

Agenda item 5: Improvements to IPSASs 2015

John Stanford, Acting Technical Director

Ross Smith, Senior Technical Manager

João Fonseca, Technical Manager

Paul Mason, Technical Manager

IPSASB Meeting

September 22-25, 2015

Toronto, Canada

Objective of Agenda Item

- To review and approve ED 58

Materials Presented

- Issues Papers
 - 5.1a Conceptual Framework Improvements to IPSASs
 - 5.1b General Improvements to IPSASs
 - 5.1c Government Finance Statistics Improvements to IPSASs
 - 5.1d IASB Improvements to IPSASs
- Exposure Draft 58, *Improvements to IPSASs 2015*
 - Agenda item 5.2

Background

- Improvements project last carried out in 2014
 - IASB improvements only
- IPSASB agreed to consider other improvements
 - Consequential amendments arising from Conceptual Framework
 - General improvements raised by stakeholders
 - Improvements to align with GFS
 - Improvements related to IASB improvements

Part I – Conceptual Framework Improvements

Proposed Amendments (Issues Paper 5.1a)

- Amendment Part I-1
 - **Consequential amendments** related to Chapters 1–4 of the *Conceptual Framework for Financial Reporting in the Public Sector*.
 - Relate to **Qualitative Characteristics, accounting policies, the term “management” and the hierarchy of sources used in the selection and application of accounting policies.**
 - Amendments proposed to IPSAS 1, IPSAS 3, IPSAS 16, IPSAS 18 IPSAS 20, IPSAS 22, IPSAS 24, IPSAS 29, and IPSAS 30

Part I – Conceptual Framework Improvements

Proposed Amendments (Issues Paper 5.1a)

- Amendment Part I-2
 - **Footnote on the first usage of “reliably” or “reliable”** added to:
 - IPSAS 5, IPSAS 7, IPSAS 9, IPSAS 11 IPSAS 13, IPSAS 16, IPSAS 17, IPSAS 18, IPSAS 19, IPSAS 21, IPSAS 23, IPSAS 25, IPSAS 26, IPSAS 27, IPSAS 31, IPSAS 32, IPSAS 33, IPSAS 34, and IPSAS 36
 - Footnote proposed both for recognition criteria and in broader discussions of measurement such as estimation and allocation
 - Explains that: *information that is reliable is free from material error, and bias, and can be depended on by users to represent faithfully that which it purports to represent or could reasonably*

Replacement of management by preparers (Issues Paper 5.1a)

- Direction at June meeting to replace “management” with “preparers” in paragraphs 14 and 15 of IPSAS 3
- Staff reservations
- “Management” used widely in literature
 - Operational control
 - Determination of accounting policies, estimation techniques and allocation approaches (e.g., IPSAS 2.59, IPSAS 17.90, IPSAS 26.46 (and numerous subsequently) and IPSAS 31.29
- Does IPSASB want to make such extensive changes?

Part II – General Improvements

Proposed Amendments (Issues Paper 5.1b)

- Amendment Part II-1
 - Amendments to IPSAS 14, *Events after the Reporting Date*; IPSAS 19, *Provisions, Contingent Liabilities and Contingent Assets*; IPSAS 26, *Impairment of Cash-Generating Assets*; IPSAS 27, *Agriculture*; and IPSAS 31, *Intangible Assets* to **remove references to the relevant international or national accounting standard dealing with non-current assets held for sale and discontinued operations.**
- Amendment Part II-2
 - Amendments to **clarify the conflict** between IPSAS 32, *Service Concession Arrangements* and IPSAS 17, *Property, Plant and Equipment*, **over dissimilar assets being accounted for as a class of assets.**

Part III – GFS Improvements

Proposed Amendments (Issues Paper 5.1c)

- Amendment Part III-1
 - Amendments to IPSAS 12, *Inventories* to **replace the term “ammunition” with Government Finance Statistics term “military inventories”** and include a description.
- Amendment Part III-2
 - Amendments to IPSAS 17, *Property, Plant and Equipment* to **replace the term “specialist military equipment” with Government Finance Statistics term “weapons systems”** and include a description.

Part IV – IASB Improvements

Proposed Amendments (Issues Paper 5.1d)

- Amendment Part IV-1
 - Amendments to IPSAS 17, *Property, Plant, and Equipment* and IPSAS 27, *Agriculture* to **define a bearer plant and include bearer plants within the scope of IPSAS 17**. The produce growing on bearer plants will remain within the scope of IPSAS 27.



www.ipsasb.org
