

Meeting: International Public Sector Accounting
Standards Board

Meeting Location: Toronto, Canada

Meeting Date: September 18–21, 2018

Agenda Item 10

For:

- ☐ Approval
☒ Discussion
☒ Information

Strategy and Work Plan 2019–2023

Project summary	To develop the IPSASB Strategy and Work Plan for the period from 2019–2023. The project involves significant outreach with IPSASB constituents, governance and advisory bodies, and others involved in work related to accrual accounting and more broadly involved in public financial management reforms. The project will include a consultation document to receive feedback from constituents, as well the IPSASB will look to hold regional roundtables to engage directly with constituents.	
Meeting objectives	Topic	Agenda Item
Project management	Decisions up to December 2017 Meeting	10.1.1
	Instructions up to December 2017 Meeting	10.1.2
	Project Roadmap	10.1.3
Decisions required at this meeting	Summary and Analysis of Consultation Feedback	10.2.1
	SMC 1 – Strategic Objective	10.2.2
	SMC 2 – Strategic Themes	10.2.3
	SMC 3 – Project Prioritization Criteria	10.2.4
	SMC 4 – Theme A – Setting Standards on Public Sector Specific Issues	10.2.5
	SMC 5 – Theme B – Maintaining IFRS Alignment	10.2.6
	SMC 6 – Theme C – Appendix A Projects	10.2.7
	SMC 7 – Themes D and E	10.2.8
	Other Issues	10.2.9
Other supporting items	Analysis of Respondents by Region, Function and Language	10.3.1
	List of Respondents	10.3.2
	Roundtable Feedback Summary by Event	10.3.3
	Draft Strategy and Work Plan 2019-2023 – Clean	10.3.4
	Draft Strategy and Work Plan 2019-2023 – Mark-Up	10.3.5
	Responses to Strategy and Work Plan 2019–2023 Consultation Document	

DECISIONS UP TO SEPTEMBER 2018 MEETING

Date of Decision	Decision
September 2018	All decisions up to the December 2017 meeting were reflected in the Strategy and Work Plan 2019-2023 Consultation Document .

INSTRUCTIONS UP TO SEPTEMBER 2018 MEETING

Meeting	Instruction	Actioned
September 2018	All instructions up to the December 2017 meeting were reflected in the Strategy and Work Plan 2019-2023 Consultation Document .	

Strategy and Work Plan 2019–2023 Project Roadmap

Meeting	Completed Discussions/Planned Discussions:
March 2016	1. Inaugural Public Sector Standard Setters Forum – discussion of issues and projects important to national standard setters around the world. This included round table discussions related to potential future projects.
December 2016	1. Discussion with the IPSASB Consultative Advisory Group at their June 24, 2017 meeting. Specifically the discussions related Public Financial Management— <i>Needs and Perspectives in the Current Environment</i> provided very useful input to the IPSASB strategy discussions.
March 2017	1. Discussion of Issues. 2. Discussion of Project Roadmap. 3. IPSASB/IMF/Work Bank – <i>Harnessing the Power of Accruals</i> . Broad outreach activity with the public financial management community to feed into the IPSASB process to develop next Strategy and Work Plan that provided very useful information and context for IPSASB consideration. 4. Discussions with the Public Interest Committee at their March 1, 2017 meeting.
June 2017	1. Discussion of issues. 2. Discussion of the proposed 5 Strategic Themes. 3. Discussion of possible projects related the Strategic Themes. 4. Breakout Groups – including IPSASB members, Technical Advisors, Observers, Staff and others. 5. Discussion with the IPSASB Consultative Advisory Group at their June 24, 2017 meeting.
July 2017	1. 2 nd Public Sector Standard Setters Forum. Discussion of issues and projects important to national standard setters around the world. This included round table discussions related to potential future projects. Further, several in-depth discussions related to the proposed 5 Strategic Themes and various projects related to those themes were discussed.
September 2017	1. Discussion of issues. 2. Review of Draft Strategy and Work Plan 2019–2023 document.
October 2017	1. Consult with the Public Interest Committee (PIC) at their October 5, 2017 meeting in Washington. 2. Teleconference with the Consultative Advisory Group – October 2017. Continuation of discussion started in June 2017, report back on how comments provided have been incorporated into the draft consultation. 3. TBG discussion of amendments to the draft Strategy document and the comments from the PIC and CAG meetings in October.

Agenda Item 10.1.3

Meeting	Completed Discussions/Planned Discussions:
December 2017	<ol style="list-style-type: none"> 1. Report back on discussion with the Consultative Advisory Group at their December 4, 2017 meeting. 2. Discussion of issues. 3. Approve the Strategy and Work Plan 2019–2023 consultation document.
January 2017	Consultation Period – Publication of Consultation Document.
June 2018	<ol style="list-style-type: none"> 1. Regional Round Tables and additional outreach planned from March – May 2017.
September 2018	<ol style="list-style-type: none"> 1. Review of Responses to Consultation. 2. Discussion on issues raised by respondents. 3. Teleconference – September 26, 2018 with the Consultative Advisory Group
October 2018	<ol style="list-style-type: none"> 4. Discussion with the Public Interest Committee key strategic issues from the consultation and IPSASB decisions related to these.
December 2018	<ol style="list-style-type: none"> 1. Discussion of issues. 2. Approval of Strategy and Work Plan 2019–2023

Summary and Analysis of Consultation Feedback

Purpose

1. To summarize and analyze feedback received to the Strategy and Work Plan 2019–2023 consultation (Strategy Consultation).

Detail

Roundtables

2. The IPSASB held four regional roundtables to engage with constituents and receive direct feedback on the proposals in the Strategy Consultation. The IPSASB worked with regional partners to organize and host the roundtables to ensure broad engagement with constituents across each region. IPSASB staff extends formal thanks to each regional partner for their efforts in helping to organize, host and ensure that constituents could attend the roundtables.
3. The regional roundtable details and key statistics are noted in the table below:

Europe—Brussels, Belgium: March 28	Latin-America—Brasilia, Brazil: April 25	Africa—Addis Ababa, Ethiopia: May 3-4	Asia—Manila, Philippines: May 29-30
Co-Host: <i>Accountancy Europe</i>	Hosts: <i>Federal Accounting Council, National Treasury and Brazilian Accounting Foundation</i>	Co-Host: <i>African Union</i>	Co-Host: <i>Asian Development Bank</i>
Number of: <ul style="list-style-type: none"> • Attendees—59 • Organizations—45 • Countries—20 	Number of: <ul style="list-style-type: none"> • Attendees—41 • Organizations—19 • Countries—6 	Number of: <ul style="list-style-type: none"> • Attendees—130 • Organizations—116 • Countries—47 	Number of: <ul style="list-style-type: none"> • Attendees—154 • Organizations—130 • Countries—48

4. At each roundtable attendees were able to vote on the proposals in the Strategy Consultation using written voting forms. The results of the votes and a summary of each event are included in [Agenda Item 10.3.3](#), and generally evidence very high support for the majority of the proposals.
5. In addition to the roundtables to discuss the Strategy Consultation, broader Public Financial Management (PFM) events were held either the day before or after each event in Africa, Asia and Latin-America so that the attendees could discuss challenges related to PFM reforms in their regions. The IPSASB members and staff supporting each roundtable attended, participated and supported these broader PFM events. Holding the events in close proximity was beneficial for the IPSASB, and the hosts, in ensuring strong attendance at both by a broad constituency.

Comment Letters

6. [Agenda paper 10.3.1](#) includes the analysis by [function](#), [geography](#) and [language](#), and [agenda paper 10.3.2](#) includes the list of respondents. Overall, 53 individual comment letters were received from a broad group of constituents. The results of the comment letters generally showed strong support for the majority of the proposals, which will be analyzed in the following agenda papers dealing with each Specific Matter for Comment (SMC).

7. Staff highlights the following positive trends in the comment letters received to the 2018 Strategy Consultation versus the 2014 Strategy Consultation:
 - (a) A 61% increase in the number of responses received (2018-53 vs. 2014-31);
 - (b) A noticeable broadening and balancing in the functional backgrounds of organizations that provided response letters:
 - (i) Preparers—300% increase in responses (2018-13 vs. 2014-3);
 - (ii) Other—333% increase in responses (2018-16 vs. 2014-4);
 - (iii) Consistent response levels, highlighting the continued strong engagement from accountancy firms, audit offices and member or regional bodies.
 - (c) A 130% increase in responses from non-English speaking jurisdictions/organizations. In particular, staff notes that the following areas experienced a significant increase versus the 2014 Strategy Consultation¹:
 - (i) Latin America—200% increase in responses (2018-12 vs. 2014-4);
 - (ii) Africa—60% increase in responses (2018-8 vs. 2014-5);
 - (iii) Asia—200% increase in responses (2018-9 vs. 2014-3); and
 - (iv) North America—4 responses received (2018-4 vs. 2014-0).
8. Identifying and isolating the cause of the increase and broadening of the responses received is a challenge. However, the staff view is that the roundtable events, and working with regional partners to plan and host these events, are likely strong contributing factors to the positive improvements in the responses.

Consultation Summary

9. Overall, the strong attendance at the IPSASB roundtables and the increase in comment letters received are evidence of the effective consultation strategy undertaken during the comment period. In particular, the use of roundtables was a great addition that should be considered for future important consultations.
10. The proposals in the Strategy Consultation were generally strongly supported as shown by the feedback received from both the IPSASB roundtables and the comment letters. This strong support is a result of the open and inclusive process followed in the development of the Strategy Consultation. The process included discussions and dialogue with different stakeholder groups including:
 - (a) National standard setters (through the Public Sector Standard Setters Forum);
 - (b) Jurisdictions using IPSAS or in the process of adopting and implementing IPSAS; and
 - (c) The IPSASB Consultative Advisory Group (CAG) and the Public Interest Committee (PIC).

The intensive process to consult others in development of the Strategy Consultation is thought to be a key reason for the strong support received on the proposals.

¹ The jurisdictions of Australasia and Oceania, Europe and the International group received a consistent number of responses when comparing 2018 vs. 2014.

SMC 1 – Strategic Objective

Purpose

1. Whether the Board agrees with the Task Force recommendation on SMC 1 and the resulting proposed changes to the Strategic Objective.

Detail

2. SMC 1 asked if respondents agreed with the proposed Strategic Objective.
3. Support for the proposed Strategic Objective was very strong, considering the feedback from both the roundtables and the comment letters, as follows:
 - **Roundtables:** 94% of roundtable participants agreed with the proposed Strategic Objective.
 - **Comment Letters:** Of those respondents that provided a view, 66% agreed and 91%, either agreed or partially agreed.
4. The proposed Strategic Objective was developed through an inclusive and open process that included various important stakeholder groups, including the CAG and PIC. The intensive consultation process during the development of the Strategic Objective can be seen as a key reason why support for the proposed objective is so high.
5. Some of the feedback received provided suggestions for different formulations of the Strategic Objective, many of which the IPSASB already considered during the development of the Strategy Consultation. The majority of the proposed changes were more editorial in nature, rather than the result of any significant flaw or issue with the proposed Strategic Objective.
6. Staff noted a suggestion to add “maintaining” to the Strategic Objective to emphasize the importance of the Boards ongoing work to continue to maintain its current suite of standards. As a key aspect of the IPSASB’s work is maintaining the IPSAS, staff recommends the Strategic Objective be revised as follows:

Strengthening Public Financial Management (PFM) globally through increasing adoption of accrual-based IPSAS.

Delivered through two main areas of activity, both of which have a public interest focus:

- *Developing and maintaining IPSAS and other high-quality financial reporting guidance for the public sector; and*
- *Raising awareness of IPSAS and the benefits of accrual adoption.*

7. The Task Force discussed the staff proposal and recommends that the revised Strategic Objective be approved, as noted in paragraph 6.

Decisions required

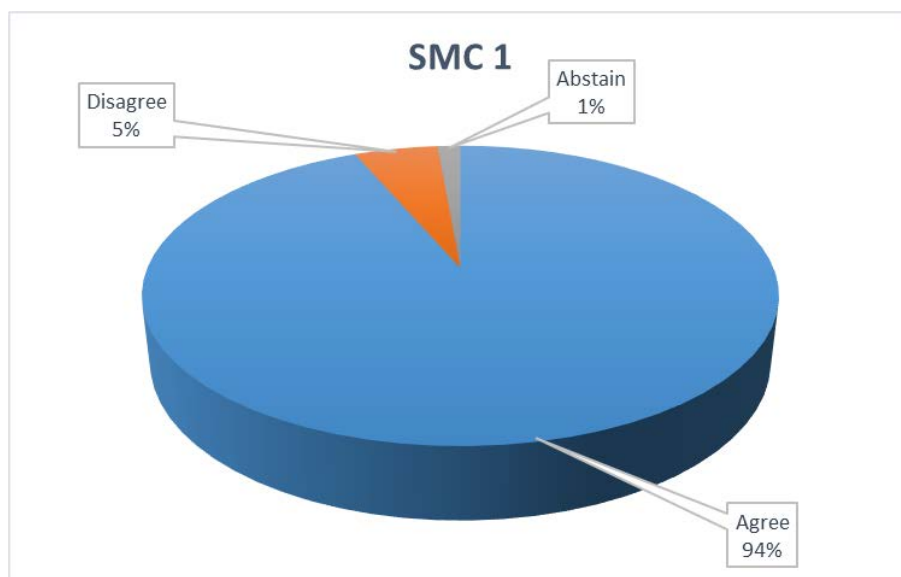
Does the IPSASB agree with the Task Force recommendation to approve the revised Strategic Objective?

Appendix 10.2.2-SMC 1 – Strategic Objective

Summary of Consolidated Roundtable Feedback and Response Letters

- SMC 1 – Do you agree with the IPSASB's Proposed Strategic Objective 2019–2023?

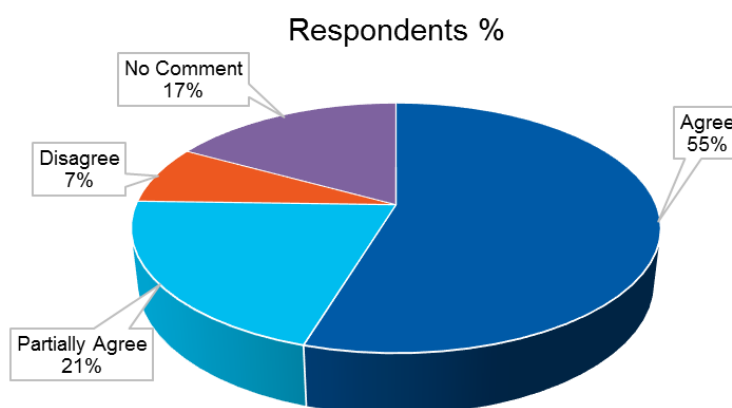
Roundtables



Comment Letters

SMC 1 - Strategic Objective	
Agree	29
Partially Agree	11
Disagree	4
Subtotal	44
No Comment	9
Total	53

- If *no comments* are excluded, **66% of respondents agree** and **91% either agree or partially agree**.



