



International
Federation
of Accountants

International Public Sector Accounting Standards Board

Conceptual Framework: Overview of Sessions

Agenda Item 2.0

John Stanford

Duesseldorf, March 2012

Objectives of Sessions

- Consider Coordinator's report (Agenda Item 2.1)
- First review of responses to ED, *Key Characteristics of Public Sector with Potential Implications for Financial Reporting* and directions for further development/location (Agenda Item 2A)
- Further consideration of draft final chapters of Phase 1 (Agenda Item 2B)
- Further consideration of issues arising from responses to Phase 2 Consultation Paper (notably 'enforceability' and 'deferrals') and preliminary outline of ED (Agenda Item 2C)



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Conceptual Framework: Coordinator's Report

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Coordinator's Issues

- Project timetable
- Integrated Reporting

Project Timetable: Main points

- Version in Appendix A reflects decision to remove Measurement from agenda for this meeting
- Approval of the Phase 3 ED is now projected for September 2012 with an initial review of responses in June 2013
- Consideration of issues arising from other phases for Phase 1 to be deferred until June 2013
- No provision for re-exposure of 'umbrella' ED
- Pressure points include:
 - Only 2 meetings to review responses to CF– ED4 and finalize chapter
 - Approval of CF– ED4 in June very challenging
- Publication still projected in May 2014

Integrated Reporting (1)

- Discussion Paper, *Towards Integrated Reporting: Communicating Value in 21st Century* issued by International Integrated Reporting Council (IIRC): September 2011
- Private sector perspective with emphasis on major corporates
- Discussed at Brasilia
 - No consideration of public sector
 - Some supportive but reservations about materiality & ability of integrated report (IR) to meet user needs
 - Other consider aspirational at this stage

Integrated Reporting (2)

- Staff liaison with IIRC Secretariat
- Viability of original timetable under consideration
- Possibility of creating two work streams
 - A topic-specific work stream which comprises a series of small projects, resulting in “mini-EDs”; and
 - A Framework work stream drawing on the topic-specific projects
- Commonality with IPSASB Con. Framework, esp. Phase 1
- ‘Public Sector’ may be one of topic-specific work streams
- Possibility of CIPFA lead and ‘bridging’ role

Integrated Reporting (3)

- IIRC Secretariat indication that:
 - Not intention for IR to replace all other areas of financial reporting but
 - IR is not a combined report or an aggregation of existing reports
- Addition of new Section 6 to Think Piece (Appendix B)
 - Issuance of IIRC Discussion Paper
 - DP definition of integrated reporting
 - Implications for IPSASB and Framework:
 - DP vision as primary report perhaps blurring distinction between financial statements and other areas of GPFR but
 - Not replacement for all other reporting
 - Potentially understandable communication mechanism with advantages for decision-making and accountability but
 - Does IR meet QCs of relevance and faithful representation?
 - Implications for verifiability