



The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Some Highlights

Jeanine Poggiolini

Deputy Chair IPSASB

Seminario: “La Alta Dirección de los
Servicios Públicos frente a las NICSP:
La visión del IPSAS Board”

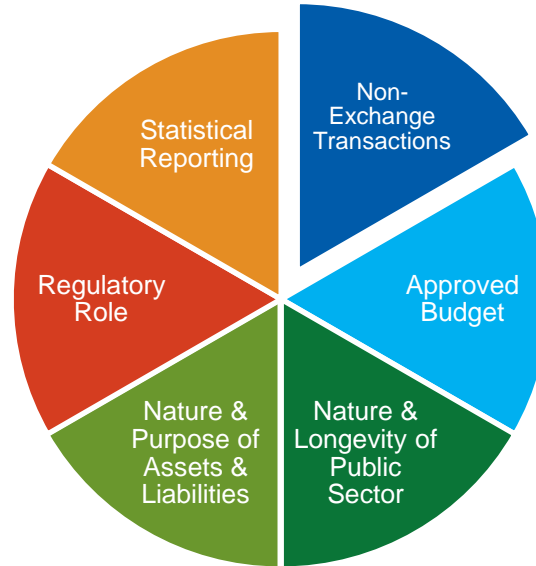
Santiago de Chile

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Timeline



Key Characteristics of the Public Sector



Role and Authority of the Conceptual Framework

Role

- Concepts underpinning general purpose financial reporting
- Accrual Basis

Authority

- No authoritative requirements
- No override of requirements of International Public Sector Accounting Standards™ (IPSASs™) or Recommended Practice Guidelines (RPGs)

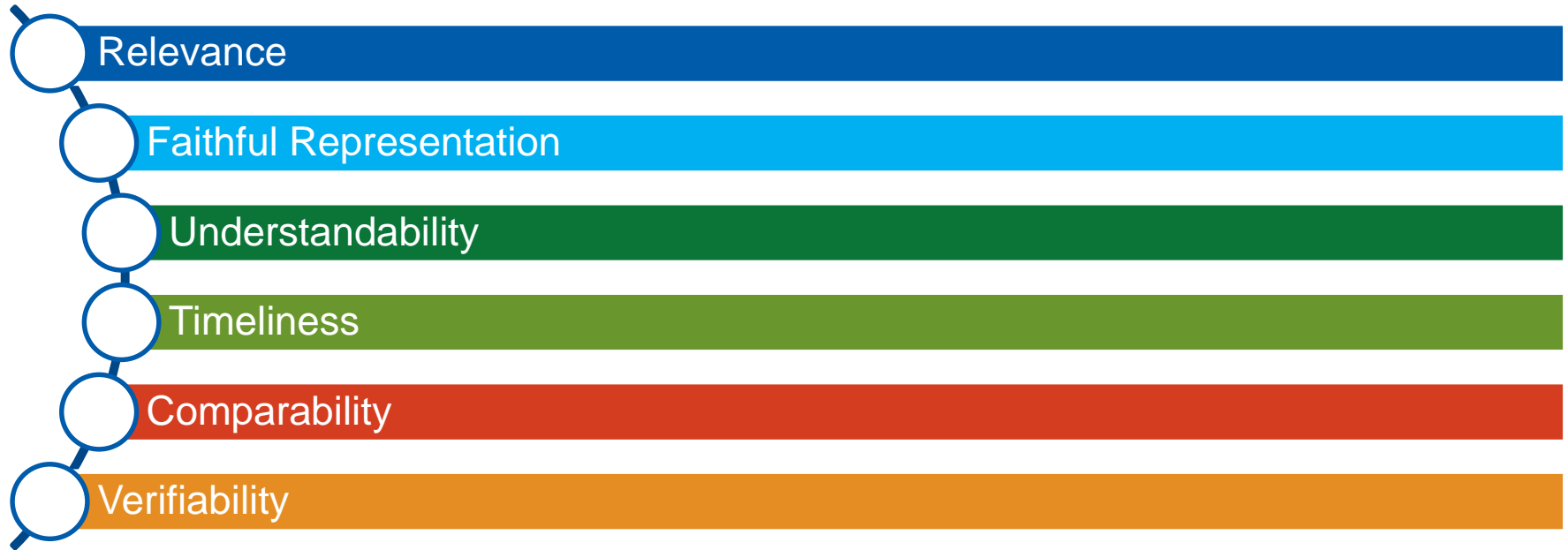
Chapter 2: Objectives and Users

- Objectives of Financial Reporting
 - Provide information about entity useful to users of GPFRs
 - Accountability purposes and decision-making purposes
 - Reflects service delivery objective and nature of funding
 - Respond to information needs of users
- Users of GPFRs
 - Primary users: service recipients and resource providers