SMC 2 – Strategic Themes

Question

1. Whether the Board agrees with the Task Force recommendation on SMC 2 and the resulting proposed changes to the Strategic Themes.

Detail

2. SMC 2 asked if respondents agreed on the proposals for Strategic Themes A–E.
3. Support for the proposed Strategic Themes was very strong, as evidenced by the feedback from both the roundtables and comment letters, as follows:
 - **Roundtables:** 92% of roundtable participants agreed with the proposed Strategic Themes.
 - **Comment Letters:** Of those respondents that provided a view; 76% agreed and 100%, either agreed or partially agreed.
4. The feedback included suggestions for different wordings for the Strategic Themes, as well as different orders; in both cases, no new thinking was introduced that had not been considered by the IPSASB during the development of the Themes. Other comments questioned if the Themes should note a hierarchy (ranking of importance), an issue that was considered and rejected by the IPSASB during the development of the Strategy Consultation.
5. During the roundtables and in two comment letters the term “convergence” used in Theme B was questioned because it may not appropriately communicate the IPSASB’s active process to consider when principles from IFRS are appropriate for the public sector. The feedback received suggested the use of ‘alignment’ in Theme B rather than ‘convergence’, because it reflects the more active and deliberate process the IPSASB undertakes when developing guidance based on an IFRS.
6. The IPSASB considered this issue in June 2018 when discussing the IPSAS-IFRS Alignment Dashboard. However, some IPSASB members noted issues with translating ‘alignment’ into other languages.
7. The Task Force further considered this issue and agreed that convergence be replaced by [alignment with a footnote included to clarify its meaning](#) with an aim in ensuring it is accurately translated.
8. The Task Force recommends that the Themes be adopted as proposed in the Strategy with the change to Theme B as follows:

Theme B: Maintaining IFRS ~~convergence~~ alignment

Decisions required

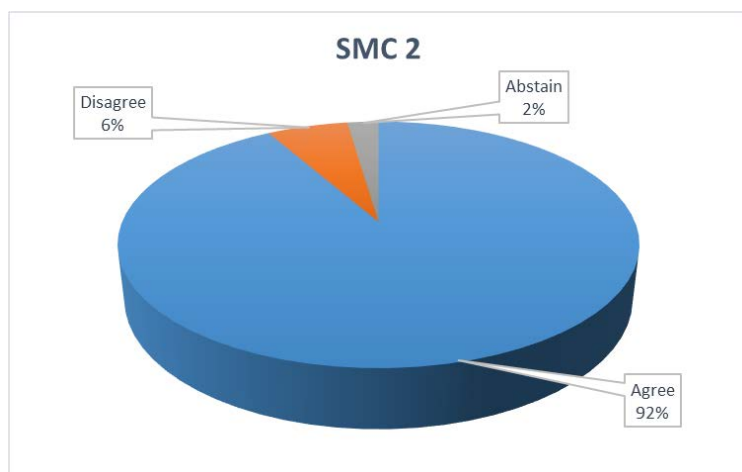
Does the IPSASB agree with the Task Force recommendation on the Strategic Themes?

Appendix 10.2.3 - SMC 2 – Strategic Themes

Summary of Consolidated Roundtable Feedback and Response Letters

- SMC 2 – Do you agree with the IPSASB's five proposed Strategic Themes for the 2019–2023 period?

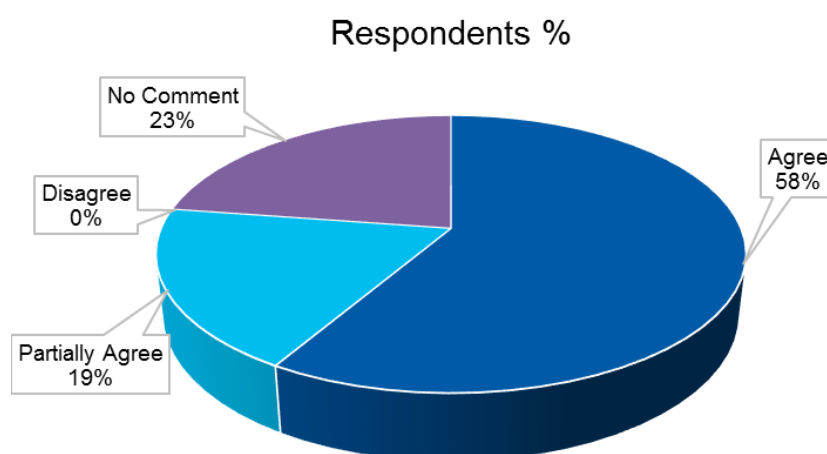
Roundtables



Comment Letters

SMC 2 - Strategic Themes	
Agree	31
Partially Agree	10
Disagree	0
<i>Subtotal</i>	<i>41</i>
No Comment	12
Total	53

- If *no comments* are excluded **76% of respondents agree** and **100% either agree or partially agree**.



SMC 3 – Project Prioritization Criteria

Question

- Whether the Board agrees with the Task Force recommendation on SMC 3 and the resulting proposed changes to the project prioritization criteria.

Detail

- SMC 3 asked if respondents agreed with the proposed project prioritization criteria.
- Support for the proposed project prioritization criteria was strong considering the feedback from both the roundtables and the comment letters, as follows:
 - Roundtables:** 83% of roundtable participants agreed with the proposed project prioritization criteria.
 - Comment Letters:** Of those respondents that provided a view, 64% agreed and 100%, either agreed or partially agreed.
- Some roundtable participants and comment letters proposed the addition of weights, or a hierarchy be added to the criteria, so that a quantitative style analysis of projects could be undertaken. However, the IPSASB considered this idea during the development the Strategy Consultation and rejected it, because the criteria are designed to support a qualitative analysis of potential projects, rather than to support for a quantitative judgment. Further, the final decision on projects added to the work plan is based on the feedback received from constituents from consultations.
- The Task Force further considered whether to add weights or a hierarchy to the criteria, and agreed that regardless of whether the criteria are used as proposed in the Strategy Consultation, or modified to add weightings and/or a hierarchy; there will inherently be a level of subjectivity in the analysis of the proposed projects. Therefore, the Task Force rejected the proposals to add weightings and/or a hierarchy. However, the Task Force recommended that some of the proposed respondent editorials should be included, as they helped explain the criteria more clearly.
- The editorials recommended by the Task Force are highlighted below:

Prevalence. Whether the financial reporting issue is widespread globally amongst public sector entities.

Consequences. Whether the issue impairs the ability of the financial statements to provide useful and transparent information for accountability and decision-making.

Urgency. Whether, the emerging issue has recently gained ~~significance~~ prominence and therefore requires consideration in the near term.

Technical and Resource Considerations. Whether a technically sound solution to the issue can be developed within a reasonable time period using available resources.

- The Task Force also recommends that the project prioritization criteria agreed in the Strategy be used by the IPSASB when it undertakes its mid-period work plan consultation in 2020.

Decision required

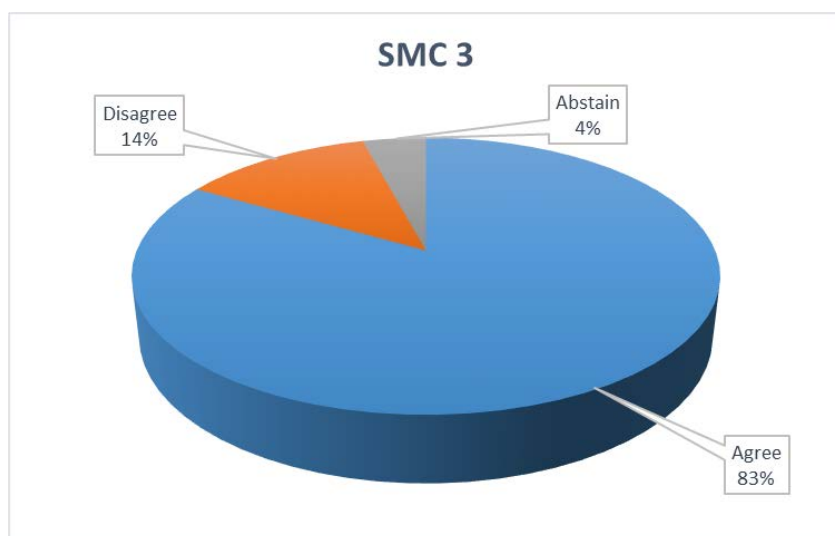
Does the IPSASB agree with the Task Force recommendation on the edits to the project prioritization criteria and use the criteria for the mid-period work plan consultation in 2020?

Appendix 10.2.4 - SMC 3 – Project Prioritization Criteria

Summary of Consolidated Roundtable Feedback and Response Letters

- SMC 3 – Do you agree with the criteria the IPSASB has used in deciding the proposed issues to add to its work plan 2019-2023?

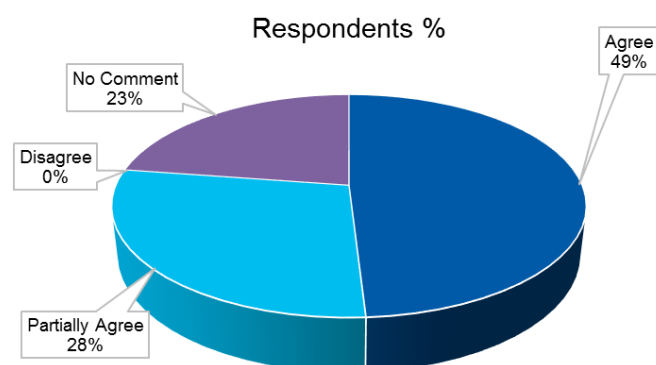
Roundtables



Comment Letters

SMC 3 - Criteria	
Agree	26
Partially Agree	15
Disagree	0
<i>Subtotal</i>	<i>41</i>
No Comment	12
Total	53

- If *no comments* are excluded **64%** of respondents agree and **100%** either agree or partially agree.



SMC 4 – Theme A – Setting Standards on Public Sector Specific Issues

Question

1. Whether the Board agrees with the Task Force recommendations on SMC 4 and the resulting proposed changes under Theme A.

Detail

2. SMC 4 asked if respondents agreed with adding the proposed Theme A projects to the work plan.
3. Strong support was expressed for SMC 4, considering the feedback from both the roundtables and the comment letters as follows:
 - **Roundtables:** 80% of roundtable participants agreed with SMC 4 on Theme A.
 - **Comment Letters:** Of those respondents that provided a view, 51% agreed and 86%, either agreed or partially agreed.
4. Even though the responses indicated strong support for SMC 4, some issues emerged in the comment letters related to the number of projects on the IPSAB's work plan and the support for specific projects proposed.

Concern with the Number of Projects to Add Under Theme A

5. Many respondents that supported SMC 4, agreed with the IPSASB's intention to focus the majority of its resources on Theme A. However, comments from roundtables and respondents 01, 05, 09, 10, 14, 15, 17, 19, 34, 52 noted that there are major ongoing public sector specific projects that will continue for a number of years. Respondents viewed it unlikely that the IPSASB would have sufficient resources to add 4 additional projects.
6. These respondents recommended that the IPSASB should not add too many new projects. Based on these concerns, staff considered what the realistic number of new projects should be. The key factors staff considered in forming a view on the number of projects to add were:
 - (a) The expected timing of commencement of work by staff on new projects;
 - (b) Availability of IPSASB agenda time;
 - (c) The current work plan; and
 - (d) Timing of the mid-period work plan consultation at the end of 2020.
7. When staff analyzed the current work plan, it became apparent that it is unlikely that work would commence on any more than two new projects prior to the 2021. This is a result of ongoing projects and their expected completion at this time, which impacts the availability of agenda time and staff resources. Staff believes only two projects should be added to the work plan at this time.
8. The Task Force considered the staff analysis and agreed that only two projects be added to the work plan under Theme A.

Concern with the Specific Projects Proposed Under Theme A

9. Respondents had varying levels of support for the proposed projects under Theme A.
10. Staff analyzed the respondent views on each of the Theme A proposed projects and noted the following:

Agenda Item 10.2.5

- (a) *Natural Resources*: Received the highest level of support with agreement from 27 respondents, and partial agreement from 12. However, the feedback also cautioned the IPSASB to undertake a robust scoping and initial research phase on this project. This is because of its:
- (i) Technical nature;
 - (ii) Wide range of issues which may be considered under natural resources (water, plants, animals and sub-soil resources); and
 - (iii) The links the links to other topics (public sector intangible assets and sovereign powers). Respondents noted that the scope of the project should not extend too wide, which may make the project unmanageable.

It was suggested that a phased project management approach be considered by the IPSASB.

- (b) *Limited Review of the Conceptual Framework*: 22 respondents agreed with adding this project, and 5 partially agreed. The respondents generally supported undertaking this project for reasons consistent to those set out in the Strategy Consultation.
- (c) *Discount Rates*: 19 respondents agreed with adding this project, and 7 partially agreed. However, 6 respondents disagreed, with the reasons summarized as follows:
- (i) The limited number of jurisdictions currently operating in a low or negative interest environment lessens the need for this project; and
 - (ii) Respondents did not support this project over others proposed, because IPSAS currently address discount rates which reduces the urgency and consequences of not addressing the topic.
- (d) *Differential Reporting*: 17 respondents agreed with adding this project, and 4 partially agreed partially. However, 8 respondents disagreed, with the reasons summarized as follows:
- (i) Some questioned if an international solution to differential reporting is achievable; noting that it may be better dealt with at the jurisdictional level where standards can be tailored for local needs;
 - (ii) Further concerns were raised as to whether there has been enough uptake of IPSAS to warrant a set of less complex standards; and
 - (iii) There has been a lack of adoption of the standards developed for small and medium sized entities in the private sector, and therefore some questioned if the IPSASB should invest resources on this topic.
11. Based on the Task Force recommendation to only add two projects, and the analysis of respondents views on the proposed projects noted in paragraph 10, the staff view is that:
- (a) Natural Resources and the Limited Scope Review of the Conceptual Framework should be added to the work plan 2019–2023. Both projects received the highest levels of support, but also had the least amount of disagreement. Staff believe that the addition of these two projects provides an appropriate balance of complexity, with Natural Resources providing a large complex public sector specific project that will take up significant board and staff resources and the Limited Review of the Conceptual Framework providing a less complex and resource intensive project with a more limited scope.

Agenda Item 10.2.5

- (b) Discount Rates and Differential Reporting should not be added to the work plan 2019-2023 at this time. This is because of the lower levels of support and the points raised by those who disagreed as noted in paragraphs 10(c) and 10(d) respectively.
12. That Task Force agreed with the staff view and recommends that Natural Recourses and the Limited Scope Review of the Conceptual Framework are the two projects added to the work plan.

