



Agenda Item 13.2: IPSAS–IFRS Alignment Dashboard

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IPSASB Meeting

Toronto, Canada

June 19 – 22, 2018

Material Presented for Decision at this Meeting

Decision Items

- Agenda Item 13.2.1—Presentation of the IPSAS–IFRS Alignment Dashboard
- Agenda Item 13.2.2—Use of the term ‘Alignment’ versus ‘Convergence’

Other supporting items

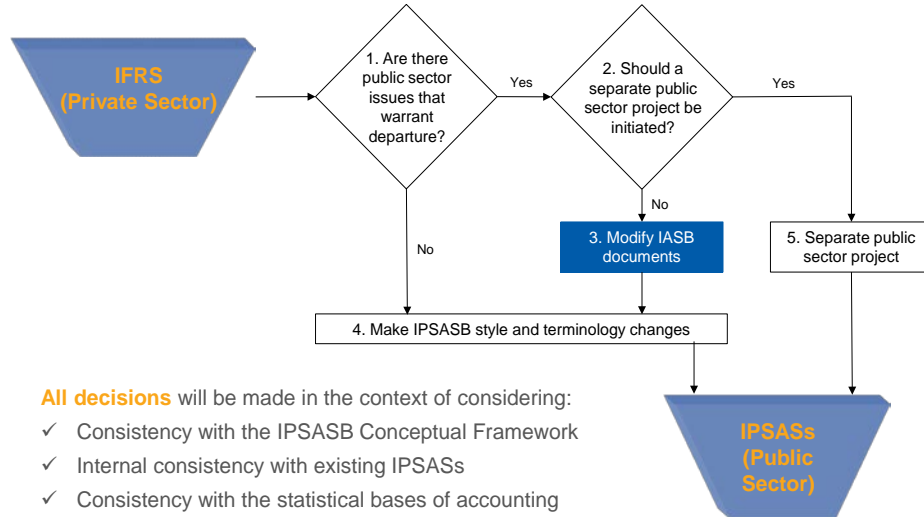
- Agenda Item 13.3.1—Relationship between the IASB documents and the IPSASB current and the proposed 2019-2023 work plan
- Agenda Item 13.3.2—IPSAS–IFRS Alignment Dashboard

Presentation of the IPSAS–IFRS Alignment Dashboard (Agenda Item 13.2.1)



IPSASB Policy Paper

“Process for Reviewing and Modifying IASB Documents”



All decisions will be made in the context of considering:

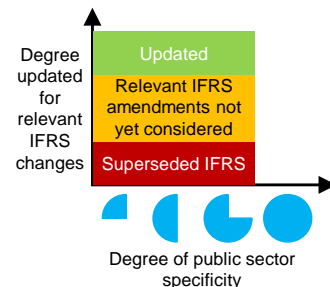
- ✓ Consistency with the IPSASB Conceptual Framework
- ✓ Internal consistency with existing IPSASs
- ✓ Consistency with the statistical bases of accounting

Presentation of the IPSAS–IFRS Alignment Dashboard (Agenda Item 13.2.1)

Table 1 – IPSAS and Equivalent IFRS—Summary*

IPSAS	IFRS	Status	IPSAS	IFRS	Status	IPSAS	IFRS	Status
1. Presentation of Financial Statements	IAS 1		17. Property, Plant, and Equipment	IAS 16		30. Financial Instruments: Disclosures	IFRS 7	
2. Cash Flow Statements	IAS 7		18. Segment Reporting	IAS 14		31. Intangible Assets	IAS 38	
3. Accounting Policies, Changes in Accounting Estimates and Errors	IAS 8		19. Provisions, Contingent Liabilities and Contingent Assets	IAS 37		32. Service Concession Arrangements: Grantor	IFRIC 12	
4. The Effects of Changes in Foreign Exchange Rates	IAS 21		20. Related Party Disclosures	IAS 24		33. First-time Adoption of Accrual Basis IPSASs	IFRS 1	
5. Borrowing Costs	IAS 23		21. Impairment of Non-Cash-Generating Assets	IAS 36		34. Separate Financial Statements	IAS 27	
9. Revenue from Exchange Transactions	IAS 18		22. Disclosure of Financial Information about the General Government Sector	–		35. Consolidated Financial Statements	IFRS 10	
10. Financial Reporting in Hyperinflationary Economies	IAS 29		23. Revenue from Non-Exchange Transactions (Taxes and Transfers)	–		36. Investments in Associates and Joint Ventures	IAS 28	
11. Construction Contracts	IAS 11		24. Presentation of Budget Information in Financial Statements	–		37. Joint Arrangements	IFRS 11	
12. Inventories	IAS 2		26. Impairment of Cash-Generating Assets	IAS 36		38. Disclosure of Interests in Other Entities	IFRS 12	
13. Leases	IAS 17		27. Agriculture	IAS 41		39. Employee Benefits	IAS 19	
14. Events after the Reporting Date	IAS 10		28. Financial Instruments: Presentation	IAS 32		40. Public Sector Combinations	IFRS 3	
16. Investment Property	IAS 40		29. Financial Instruments: Recognition and Measurement	IAS 39				
















