



**INTERNATIONAL FEDERATION
OF ACCOUNTANTS**

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Agenda Item
6

DATE: January 28, 2009
MEMO TO: IPSASB
FROM: Paul Sutcliffe
SUBJECT: Review of Cash Basis IPSAS

OBJECTIVE OF THIS SESSION

To receive a progress report on the activities of the Task Force for the Review of the Cash Basis IPSAS and provide input to the Task Force as appropriate.

AGENDA MATERIAL

Agenda Papers

- 6.1 Task Force Members
- 6.2 Draft agenda for Task Force meeting on 27 February 2009
- 6.3 List of Cash Basis IPSAS adopters
- 6.4 Project Brief – Review of the Cash Basis IPSAS (updated November 2008)

ACTION REQUIRED

Members are requested to review this report on the activities of the Task Force for the Review of the Cash Basis IPSAS and provide input on:

- Jurisdictions, individuals and organizations that may be able to provide the Task Force with input on implementation issues faced by Cash Basis IPSAS adopters, together with contact information where possible;
- Any implementation issues that have already been brought to the attention of IPSASB members; and
- Other matters as appropriate

BACKGROUND

Project Brief

The Project Brief specifies that the objectives of the project are broadly to identify:

- The major technical issues that public sector entities in developing economies have encountered in implementing the Cash Basis IPSAS, and to determine whether the IPSAS should be modified in light of these difficulties or further guidance provided;
- Whether additional reporting requirements should be added to the IPSAS; and

- Whether any of the encouraged disclosures in Part 2 of the IPSAS should be included as mandatory requirements in Part 1 of the IPSAS.

The Project Brief also specifies that a Task Force is to be established to lead the data collection and analysis stages of the project.

The Project Brief was initially approved by the IPSASB in November 2007. However, the project was not activated until November 2008 when staff support was allocated to the project and the process of appointment/confirmation of Task Force members commenced.

The Project Brief has been updated to reflect the passage of time since its initial approval by the IPSASB and the circumstances that gave rise to the review.

The major revisions to the Project Brief approved in November 2007 relate to:

- Clarification of the circumstances that gave rise to the decision of the IPSASB to review the Cash Basis IPSAS, and the timing of that review;
- The timing of project commencement and achievement of key milestones. To reflect that the project was activated in November 2008 rather than November 2007, the project timetable has been moved forward 12 months; and
- The IPSASB's decisions during 2007 and 2008 that the project is to focus on developing economies and the Task Force is to make recommendations on whether additional disclosures about financial instruments should be included in the IPSAS, and the nature of those disclosures.

Except for the areas identified above and some editorial refinements, the content and structure of the Project Brief, the objectives of the review and the operating mandate of the Task Force remain as approved by the IPSASB.

A clean copy of the updated Project Brief is attached at agenda item 6.4. A marked-up copy identifying the changes is available on request.

Task Force Members and Operating Procedures

As agreed by the IPSASB, the Task Force is chaired by IPSASB Deputy Chair, Erna Swart and includes Andreas Bergman (IPSASB member) and Simon Bradbury (the World Bank Observer to IPSASB). The Task Force also comprises members representing the Asian Development Bank (ADB), IFAC's Developing Nations Committee (DNC), the OECD, the Inter-American Development Bank (IADB), and a "field operative". A listing of Task Force members is attached at agenda item 6.1.

The Task Force will operate primarily on an electronic basis. However, given that a number of Task Force members will be in/near Paris in February 2009 at the IPSASB meeting or because of OECD or other commitments, it was agreed that a "physical" meeting of the Task Force was possible and desirable. This Task Force meeting will be held on 27 February 2009 at the OECD. It is anticipated that the Task Force will be

joined by representatives of OECD Committees, OECD staff, World Bank regional financial managers, and perhaps some bilateral funders and representatives of the IMF and INTOSAI to discuss the project and explore the potential for co-operation and co-ordination of activities for mutual benefit.

Project approach, schedule and timelines

The Task Force's role, matters it is to consider and processes it may adopt are outlined in the Project Brief.

The Task Force intends to initially issue a brief survey questionnaire (to be available in English, French and Spanish) to draw input on broad implementation issues from jurisdictions which have adopted the Cash Basis IPSAS. The Task Force will also seek input from public financial management (PFM) experts and others with experience of the Cash Basis IPSAS. The Task Force will then explore these issues further in "follow-up" discussion with relevant government officials and other parties where possible - on a one to one basis, or in regional "round-table" type settings.