Initial Research and Scoping on Selected Projects Not on the Work Plan

13. Based on the overall feedback received, the limited resources available and considering the need for some additional thinking on the topics noted in paragraph 10, staff proposes that the IPSASB consider an innovation to the way it undertakes initial research and scoping work on a test basis.
14. The staff proposal is that the IPSASB open a selected number of projects for *Initial Research and Scoping Work by National Standard Setters*. This approach addresses the IPSASB's resource constraints and still allows for progress to be made on higher priority projects with open questions which will be beneficial for the 2020 mid period work plan consultation.
15. The Task Force agreed with the staff proposal and recommends that projects highly supported by constituents be available for research (using the 2019 Public Sector Standard Setters Forum to discuss this and lay out the expectations). The projects identified for research are as follows:
- (a) Discount Rates;
 - (b) Differential Reporting;
 - (c) Presentation of Financial Statements in the Public Sector – 9 respondents supported a broad communication project to revise IPSAS 1 and also consider outputs from the IASB better communication initiative. This project as supported by constituent's crosses over Theme A and Theme B.
 - (d) Tax Expenditures – 7 respondents explicitly noted this as a priority. The support for this came from respondents from Asia, Europe, Latin America and North America demonstrating its broad geographic interest.
16. Cost Accounting also received support, however it is not recommended to be added as a project or to be made available for initial research and scoping because:
- (a) Developing cost accounting guidance is beyond the remit of the IPSASB and the expertise of the Board and staff. It may open the IPSASB to criticism, especially with the many strong comments for the board to keep focused on current projects and to not over extend itself by adding too many new projects; and
 - (b) Other guidance on cost accounting is available, including principles-based guidance issued by IFAC "[Evaluating and Improving Costing in Organizations](#)" by the Professional Accountants in Business Committee. Guidance is also available from other sources, such as the [Institute of Management Accountants](#). Overall, staff strongly feels that the existence of guidance from other sources, issued by bodies more relevant to this topic is a better approach than the IPSASB dedicating resources to this work.

Decision required

Does the IPSASB agree with the Task Force recommendations to:

- Add two new projects to the work plan 2019–2023;
- To add Natural Resources and the Limited Scope Review of the Conceptual Framework as the two new projects; and

Agenda Item 10.2.5

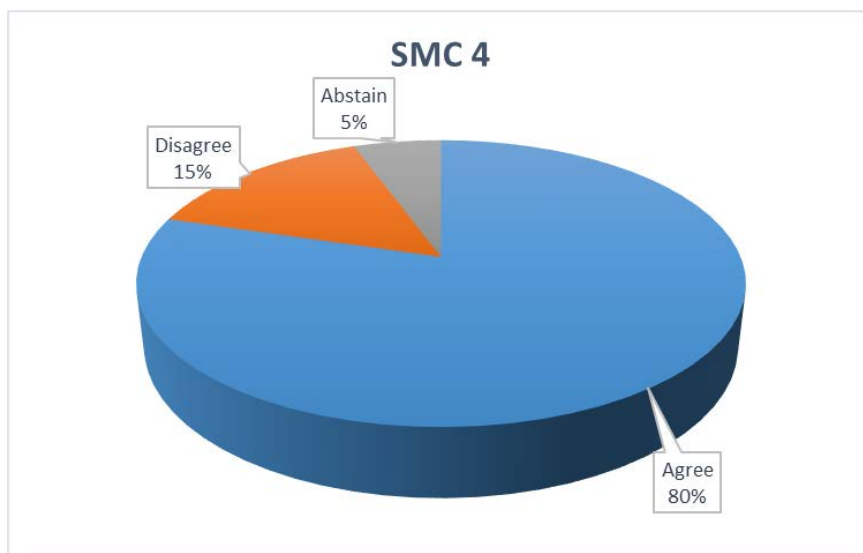
- To allow National Standard Setters to form working groups to complete work on initial research and scoping?

Appendix 10.2.5 - SMC 4 – Theme A: Projects

Summary of Consolidated Roundtable Feedback and Response Letters

- SMC 4 – Do you agree with the project that the IPSASB proposes for additional to the work plan 2019–2023 on Theme A?

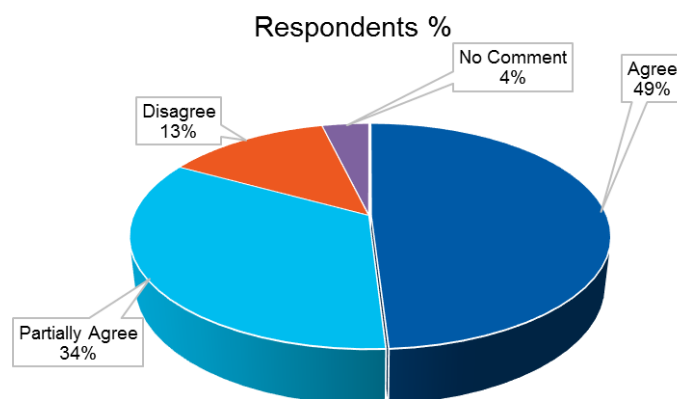
Roundtables



Comment Letters

SMC 4 – Theme A	
Agree	26
Partially Agree	18
Disagree	7
Subtotal	51
No Comment	2
Total	53

- If *no comments* are **excluded** **51%** of respondents agree and **86% either agree or partially agree**.



Comment Letter Analysis where respondent notes an explicit view on a Theme A Project

- Theme A Project Views (Note – analysis of what respondents explicit said on Theme A projects)

	<i>Differential Reporting</i>	<i>Discount Rates</i>	<i>Limited Review of the Conceptual Framework</i>	<i>Natural Resources</i>
Agree	17	19	22	27
Partially Agree	4	7	5	12
Disagree	8	6	3	3
Subtotal	29	36	30	42
No Comment	24	21	23	11
Total	53	53	53	53

SMC 5 – Theme B – Maintaining IFRS Alignment

Question

1. Whether the Board agrees with the Task Force recommendation on SMC 5 and the resulting proposed changes under Theme B.

Detail

2. SMC 5 asked if respondents agreed on the proposal to add IPSAS 18, *Segment Reporting* under Theme B.
3. Overall respondents strongly supported the IPSASB's continued efforts to maintain alignment with IFRS where appropriate:
 - **Roundtables:** 82% of roundtable participants agreed with SMC 5 on Theme B.
 - **Comment Letters:** Of those respondents that provided a view, 61% agreed and 78%, either agreed or partially agreed.
4. However, support for the specific project to update IPSAS 18 to maintain alignment with IFRS was mixed, with concerns summarized as follows:
 - (a) Respondents questioned if segment reporting information was useful in the public sector, and if the IPSASB fully understands the issues with the current standard; and
 - (b) Some respondents noted a preference for other projects; such as updating IPSAS 20, *Related Party Disclosures*, or IPSAS 1, *Presentation of Financial Statements* (for changes arising from the IASB's *Better Communication in Financial Reporting* project).
5. As a result of the strong support to maintain IFRS alignment, the Task Force recommendation is that the IPSASB commit to continue work to reduce unnecessary differences where appropriate. However, considering the mixed feedback on the proposal to revise IPSAS 18, the Task Force also recommends that no specific projects be added to the work plan at this time.
6. Instead the Task Force recommendation is that the IPSASB use the IPSAS-IFRS alignment dashboard to identify opportunities to reduce unnecessary differences when staff and board resources are available through:
 - (a) The improvements project which should be undertaken at least once a year (rather than the current biennial approach); and
 - (b) Narrow scope amendment projects; and
 - (c) Larger projects (including updates of IPSAS 18, *Segment Reporting*, IPSAS 20, *Related Party Disclosures*, and IAS 26, *Accounting and Reporting by Retirement Benefit Plans* and IFRS 5, *Non-current Assets Held for Sale and Discounted Operations* and others identified in the IPSAS-IFRS Alignment Dashboard). Staff notes that IFRS alignment projects require significantly less resources than public sector specific projects. So having some projects available to work in around the more intensive and often complex public sector specific projects, may be useful from an overall resource management perspective.

Decision required

Does the IPSASB agree with the Task Force recommendations to:

- Not add a specific Theme B project to the work plan 2019-2023;

Agenda Item 10.2.6

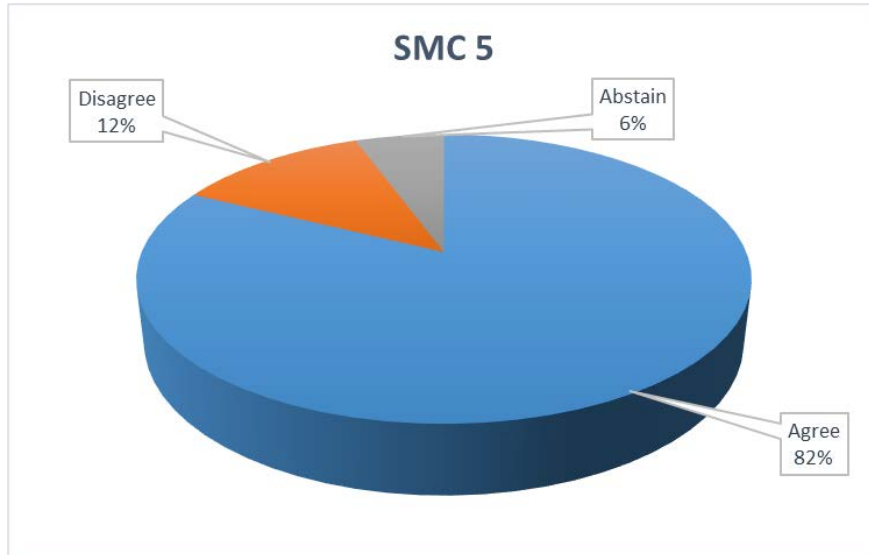
- Commit to identifying a pipeline of projects that can be undertaken when resources are available; and
- Undertake improvements on an annual basis.

Appendix 10.2.6 - SMC 5 - Theme B Projects

Summary of Consolidated Roundtable Feedback and Response Letters

- SMC 5 – Do you agree with the project that the IPSASB proposes for additional to the work plan 2019-2023 on Theme B?

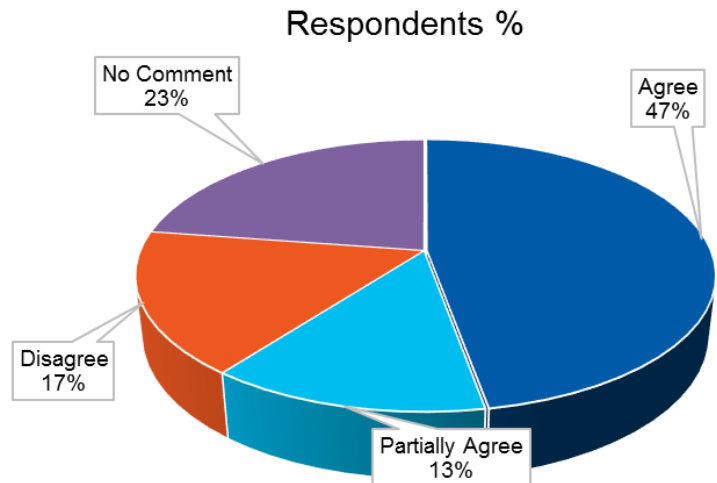
Roundtables



Comment Letters

SMC 5 – Theme B	
Agree	25
Partially Agree	7
Disagree	9
<i>Subtotal</i>	<i>41</i>
No Comment	12
Total	53

- If *no comments* are excluded **61% of respondents agree** and **78% either agree or partially agree**.



SMC 6 – Appendix A Projects**Question**

1. Whether the Board agrees with the Task Force recommendation on SMC 6.

Detail

2. SMC 6 asked respondents which Appendix A projects should be added to the work plan.
3. The top projects noted by respondents for addition to the work plan from Appendix A were:
 - (a) Presentation of Financial Statements in the Public Sector, which is a broad communication project (IPSAS 1 Update & IASB Better Communication Initiative)—supported by 9 respondents.
 - (b) Tax Expenditures—supported by 7 respondents.
 - (c) Cost Accounting—supported by 6 respondents.
 - (d) Public Sector Intangibles and Sovereign Powers—supported by 7 respondents. However, those supporting these projects often linked these topics directly to the Natural Resources project.
4. The Task Force recommends that:
 - (a) Presentation of Financial Statements in the Public Sector and Tax Expenditures be included in the list of projects available for initial scoping and research by National Standard Setters, as noted in [Agenda Paper 10.2.5](#);
 - (b) Cost Accounting should not be included in the list of projects available for initial scoping and research by National Standards Setters as it is beyond the remit and expertise of the IPSASB and staff; and
 - (c) Public Sector Intangibles and Sovereign Powers are not recommended for initial scoping and research, or as topics on their own. However as noted in the Strategy Consultation these topics are linked and likely to be considered to some extent in the Natural Resources project.

Decision required

Does the IPSASB agree with the Task Force recommendation related to SMC 6?

Appendix 10.2.7 - SMC 6 – Appendix A Projects

Summary of Consolidated Roundtable Feedback and Response Letters

- SMC 6 – Are there any project in Appendix A that you believe should be added to the work plan 2019–2023?

Roundtables

- This question was only explicitly discussed at the roundtable in Brazil, where 67% of participants thought a project should be added from Appendix A, while 33% did not identify a project to be added. The projects noted at the Brazilian roundtable were Cost Accounting and Tax Expenditures.

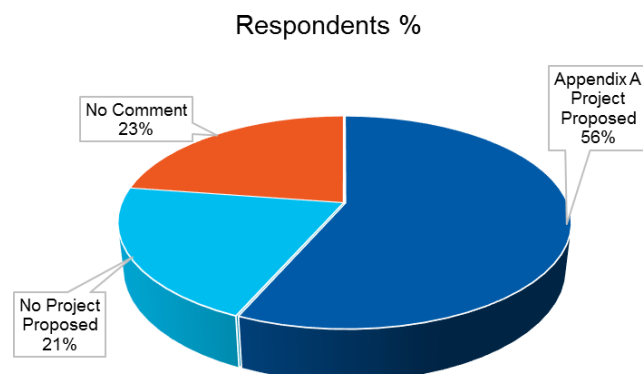
Comment Letters

SMC 6 – Theme B	
Appendix A Project Proposed	30
No Project Proposed	11
<i>Subtotal</i>	<i>41</i>
No Comment	12
Total	53

- If *no comments* are excluded **73% of respondents proposed a project A project** and 27% did not.

Top projects proposed were:

- Presentation of Financial Statements in the Public Sector – Broad Communication Project (IPSAS 1 Update & IASB Better Communication Initiative) was highlighted by 9 respondents: 01, 07, 09, 14, 18, 23, 25, 30, 39.
- Tax Expenditures was highlighted by 7 respondents: 08, 19, 23, 27, 33, 42, 43
- Cost Accounting was highlighted by 6 respondents (in response to SMC 6 directly): 04, 23, 42, 43, 44, 50.
- Public Sector Intangibles and Sovereign Powers also received strong support and was noted by 7 respondents: 05, 20, 22, 23, 28, 34, 52. However, staff notes that these were often noted in relation to the Natural Resources project. The proposed Strategy noted a link between the Natural Resources project and Public Sector Intangibles/Sovereign Powers.



