets, rather than treating these classes of property, plant and equipment as components of the same project.

Public Sector Measurement

Staff summarized the discussion at the last meeting, noting particularly that a number of members had reservations about a number of aspects of the draft project brief, including an insufficient acknowledgement of the complexity of the project, an underestimate of the staff resources required and a disproportionate focus on initial recognition, rather than subsequent measurement. Staff indicated that these issues had been addressed in the revised project brief.

Members considered that the revised project brief was more satisfactory and captured the rationale for the project better. A member commented that the project is complex and very wide-ranging with a scope that will potentially include all IPSASs with measurement requirements. Members also expressed concerns about resource requirements.

Staff indicated that measurement requirements related to IPSAS 29, *Financial Instruments: Recognition and Measurement* will be considered in the project to update that IPSAS. There is currently also ambiguity as to the outputs of the project: they might be one or more standalone IPSASs, revisions to existing IPSASs or implementation guidance. The project also needs to consider measurement requirements in Government Financial Statistics. The importance of the relationship with the International Valuation Standards Council (IVSC) was emphasized. Staff said that it would be important to communicate with both statistical accountants and the IVSC and therefore it was planned to establish a Task Force, in order to provide expert views, rather than a Task Based Group.

While acknowledging that it added to the complexity it was suggested that recognition should be brought within the scope because it is closely related to measurement. Staff noted that recognition had been discussed on the first day of the meeting and that it might be logical to include recognition in the scope. However, a contrary view was expressed that recognition and measurement should be decoupled and that measurement could be considered without dealing with recognition. It was decided not to bring recognition within the scope.

There were reservations about identifying the treatment of borrowing costs as a specific key issue in its own right. It was acknowledged that the treatment of borrowing costs is a significant issue in some jurisdictions. Members confirmed that borrowing costs should be within the scope of the project, but that this should be from the broader perspective of the treatment of transaction costs. Staff was directed to amend the project brief accordingly.

A member noted that the project brief focused on depreciated replacement cost and cost of fulfillment and suggested that the other measurement bases identified in the Conceptual Framework should be considered, including the replacement of fair value with market value. Staff clarified that the project will include all the measurement bases in the IPSASB's literature.

It was suggested that there is a need to have feedback on adoption and implementation issues and that multi-lateral organizations might provide assistance in such information gathering. The Chair expressed some reservations, noting that the International Accounting Standards Board had expended considerable staffing and other resources on research into adoption and implementation across jurisdictions. The outputs had been fairly high level, rather than providing the in-depth information that would be useful for a project on public sector measurement.

Members acknowledged the need to deal with the issue of the scope exclusion of assets on the revaluation model from IPSAS 21, *Impairment of Non-Cash-Generating Assets,* and IPSAS 26, *Impairment of Cash-Generating Assets*. However, there were reservations whether it is appropriate to address the issue in a project on public sector measurement. There was general agreement that impairment is too big an issue for the improvements project, but that addressing it in the measurement project and not finalizing the issue until 2020 is not optimal. It was therefore decided to address this impairment scope exclusion issue in a smaller separate project.

Members reaffirmed their support for the project, but favored a proposal that a multi-stage approach should be adopted. This approach starts with a preliminary analysis, rather than determining the scope and objective of the entire project at the outset. It was therefore agreed that the project would commence with a survey of measurement requirements in current IPSASs against the Conceptual Framework except for financial instruments, in order to produce an inventory. Following the completion of this survey, the IPSASB will then consider the further stages to be carried out. The project was approved unanimously on this basis.

Heritage Assets

Staff summarized the discussion at the March 2015 meeting. Staff noted that the project had not been considered for approval in March following the decision to defer approval of the public sector measurement project. However, strong reservations had been expressed about the project timetable, in particular the linking of the project to the public sector measurement project and the consequent indication that detailed work on heritage assets would not start until 2016. The project brief had responded to these criticisms and envisaged that an initial Issues Paper would be brought to the September 2015 meeting.

Members were generally satisfied with the project brief, in particular that the first step should be evaluating whether heritage items meet the definition of an asset, prior to considering measurement. It was also suggested that the output from the project might include a Recommended Practice Guideline (RPG) providing guidance on reporting in the more comprehensive financial reports, rather than, or in addition to, an IPSAS. Such an RPG might provide additional information to meet the accountability objective of financial reporting and provide more extensive information for users than a note disclosure.

