

Meeting: International Public Sector Accounting
Standards Board

Meeting Location: Abu Dhabi, UAE

Meeting Date: March 11-14, 2013

Agenda Item 2

For:

☐ Approval

☒ Discussion

☐ Information

Conceptual Framework

Objective(s) of Agenda Item

1. The objectives of the sessions on the Conceptual Framework are:
 - To (a) **provide** the current timetable for the project and (b) to **update** members on developments in the IASB Conceptual Framework project.;
 - To **review** a further draft of the Preface with a view to approval and incorporation in the finalized Framework;
 - To **review** a further draft ED, *Presentation in General Purpose Financial Reports*, with a view to approval or the provision of directions for further development.

Material(s) Presented

Agenda Item 2.1	Coordinator's Report
Agenda Item 2A	Revised Preface
Agenda Item 2B	Further Draft Exposure Draft (ED), <i>Presentation in General Purpose Financial Reports</i>

Conceptual Framework: Coordinator's Report

Objectives of Report

1. The objectives of this report are to:
 - Highlight the most up-to-date version of the project timetable; and
 - Note developments in the International Accounting Standards Board's (IASB) recently reactivated Conceptual Framework project.

Project Timetable

2. A revised project timetable was circulated following the December 2012 meeting. This is attached in a very slightly modified form at Appendix A. The timetable reflects the approval of the Phase 1 chapters in December 2012 and their publication in January 2013. It also reflects the decision to bring back the Preface for further consideration and possible approval at this meeting.
3. The timetable reflects the aim of approving the Presentation ED at this meeting. Largely for the information of new members, the Coordinator repeats previous comments that, despite good progress, especially the finalization of the Phase 1 Chapters, the timing for completion of the Framework remains very tight and demanding in some places. In particular, there is only one meeting for a review of responses to the Phase 4 ED and a further meeting for finalization of the final chapter on Presentation. Although there are two meetings for reviews of responses for both the Phase 2 ED and the Phase 3 EDs the April 30th 2013 consultation expiry date for both EDs means that the first review of responses is likely to be high level.
4. In accordance with normal procedure the timetable will be updated and circulated shortly after this meeting.

Matter(s) for Consideration

1. The IPSASB is asked to **note** the current project timetable and to **consider** whether the timetable should be modified,

IASB Conceptual Framework

5. As reported previously the IASB reactivated its Conceptual Framework project in September 2012 and agreed its approach. The Framework is on the agenda for the IASB's meeting in the week commencing February 18th. At this meeting IASB Staff will present a preliminary draft of material for much of the Discussion Paper. These agenda papers are available on the IASB website. The Senior Advisor, who was the lead author of the first four chapters of the IPSASB Framework, and the Coordinator have been asked to provide informal comments on these agenda materials.

6. Further material will be prepared for the March IASB meeting covering most of the remaining sections, particularly presentation and disclosure. This material will focus particularly on questions relating to Other Comprehensive Income. A more advanced draft of the Discussion Paper will be brought to the April IASB meeting. The Coordinator intends to observe the sessions on the Framework at the April meeting and will highlight any particularly relevant emerging issues to IPSASB members.
7. The aim is still to approve the Discussion Paper in June and publish shortly afterwards. IASB Staff have confirmed that it is not the intention to reopen chapters 1 and 3 of the Framework, which deal with the objective of general purpose financial reporting and the qualitative characteristics of useful financial information. These chapters were completed before the IASB paused the project in 2010. Consequential amendments or more substantial changes are not precluded if work on the other chapters reveals that the provisions of chapters 1 and 3 are not operating as the IASB intended. However, IASB Staff have a strong presumption that chapters 1 and 3 will not be amended significantly and will not be looking actively for major amendments.