SMC 7 – Themes D & E**Question**

1. Whether the Board agrees with the Task Force recommendation on SMC 7 and the resulting proposed changes to Themes D and E.

Detail

2. SMC 7 asked if respondents agreed on the proposals under Themes D and E.
3. Overall very strong support was received on both of Themes D and E as follows:
 - **Roundtables:** 86% of roundtable participants agreed with SMC 7 on Themes D and E.
 - **Comment Letters:** Of those respondents that provided a view, 85% and 84% agreed and 93% and 90%, either agreed or partially agreed with SMC 7 i (Theme D) and SMC 7 ii (Theme E) respectively.
4. One suggestion received to improve the Strategy related to Themes D and E, that was highlighted in both the roundtable feedback and comment letters was for the IPSASB to develop a regional outreach engagement approach. The recommendation was to build on the Strategy roundtables and work with regional organizations to directly engage with constituents. Further, building on the relationships established through the roundtables was highlighted as important.
5. [The Task Force recommends that the additional text noted in the Strategy related to the regional engagement strategy be adopted.](#)

Decision required

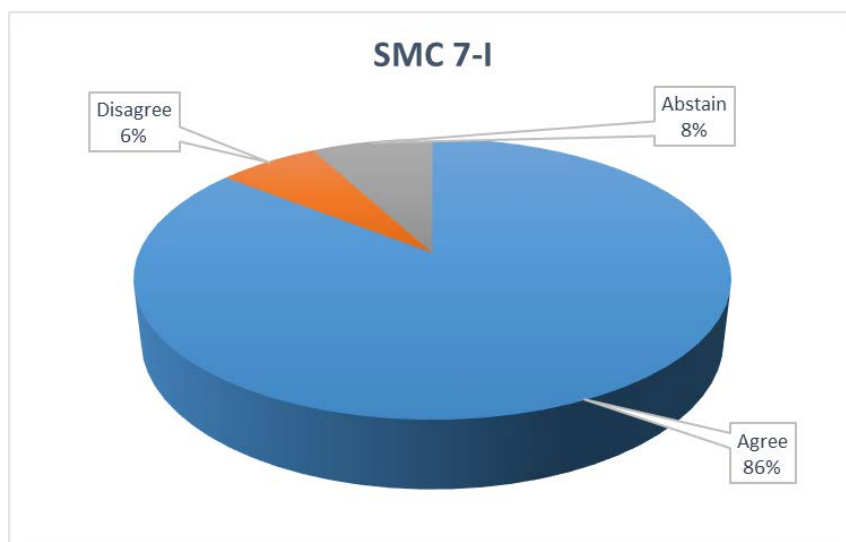
Does the IPSASB agree with the Task Force recommendation?

Appendix 10.2.8 - SMC 7 – Themes D and E

Summary of Consolidated Roundtable Feedback and Response Letters

- SMC 7-I – Do you agree with the proposals related to Theme D – Promoting IPSAS adoption and implementation?

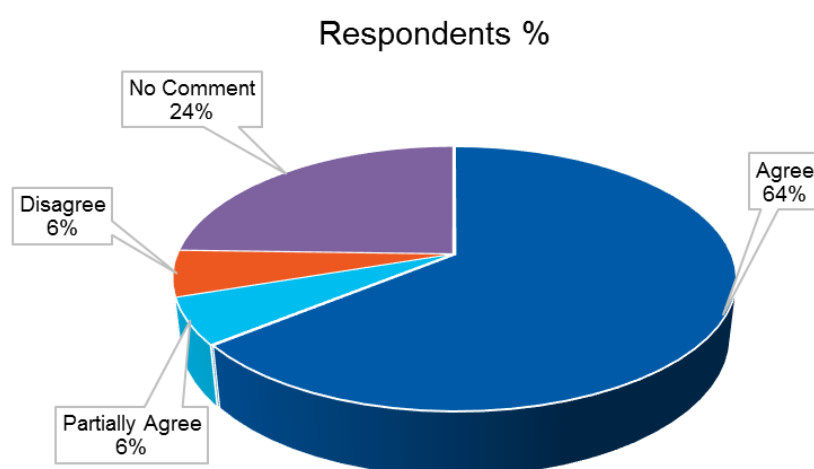
Roundtables



Comment Letters

SMC 7-I – Theme D	
Agree	34
Partially Agree	3
Disagree	3
<i>Subtotal</i>	<i>40</i>
No Comment	13
Total	53

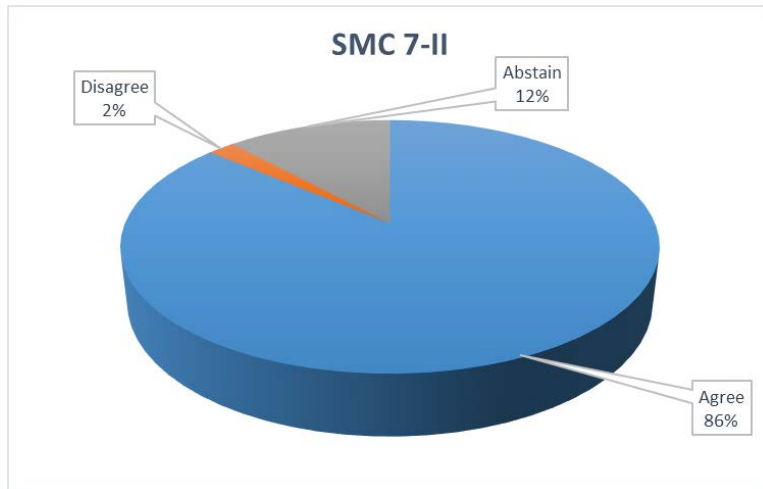
- If *no comments* are excluded **85% of respondents agree** and **93% either agree or partially agree**.



Agenda Item 10.2.8

2. SMC 7-II – Do you agree with the proposals related to Theme E – Advocating the benefits of accrual in strengthening PFM?

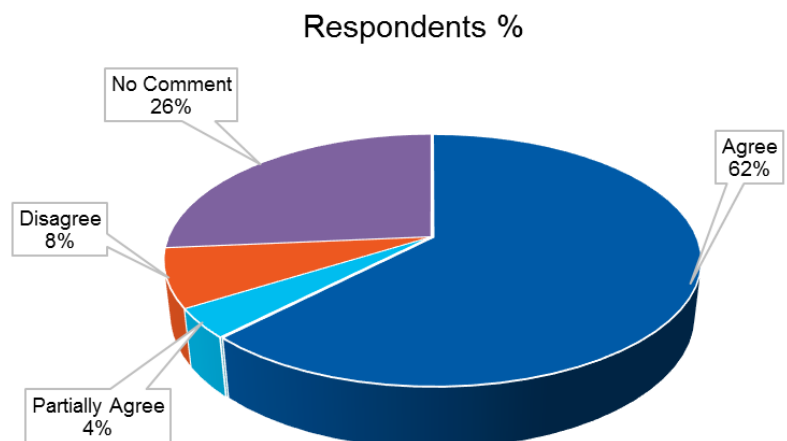
Roundtables



Comment Letters

SMC 7-II – Theme E	
Agree	33
Partially Agree	2
Disagree	4
<i>Subtotal</i>	<i>39</i>
No Comment	14
Total	53

- If *no comments* are excluded **84% of respondents agree** and **90% either agree or partially agree**.



Other Issues**Question**

1. Whether the Board agrees with the Task Force recommendations related to other issues identified in the Strategy Consultation.

Detail

2. The Task Force recommends that:
 - (a) **A Feedback Statement be developed**, similar to that issued by the [IASB after its last Strategy Consultation](#). Appendix A and B from the Strategy Consultation to be relocated to the Feedback statement. Staff will develop this document and bring for IPSASB consideration in December 2018.
 - (b) **Implementation Support and Resources be Enhanced**. This was noted by several respondents and a prominent issue noted in the Africa and Asia roundtables in particular. The Task Force recommends the following steps to address implementation:
 - (i) [Study 14 should be updated to help better support the adoption of IPSAS standards](#).
 - (ii) [Implementation and Interpretations Task Force should be set up](#). The idea is to set up a Task Force to consider issues related to implementation and interpretations when they arise. The commitment is simply to set up the Task Force so it can start to develop the thinking and methodology on how it would operate.
 - (iii) [Implementation Support Resources webpages be used](#), using IPSAS 41 as a model for future major standards. The purpose is to help those using IPSAS identify key information about, and resources available to help with, the adoption and implementation of the standards.
 - (c) **The Strategy be Given an Overall Theme**. A particular theme has not been developed yet, but the Task Force believes that an overall Theme would be useful.

Decision required

Does the IPSASB agree with the Task Force recommendations to:

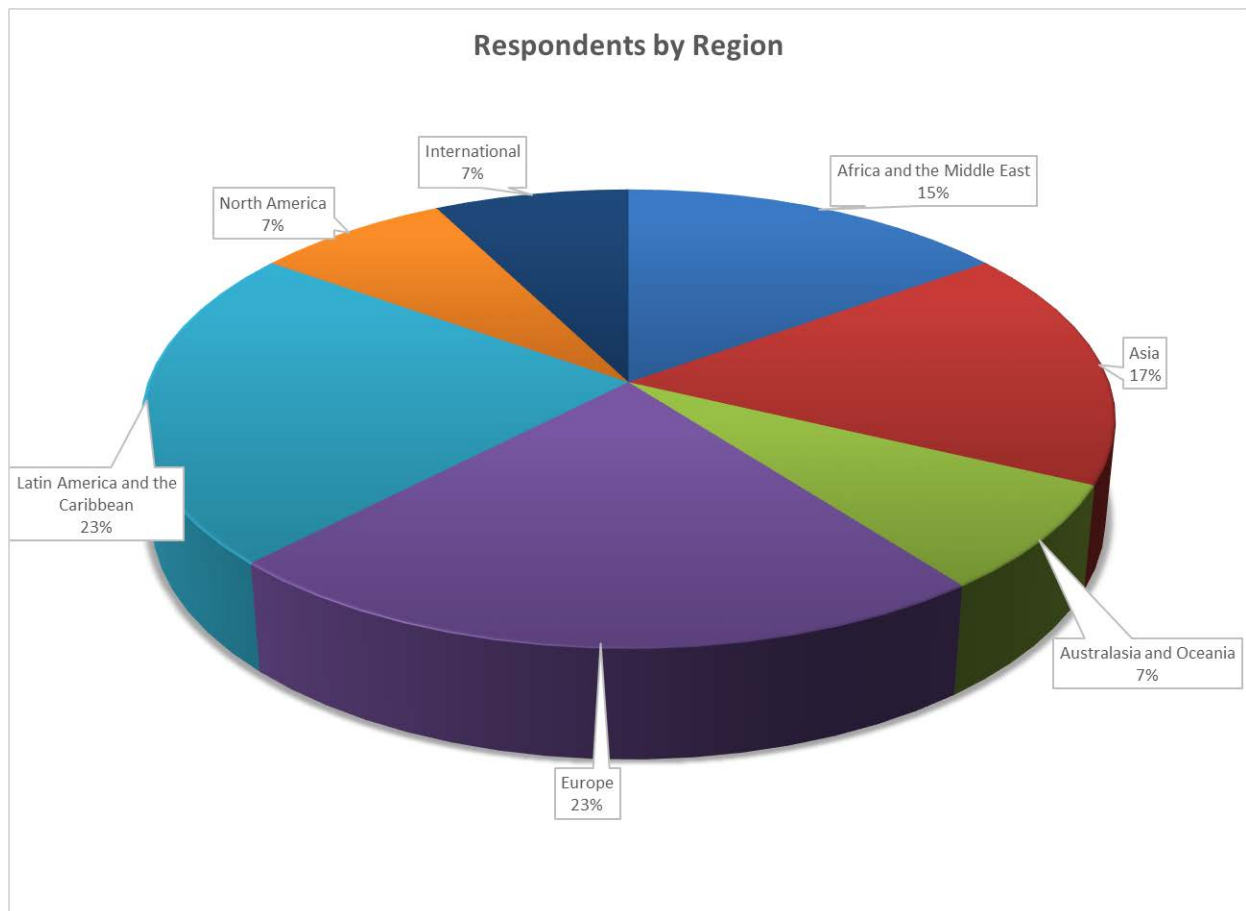
- Develop a feedback statement on the Strategy Consultation?
- Enhance implementation support?
- Develop an overall theme for the Strategy?

STRATEGY CONSULTATION

Analysis of Respondents by Region, Function, and Language

Geographic Breakdown

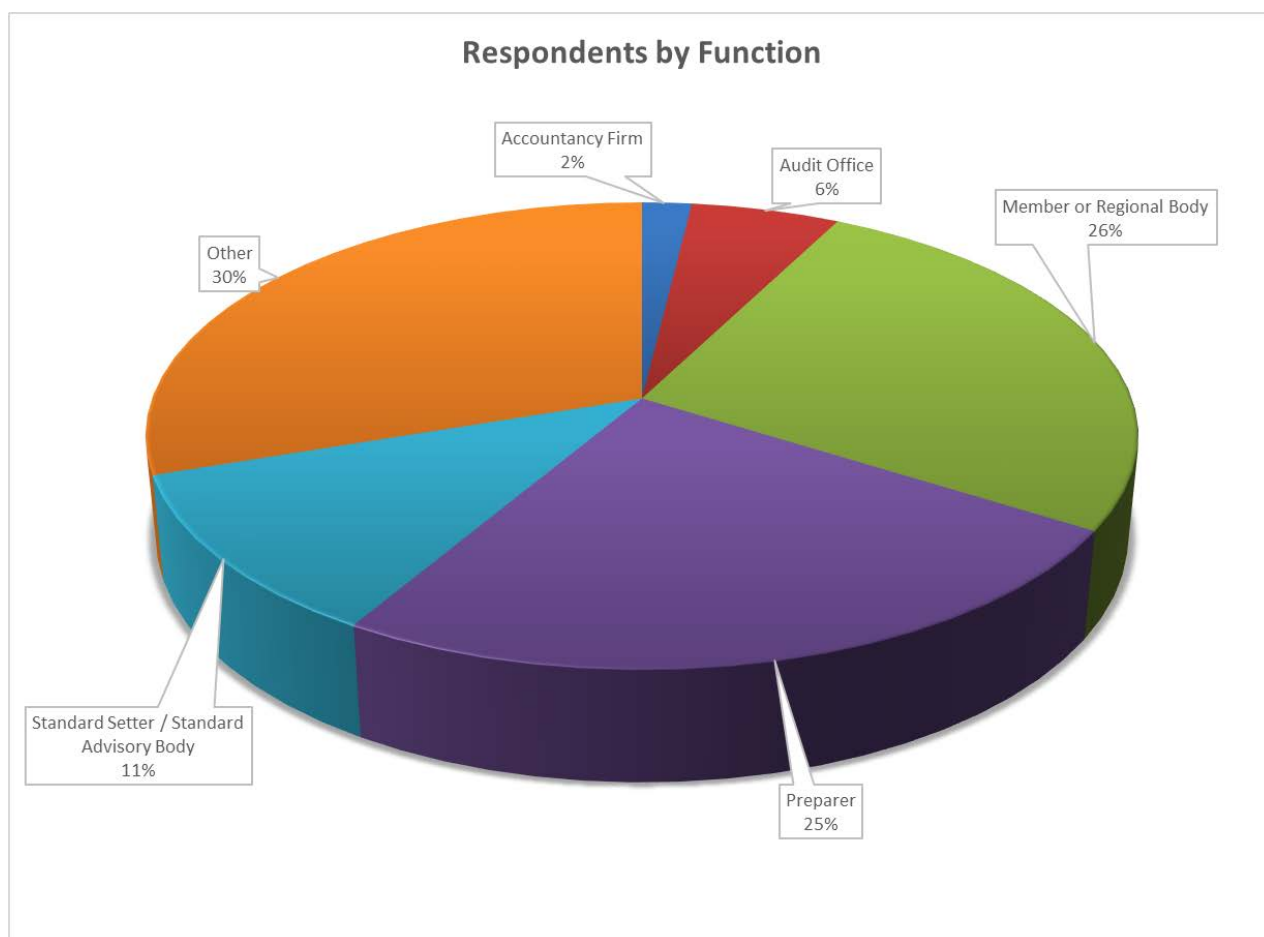
Region	Respondents	Total
Africa and the Middle East	02, 03, 12, 14, 21, 24, 29, 41	8
Asia	04, 06, 13, 27, 31, 32, 33, 35, 37	9
Australasia and Oceania	01, 05, 09, 30	4
Europe	07, 10, 17, 19, 22, 25, 26, 28, 34, 40, 52, 53	12
Latin America and the Caribbean	23, 39, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51	12
North America	08, 15, 16, 36	4
International	11, 18, 20, 38	4
Total		53