To achieve the project objectives in the time frame specified in the Project Brief, the Task Force has agreed a schedule and work program for achievement of key milestones during 2009 as outlined below:

Task	Target Completion Date 2009
Task Force agree survey questionnaire and survey population	March 09
Distribute survey materials, for response within three months	April 09
Undertake the interview component of the project	May - September 09
Compile survey and interview results	August – October 09
Develop and finalize Report to the IPSASB	November - December 09

The Task Force acknowledges that this is an ambitious schedule and, depending on progress, revisions may be necessary. However, the Task Force believes that it is necessary to establish these time frames as, at least initial, targets for the achievement of key elements of its work program if the IPSASB's objectives and timing for the review are to be met.

Task Force meeting – 27 February 2009

It is intended that at its meeting on 27 February 2009, the Task Force will substantially agree the initial brief survey questionnaire, the jurisdictions and individuals who will be invited to participate in that survey and, if necessary, mechanisms to identify additional survey participants. The Task Force will also discuss mechanisms and processes for engaging in the follow-up detailed discussions, and commence the process of compiling an inventory of implementation issues.

The Task Force will also commence its discussion of the need for, and nature of, any additional financial instrument disclosures that may be included in the Cash Basis IPSAS.

Consideration of the applicability to the Cash Basis IPSAS of financial instrument disclosures included in material prepared for the IPSASB's review by Jeanine Poggiolini from the South African – ASB will provide the basis for the Task Force's initial discussion.

The draft Agenda for the Task Force meeting is attached at agenda item 6.2.

ISSUES – INPUT FROM IPSASB MEMBERS

Jurisdictions that adopt the Cash Basis IPSAS

As noted in the Project Brief, the major initial challenges faced by the Task Force will be (a) identifying jurisdictions or entities that have adopted, or have considered adopting, the Cash Basis IPSAS, and (b) contacting key personnel in those jurisdictions and other PFM experts and advisors who can provide input on implementation issues.

The Project Brief identifies that the resources to be used by the Task Force for identifying those jurisdictions and individuals include World Bank ROSC reports, Ministry of Finance websites and IPSASB and IFAC "in-house" resources - (a) the results of the 2007 IPSASB implementation survey, (b) the register of accounting bases adopted by World Bank member countries which is maintained by IPSASB staff and updated as addition information about IPSAS adoption is received, and (c) results of the IFAC compliance program.

The in-house resources noted above together with the following sources have been reviewed to identify the jurisdictions that may be included in the Task Force's "population base" :

- The most recent OECD survey (2008) of the bases of accounting adopted by its member countries for financial reporting by governments;
- The Final Report (June 2006) of the results of a survey of financial reporting practices of the 10 ESAAG countries - using the Cash Basis IPSAS as the benchmark; and
- World Bank Reports on Public Sector GAP Analysis and Country Financial Accountability Assessments.

The attached agenda item 6.3 identifies the jurisdictions that appear to be in the Task Force's population base – because at least one of the sources noted above has indicated that it has adopted or has considered adopting the Cash Basis IPSAS. This listing also includes initial input from Task Force members and conclusions from a limited review of the websites of some Ministries of Finance on jurisdictions that could useful be included in the Task Force's population base because they may have considered the Cash Basis IPSAS in formulating their financial reporting policies. There are some 72 jurisdictions in this list (almost 60 of which are likely to be classified as developing economies).

The Task Force will not attempt to identify all countries that adopt the cash basis IPSAS, but it wishes to identify sufficient cash basis adopters to provide a sound and broad basis (regional, cultural and institutional if possible) for identification of implementation

issues. While this listing is a good start, identification of the population base is still a work in progress – for example, some of the data used to compile the attached list was collected some time ago, and jurisdictions may now have moved on. In addition, the basis of accounting adopted in a number of World Bank member countries is not identified in the sources reviewed to date.

Task Force members are currently seeking input from their constituents and networks on additional jurisdictions that have adopted, or considered adoption of, the Cash Basis IPSAS. IPSASB observers from the UN, IMF, and INTOSAI are also exploring mechanisms by which they can provide input to this component of the project.

IPSASB members are requested to review and advise staff of any revisions to the countries identified at agenda item 6.3 as having adopted the Cash Basis IPSAS or otherwise being able to provide input to the review. Contact information for individuals in these countries who may be able to provide input to the review would also be most welcome.