Matter(s) for Consideration

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| <ol style="list-style-type: none">2. The IPSASB is asked to note developments in the IASB's Conceptual Framework project. |
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Appendix A: Conceptual Framework Project Timetable 2010–2014

	Phase 1: Objectives, QCs, Scope & RE	Phase 2: Elements and Recognition	Phase 3: Measurement	Phase 4: Presentation	Key Characteristics of Public Sector
Dec 2010	<i>ED Issued</i>	<i>CP Issued</i>	<i>CP Issued</i>		<i>Made available on web as Staff Draft</i>
Mar 2011				<i>CP Discussed</i>	<i>ED Approved (Issued in April)</i>
Jun 2011				<i>CP Discussed</i>	
Sep 2011	<i>RR Directions to Staff</i>	<i>RR Directions to Staff</i>	<i>RR Directions to Staff</i>	<i>CP Discussed</i>	
Dec 2011	<i>RR Directions to Staff</i>	<i>RR Further directions to Staff</i>	<i>RR Further directions to Staff</i>	<i>CP Approved (Issued January 2012)</i>	
Mar 2012	<i>FC Review and directions to Staff for finalization</i>	<i>RR Further directions to Staff</i>			<i>RR Directions to Staff</i>
Jun 2012		<i>ED Discuss</i>	<i>ED Discuss</i>		
Sep 2012	<i>Decision to approve FC in December and publish in late December 2012 or January 2013</i>	<i>ED Approved Issue October</i>	<i>ED Approved Issue October</i>	<i>RR Directions to Staff</i>	<i>Decision to approve in December and publish in late December 2012 or January 2013</i>
Dec 2012	<i>FC Approved Published in January 2013 (Note A4)</i>			<i>ED Discuss</i>	<i>FC Review and Directions to Staff for finalization (Note A5)</i>
Mar 2013				<i>ED Discuss, & approve Issue April 2013 (Note A3)</i>	<i>FC Discuss & approve Issue April 2013 (Note A5)</i>
June 2013		<i>RR Initial directions to Staff</i>	<i>RR Initial directions to Staff</i>		
Sept 2013		<i>RR Further directions to Staff</i>	<i>RR Further directions to Staff</i>		
Dec 2013		<i>FC Review and directions to Staff for finalization</i>	<i>FC Review and directions to Staff for finalization</i>	<i>RR Directions to Staff</i>	
Mar 2014		<i>FC Approve and incorporate in Final Framework</i>	<i>FC Approve and incorporate in Final Framework</i>	<i>FC Approve and incorporate in Final Framework</i>	

Key: ED: Exposure Draft, DI: Discussion of Issues, RR: Review of Responses, FC: Final Chapter, CP: Consultation Paper

Assumptions and Accompanying Information

- A1. There was an exposure period of six months for the Phase 1 ED and the Phase 2 and Phase 3 Consultation Papers—comment period ended mid-June, 2011. There was an exposure period of four months for the Phase 4 Consultation Paper—comment period ended late-April 2012.
- A2. There is a six-month exposure period for Phase 2 and Phase 3 EDs — comment period ending at the end of April 2013.
- A3. A four month exposure period is projected for the Phase 4 ED — comment period ending in mid-August 2013.
- A4. The Phase 1 Chapters were approved in December 2012 and published in January 2013.
- A5. An ED, *The Key Characteristics of the Public Sector with Potential Implications for Financial Reporting (Key Characteristics)*, was made available as a Staff draft with the Phase 1 ED and the Phase 2 and Phase 3 Consultation Papers in December 2010. It was approved in March 2011 as an IPSASB document and issued in April 2011 with a consultation expiry date of August 31, 2011. The IPSASB reviewed responses in March 2012 and decided to further develop the text of *Key Characteristics* with a view to its inclusion in the Framework as an Introduction or Preface. At the September 2012 meeting the IPSASB directed that *Key Characteristics* be updated in the form of a preface and brought back to the December 2012 meeting, along with the Phase 1 final chapters with a view to incorporation in the Framework. At the December 2012 meeting the IPSASB confirmed that such a Preface should be included in the Framework. However, the IPSASB decided that the Preface needed further development. The Preface has been circulated out-of-session and is on the agenda with a view to approval at the March 2013 meeting.
- A6. The finalization of Phases 2, 3 and 4 will include a check for consistency with the Introduction, Preface and Phase 1 chapters.
- A7. There is no current presumption that an integrated (umbrella) ED of the proposed Conceptual Framework will be issued.
- A8. Projection is to issue the finalized Framework in first half of 2014.