Agenda Item 10.3.1

Functional Breakdown

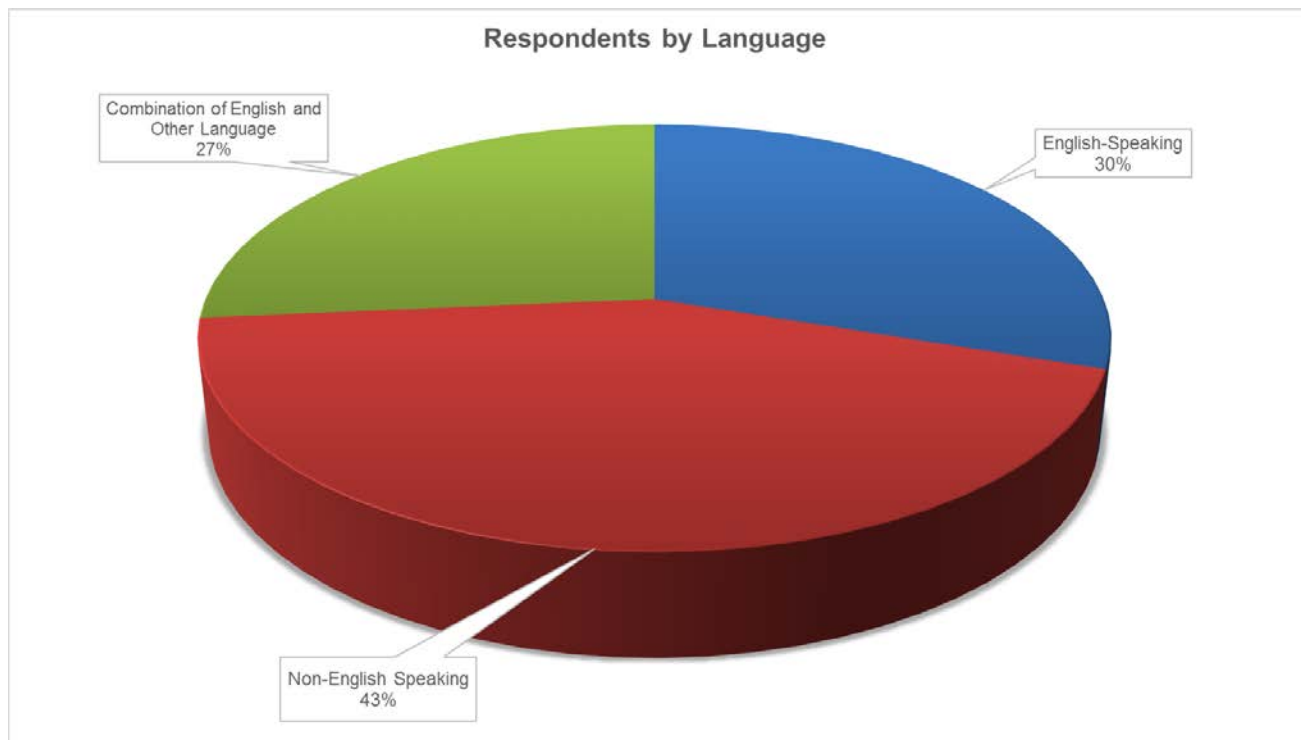
Function	Respondents	Total
Accountancy Firm	20	1
Audit Office	05, 15, 51	3
Member or Regional Body	07, 09, 10, 13, 17, 18, 22, 23, 24, 27, 28, 29, 33, 35	14
Preparer	04, 30, 39, 42, 43, 44, 45, 46, 47, 48, 49, 50, 52	13
Standard Setter / Standard Advisory Body	01, 11, 14, 19, 21, 34	6
Other	02, 03, 06, 08, 12, 16, 25, 26, 31, 32, 36, 37, 38, 40, 41, 16	16
Total		53



Agenda Item 10.3.1

Linguistic Breakdown

Language	Respondents	Total
English-Speaking	01, 03, 05, 07, 08, 09, 10, 14, 16, 17, 18, 21, 25, 26, 30, 36	16
Non-English Speaking	02, 04, 12, 13, 19, 22, 23, 33, 34, 35, 39, 40, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52	23
Combination of English and Other Language	06, 11, 15, 20, 24, 27, 28, 29, 31, 32, 37, 38, 41, 13	14
Total		53



Agenda Item 10.3.2

LIST OF RESPONDENTS

Response #	Respondent	Country	Function
01	New Zealand Accounting Standards Board (NZASB) of the External Reporting Board (XRB)	New Zealand	Standard Setter / Standard Advisory Body
02	Halimeh Rahmani	Iran	Other
03	Patrick Kabuya	South Africa	Other
04	Ministry of Finance, Peoples Republic of China	China	Preparer
05	Australasian Council of Auditors-General (ACAG)	Australia	Audit Office
06	Goa Foundation	India	Other
07	Institute of Chartered Accountants in England and Wales (ICAEW)	United Kingdom	Member or Regional Body
08	Rick Perry	United States of America	Other
09	CPA Australia	Australia	Member or Regional Body
10	Institute of Chartered Accountants Scotland (ICAS)	United Kingdom	Member or Regional Body
11	Financial Audit and Accounting Subcommittee (FAAS) of INTOSAI	Regional / International	Standard Setter / Standard Advisory Body
12	David Leiser	Israel	Other
13	Japanese Institute of Certified Public Accountants (JICPA)	Japan	Member or Regional Body
14	Staff of the Accounting Standards Board (SA)	South Africa	Standard Setter / Standard Advisory Body
15	Office of the Auditor General of Canada	Canada	Audit Office
16	Bob Traa	United States of America	Other
17	Chartered Institute of Public Finance and Accountancy (CIPFA)	United Kingdom	Member or Regional Body
18	Joint - Chartered Accountants Australia and New Zealand (CAANZ)_Association of Chartered Certified Accountants (ACCA)	Regional / International	Member or Regional Body
19	Schweizerisches Rechnungslegungsgremium für den öffentlichen Sektor (SRS)	Switzerland	Standard Setter / Standard Advisory Body
20	Ernst & Young GmbH	Regional / International	Accountancy Firm
21	Public Sector Accounting Standards Board (PSASB)	Kenya	Standard Setter / Standard Advisory Body
22	Institut der Wirtschaftsprüfer (IDW)	Germany	Member or Regional Body

Agenda Item 10.3.2

Response #	Respondent	Country	Function
23	Conselho Federal de Contabilidade (CFC)	Brazil	Member or Regional Body
24	Pan African Federation of Accountants (PAFA)	Regional / International	Member or Regional Body
25	Kalar Consulting	United Kingdom	Other
26	Publish What You Pay	United Kingdom	Other
27	Institute of Chartered Accountants of India (ICAI)	India	Member or Regional Body
28	Accountancy Europe	Regional / International	Member or Regional Body
29	The Institute of Chartered Accountants of Zimbabwe	Zimbabwe	Member or Regional Body
30	Heads of Treasuries Accounting and Reporting Advisory Committee (HoTARAC)	Australia	Preparer
31	Samata Assertion for People	India	Other
32	Peaceful Society	India	Other
33	Malaysian Institute of Accounting	Malaysia	Member or Regional Body
34	Conseil de Normalisation des Comptes Publics (CNoCP)	France	Standard Setter / Standard Advisory Body
35	Korea Institute of Public Finance	Korea	Member or Regional Body
36	Rutgers University - Continuous Audit and Reporting Laboratory	United States of America	Other
37	The Future We Need	India	Other
38	Natural Resource Governance Institute	Regional / International	Other
39	Republic of Colombia - Accountant General	Colombia	Preparer
40	Open Oil	Germany	Other
41	Intergovernmental Authority on Development (IGAD)	Kenya	Other
42	Contador General De La Nacion-Argentina	Argentina	Preparer
43	Contador General De La Nacion-Uruguay	Uruguay	Preparer
44	Ministerio De Hacienda-Paraguay	Paraguay	Preparer
45	Direccion General de Contabilidad Gubernamental	Dominican Republic	Preparer
46	Ministerio de Economia Y Finanzas - Peru	Peru	Preparer
47	Ministerio de Economia Y Finanzas - Panama	Panama	Preparer
48	Secretaria de hacienda y credito publico, especificamente la unidad de contabilidad gubernamental - Mexico	Mexico	Preparer

**Agenda Item
10.3.2**

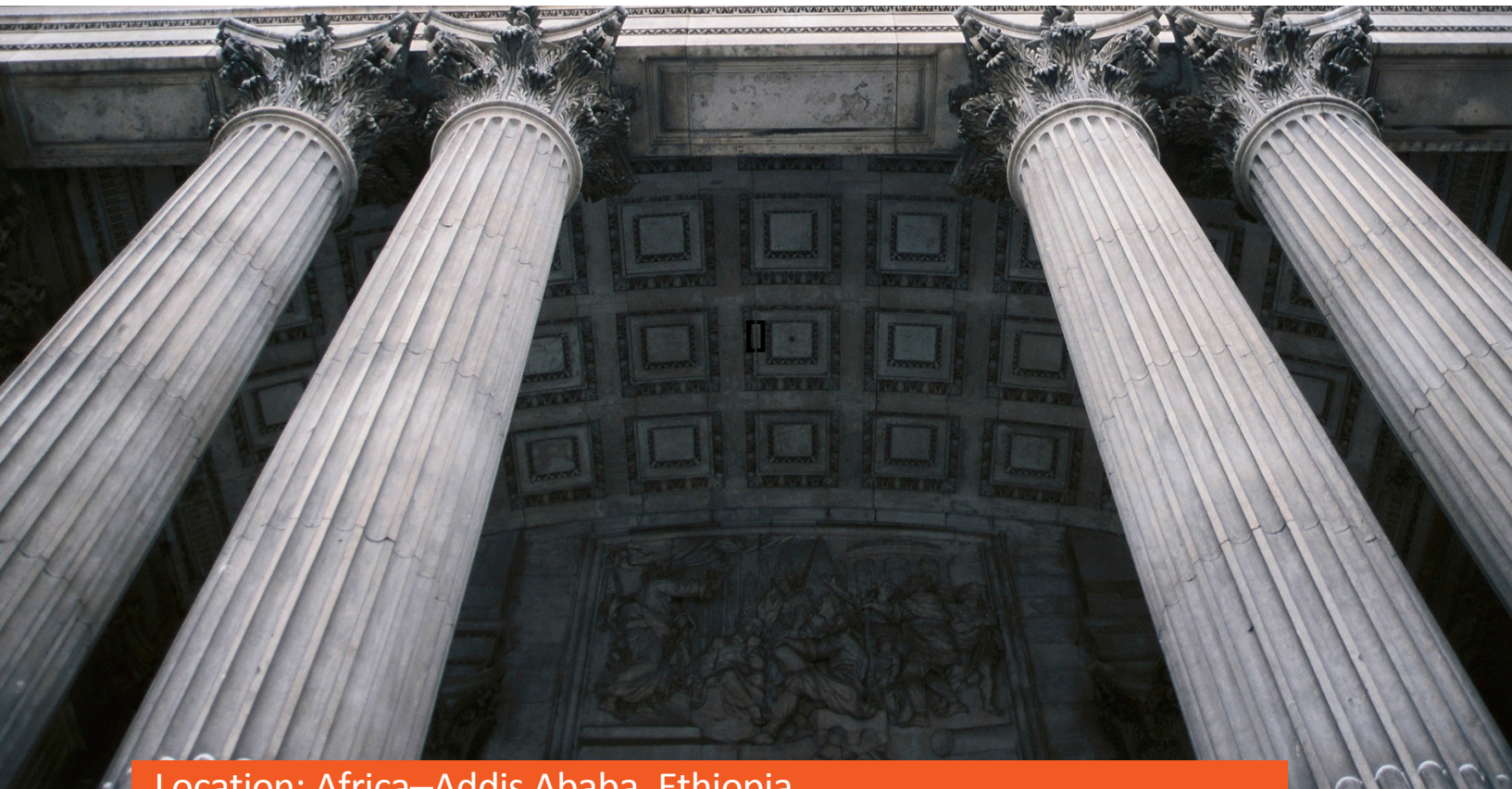
Response #	Respondent	Country	Function
49	Ministerio de Economía Y Finanzas - Ecuador	Ecuador	Preparer
50	Tesouro Nacional - Brazil	Brazil	Preparer
51	Contraloría General de la República-Chile	Chile	Audit Office
52	Direction Générale des Finances Publiques (DGFIP)	France	Preparer
53	Task Force IRSPM A&A SIG, CIGAR Network, EGPA PSG XII	Regional / International	Other

Roundtable Consolidated Feedback

See next page

Roundtable report back summary

Proposed Strategy and Work Plan 2019–2023



Location: Africa—Addis Ababa, Ethiopia

Date: May 4, 2018

Number of Participants: 130

Number of Organizations: 116

Number of Countries: 47

EXECUTIVE SUMMARY

- Strategic Objective supported because it considers the issues related to public sector accounting, but also appropriately links to good public financial management. Attendees noted the importance of that link to the IPSASB and those working the public financial management space.
- Strategic Themes. Good balance overall, but happy to see that the continued focus overall in terms of board and staff resources will be public sector specific issues.
- Continuation of work on Theme B to maintain alignment with IFRS where appropriate was highlighted as very useful in Africa, because often the capacity for trained accountants is more prevalent in the private sector.
- Support for Natural Resources, but with a caution to consider the scope and overall manageability of the project. Consider doing it in phases. Some issues are very complex, for example if living animals are in scope, how do you deal with animals that migrate across borders? Scoping needs to consider such issues if living things are included in the project.
- Important of understanding how the donor community works in the region and how that impacts adoption and implementation.
- Capacity of jurisdictions (human resources primarily) continues to be a key constraint, particularly in developing economies.