Implementation Issues

At its February 2009 meeting the Task Force will commence the process of building an inventory of potential issues experienced in the implementation of the Cash Basis IPSAS. At this meeting, members will note and discuss issues that they are aware of from their own work or issues that have been brought to their attention by colleagues and jurisdictions which have experience with the IPSAS. Additional issues may also be identified through the survey process. These issues will then be subject to more detailed analysis in the follow-up discussions.

The Task Force would welcome input on any implementation (or indeed other) issues associated with the Cash Basis IPSAS that IPSASB members are currently aware of. IPSASB members are requested to advise staff of any such issues.

Regional seminars and round table discussions

The Project Brief notes the possibility of holding regional public hearings and participating in regional seminars to promote the project and discuss issues in the implementation of the Cash Basis IPSAS. The Task Force also intends to explore the potential for discussing implementation issues in regional “round table” or similar forums.

IPSASB members are requested to advise staff of any regional seminars during the second and third quarters of 2009 which the Task Force could usefully participate in (if an invitation can be secured) and/or might consider coordinating a “round-table” discussions with.

CASH BASIS IPSAS REVIEW
TASK FORCE MEMBERS
 (Updated January 6, 2008)

Member		Contact details
Erna <u>Swart</u> - Task Force Chair	IPSASB - Deputy Chair. Chief Executive Officer, Accounting Standards Board, South Africa	ernas@asb.co.za
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**INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD
(IPSASB)**

Task Force – Review Of Cash Basis IPSAS

Draft Agenda - Meeting #1

To be held at the Offices of the OECD (location to be confirmed) Paris, France.

Commencing at 9.00am on February 27, 2009

AGENDA ITEM and DISCUSSION LEADERS	AGENDA PAPERS	TIME/ COMMENTS
1. INTRODUCTIONS and OPENING REMARKS <i>Discussion Leaders: Erna Swart and Paul Sutcliffe</i>	1	9.00-9.45
<ol style="list-style-type: none"> Welcome. Meeting Arrangements. Meeting Objectives. Task Force Membership. Project Brief. Task Force Objectives, processes and schedule for completion of major components. Other matters to be added to meeting Agenda - Task Force Members are requested to advise staff of any additional matters prior to the meeting if possible. Verbal Report on discussion of the project at the February 2009 IPSASB meeting <p><i>It is intended that Members will discuss, provide input on and confirm or identify proposed amendments to the Review Objectives, Proposed Process and Project Schedule (also to be revisited and updated at end of meeting). Refinements to the Project Brief may also be identified.</i></p>	<ol style="list-style-type: none"> 1.1 1.2 1.3 1.4 	
2. Cash Basis Adopters <i>Discussion Leader: Paul Sutcliffe</i>	2	9.45 – 10.15
<ol style="list-style-type: none"> Review listing of likely Cash Basis Adopters – previously circulated. Members identify any known revisions to the list. Discussion of need for, and likely sources of, further updates to the list. Members identify PFM experts and similar that could usefully be invited to participate in the review. <p><i>It is intended that during this session (a) the population of Cash Basis IPSAS adopters and PFM and similar experts that will be invited to participate in the survey and the follow-up discussions and interviews will be substantially confirmed; and/or (b) the need for identification of additional participants in the survey and follow-up discussions /interviews will be identified, and the mechanisms to identify and contact those participant will be identified.</i></p>	2.1	
3. IMPLEMENTATION ISSUES <i>Discussion Leaders: Erna Swart and Paul Sutcliffe</i>	3	10.15-10.45
<ol style="list-style-type: none"> Task Force Members identify any implementation issues that they are currently aware of, or have been advised of, through their networks. <p><i>Task Force Members are requested to provide staff with a note on these issues prior to the meeting if possible. A summary of these issues can then be distributed prior to the meeting. Going forward, it is proposed that Task</i></p>	3.1	

