



**INTERNATIONAL FEDERATION  
OF ACCOUNTANTS**

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**Agenda Item**  
**2.0**

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**Date:** February 4, 2011  
**Memo to:** Members of the IPSASB  
**From:** John Stanford  
**Subject:** Conceptual Framework: Objectives of Sessions

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**Objectives of Sessions**

The objectives of the sessions on the Conceptual Framework are:

- to (a) provide the current timetable for the project and consider pressure points relating in that timetable; (b) consider the approach to developing the flowchart, 'Reporting Information in Accordance with the Conceptual Framework'; and (c) approve minor changes to the Terms of Reference of the Standard Setters Advisory Panel;
- to consider a preliminary draft Consultation Paper, *Presentation*, and provide directions for further development;
- to hold an Education Session on the 'Revenue and Expenses-led' and 'Assets and Liabilities-led' approaches to financial performance that were discussed in the Phase 2 Consultation Paper; and
- to approve the Exposure Draft, *Key Characteristics of the Public Sector*.

**Agenda Materials**

- 2.1 Conceptual Framework: Coordinator's Report
- 2A Phase Four: Presentation: Preliminary Consultation Paper
- 2B Key Characteristics of the Public Sector: Exposure Draft
- 2C Covering paper for Education Session on the 'Revenue and Expenses-led' and 'Assets and Liabilities-led' approaches to financial performance

## **CONCEPTUAL FRAMEWORK: COORDINATOR'S REPORT**

### **Objectives of Session(s)**

1. The objectives of this session are:
  - to highlight issues related to the project timetable including some key pressure points;
  - bring forward an amendment to the Terms of Reference of the Standard Setters Advisory Panel (SSAP)
  - consider how to progress the flow chart, 'Reporting Information in Accordance with the Conceptual Framework'.

### **Project Timetable**

2. The current project timetable is attached at Appendix A. This is the version that was circulated on the intranet on November 24<sup>th</sup> 2011. As stated when that version was circulated, the principal change from the version on the agenda for the November meeting is that the consultation period for both the Phase 1 Exposure Draft (ED) and the Phase 2 and 3 Consultation Papers (CPs) is six months, reflecting the decision made in Jakarta. As a result of this decision the first review of responses for the Phase 1 ED and the Phase 2 and Phase 3 CPs is in September 2011, rather than June 2011. The projected exposure period for the Phase 4 ED and CP is four months.
3. There are some obvious pressure points in the current timetable in order to meet the deadline of approval in late 2012 and issuance in the first quarter of 2013. The majority were identified in the Coordinator's Report for the November 2010 meeting. In particular:
  - There is only one further meeting for discussion and approval of the Phase 4 CP;
  - The time between approval of CPs on Phases 2, 3 and 4 and the first consideration of responses is about seven months for Phases 2 and 3, and about six months for Phase 4 and is extremely tight;
  - There is only one meeting for a review of responses for Phases 2 and 3 and a further meeting for approval of a final chapter; and
  - There is only one meeting at which to discuss responses and approve an ED on Phase 4 and, with a six month exposure period, the review of responses to the ED and approval of a finalized chapter take place at one meeting, which is contrary to the general principle that there are at least two meetings for these development components.
4. As stated in the memorandum for the November meeting, in the view of the coordinator, the trade-off between timeliness and quality needs to be evaluated on an ongoing basis.

5. In accordance with previous practice the project timetable will be re-circulated following this meeting, if there are changes made at this meeting.

**Action Required**

Members are asked to note the current project timetable and the pressure points identified by Staff and to consider whether the timetable should be modified.

**Standard Setters Advisory Panel**

6. It has been suggested by one of the members of the Standard Setters Advisory Panel (SSAP) that the Terms of Reference (ToR) for the SSAP should be revised to state that comments received from the SSAP will be distributed to the IPSASB. The ToR have been amended to insert such a provision. The revised ToR are provide at Appendix B. For information, the current composition of the SSAP is given at Appendix C
7. Following a suggestion made at the November meeting a closed electronic forum has been established for members of the SSAP. The forum is also accessible by Members and Technical Advisors from the jurisdictions of SSAP members. The forum is accessible through the ‘Discussion Board’ section of the Leadership intranet.

**Action Required**

Members are asked to:

- Approve the revision to the ToR of the SSAP; and
- Note the creation of the closed electronic forum for the SSAP.

**Flow Chart on Reporting Information in Accordance with the Conceptual Framework**

8. The Flow Chart, ‘Reporting Information in Accordance with the Conceptual Framework’ was initially circulated at the Vienna meeting and following further development out-of-session was considered briefly at the Jakarta meeting. The general view was that the flow chart is useful in assisting an analysis of how the different phases of the Conceptual Framework interact and that it should be further developed. However, there was also a general view that it would be premature to expose it for public comment at this stage and therefore that it should not be included in the Phase 2 Consultation Paper. At this meeting Members are asked to consider the approach to further development of the Flow Chart. The Flow Chart is provided at Appendix D. This is the version that was on the agenda at the November meeting and has not been amended subsequently.

**Action Required**

Members are asked to consider the approach to further development of the Flow Chart.