The Chair noted that a study of preparers of member countries of the Organisation for Economic Cooperation and Development had been carried out and did not find wide differences in approach. He also noted that many jurisdictions have more than one sub-category of heritage assets and that each sub-category may require different accounting treatments.

Staff expressed a view that there is a divergence of views between standard setters and preparers. Many preparers do not think that standard setters understand the challenges of valuation and the cost, particularly for very large museum collections. A member supported the staff view indicating that the most difficult issue is likely to be measurement and suggesting that, in order to be useful, measurement bases specified need to be supported by guidance.

It was suggested that the project needs to engage with international specialists. A member reminded the IPSASB that the IVSC had done work on specialized public sector assets. Staff acknowledged the need to involve valuers in the development of the project and therefore proposed that a Task Force be established. This approach was supported.

The project was unanimously approved.

Infrastructure Assets

Staff highlighted the key issues and the timetable in the project brief. The key issues were:

- Definition of infrastructure assets
- Measurement at initial recognition and subsequently
- Depreciation of infrastructure assets
- Componentization; and

- Disclosures.

The timetable indicated that the project would start in the third quarter of 2016. One member was uncomfortable with the start date, because, in his view, infrastructure assets are the main component of property, plant and equipment for entities in many jurisdictions, and consideration of infrastructure assets should therefore be prioritized. The Chair suggested that heritage assets should be addressed before infrastructure assets because heritage assets are largely scoped out of IPSAS 17, *Property, Plant and Equipment*. While the guidance on infrastructure assets in IPSAS 17 is limited and not very helpful, infrastructure assets are clearly within the scope of IPSAS 17.

Members noted that there is a strong linkage with the public sector measurement project, and that, arguably, many of the issues relating to infrastructure could be addressed in the measurement project, particularly the implementation of depreciated replacement cost. It is therefore important that the two projects are aligned. Because the second stage of the measurement project is not projected to start until the third quarter of 2016, it was agreed that the timetable for infrastructure assets project is appropriate.

Members considered that the main issue is the nature of the main output. Dependent on resolution of that issue, the project might be quite simple or extremely complicated. The conceptual nature of depreciated replacement cost is not problematic, but its implementation is arduous. The challenge is to translate high level principles into practical guidance. There is an unresolved issue over the extent to which the IPSASB should be developing practical guidance. It was noted that there is a great deal of work going on in the United Kingdom in changing the measurement of roads controlled by local government from historical cost to current value. Much of this work, particularly the use of engineering data, is reliant on the use of specialists. It was therefore considered important to engage engineering expertise in the project, perhaps through the Task Force that staff envisaged would be formed to provide advice on the project's development. It was agreed the output would be left open to either an IPSAS or RPG.

The demarcation between guidance and interpretations is narrow. The Chair further noted that currently the IPSASB does not develop or issue interpretations and cautioned about the risks of IPSASB providing interpretations of its own standards. It was also pointed out that the same issue might arise with heritage assets.

Members identified the following further issues:

- First time adoption
- Valuation of land under roads;
- Frequency of annual assessment of residual values; and
- Rights of some benefit over the land of another party (also known as easements in some jurisdictions)

It was agreed that the project brief would be amended to address all these areas. The UN Observer explained that both heritage assets and infrastructure assets are big challenges for UN preparers, in particular the application of high level principles. It was also noted that the Brazilian government had recently concluded a study on the recognition and measurement of roads.

The project was approved unanimously.

11. Emissions Trading Schemes (Agenda Item 11)

The IPSASB considered three issues related to development of a Consultation Paper (CP) on accounting for Emissions Trading Schemes (ETSs). With respect to accounting approaches for ETS administrators, the IPSASB reviewed three approaches. Approach 1 treated emissions allowances (EAs) as similar to issued currency, Approach 2 treated EAs as similar to intangible assets such as a licenses or permits, while Approach 3 focused exclusively on revenue from cash flows generated by selling EAs (or transferring EAs for a subsidized price). The IPSASB directed staff to identify additional alternatives. For example, there could be an executory aspect to EAs, whereby the discussion of executory contracts in the CP, *Social Benefits*, could apply.