AGENDA ITEM and DISCUSSION LEADERS	AGENDA PAPERS	TIME/ COMMENTS
<p><i>Force Members will seek input on implementation issues from Cash Basis IPSAS adopters and PFM experts and advisors on the following jurisdictional basis.</i></p> <p>Erna Swart – ESAAG countries. Andreas Bergmann – Central Asia, SECO network. Sara Fyson- OECD network. Simon Bradbury- World Bank Regional Managers. Kathleen Mktan- ADB network. Irene Ng'andwe- DNC network. Ron Points – South Asia. Ronaldo Rotter – Latin America.</p> <p><i>The protocol to support and record discussion and analysis of issues with participants either directly or in round table discussion will be updated to ensure that a response is drawn on the issues identified during this session, and subsequently. In addition, the Survey Questionnaire will be structured to provide scope for respondents to comment on these issues – see items 4 and 5 below .</i></p>		
MORNING BREAK		10.45-11.00
<p>4. SURVEY – INTRODUCTORY MATERIAL AND DRAFT QUESTIONNAIRE <i>Discussion Leader: Erna Swart and Paul Sutcliffe</i></p>	4	11.00-11.45
<ol style="list-style-type: none"> Review the Invitation to Participate in the Review of the Cash Basis IPSAS. Review of the draft Survey Questionnaire (hard copy and electronic forms). <p><i>It is intended that the Invitation to Participate in the Review of the Cash Basis IPSAS and the general Survey Questionnaire will be agreed and or areas for revision identified. The timing of distribution, form of survey (hard and/or electronic) and need (and mechanisms) for translation into French and Spanish will also be discussed and agreed.</i></p>	4.1 4.2	
<p>5. INSTRUMENT TO SUPPORT DETAILED DISCUSSION OF ISSUES <i>Discussion Leaders: Erna Swart and Paul Sutcliffe</i></p>	5	11:45-12.45
<ol style="list-style-type: none"> Discussion of the process for detailed discussion with PFM experts and Cash Basis IPSAS adopters, including Task Force member and staff roles. Review of the draft protocol and “instrument” to support and document discussion and analysis of issues with individuals or in round table discussions. <p><i>It is intended that there be tentative agreement and/or directions for further development of such matters as (a) the mechanisms for engaging in detailed discussions on an individual or regional basis, (b) likely candidates for participation, (c) the timing, process and protocols to be adopted for such discussion and (d) the availability of Task Force Members to lead and/or participate in such discussions.</i></p>	5.1	

AGENDA ITEM and DISCUSSION LEADERS	AGENDA PAPERS	TIME/ COMMENTS
<p><i>It is also intended that the protocol and “instrument” to support and document the discussion (and provide a basis for aggregating results) will be reviewed and agreed - subject to any amendments identified by Members during the session, including those identified in 3 above.</i></p> <p><i>The results of the Survey will also inform this process and may give rise to revisions in participants, timing and content – however at this meeting it will be useful to generate a feel for the likely timing and process for discussion with PFM experts and others and Member availability and involvement.</i></p>		
LUNCH		12.45-13.45
6. DISCUSSIONS OF OBJECTIVES AND PROCESS WITH GUESTS <i>Discussion Leader: Erna Swart</i>		13.45- 15.00
<p>This session to be confirmed and updated – contents and timing may change dependent on the availability of relevant parties.</p> <p><i>It is intended that the Task Force discuss the objectives, scope, process and likely outcome of the Project with: representatives of OECD Committees, relevant OECD staff, OECD member countries, bilateral funders and others as available. Mechanisms by which the Task Force and guests can co-operate to mutual benefit on the project will also be explored.</i></p>		
AFTERNOON BREAK		15.00- 15.30
7. FINANCIAL INSTRUMENT DISCLOSURES <i>Discussion Leader: Erna Swart (and Jeanine Poggiolini if available)</i>	7	15.30-16:30
<p>Review the paper identifying potential financial instrument disclosures to be included in the accrual IPSASs, and consider implications, if any, for Cash Basis IPSAS.</p> <p><i>A paper is being prepared to identify additional financial instrument disclosures that may be included in the accrual IPSASs. It is intended that the paper be reviewed as input to the Task Force’s consideration of whether additional disclosures about financial instruments should be required or encouraged in the Cash Basis IPSAS, and the nature of those disclosures.</i></p>	7.1	
8. PROJECT TIMETABLE AND FUTURE TASK FORCE MEETINGS <i>Discussion Leader: Erna Swart</i>	8	4:30-5:00
<p>Review and confirm proposed schedule of tasks as identified during the course of this meeting and consider need for, and timing of, next Task Force meeting.</p>		
9. CLOSING REMARKS AND OTHER MATTERS <i>Discussion Leader: Erna Swart</i>	9	5:00-5:30
<p>Consideration of any other matters</p>		
END		5.30

Countries which have adopted, are intending to adopt, or otherwise have had exposure to the Cash Basis IPSAS for Financial Reporting by Government and are likely to be able to provide input on any implementation issues.