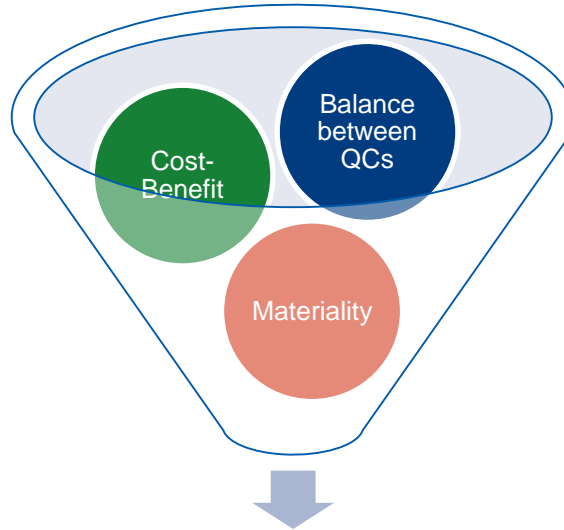
The Enhanced Scope of Financial Reporting

- More comprehensive scope than financial statements
- Financial statements at the core of financial reporting

The Qualitative Characteristics



Constraints on Information Included in GPFRs



Pervasive Constraints on Information included in GPFRs

Elements and Other Economic Phenomena

Elements:

- Broad classes of transactions and other events
- Building blocks from which financial statements are constructed

Other Economic Phenomena

- Other resources and other obligations

The Six Elements

Asset

Revenue

Ownership
Contributions

Liability

Expense

Ownership
Distributions

Measurement Bases for Assets

Historical
Cost

Current Value

Market Value

Replacement
Cost

Net Selling
Price

Value in Use

Measurement Bases for Liabilities

Historical
Cost

Current Value

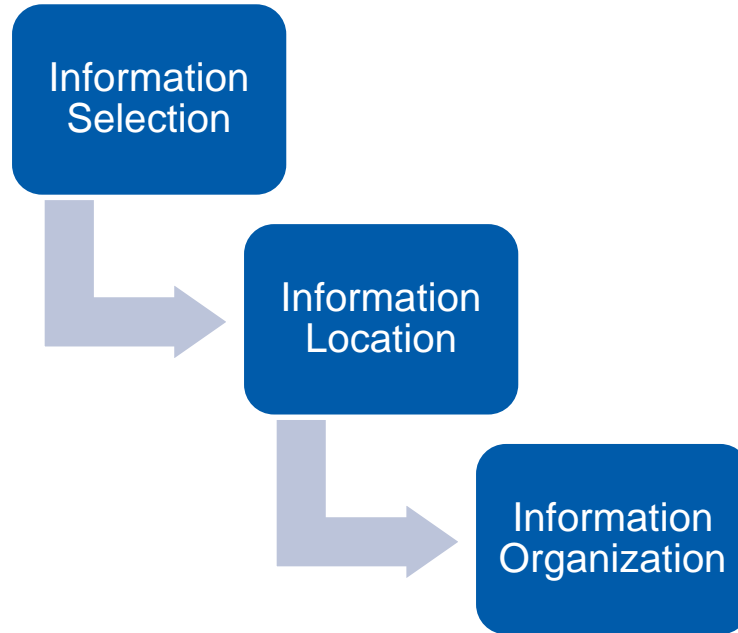
Cost of
Fulfillment

Market
Value

Cost of
Release

Assumption
Price

Presentation



First Time Adoption of Accrual Basis IPSASs

- Approved in December 2014, effective from 1 January 2017.
- Credible, transparent basis for the adoption of accrual accounting.
- Key features:
 - Transitional provisions to provide the relief necessary to promote adoption of IPSASs.
 - Some affect fair presentation and compliance.
 - Disclosures provide transparency about how adoption being undertaken.

First Time Adoption of Accrual Basis IPSASs

- Transitional provisions that affect fair presentation and compliance:
 - Three year relief for the recognition and/or measurement of certain assets and liabilities.
 - Three year relief for the recognition and/or measurement of non-exchange revenue.
 - Three year relief for the elimination of inter-entity transactions, balances etc. in consolidated financial statements.

First Time Adoption of Accrual Basis IPSASs

- Transitional provisions that do not affect fair presentation and compliance:
 - Presentation of comparative information not required.
 - Segment information not required.
 - Clear accounting requirements on how to adopt specific aspects of specific Standards.



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