With respect to accounting approaches for ETS participants the IPSASB noted that the four accounting approaches described in the Issues Paper had been identified through collaboration with International Accounting Standards Board (IASB) staff. The same four approaches had been discussed by the IASB at its June meeting and one further approach identified. The IPSASB directed Staff to work closely with IASB Staff. For each approach the implications for both sides (participant and administrator) should be described, to support the IPSASB's evaluation of each approach.

With respect to evaluation criteria, the IPSASB directed Staff to apply the Conceptual Framework and existing IPSASs. Application of the Conceptual Framework should include consideration of "other resources" and "other obligations". The elements arising from each approach should be tested against the Conceptual Framework's element definitions. Symmetry with the participant side of ETS transactions/events is an important consideration. Consistency with International Financial Reporting Standards and scope to reduce unnecessary differences between Government Financial Statistics (GFS) reporting guidelines and IPSASs should also be considered. The IPSASs for financial instruments and intangible assets should be applied to determine whether EAs meet those definitions, and the different approaches reviewed for consistency with those standards. An ETS may, in substance, result in contingent assets and contingent liabilities, since obligations and resources that arise are conditional on further events such as an excess of emissions over EAs. Staff should consider whether information for accountability and decision making should involve display in the statement of financial performance, disclosure in the notes to the financial statements, or both types of information presentation.

The IPSASB directed staff to include discussion of government's public policy objectives for ETSs in the CP. Comparisons with other policy tools that have the same objectives, for example pollution taxes, should be provided. The public policy objectives are likely to provide insights into the economic impact of ETSs and their appropriate accounting treatment. ETSs raise issues with respect to sharing the costs of pollution and reducing emissions in an efficient manner. A broader concept of costs may apply, given the public policy context. With respect to forming a preliminary view in support of an accounting approach, the IPSASB concluded that more identification and evaluation of approaches is necessary before this can occur.

With respect to ETS accounting issues raised by international agreements and the role of agents administering an ETS on behalf of an ETS administrator, the IPSASB decided that the CP should discuss these issues.

Next steps are for staff to develop, with TBG input, a first draft of the ETSs consultation paper and a further issues paper for the IPSASB's September 2015 meeting.

12. Public Sector Specific Financial Instruments (Agenda Item 12)

Monetary Gold – Definitions

The IPSASB discussed the proposed modification of the definition of "physical gold bullion" to "tangible gold". Feedback received on the definition of "physical gold", was that it would be clearer and less circular to change the label to tangible gold.

The IPSASB agreed with the changes to the physical gold definition and provided further direction for the refinement of the definition. Specifically, the IPSASB directed that a further description was required to explain how contracts that result in the physical delivery of gold are in the scope of the chapter.

The IPSASB questioned why the monetary gold definition differs from the Government Finance Statistics (GFS) definition. Staff noted that the definitions differ, because the GFS definition considers that monetary gold is a financial asset. In IPSAS standards, monetary gold does not meet the definition of a financial asset. Therefore, the IPSASB decided on the proposed definition, which does not refer to monetary gold as a financial asset. The IPSASB agreed the Consultation Paper should explain why the proposed definition is different from the GFS definition.

Monetary Gold – Option vs. Alternative

At the March 2015 meeting the IPSASB directed that the measurement approaches for monetary gold should consider the intentions of a monetary authority in holding the assets. The IPSASB noted that the consideration of IPSASB's existing literature is important, specifically the financial instruments standards which are intention driven, and where the classification of financial assets and financial liabilities drives accounting requirements.

The Task Based Group (TBG) questioned whether the IPSASB is looking for feedback on which approach in the CP is appropriate in order to narrow options and develop an ED with a single approach, or if it is looking to get further information from respondents to the CP, in order to further develop an approach in which classification of the asset drives the accounting requirements. The IPSASB decided that because the project is at the CP stage, it should adopt a broad approach that allows constituents to share their views.

Currency in Circulation – Chapter Objective

The IPSASB considered the first draft of the Currency in Circulation chapter. The IPSASB agreed with the proposed objective for the chapter and directed that the chapter's format should be consistent with that in the Monetary Gold chapter.