- A, B** - Afghanistan, Algeria, Armenia, Austria, Bangladesh, Belgium, Bhutan, Botswana
- C, D, E** - Cambodia, Cyprus, Czech Republic, Denmark, Egypt, El Salvador, Fiji
- F, G, H** - Gambia, Germany, Ghana, Honduras, Hong Kong, China, Hungary
- I, J, K** - India (local government), Ireland, Italy, Japan, Kazakhstan, Kenya,
- L** - Laos, Lebanon, Lesotho, Lithuania, Luxembourg
- M** - Macedonia, Malawi, Malaysia, Maldives, Malta, Mauritania, Mauritius, Mexico, Mongolia, Morocco, Mozambique
- N, O** - Namibia, Nepal, Nicaragua, Nigeria,
- P, Q, R** - Pakistan, Panama, Papua New Guinea, Peru, Philippines, Poland, Portugal, Rwanda
- S** - Serbia, Sierra Leone, Slovak Republic, Spain, Sri Lanka, Swaziland
- T, U, V** - Tajikistan, Tanzania, Turkey, Uganda, Uzbekistan, Vietnam
- W, X, Y, Z** - Yemen, Republic, Zambia, Zimbabwe



**INTERNATIONAL PUBLIC SECTOR
ACCOUNTING STANDARDS BOARD
PROJECT BRIEF AND OUTLINE**

(Updated November 2008)

1. Subject

Review of the Cash Basis IPSAS, “Financial Reporting Under the Cash Basis of Accounting”.

2. Project Rationale and Objectives

a) Issue identification

The Cash Basis IPSAS was first issued in January 2003. When the Cash Basis IPSAS was developed the IPSASB’s predecessor body, the Public Sector Committee, proposed undertaking a post-implementation review two years after promulgation to determine if the requirements of the Standard are appropriate. In late 2003 the IPSASB agreed to update the Cash Basis IPSAS with disclosures about the receipt of external assistance and, consequentially, deferred the post implementation review pending completion of that project.

As the Cash Basis IPSAS has now been in place for almost five years and the external assistance project has been completed, it is an appropriate time to begin a review.

b) Objectives to be achieved

The primary objective of the project is to identify the major technical issues that public sector entities in developing economies have encountered in implementing the Standard, and to determine whether the Standard should be modified in light of these difficulties or if further guidance should be provided by the IPSASB.

A further objective of the project is to identify whether additional reporting requirements should be added to the Standard. If adopters of the IPSAS identify essential information that should be required for decision making or accountability purposes but is not currently mandated by the Standard, the IPSASB will consider whether further requirements should be added to the Standard. The review will also seek input on whether any of the encouraged additional disclosures in Part 2 of the Standard should be included as mandatory requirements in Part 1 of the Standard.

c) Link to IFAC/IPSASB Strategic Plans

Link to IFAC Strategic Plan

IFAC’s Strategic Plan includes the strategic theme to “Be recognized as the international standard setter in the areas of auditing and assurance, education, ethics and governmental financial reporting”. In particular, the IPSASB’s role is to develop and promote the application of International Public Sector Accounting Standards, including the Cash Basis IPSAS. As the IPSASB is the sole developer of international financial reporting standards on the cash basis of accounting, it

bears the responsibility to ensure that (a) the standard meets financial statement users' needs, (b) is capable of being implemented by governments adopting the standard in jurisdictions with different political and institutional arrangements and financial reporting traditions, and (c) is a useful stepping stone to adoption of the accrual basis of accounting. As such, it is timely that the IPSASB undertake a post-implementation review of the standard.

The IFAC strategic plan also includes the strategic theme "Sustainability of the profession", which encompasses the development and growth of the accounting profession, particularly in areas where the profession is in the early stages of development. The Cash Basis IPSAS is an important tool for the profession in countries where public sector financial reporting is non-existent or rudimentary. It is therefore important for the IPSASB to continue to develop the Cash Basis IPSAS for use by the profession in those countries that need to develop public sector financial reporting from a very low base.

Link to IPSASB Strategy

The IPSASB Strategy includes a commitment to undertake a review of the Cash Basis IPSAS in the light of implementation experiences.

3. Outline of the Project

a) Project Scope

The aim of the project is to determine how the Standard can be improved.

The project is to identify public sector entities that have implemented or considered the implementation of the Cash Basis IPSAS, "Financial Reporting under the Cash Basis of Accounting" and, as appropriate, seek input on their implementation experiences.