Legend of Alignment Status:







4	3	5	N/A
Step in Process for Reviewing and Modifying IASB Documents			

Presentation of the IPSAS–IFRS Alignment Dashboard (Agenda Item 13.2.1)

Table 2 – IFRS with no Equivalent IPSAS^{1 2}


IFRS	Status	Comments	IFRS (IAS)	Status	Comments
IFRS 2 <i>Share-based Payment</i>		Entities reporting on IPSAS basis generally do not give share-based payment compensation.	IAS 12 <i>Income Taxes</i>		Entities reporting on IPSAS basis generally do not pay income taxes.
IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>		Not a prioritized project. The IPSASB is considering some issues in the Measurement project.	IAS 20 <i>Accounting for Government Grants and Disclosure of Government Assistance</i>		Being considered through IPSASB Revenue project.
IFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i>		Potential connections with prioritized project on Natural Resources. Could consider inclusion in scoping phase if that project taken forward.	IAS 26 <i>Accounting and Reporting by Retirement Benefit Plans</i>		The IPSASB has not considered the applicability of IAS 26 to public sector entities.
IFRS 8 <i>Operating Segments</i>		Prioritized project Update of IPSAS 18, <i>Segment Reporting</i>	IAS 33 <i>Earnings per Share</i>		Public sector entities generally do not issue equity.
IFRS 9 <i>Financial Instruments</i>		IPSASB Financial Instruments project	IAS 34 <i>Interim Financial Reporting</i>		Not a prioritized project – limited interest given current priority to get governments onto accrual-based end year reporting.
IFRS 13 <i>Fair Value Measurement</i>		IPSASB Measurement project			
IFRS 14 <i>Regulatory Deferral Accounts</i>		Monitoring development of ongoing IASB project, so not currently prioritised.			
IFRS 15 <i>Revenue from Contracts with Customers</i>		IPSASB Revenue project			
IFRS 16 <i>Leases</i>		IPSASB Leases project			
IFRS 17 <i>Insurance Contracts</i>		Not a prioritized project. Option to use Standard directly included in ED 63, <i>Social Benefits</i> .			

Alignment Status:

-  Being addressed through current IPSASB project.
-  Project prioritised in IPSASB Strategy & Work Plan 2019-2023 Consultation.
-  No IPSASB project currently proposed.
-  Not relevant to the entities reporting on IPSAS basis.

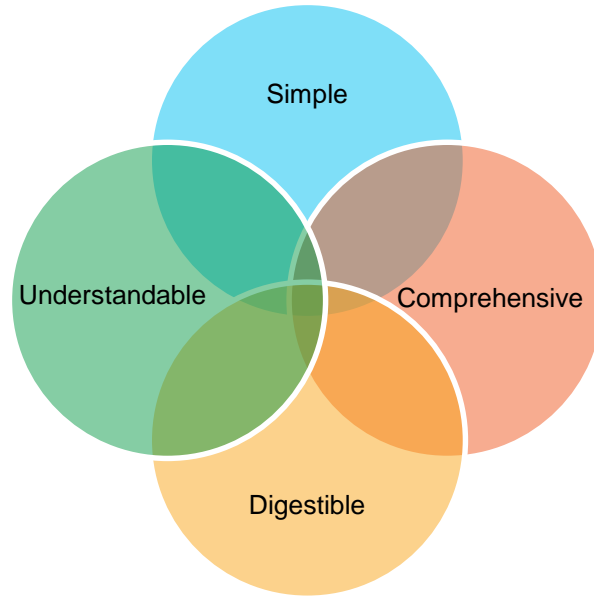
¹ Staff assessment² Any IFRS in this table and consequential amendments will only be considered if the IPSASB undertakes the project.