Currency in Circulation – Scope and Definitions

The IPSASB raised concerns over the definition of "currency in circulation". In particular, the IPSASB directed that the term "domestic" currency should be included and explained in the definition. Further, the IPSASB recommended that the definition should be revised, not only to refer to currency "issued" by monetary authorities, but also to include "authorized" currency for those jurisdictions that do not issue all legal tender through their monetary authorities. This revision acknowledges that in some jurisdictions, monetary authorities do not issue currency, but authorize a currency as legal tender

Currency in Circulation – Notes: Inventory

The IPSASB considered the proposal by staff to treat the purchase and production of currency as inventory. The IPSASB concluded that more development is needed to identify the differences between notes and coins. Further, the CP should consider how to deal with the cost of production of currency when it is higher than the face value (which sometimes occurs for the production of coins).

Currency in Circulation – Notes: Recognition

The IPSASB provided feedback on the transactional approach to identify the accounting implications based on the change in "money supply". The IPSASB recommended using the term "amount of currency in circulation" instead of "money supply", because "money supply" is a commonly used term in economics, and constituents might find it confusing in an accounting context.

The IPSASB questioned whether all approaches had been fully explored in the draft chapter. The IPSASB questioned whether the most common accounting approach in practice is to recognize a liability because of the obligation to maintain the currency. The IPSASB directed that staff should further consider whether any such liability is a financial liability.

Currency in Circulation – Notes: Measurement

The IPSASB discussed the draft chapter on Measurement and agreed with the analysis that market value, historical cost and cost of fulfillment, may be appropriate measurement bases. The IPSASB directed staff to reconsider measurement after approaches to the recognition of notes and coins have been developed, as the different approaches may give rise to additional measurement considerations.

Currency in Circulation – Notes: Derecognition

The IPSASB noted that the withdrawal of old series of notes, may give rise to different derecognition considerations dependent on jurisdictional factors. For example, laws in some jurisdictions require monetary authorities to exchange old notes or coins, regardless of whether they continue to be legal tender or when jurisdictions change currencies such as countries that join the European Union and choose to use the Euro. The IPSASB questioned whether derecognition of currency liabilities gives rise to revenue. Further, the IPSASB asked staff to consider whether issued currency is a liability or, rather, similar to an equity instrument.

Currency in Circulation – Coins: Recognition, Measurement

The IPSASB thought the discussion in the draft chapter presenting reasons why liabilities for coins are not recognized in some jurisdictions was helpful and should be retained. However, the IPSASB directed that the discussion of the nature of a liability related to currency in circulation should be developed.

The IPSASB agreed with the staff view that the measurement of liabilities for notes and coins should be consistent, if the nature of the liability is in substance the same.

Currency in Circulation – Existing IPSASs

The IPSASB found the discussion on existing IPSASs in the draft paper to be useful and directed that it should be retained.

Scope of the CP

The IPSASB discussed the scope of the project and acknowledged that currently it addresses a large number of distinct topics, which all give rise to challenging and often unique technical issues. This has implications for the time needed for project development. The IPSASB debated the benefits of issuing a comprehensive CP covering all topics included in the scope of the project. The IPSASB agreed that a comprehensive CP would take too long to develop and concluded that staff should proceed to develop a CP covering monetary gold, currency in circulation and IMF-related transactions. These issues relate primarily to monetary authorities and therefore are relevant to a different constituency than the other issues in the scope of the project—statutory receivables, statutory payables and public sector specific securitizations. These issues will be addressed in a separate stream of the Public Sector Specific Financial Instruments project or in the project to update IPSAS 29, *Financial Instruments: Recognition and Measurement.*

13. Closing Remarks and Conclusion of Meeting

The Chair thanked members for their engagement during the week and highlighted the approval of two consultative documents. The meeting then closed**.**