A Task Force is to be established to lead the data collection and analysis stages of the project – see section 6 below. The Task Force will also make recommendations to the IPSASB on whether the IPSAS should encourage or require any additional disclosures about financial instruments, and the nature of those disclosures.

b) Major Problems and Key Issues to be Addressed in Generating the Implementation Experience Data

Major problems that may arise include:

- Identifying the reporting basis used by the public sector in a given jurisdiction. The sources of information that will be used include the current IPSASB implementation survey, IFAC's compliance program, the internet, World Bank ROSC reports and information obtained from other multi-lateral or bi-lateral development entities.
- Obtaining the cooperation of public sector entities in undertaking the analysis of the implementation of the Cash Basis IPSAS. As a result of conducting the implementation survey we now have an extensive database of government contacts in a number of countries that we will try to draw upon. While the IPSASB experienced considerable difficulty in field testing

the requirements of the Cash Basis IPSAS and, more recently, the proposed Standard on External Assistance it is hoped that personal approaches to the target entities will have more success.

4. Describe the Implications for any Specific Persons or Groups

a) Relationship to IASB

There are no implications for the IPSASB's relationship with the IASB as it does not develop cash basis financial reporting standards.

b) Relationship to other projects in process, recently completed and planned

Section 1.10 "Recipients of External Assistance" was issued as an addition to the Cash Basis IPSAS late 2007. The requirements of the section become effective for annual financial statements of periods beginning on or after 1 January 2009. While earlier application of section 1.10 is possible, it is likely that implementation experience will be limited at this time.

The IPSASB is currently developing IPSASs based on IFRS 7 "Financial Instruments: Disclosure"; IAS 32 "Financial Instruments: Presentation" and IAS 39 "Financial Instruments: Recognition and Measurement" as part of its IFRS Convergence Program. The Task Force will need to be cognizant of the IPSASB's deliberations on these matters in developing any recommendations about additional disclosures to be included in the IPSAS.

c) Other

This project has implications for the IPSASB's relationship with the multi-lateral development banks (MDBs), which have a keen interest in seeing this IPSAS kept up to date. The MDB's promote the adoption of the Cash Basis IPSAS in jurisdictions where there is currently little or no external financial reporting by public sector entities. These entities are keen to ensure that the Cash Basis IPSAS meets the needs of these entities and that it is capable of implementation in jurisdictions where accounting and bookkeeping skills may be scarce within public sector entities. The World Bank in particular has expressed keen interest in this project.

5. Development Process, Project Timetable and Project Output

a) Development process

The first step in the project is to endeavor to identify from various publicly available sources which of the developing economies (based on criteria used by the World Bank) have adopted or have considered adopting the Cash Basis IPSAS for financial reporting by the government or other public sector entities. The resources to be used include:

- IPSASB implementation survey results where applicable
- Internet sites of Ministries of Finance;
- World Bank ROSC reports;
- IFAC compliance program results; and
- Other internet sources.

Having identified public sector entities which have adopted or have considered adopting the Cash Basis IPSAS, a sample of these entities will be identified to approach in order to undertake a post implementation study to identify issues. Ideally, the selected entities will, reflect a range of geographical, language and accounting traditions.

A survey questionnaire will be developed and circulated to these entities. The survey questionnaire will be translated into French and Spanish to facilitate responses from a wide range of jurisdictions.

Experience has shown that economies in transition are most likely to adopt the Cash Basis IPSAS as a first stage in reforming public sector financial management. To this end, the assistance of the Developing Nations Committee of IFAC may also be significant. However, the most effective way to ensure that entities assist in a post implementation study may be through personal interview of appropriate government officials and/or their support staff. An interview questionnaire will be developed to form the basis of discussion with a government official.

Input from Task Force members, and their networks, will be critical in identifying the potential survey population and the jurisdictions and individuals to participate in the interview component of the project.