Specific Matter for Comment 1

Do you agree with the IPSASB's proposed Strategic Objective 2019–2023? If you agree please provide any additional reasoning not already discussed in the document. If you do not agree please explain your reasoning and your proposed alternative.

Agree	90%
Disagree	8%
No Comment	2%

- Support for The Strategic Objectives because of its public sector focus.
- Several participants noted strong support for the Strategy Objective itself, however questioned if the timeline for the next Strategy being 2019-2023 questioned if this was achievable over that timeframe.
- Participants noted support for the IPSASB focus on Public Sector specific issues and projects as well as support on raising awareness of the benefits of adopting accrual standards.

Specific Matter for Comment 2

Do you agree with the IPSASB's five proposed Strategic Themes for the 2019–2023 period? If you agree please provide any additional reasoning not already discussed in the document. If you do not agree please explain your reasoning, including any proposed alternatives.

Agree	90%
Disagree	5%
No Comment	5%

- Supporting capacity building a very important issue in Africa, so positive to see an emphasis in working with others, such as the donor community who are more engaged in the on-going projects.
- Strong support for the Themes overall, some respondents questioned how the Themes are interrelated and if an implementation roadmap is needed, and if there should be a hierarchy amongst the Themes.
- Educational materials and support needed to promote development of public sector accounting capacity. Linking with the African academic community considered to be important for Themes D and E in particular.

Specific Matter for Comment 3

Do you agree with the criteria the IPSASB has used in deciding the proposed issues to add to its Work Plan 2019–2023? If you agree please provide any additional reasoning not already discussed in the document. If you do not agree please explain why, including any proposed alternatives.

Agree	81%
Disagree	14%
No Comment	4%

- Some questioned if the project selection criteria and wondered if there is a hierarchy in the criteria and if there should be a weighting or more emphasis on a particular criteria.
- Some questioned if Technical and Resource consideration should be a constraint to apply after evaluating using the other 3 criteria (prevalence, consequences and urgency). These participants generally noted that if a project meets all 3 criteria, it would seem troubling for an entity with a public interest mandate to not shift its resources to take it on.

Specific Matter for Comment 4

Do you agree with the projects that the IPSASB proposes to prioritize for addition to the Work Plan 2019–2023 on Theme A: Setting standards on public sector specific issues (Natural Resources, Discount Rates, Differential Reporting and Conceptual Framework limited-scope Review)? If not please explain your reasoning, and any proposed alternatives.

Agree	85%
Disagree	8%
No Comment	7%

- Natural Resources a priority. However, scoping is very important, including consideration in detail of some of the issues important to Africa such as accounting for wildlife. A key issue related to wildlife is that it migrates and often crosses borders, so if this issue is in scope some initial thinking on this issue is needed for the Africa context.
- Simpler requirements between the cash basis standard and the full accrual IPSAS would be useful in Africa. Many see the jump from Cash to full IPSAS as a very large step, which is challenging.
- Some respondents noted that Natural Resources was important, but also highlighted their concerns as to the size and scale of this project and if the standard could deliver on what some countries may be expecting. Participants suggested to be cautious to ensure that the scope is manageable. Consider managing the project in phases.
- Some respondents questioned if discount rates was a key concern in Africa compared with the other potential projects.

Specific Matter for Comment 5

Do you agree with the project that the IPSASB proposes to prioritize for addition to the Work Plan 2019–2023 on Theme B: Maintaining IFRS convergence (IPSAS 18, Segment Reporting)? If not please explain your reasoning, and any proposed alternatives.

Agree	88%
Disagree	4%
No Comment	8%

- Generally support for alignment between the public and private sector standards when appropriate. Many felt that consistency of accounting between sectors is helpful when the transactions are the same in both sectors as this may help to some extent in alleviating capacity issues.
- Alignment with IFRS may help with adoption and implementation as many more trained accountants in most countries with technical understanding of IFRS.

Specific Matter for Comment 7

The IPSASB views building relationships with those working in the PFM space and engaging in their work as critical to furthering the use of IPSAS in PFM reform projects. Therefore, under Themes D and E, the IPSASB will actively monitor the work of others and look for appropriate opportunities to engage and support that work.

- (I) Do you agree with the IPSASB's proposed approach under these Themes? If so, are you aware of any ongoing initiatives which the IPSASB should monitor and look to engage with (please provide details).
- (II) If you do not agree, please explain your reasoning along with any proposed alternatives, and how those might be resourced.

SMC 7-I

Agree	81%
Disagree	5%
No Comment	14%

SMC 7-II

Agree	75%
Disagree	4%
No Comment	21%

- Supportive of Themes D and E as some participants see these activities as important to the adoption and implementation of IPSAS.
- Awareness important to broader issues related to Public Financial Management, such as better governance and sustainability of public finances in Africa.
- Some participants suggested better understanding of the on the ground situation would be useful, including consideration of local political systems and policies in jurisdictions which might impact the global standards.
- Working closer with African academic institutions would be beneficial in helping to address capacity issues in the public sector.

Roundtable report back summary

Proposed Strategy and Work Plan 2019–2023



Location: Asia—Manila, Philippines

Date: May 29, 2018

Number of Participants: 154

Number of Organizations: 130

Number of Countries: 48

EXECUTIVE SUMMARY

- Strong support for the Strategic Objective and Strategic Themes. Good balance between focus on public sector specific issues and continued work to maintain alignment with IFRS where appropriate.
- Support for Natural Resources, but with a caution to consider the scope and overall manageability of the project. Consider doing it in phases.
- Work with donors to help with capacity building efforts, which should help with the adoption and implementation of IPSAS.
- Capacity of jurisdictions (human resources primarily) continues to be a key constraint, particularly in developing economies.

Specific Matter for Comment 1

Do you agree with the IPSASB's proposed Strategic Objective 2019–2023? If you agree please provide any additional reasoning not already discussed in the document. If you do not agree please explain your reasoning and your proposed alternative.

Agree	97%
Disagree	2%
No Comment	1%

- Support for accountability and transparency as it promotes government stability. Also, international harmonization promotes sound financial management.
- Several participants noted that improvement of the transparency and accountability of public sector financial reporting is important in Asia – so supportive of the Strategic Objective.
- Participants noted support for the IPSASB focus on Public Sector specific issues and projects.

Specific Matter for Comment 2

Do you agree with the IPSASB's five proposed Strategic Themes for the 2019–2023 period? If you agree please provide any additional reasoning not already discussed in the document. If you do not agree please explain your reasoning, including any proposed alternatives.

Agree	98%
Disagree	1%
No Comment	1%

- Implementation support a top priority.
- Encouragement to work close with the IASB, as the IPSAS and IFRS have similar aims. Beneficial for both parties that public and private sector accounting standards are consistent when appropriate.
- Educational materials for universities and IPSAS on academic programs noted as a key issue with building capacity overall. Students need to understand IPSAS and government accounting issues coming out of school.

Specific Matter for Comment 3

Do you agree with the criteria the IPSASB has used in deciding the proposed issues to add to its Work Plan 2019–2023? If you agree please provide any additional reasoning not already discussed in the document. If you do not agree please explain why, including any proposed alternatives.

Agree	84%
Disagree	10%
No Comment	6%

- Technical and Resource considerations. Respondents appreciated that the IPSASB has resource considerations, but noted that it should be clear that by technical resource limitations, this is not to meant to be that the Board or staff are technically deficient. Therefore, be clear this is not meant to note the lack of technical resources of staff and board, but rather the lack of a technically feasible solution to the accounting issue or problem itself.

Specific Matter for Comment 4

Do you agree with the projects that the IPSASB proposes to prioritize for addition to the Work Plan 2019–2023 on Theme A: Setting standards on public sector specific issues (Natural Resources, Discount Rates, Differential Reporting and Conceptual Framework limited-scope Review)? If not please explain your reasoning, and any proposed alternatives.

Agree	80%
Disagree	13%
No Comment	7%

- Natural Resources a priority.
- Simpler requirements for developing countries would be useful.
- Natural Resources important, however, caution from several participants to consider the scope. The scope as proposed might be too wide and could end up with very complex and standards which are difficult to apply – this could create a barrier to adoption and might not address the reason for taking the project on. Make sure the scope is manageable. Consider managing the project in phases.
- Sovereign Powers was also noted, but some questioned if it is possible to recognize and measure sovereign powers, likely that the actual exercising of sovereign powers gives rise to a past event, not the existence of the powers themselves (have to be used to give rise to a transaction to recognize).

Specific Matter for Comment 5

Do you agree with the project that the IPSASB proposes to prioritize for addition to the Work Plan 2019–2023 on Theme B: Maintaining IFRS convergence (IPSAS 18, Segment Reporting)? If not please explain your reasoning, and any proposed alternatives.

Agree	78%
Disagree	16%
No Comment	6%

- Some participants were not convinced the segment reporting was a priority.
- Support for similar requirements for public and private sector when appropriate. Can help with the capacity issues, as sometimes capacity more prevalent in the private sector.
- Participants supporting alignment with IFRS may help with adoption and implementation as many more trained accountants in most countries with technical understanding of IFRS. Therefore, when the transactions are the same in the private and public sector, it makes sense to have consistent accounting requirements.

Specific Matter for Comment 7

The IPSASB views building relationships with those working in the PFM space and engaging in their work as critical to furthering the use of IPSAS in PFM reform projects. Therefore, under Themes D and E, the IPSASB will actively monitor the work of others and look for appropriate opportunities to engage and support that work.

- (I) Do you agree with the IPSASB's proposed approach under these Themes? If so, are you aware of any ongoing initiatives which the IPSASB should monitor and look to engage with (please provide details).
- (II) If you do not agree, please explain your reasoning along with any proposed alternatives, and how those might be resourced.

SMC 7-I

Agree	90%
Disagree	7%
No Comment	3%

SMC-7-II¶

Agree¶	93%¶ x
Disagree¶	1%¶ x
No-Comment¶	6%¶ x

- Publications and Communications that show the benefits of IPSAS adoption would be helpful in promoting adoption and implementation.
- Coordination with accounting bodies and regional organizations to support public sector accounting education.
- Work with donor organizations to develop an IPSAS adoption roadmap and other implementation material.
- Work with donor organizations to secure more funding for the IPSASB.
- IPSASB should look at its own funding model and compare to other international organizations, such as the BIS, CFA institute for ideas on how to get more funding and expand its resources.
- Promote the use of Case Studies to show the benefits of adoption and implementation.
- Promotion through educational material.
- Many participants noted a need for additional support with implementation projects.

Roundtable report back summary

Proposed Strategy and Work Plan 2019–2023



Location: Europe—Brussels, Belgium

Date: March 28, 2018

Number of Participants: 59

Number of Organizations: 45

Number of Countries: 20

EXECUTIVE SUMMARY

- Strong support for the Strategic Objective and 5 Themes. In particular, strong support expressed for the link to public financial management and a focus on addressing public sector specific issues.
- Some participants noted a need to better articulate what the issues are for any new projects and what the project would entail including the expected output.
- A need to consider how to better engage with politicians and international/regional organizations that impact the decision to adopt and the funding to implement IPSAS.
- Support for continued work to maintain alignment with IFRS where appropriate, but to continue to focus resources on public sector specific issues.
- Engaging with academic community to help build out the evidence base for the benefits of accrual accounting would be helpful in promoting adoption and implementation of IPSAS.

Specific Matter for Comment 1

Do you agree with the IPSASB's proposed Strategic Objective 2019–2023? If you agree please provide any additional reasoning not already discussed in the document. If you do not agree please explain your reasoning and your proposed alternative.

Agree	89%
Disagree	7%
No Comment	4%

- Participants agreed that the IPSASB should focus its resources primarily on public sector specific issues and projects.
- It was noted that it is important for the strategic objective to be linked to better public sector financial management. The sustainability of public finances and the ability to provide public services is dependent on strong management.
- Participants noted the continued importance of the focus of the IPSASB's activities and resources being invested in standard setting.

Specific Matter for Comment 2

Do you agree with the IPSASB's five proposed Strategic Themes for the 2019–2023 period? If you agree please provide any additional reasoning not already discussed in the document. If you do not agree please explain your reasoning, including any proposed alternatives.

Agree	70%
Disagree	26%
No Comment	4%

- Participants noted the importance of promoting the promoting the benefits of IPSAS to political stakeholders, as these are often key decision makers in the adoption and implementation decision.
- Participants noted that those involved in the adoption and implementation decisions are normally politicians, who may not want greater transparency and accountability for public finances, as it may cause them to deal with difficult issues.
- Some noted the important of encouraging the use of financial statements to promote better decision making, noting that the real benefit of IPSAS financial reports are realized when they are used for decision making.
- Participants generally noted strong support for the 5 Themes.

Specific Matter for Comment 3

Do you agree with the criteria the IPSASB has used in deciding the proposed issues to add to its Work Plan 2019–2023? If you agree please provide any additional reasoning not already discussed in the document. If you do not agree please explain why, including any proposed alternatives.

Agree	70%
Disagree	26%
No Comment	4%

- Most participants indicated general agreement with the project prioritization criteria.
- Some wondered how the criteria are used in making decisions, and if they should be applied against some active projects
- Some questioned how the criteria might be applied, for example if something is urgent, prevalent and has consequences impacting public sector reporting would resource limitation or technical challenges stop the IPSASB from taking on such a project?

Specific Matter for Comment 4

Do you agree with the projects that the IPSASB proposes to prioritize for addition to the Work Plan 2019–2023 on Theme A: Setting standards on public sector specific issues (Natural Resources, Discount Rates, Differential Reporting and Conceptual Framework limited-scope Review)? If not please explain your reasoning, and any proposed alternatives.

Agree	63%
Disagree	30%
No Comment	4%

- Some participants questioned if Natural Resources is a priority in Europe, while others noted it is an issue in other regions of the world and may be in Europe depending on the scoping of the issues included in the project.
- Discount rates may be an issue, however, participants questioned if it is specific to the public sector, noting its importance in the private sector.
- If differential reporting is undertaken, it was suggested that the IFRS for Small and Medium Entities should be considered as a model to follow. Some also questioned if differential reporting is a global issue, or a jurisdictional issue.
- Some participants noted that Military Assets was an important topic in the region that should be considered.
- Some participants noted a need to better articulate what the issues are for any new projects and what the project would entail including the expected output.