14. Appendix 1 – June 2015 Action List

Action Required	Person(s) Responsible	Date to be Completed
1. Communications		
• Action List posted to IPSASB Extranet	Leah Weselowski	July 13
• Draft minutes posted to IPSASB Extranet	Leah Weselowski	July 27
• Update IPSASB Summary of IASB Work Plan and Tracking Table	Ross Smith	September 4
• Update GFS Tracking Table	João Fonseca	September 4
• Meeting Highlights posted to IPSASB webpage	Leah Weselowski	July 17
2. Social Benefits	Paul Mason	
• Comments received from Board		July 10
• CP and At a Glance to Communications		July 17
• Revise Consultation Paper and publish		July 29
3. Cash Basis IPSAS Review	Paul Sutcliffe	
• Develop marked-up first draft of an ED for discussion at the September meeting		September 2
4. Governance Update	James Gunn/John Stanford/Ross Smith	September 8
• Develop update for September meeting		
5. Conceptual Framework: Consequential Changes	John Stanford	
• Develop draft amendments for section of Improvements ED		September 1
6. Revenue	Todd Beardsworth	
• Develop a further Issues Paper for September meeting		September 4
7. Non-Exchange Expenses	David Bean/ Amy Shreck	
• Develop Issues Paper and draft CP for September meeting		September 8
8. Government Business Enterprises	João Fonseca	July 30
• Revise Exposure Draft and publish		
9. Public Sector Combinations	Paul Mason/ João Fonseca	
• First Communication with TBG (email)		July 10 July 30
• Revise Issues Paper and circulate as agenda item for September meeting		September 4

Action Required	Person(s) Responsible	Date to be Completed
10. Work Plan • Finalize project briefs for Public Sector Measurement, Heritage Assets and Infrastructure Assets • Revise work plan to include projects on Revenue, Non-exchange Expenses, Review of Cash Basis IPSAS, Consequential Changes from the CFW, and Employee Benefits)	John Stanford	August 14 August 14
11. Emissions Trading Schemes • Develop Issues Paper and draft CP for September meeting	Gwenda Jensen	September 4
12. Public Sector Financial Instruments • First Communication with TBG (email) • Develop drafts of chapters of Consultation Paper and circulate to TBG • Revise agenda items and circulate as agenda item for the September meeting	Ross Smith	July 17 August 14 September 4
13. Task Based Groups • Staff Briefing and Discussion	IPSASB Staff	July 2
14. Heritage Assets • Develop Issues Paper for September meeting	Gwenda Jensen	September 4
15. Impairment of Assets on Revaluation Model • Develop Issues Paper for September meeting • Draft amendments to IPSAS 21 and IPSAS 26	John Stanford/Todd Beardsworth	September 4

15. Appendix 2 – Voting Record

Vote #1– Approve *Social Benefits*

Agenda Item 2	Minutes Item 2	**Date Vote Taken**	June 23, 2015
Description	Consultation Paper	Social Benefits	Approved at meeting
Final Standard □	**ED** □	**CP** ■	**Other** □

IPSASB MEMBER	FOR	AGAINST	ABSTAIN	ABSENT	TOTAL
Andreas Bergmann, Chair	√				
Jeannine Poggiolini, Deputy Chair	√				
Stuart Barr	√				
Michel Camoin	√				
Ian Carruthers	√				
Robert Dacey	√				
Mariano D'Amore	√				
Rachid El Bejjet				√	
Guohua Huang	√				
Kenji Izawa	√				
Aracelly Méndez	√				
Rod Monette	√				
Leonardo Nascimento	√				
Angela Ryan	√				
Adriana Tiron Tudor	√				
Wan Selamah Wan Sulaiman				√	
Tim Youngberry	√				
Abdullah Yusuf	√				
TOTAL	**16**	**0**	**0**	**2**	**18**

Vote #2– Approve Government Business Enterprises

Agenda Item 8	Minutes Item 8	**Date Vote Taken**	June 25, 2015
Description	Draft Exposure Draft	Government Business Enterprises	Approved at meeting
Final Standard □	**ED** ■	**CP** □	**Other** □

IPSASB MEMBER	FOR	AGAINST	ABSTAIN	ABSENT	TOTAL
Andreas Bergmann, Chair	√				
Jeannine Poggiolini, Deputy Chair	√				
Stuart Barr	√				
Michel Camoin	√				
Ian Carruthers	√				
Robert Dacey	√				
Mariano D'Amore	√				
Rachid El Bejjet				√	
Guohua Huang	√				
Kenji Izawa	√				
Aracelly Méndez	√				
Rod Monette	√				
Leonardo Nascimento	√				
Angela Ryan				√	
Adriana Tiron Tudor	√				
Wan Selamah Wan Sulaiman				√	
Tim Youngberry	√				
Abdullah Yusuf	√				
TOTAL	**15**	**0**	**0**	**3**	**18**