Consideration will also be given to holding regional public hearings in areas where several jurisdictions adopt the Cash Basis IPSAS or the participation of IPSASB members, Task Force members and staff in regional conferences in those areas.

b) Project timetable

Task	Target Completion Date
Project Approved by IPSASB	November 2007
Project commencement: establishment of Task Force and staff support	November 2008
Accounting basis identification	February 2009
Selection of countries to survey and for interviews	March 2009
Distribute survey materials and undertake interviews	April - September 2009
Compile results of survey and interviews	October 2009
Task Force reports interim survey findings to IPSASB	November 2009
Task Force Final Report presented to IPSASB	February 2010
ED and revised IPSAS developed and/or other actions	March – December 2010

c) Project output

The output of this project will be a detailed report from the Task Force to the IPSASB identifying:

- the results of the survey and the views of the public sector entities interviewed. This report will include any suggestions made by the public sector entities for improvements or modifications to the Cash Basis IPSAS.
- Task Force recommendations for modifications/improvements to the Standard, including recommendations on any additional disclosures about financial instruments.

Subject to IPSASB decisions following review of the Task Force Report, an exposure draft proposing changes to the Cash Basis IPSAS will be developed and, after due process, a revised Cash Basis IPSAS will be developed.

6. Resources Required

a) Task Force/subcommittee

To lead and support project development a Task Force will be established with members drawn from the IPSASB, World Bank, regional multi-lateral development banks and development agencies. The IFAC Developing Nations Committee has contacts in many economies in transition that may prove useful in facilitating contact with entities implementing the Cash Basis IPSAS.

Task Force members will be instrumental in providing information about the financial reporting practices of their constituents and/or in their client countries, and in facilitating contact with their client countries. The Task Force will be chaired by an IPSASB member selected by the IPSASB Chair and Technical Director.

The Task Force will conduct its business primarily by electronic means but may meet at critical stages during project development.

b) Staff

One staff member will be required on this project for the period of the Task Force review (November 2008 – February 2010) and, subject to IPSASB decisions, to support development of an ED proposing any amendments to the IPSAS. Other staff will provide peer support and the Technical Director will supervise the project.

7. Important Sources of Information that Address the Matter being Proposed

www.ifac.org/complianceprogram
http://www.worldbank.org/ifa/rosc_cg.html
IPSAS Implementation Survey
Ministries of Finance websites.

World Bank regional managers, and other multi-lateral development agencies, may be able to provide assistance in identifying public sector entities implementing the Cash Basis IPSAS. The International Organization of Supreme Audit Institutions –Sub-committee on Accounting and Reporting of the Professional Standards Committee – may also be able to assist.

8. Factors that might add to complexity or length

The major factor that could add to the length and complexity of the project is the success in obtaining cooperation from public sector entities implementing the Cash Basis IPSAS. Experience with trying to obtain cooperation of these entities in field testing the current Standard, as well as the External Assistance exposure draft, indicates that a personal approach is more likely to be successful. Whilst this is resource intensive from both financial and staffing perspectives, this may be the only way in which to obtain meaningful data.

Prepared by Matthew Bohun-Aponte

Date December 12, 2007

(Technical Manager IPSASB)

Updated by Paul Sutcliffe

Date November 2008

(Consultant- Senior Advisor IFAC)

The following should be completed after board or committee approval and after revising the project proposal form to reflect any changes by the board or committee.

Approved by _____

Date _____

(Chair IPSASB)

COMMENTS BY TECHNICAL MANAGERS

The comments of Technical Manager from each technical area are required before this Project Proposal is considered by the board or committee proposing to undertake the project.

Technical Manager to the Compliance Advisory Panel

[Insert comments (prompts – views on importance of project, other matters wished to be communicated)]

Signed _____

Date _____

Technical Manager to the DNC

[Insert comments (prompts – views on importance of project, other matters wished to be communicated)]

Signed _____

Date _____

Technical Manager to the SMPC

No comments

Signed Paul Thompson

Date November 12, 2007

Technical Manager to the IESBA

No comments from Ethics on either of this project.

Signed Jan Munro

Date 11/16/2007

Technical Manager to the IAASB

It is proposed that the IPSASB also consider reaching public sector entities through Supreme Audit Institutions. The International Organization of Supreme Audit Institutions – in particular the Sub-committee on Accounting and Reporting of the Professional Standards Committee – may be able to assist in this regard.

Signed Alta Prinsloo

Date November 20, 2007

Technical Manager to the PAIB Committee

[Insert comments (prompts – views on importance of project, other matters wished to be communicated)]

Signed _____

Date _____

Technical Manager to the IAESB

At this point I see no direct impact on the Education Board's work.

Signed DAVID MCPEAK

Date November 27, 2007

Technical Manager to the Transnational Auditors Committee

[Insert comments (prompts – views on importance of project, other matters wished to be communicated)]

Signed _____

Date _____