Specific Matter for Comment 5

Do you agree with the project that the IPSASB proposes to prioritize for addition to the Work Plan 2019–2023 on Theme B: Maintaining IFRS convergence (IPSAS 18, Segment Reporting)? If not please explain your reasoning, and any proposed alternatives.

Agree	81%
Disagree	4%
No Comment	15%

- Some participants were not convinced the segment reporting was a priority in the public sector at all and questioned the need for a standard on the topic. Other participants noted that in their jurisdiction improved guidance for segment reporting would be appreciated.
- Some participants noted that if a public sector project on Natural Resources is undertaken, that a first step should consider IFRS 6, *Exploration for and Evaluation of Mineral Resources*. In a comprehensive Natural Resources project, consideration of IFRS 6 should be a first stop if a phased approach is followed given the IPSAS-IFRS link in many standards.
- Some participants noted agreement with IFRS alignment where possible, however, noted a preference to focus on public sector specific projects and to not be afraid to depart from IFRS if the private sector accounting does not work for public sector.

Specific Matter for Comment 7

The IPSASB views building relationships with those working in the PFM space and engaging in their work as critical to furthering the use of IPSAS in PFM reform projects. Therefore, under Themes D and E, the IPSASB will actively monitor the work of others and look for appropriate opportunities to engage and support that work.

- (I) Do you agree with the IPSASB's proposed approach under these Themes? If so, are you aware of any ongoing initiatives which the IPSASB should monitor and look to engage with (please provide details).
- (II) If you do not agree, please explain your reasoning along with any proposed alternatives, and how those might be resourced.

SMC 7-I

Agree	81%
Disagree	4%
No Comment	15%

SMC 7-II

Agree	78%
Disagree	7%
No Comment	15%

- Participants noted a need for additional support with implementation projects and in particular highlighted a need for the IPSASB to develop an interpretation capacity.
- It was noted that cases studies and documentation of best practices could be an effective way to show adoption and implementation successes – so that others may benefit from the experiences. This could be a resource efficient way to help with capacity building.
- Need for outreach with academics, in particular it would be helpful to develop a deeper evidence base showing the benefits of adoption and implementation of accrual accounting. This would be a very useful tool to promoting IPSAS.
- Outreach needs to consider politicians and international and regional organizations that impact the decision to adopt and implementation process. Both politicians and international/regional organizations influence adoption decision and are key sources of funding for implementation projects after the adoption decision.
- Important to consider how to engage and communicate better with non-accountants.

Roundtable report back summary

Proposed Strategy and Work Plan 2019–2023



Location: South America—Brasilia, Brazil

Date: April 25, 2018

Number of Participants: 41

Number of Organizations: 19

Number of Countries: 6

EXECUTIVE SUMMARY

- Strategic Objective supported because it considers the issues related to public sector accounting, but also appropriately links to good public financial management. Attendees suggested to identify the main stakeholders of IPSAS.
- Strategic Themes. Overall support for the proposed themes. Attendees suggested merging Theme A and C.
- Project Selection Criteria. Overall support for the criteria, however some attendees suggested a criteria hierarchy to decide on competing criteria.
- Project selection. Most attendees supported projects on Tax Expenditures, Differential Reporting, and Sovereign Powers.
- IFRS alignment, some attendees were of the view that an emphasis should be on public sector specificities.
- Capacity of jurisdictions (human resources primarily) continues to be a key constraint, particularly in developing economies.
- Cost accounting is important in Latin America. Attendees suggested creating a conceptual framework and a RPG for public sector cost accounting.

Specific Matter for Comment 1

Do you agree with the IPSASB's proposed Strategic Objective 2019–2023? If you agree please provide any additional reasoning not already discussed in the document. If you do not agree please explain your reasoning and your proposed alternative.

Agree	97%
Disagree	3%
No Comment	0%

- The IPSASB should bring into account the differences between users (political agents, bureaucrats, accountants, controllers, auditors, international organizations, citizens and others) regarding knowledge, concerns, and technical language proficiency. Consequently, the objective could be presented in a way more specific to IPSAS' main users. This is important to disseminate the IPSAS and to reduce possible resistance to the transition from budget-based or cash-based model to the full set of accrual based IPSAS.
- The IPSASB should consider regional variations or differences, because there are strategies that are common to different regions, but others should be adapted according to their peculiarities, more specifically, in relation to the second area of activity.
- The IPSASB may consider activities to strengthen institutional and governance activities. Such as providing resources, training programs, information technology and support from multilateral agencies.

Specific Matter for Comment 2

Do you agree with the IPSASB's five proposed Strategic Themes for the 2019–2023 period? If you agree please provide any additional reasoning not already discussed in the document. If you do not agree please explain your reasoning, including any proposed alternatives.

Agree	97%
Disagree	3%
No Comment	0%

- General agreement expressed, however, some questioned the link between the strategic objective and the five strategic themes. In addition, it should be clear that themes A and B have a higher priority, as these are the areas where standards will be developed.
- Most IPSAS are based on IFRSs. However, it is necessary to consider the particularities of the public sector, not only in the specific scope of a standard, but also as to the emphasis of the model as a whole.
- In face there appears to be a hierarchy between the themes, since, for example, there are more projects prioritized related to Theme A than the others. If IPSASB understands the approach is adequate, it should make clear that there is a prevalence of one theme over another. Furthermore, there is an intersection between themes D and E, because advocating the benefits of accrual in strengthening the PFM results in promoting the adoption and the implementation of IPSAS as a natural consequence.
- In line with the suggestion presented SMC 1, it is also suggested to include a theme aimed at institutional and governance strengthening.

Specific Matter for Comment 3

Do you agree with the criteria the IPSASB has used in deciding the proposed issues to add to its Work Plan 2019–2023? If you agree please provide any additional reasoning not already discussed in the document. If you do not agree please explain why, including any proposed alternatives.

Agree	97%
Disagree	3%
No Comment	0%

- Overall participants note agreed. However, some questioned how the criteria were used to make project proposals. Participants believe this is because there should be a hierarchy amongst the criteria.
- Participants felt it is necessary to establish whether the criteria have equal or different weights. If the criteria have different weights, the weights of each of them should be determined and, consequently, those that are priority would be identified. In this case, the prevalence should be the criterion with greater weight. In addition, the relevance criterion should be considered together with the prevalence or separately. Participants felt this was a more scientific way of showing the criteria used.
- In relation to the criterion of relevance, the application of standards on the consolidated financial statements may generate different results in the various jurisdictions. For example, a natural resource standard can generate significant changes in the consolidated financial statements in countries or regions where such resources are an important economic source. One possible solution could be the regionalization of the application of these standards according to the situation of each block of countries and/or jurisdictions.
- In addition, promoting transparency regarding the prioritization process can contribute to the legitimacy of the IPSASB Strategy and Work Plan 2019-2023.

Specific Matter for Comment 4

Do you agree with the projects that the IPSASB proposes to prioritize for addition to the Work Plan 2019–2023 on Theme A: Setting standards on public sector specific issues (Natural Resources, Discount Rates, Differential Reporting and Conceptual Framework limited-scope Review)? If not please explain your reasoning, and any proposed alternatives.

Agree	77%
Disagree	23%
No Comment	0%

- The group partially agrees with the projects that the IPSASB proposes to prioritize for addition to the Work Plan 2019-2023 on Theme A.
- The group, in general, understands that Differential Reporting should be the priority project of Theme A, given the set of local governments, the majority of which are small or medium in size and which perform low complexity transactions. The use of resources to the full adoption of IPSAS is not justified based on the cost-benefit of information generated.
- Some participants of the roundtables agree with the prioritization of the project Natural Resources, but the majority understand the IPSASB should prioritize projects that are more relevant and comprehensive.
- The participants disagreed with the prioritization of the project Discount Rates, because low or negative discount rates are not a reality in Latin American countries.
- In addition, some participants disagreed with the prioritization of the Conceptual Framework limited-scope review, since it would be important for the jurisdictions to have the opportunity to conduct a more in-depth analysis over a longer period.
- Accounting for Tax Expenditures and Sovereign Powers were noted as priorities. The Military Assets and Intangible Assets projects were also noted, but with less emphasis.

Specific Matter for Comment 5

Do you agree with the project that the IPSASB proposes to prioritize for addition to the Work Plan 2019–2023 on Theme B: Maintaining IFRS convergence (IPSAS 18, Segment Reporting)? If not please explain your reasoning, and any proposed alternatives.

Agree	82%
Disagree	18%
No Comment	0%

- The participants agree that the prioritized project (IPSAS 18 update) is the most relevant to the public sector, since it allows for presentation of how each segment of governments contribute to the performance of the public sector entity as a whole, which is extremely relevant information in strengthening PFM, and therefore in line with the proposed strategic objective.
- However, some participants demonstrated interest in the prioritization of other projects, such as:
 - o IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations, since the regulations on non-current assets held for sale and discontinued operations is necessary to fill an IPSAS gap, as neither the inventories or the property, plant, and equipment standards provide accounting treatment for this situation.
 - o IPSAS 1 – Presentation of Financial Statements, mainly, because it is necessary to deal with principles related to the Statement of Comprehensive Income.

Specific Matter for Comment 6

Are there any project in Appendix A that you believe should be added to the Work Plan 2019-2023 in place of a currently proposed project? If you believe that any Appendix A projects should be added, please explain your views on why the project should be included, which proposed project should not then be started and your reasoning.

SMC 6

Agree	67%
Disagree	33%
No Comment	0%

- In SMC 4, we mentioned proposed projects that were not considered priorities according to the participants. Thus, different participants mentioned projects that would be prioritized in the place of them.
- In relation to Theme A, the projects Sovereign Powers and their Impact on Financial Reporting, and Accounting for Tax Expenditures were cited as a priority by the participants.
- In relation to Theme B, the participants cited some projects, such as: Defining Public Sector Key Financial Performance Indicators; Review of RPG 3 – Reporting Service Performance Information; IASB Initiative – Better Communication in Financial Reporting; and Integrated Reporting. However, the emphasis was in the project on Public Sector Guidance for Cost Accounting.

Specific Matter for Comment 7

The IPSASB views building relationships with those working in the PFM space and engaging in their work as critical to furthering the use of IPSAS in PFM reform projects. Therefore, under Themes D and E, the IPSASB will actively monitor the work of others and look for appropriate opportunities to engage and support that work.

– (I) Do you agree with the IPSASB’s proposed approach under these Themes? If so, are you aware of any ongoing initiatives which the IPSASB should monitor and look to engage with (please provide details).

– (II) If you do not agree, please explain your reasoning along with any proposed alternatives, and how those might be resourced.

SMC 7-I

Agree	90%
Disagree	10%
No Comment	0%

SMC 7-II

Agree	96%
Disagree	4%
No Comment	0%

- The participants agreed, but also added suggestions. One of these is that IPSASB should also engage with other international bodies, such as the Open Government Partnership (OGP), the International Integrated Reporting Council (IIRC), the Forum of General Governmental Accounting Offices of Latin America (Foro de Contadurías Gubernamentales de América Latina – FOCAL) to enhance the dissemination and strengthening of IPSAS.
- In order to promote consistency of objectives between different players, the IPSASB could implement an IPSAS “train-the-trainers” program.
- In the process of raising awareness about the relevance of IPSAS and its importance in improving PFM. Participants noted it is necessary to schedule visits with IPSAS adopters and key IPSASB leadership, such as the IPSASB Chair and/or IFAC high level staff. This would help with information sharing between countries adopting and implementing IPSASB and IPSASB members and key staff.

Question

Do you consider it necessary to have a standardized methodology for public sector cost accounting issued by IPSASB?

SMC

Agree	75%
Disagree	21%
No Comment	4%

- The participants' majority consider it necessary to establish principles and to develop a conceptual framework for public sector cost accounting, but not a standardized methodology.
- In the evaluation of the different dimensions of the performance of entities and public policies - efficiency, effectiveness, inputs, outputs, outcomes, quality, etc. - the comparative analysis allows to obtain conclusions about a unit of analysis over time and in relation to the other units. Therefore, discussions on cost objects (standardized x specifics), costing methods, costing system, measurement bases (for example, historical cost x market value).
- The prioritization of public sector cost accounting, on a comparative basis, has the potential to complement RPG 3 of the IPSASB and even allow for a more in-depth approach to performance evaluation in the public sector. In addition, it may enhance the strengthening of other dimensions, in addition to financial capacity, by making the benefits of adopting the accrual basis more evident and, more specifically, of accrual based IPSASs use.
- Some participants understand that there is a need for establishing principles and developing a conceptual framework that will be the basis for cost accounting in different jurisdictions and entities within the same jurisdiction, but not a standard methodology, because the specificities of the entities regarding the informational needs of its users should be observed. In addition, participants felt that the adequate treatment of cost accounting in the public sector is aligned with the proposed strategic objective and Themes A, C, D, and E..