Presentation of the IPSAS–IFRS Alignment Dashboard (Agenda Item 13.2.1)

Table 3 – IPSAS and Equivalent IFRS—Detail				
IPSAS	IFRS	Status	Main Public Sector Differences	Relevant IFRS Amendments not yet Considered
<u>Presentation of Financial Statements</u>				
IPSAS 1 (Revised December 2006)	IAS 1 (Revised December 2003)		<ul style="list-style-type: none"> IPSAS 1 requires the presentation of a statement showing all changes in net assets/equity. IPSAS 1 does not explicitly preclude the presentation of items of revenue and expense as extraordinary items, either on the face of the statement of financial performance or in the notes. IPSAS 1 uses different terminology. 	<p>Current Work Plan</p> <p>Consequential amendments from IFRS 9 <i>Financial Instruments</i>, IFRS 13 <i>Fair Value Measurement</i>, IFRS 15 <i>Revenue from Contracts with Customers</i>, and IFRS 16 <i>Leases</i>.</p>
			<p>During the development of the Conceptual Framework the IPSASB decided not to include “other resources” and “other obligations” as elements of financial statements (see paragraphs BC5.48–BC5.56 of the Conceptual Framework). Therefore, transactions where the IASB uses the term “other comprehensive income” in IPSASB literature is presented in net assets/equity.</p> <p>March 2007 – Consequential amendments from Revised IAS 23 <i>Borrowing Costs</i></p> <p>September 2007 – IAS 1 <i>Presentation of Financial Statements</i> – Revised version of IAS 1 which includes the notion of comprehensive income was not adopted in IPSAS 1.</p> <p>May 2010 – <i>Improvements to IFRSs</i></p> <p>June 2011 – <i>Presentation of Items of Other Comprehensive Income</i> (Amendments to IAS 1)</p> <p>June 2014 – Consequential amendments from <i>Agriculture: Bearer Plants</i> (Amendments to IAS 16 and IAS 41)</p> <p>December 2014 – Disclosure Initiative (Amendments to IAS 1)</p> <p>January 2016 – Consequential amendments from Disclosure Initiative (Amendments to IAS 7)</p>	<p>Proposed Work Plan 2019-2023</p> <p>N/A</p>
				<p>Other Amendments not yet Planned</p> <p>The IPSASB considered but not prioritized for addition to the Work Plan 2019-2023 to update IPSAS 1 with the most recent version of IAS 1.</p>

Presentation of the IPSAS–IFRS Alignment Dashboard (Agenda Item 13.2.1)

Benefits of the Dashboard



Presentation of the IPSAS–IFRS Alignment Dashboard (Agenda Item 13.2.1)

Staff's recommendation

- Dashboard replaces current Agenda Item 1.6 as the standing item for IPSASB meetings.

Staff's note:

- IFRS Tracking Table will be updated before each IPSASB meeting as a staff document, and made available by request

Use of the term ‘Alignment’ versus ‘Convergence’ (Agenda Item 13.2.2)

- ‘Convergence’ may contribute to the **negative view** of the IPSASB’s work related to IFRS
 - **Downplays the significant effort** the IPSASB invests when assessing the appropriateness of IFRS for the public sector
- ‘Alignment’ is used in the context of Government Finance Statistics
- Use of ‘Alignment’ in the context of IFRS
 - A **neutral approach** when considering both accounting frameworks in the development of IPSAS

Use of the term ‘Alignment’ versus ‘Convergence’ (Agenda Item 13.2.2)

- Does the IPSASB agree:
 - Use ‘Alignment’ instead of ‘Convergence’ when assessing the appropriateness of IFRS for the public sector?
 - Staff should make consequential updates to replace ‘convergence’ with ‘alignment’ where appropriate in the IPSASB literature?



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