**Appendix A**

**Conceptual Framework (Accrual Basis) Schedule 2010–2012**

	<b>Phase 1: Objectives, QCs, Scope &amp; Reporting Entity</b>	<b>Phase 2: Elements and Recognition</b>	<b>Phase 3: Measurement</b>	<b>Phase 4: Presentation and Disclosure</b>	<b>Key Characteristics of Public Sector</b>
Apr 2010	RR	DI	DI		
Jun 2010	ED <i>discuss</i>	CP <i>discuss</i>	CP <i>discuss</i>	DI	
Nov 2010	ED <i>approve</i>	CP <i>approve</i>	CP <i>approve</i>	DI	DI
Dec 2010	<b>ED Issued</b>	<b>CP issued</b>	<b>CP issued</b>		<i>made available on web as Staff Draft</i>
Mar 2011				CP <i>discuss</i>	DI <i>discuss, approve and expose for comment</i>
Jun 2011				CP <i>approve and issue late June/July</i>	
Sep 2011	RR <i>directions to Staff</i>	RR <i>directions to Staff</i>	RR <i>directions to Staff</i>		
Dec 2011	RR <i>directions to Staff</i>	ED <i>discuss</i>	ED <i>discuss</i>	RR	RR <i>directions to Staff</i>
Mar 2012	FC <i>review</i>	ED <i>approve and issue late March</i>	ED <i>approve and issue late March</i>	RR <i>directions to Staff</i>	<i>finalize and approve</i>
Jun 2012	FC <i>approve subject to CIA</i>			ED <i>discuss, approve &amp; issue late June/July</i>	
Sep 2012					
Dec 2012	CIA Phases 2-4 <i>reaffirm</i>	RR <i>directions to Staff</i>	RR <i>directions to Staff</i>	RR <i>directions to Staff</i>	
Mar 2013	<i>Incorporate in Final Framework</i>	FC <i>approve</i>	FC <i>approve</i>	FC <i>approve</i>	<i>Incorporate in Final Framework</i>
April /May 2013	I	S	S	U	E

Key: ED: Exposure Draft, DI: Discussion of Issues, RR: Review of Responses, FC: Final Chapter, CP: Consultation Paper, CIA: Consider Issues Arising from Other Phases of Project

*Assumptions*

1. There is an exposure period of six months for the Phase 1 ED and the Phase 2 (Elements & Recognition) and Phase 3 (Measurement) Consultation Papers – comment period to end mid- June, 2011.
2. ‘The Key Characteristics of the Public Sector’ has been made available as a staff draft with the Phase 1 ED and the Phase 2 and Phase 3 Consultation Papers. It will be formally approved in March 2011 as a Board document and exposed for comment for four months. A finalized version will be included in the completed Framework.
3. There is a six months exposure period for Phase 2 and Phase 3 EDs – comment period ending late September 2012.

4. In June 2012 the chapters on the Phase1 topics (Objectives, QCs, Scope and Reporting Entity) will be finalized subject to a consideration of issues arising from Phases 2 to 4 in December 2012.
5. Further discussions will be held at forthcoming meetings on whether to issue an umbrella ED covering all four phases, and, if so, in what format.
6. There will be an exposure period of four months for the Phase 4 (Presentation & Disclosure) Consultation Paper (comment period ending late October 2011) and for the Phase 4 ED (comment period ending late October 2012). If a six month exposure period is adopted the timeline will move out by one meeting (i.e., the Review of Responses for the Phase 4r Consultation Paper would commence in March 2012, not December 2011, with a consequent impact on Phase 4 ED development and exposure).
7. Projection is to issue finalized Framework in first half of 2013.

**Appendix B**

**INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD**

**Standard Setters Advisory Panel (SSAP) for Public Sector Conceptual Framework  
Terms of Reference-April 2010**

**OBJECTIVE AND SCOPE OF ACTIVITIES**

1. The objective of the Standard Setters Advisory Panel (SSAP) for the IPSASB Public Sector Conceptual Framework (the Framework) is to provide advice to the IPSASB on the project and to bring to the attention of the IPSASB areas of concern in the development of the Framework.

**COMPOSITION AND MEMBERSHIP**

2. The SSAP comprises a number of standard setters who have usually been previously involved in the Public Sector Conceptual Framework Subcommittee. These include the International Accounting Standards Board (IASB), various National Standard-Setters (NSS) and some Ministries of Finance where they are the Standard Setter in their jurisdiction (MoF).
3. The Chair of the IPSASB will also act as the Chair of the SSAP.
4. Each Standard Setter has one representative. Individual standard setters should nominate individual members and it is expected that the member will participate in all activities to ensure continuity. Members are appointed for the length of the IPSASB's Public Sector Conceptual Framework project.

**OPERATING PROCEDURES**

5. It is expected that most of the communication with the SSAP will be undertaken electronically and by conference call.
6. Members of the SSAP will be provided with agenda papers when they are distributed for IPSASB meetings. The SSAP may then provide feedback to the IPSASB as to the views on any issues or areas of concern. Comments received from members of the SSAP will be distributed to Members of the IPSASB.
7. The Conceptual Framework Project Coordinator in consultation with the lead authors of individual phases of the project may consult members of the SSAP on particular issues. Such consultation is likely to be electronic.
8. The SSAP may decide to meet in person and, in such cases, meetings of the SSAP will normally be scheduled immediately before or after IPSASB meetings or meetings of the NSS. Meetings of the SSAP will not be open to the public. Members of the SSAP are responsible for their own travel and accommodation costs.

9. Members of the IPSASB (or in their absence Technical Advisors) have the right to attend any meetings of the SSAP.

**Appendix C**

**Membership of Standard Setters Advisory Panel for Conceptual Framework**

- Australian Accounting Standards Board): Kevin Stevenson
- Conseil de Normalisation des Comptes Publics: France: Delphine Moretti
- Federal Accounting Standards Advisory Board: Wendy Payne
- Financial Reporting Standards Board of New Zealand: Kevin Simpkins
- Governmental Accounting Standards Board : Bob Attmore
- International Accounting Standards Board: Warren McGregor
- Public Sector Accounting Board of Canada: John Wiersema
- South African Accounting Standards Board: Rick Cottrell
- United Kingdom Accounting Standards Board: Andrew Lennard



Appendix D

Reporting Information in Accordance with the Conceptual Framework