Strategy and Work Plan™

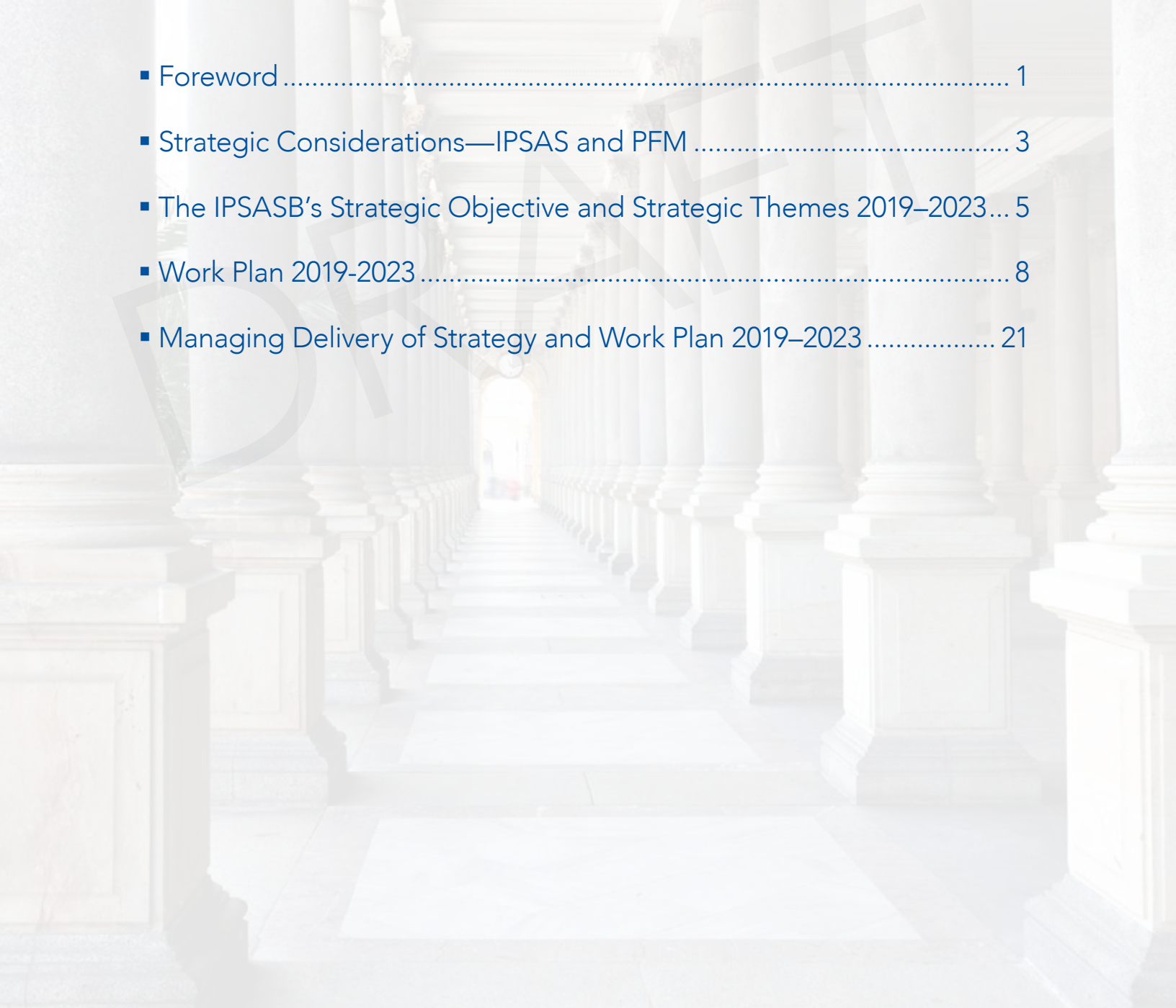
Strategy and Work Plan 2019–2023



Mission	The International Public Sector Accounting Standards Board® (IPSASB®) serves the public interest by developing high-quality accounting standards and other publications for use by public sector entities around the world in the preparation of general purpose financial reports.
Standards and Guidance	<p>The IPSASB's authoritative standards include:</p> <ul style="list-style-type: none"> • International Public Sector Accounting Standards (IPSAS) which set out requirements for financial reporting in General Purpose Financial Statements (GPFSs); and • Cash Basis IPSAS. <p>The IPSASB's non-authoritative guidance and other publications include:</p> <ul style="list-style-type: none"> • The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities; • Recommended Practice Guidelines (RPGs) applicable to the preparation and presentation of General Purpose Financial Reports (GPFRs); and • Staff papers and other documents.
What IPSAS Do	<p>The use of International Public Sector Accounting Standards (IPSAS):</p> <ul style="list-style-type: none"> • Enhances transparency through comparability and quality of financial information, enabling users to assess the financial status of public sector entities; • Increases accountability by communicating the nature and amount resources controlled by public sector entities and how they are used, allowing users' to hold governments to account. • Contributes to better information for decision makers of public sector entities to use in making judgements and delivering goods and services to users efficiently.
Strategic Input	The IPSASB Consultative Advisory Group (CAG) is a forum composed of 22 representatives from public and private sector organizations and individuals that are interested in, or affected by, the IPSASB's work, including those engaged in the preparation, audit, or evaluation of public sector financial reports. Interaction with the CAG is a key element of the IPSASB's due process.
Oversight	The IPSASB sets its standards in accordance with a transparent due process . The IPSASB's governance and standard-setting activities are overseen by the Public Interest Committee (PIC) .
Structures and Processes	The structures and processes that support the IPSASB are facilitated by the International Federation of Accountants (IFAC) .
Funding	The IPSASB receives financial support from IFAC, the Asian Development Bank, the Chartered Professional Accountants of Canada, the New Zealand External Reporting Board, and the governments of Canada and New Zealand.

IPSASB Strategy and Work Plan 2019–2023

Contents



▪ Foreword	1
▪ Strategic Considerations—IPSAS and PFM	3
▪ The IPSASB’s Strategic Objective and Strategic Themes 2019–2023...	5
▪ Work Plan 2019-2023	8
▪ Managing Delivery of Strategy and Work Plan 2019–2023	21

Foreword

■ By Ian Carruthers, IPSASB Chair



2018 marks the twenty-first year of the IPSAS development program. During that period, the IPSASB and its predecessor—the IFAC Public Sector Committee—developed 42 International Public Sector Accounting Standards (IPSAS), as well as three *Recommended Practice Guidelines* (RPGs), an IPSAS on reporting under the cash basis of accounting and, *The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities* (Conceptual Framework). These, together with introduction of a governance framework and an immense amount of outreach work by members, and others associated with its activities, have progressively allowed the IPSASB to mature into the global standard setter for public sector financial reporting.

The IPSASB's first-ever Strategy and Work Plan consultation during 2014, together with the completion of the Conceptual Framework in the second half of 2014, were landmark achievements for the IPSASB. Both have fundamentally shaped its current activities. Our work is also increasingly being influenced by the implementation in the past couple of years of our new governance and advisory framework enhancements, comprising

the Public Interest Committee (PIC) and the Consultative Advisory Group (CAG). Both of these have a public interest focus that impacts the IPSASB's work.

This is a critical time for the IPSASB, as the pace and scale of IPSAS adoption have increased significantly in recent years. This is a trend that looks likely to continue, with the number of governments around the world adopting accrual accounting estimated to increase from 31% in 2015 to 71% in 2020¹. Our standards and guidance will therefore increasingly need to meet the practical requirements of a significantly expanding potential user group.

The 2015 Strategy positioned our work for the first time in the context of the drive to strengthen Public Financial Management (PFM) globally. As a result of the feedback from our constituents, the majority of our work since then has focused on IPSAS development and maintenance. In selecting and scoping the projects in our current Work Plan, the IPSASB attempted to strike a balance between addressing key public sector issues, and maintaining alignment with the new standards issued by the International Accounting Standards

¹ Source: PwC publication: *Global Survey on Accounting and Financial Reporting by Central Governments* (2nd Edition) 14 September 2015.

Board (IASB). As the IPSASB has progressed the projects approved in 2015, with a number completed during 2018, such as IPSAS 41, *Financial Instruments* and IPSAS 42, *Social Benefits*, it has also considered the direction it should take in the five-year period 2019–2023, and discussed this with a broad range of constituents.

Based on the feedback obtained through the many outreach events that the IPSASB, Technical Advisors and its alumni collectively undertake, as well as the input from formal strategic engagement such as the Public Sector Standard Setters Forum meetings held in 2016 and 2017, the four IPSASB roundtables held to discuss the Strategy and Work Plan 2019-2023 together with the 53 formal responses received, the IPSASB has confirmed that it should continue to focus its work on developing high-quality financial reporting standards for the public sector. Further, the IPSASB had additionally confirmed that it should also focus its activities in the area of promoting awareness of IPSAS and the benefits of their adoption and implementation, in particular by working more closely with global and regional bodies to raise the profile of IPSAS with

financial regulators and markets, all of whom we believe are important key advocates needed as consistent supporters of IPSAS adoption. However, the IPSASB also received constituent feedback to be cautious, to ensure not to overcommit its resources by adding too many new projects to the Work Plan, especially while there are on-going important public sector specific projects to complete, including revenue, non-exchange expenses and measurement.

The feedback from the roundtables and responses to the Strategy and Work Plan 2019-2023 consultation provided valuable input that have helped shape the way IPSASB will work and its priorities during the 5-year period from 2019, as well as play a key role in strengthening PFM globally going forward. Your continued support and input will be vital in helping us shape the future of global public sector financial reporting standards during this critical period.

Ian Carruthers,
IPSASB Chair ■



Strategic Considerations— IPSAS and PFM

- Public Financial Management (PFM), in its broadest sense, is the system by which financial resources are planned, directed, and controlled, both externally to and internally within the public sector entity, to enable and influence the efficient and effective delivery of public service outcomes.

Citizens are affected by the financial management decisions of governments and public sector entities. In many jurisdictions, the lack of complete and audited information about government finances continues to be a major cause of concern, which impacts government accountability and informed decision-making. Moreover, concerns about the sustainability of key government programs are widespread. The longer-term impacts of the sovereign debt crisis and other challenges faced by governments (particularly around demographics and aging populations) emphasize the ongoing urgent need to strengthen the quality of financial management in governments around the world.

Accounting standards can lead to improved quality of financial reporting, which has the potential to improve decision-making in the public sector. The increasing complexity of public sector finances, together with a greater focus on the quality of public financial management, has increased demand for high-quality standards and

guidance on how to adopt and implement such standards. Adoption of IPSAS are a fundamental step that governments can take to improve financial reporting and PFM because IPSAS-based information provides a comprehensive picture of their financial performance and position. Such information can also enable progress on key government development initiatives such as those related to the United Nations sustainable development goals².

The IPSASB is therefore committed to developing high-quality public sector accounting standards to support high-quality financial reporting. In doing this, the IPSASB's standard setting program helps increase confidence from citizens and financial markets in public institutions, which is key to economic and social stability. The application of IPSAS also facilitates governments and other public sector entities being more accountable to their citizens, and so enhances global fiscal stability and sustainability and accountability.

² Accountability and transparency by governments and public sector entities on the use of their resources, enables through high-quality financial reporting, such as IPSAS can lead to improved decision-making. Further, this can be seen as an important step in achieving improvements on the United Nations sustainable development goals; a key initiative to better society for future generations around the world.

These strategic considerations raise a number of challenges for the IPSASB to address during the period 2019–2023:

- Key gaps remain in our public sector-specific standards and literature;
- Some of our standards are not based on the latest version of the IFRS equivalent;
- The accessibility of financial statements for non-specialist users, and civil society in general, needs improvement (an issue also common with financial reporting in the private sector);
- Capacity constraints impact on the ability of many jurisdictions to undertake accrual

transition projects which therefore limits the pace of adoption. Promotion of, and support for, accrual adoption and IPSAS implementation, both in individual jurisdictions and globally, needs to be enhanced;

- The vision for, and guidance on using accrual information to strengthen PFM that needs further development, as does the evidence base for such reforms; and
- The IPSASB also needs to consider how it can help constituents to contribute actively to its standard setting and other work going forward.

These challenges have all shaped the IPSASB's Strategy and Work Plan for the period 2019–2023. ■



The IPSASB's Strategic Objective and Strategic Themes 2019–2023

- The overarching Strategic Objective that the IPSASB adopted for 2019–2023 refines the one currently in use in order to provide a sharper focus for its future work. The overarching Objective is:

Strengthening Public Financial Management (PFM) globally through increasing adoption of accrual-based IPSAS.

Delivered through two main areas of activity, both of which have a public interest focus:

- Developing and maintaining high-quality IPSAS and other financial reporting guidance for the public sector; and
- Raising awareness of IPSAS and the benefits of accrual adoption.



Developing and maintaining IPSAS and Other Financial Reporting Guidance for the Public Sector

Theme A: Setting standards on public sector specific issues

As the global public sector accounting standard setter acting in the public interest, the IPSASB will focus the majority of its efforts on this Theme in order to address key public sector specific reporting issues not already addressed by IPSAS. The Conceptual Framework will be used as a basis for addressing these challenging public sector reporting issues. In addition, the IPSASB's policy to reduce unnecessary differences with Government Finance Statistics (GFS)³ will also be integral to its work. The IPSASB believes this is the main area where it can add value, as the issues under this theme have not been addressed by other standards setters and are important to users of financial statements in the public sector.

Theme B: Maintaining IFRS alignment⁴

IFRS alignment has been a key pillar of IPSAS development since the inception of the standards program in 1997. In many instances, government activities are the same as corporate activities and so there are advantages for citizens and constituents in reporting such activities using common global financial reporting approaches where this is appropriate. The IPSASB's approach to using IASB literature where relevant⁵ allows it, as a volunteer board with a small staff team, to develop standards efficiently that address the needs of public sector users. Its policy on reducing unnecessary GFS differences is also relevant to work under this theme.

3 The IPSASB considers opportunities to reduce unnecessary differences with GFS in all projects to develop standards and guidance. For further details please see the IPSASB's [Process for Considering GFS Reporting Guidelines during the Development of IPSASs](#).

4 The term 'alignment' refers to the formal processes the IPSASB follows to assess the applicability of IFRS and / or GFS requirements when developing pronouncements which faithfully represent the economic substance of transactions in the public sector. Through these processes the IPSASB aims to reduce unnecessary differences with these sources of guidance when they can also be applied in the public sector context.

5 The IPSASB also considers relevant IASB literature as part of its projects. For further details please see the IPSASB's Process for Reviewing and [Modifying IASB Documents](#).

Theme C:
Developing guidance
to meet users'
broader financial
reporting needs

The IPSASB recognizes that the characteristics of the public sector mean that user needs may not always be satisfied by the financial statements alone. Therefore, the IPSASB has developed guidance on broader financial reporting (Recommended Practice Guidelines 1–3⁶), when specific public interest needs have been identified. The IPSASB will continue to monitor user needs and emerging issues in this broader financial reporting space.

Raising awareness of IPSAS and the benefits of accrual adoption

Theme D:
Promoting IPSAS
adoption and
implementation

Promoting and encouraging the adoption and implementation of IPSAS is in the public interest as it can lead to improvements in public sector financial reporting globally, which benefits users by providing greater transparency and provides information to inform better decision making. The IPSASB therefore has a very active approach to outreach⁷ enabling us to engage in a global dialogue with constituents on the adoption and implementation of IPSAS.

Theme E:
Advocating the
benefits of accrual
in strengthening
PFM

The IPSASB's view is that the use of accrual information provides the foundation for strong PFM. In furthering its Strategic Objective, the IPSASB works with other professional groups and sponsoring organizations to help develop the understanding of the PFM benefits of IPSAS adoption in improving transparency, accountability and decision-making.

⁶ The IPSASB has developed three Recommended Practice Guidelines (RPGs), which are pronouncements that provide guidance on good practice in preparing general purpose financial reports (broader financial reporting) that are not financial statements. The following RPGs have been developed: RPG 1, *Reporting on the Long-Term Sustainability of an Entity's Finances*, RPG 2, *Financial Statement Discussion and Analysis* and RPG 3, *Reporting Service Performance Information*.

⁷ IPSASB members and staff undertake a considered and active constituent engagement strategy, including personal appearances, participation in discussion groups and forums, as well as using webinars and other methods of electronic communication, to inform and engage on various technical topics.

Work Plan 2019-2023

Developing high-quality IPSAS and other financial reporting guidance for the public sector

- Themes A, B and C relate to the IPSASB's central role as a standard setter, and are therefore where it has prioritized projects on to the Work Plan 2019–2023.

Criteria for project prioritization

Themes A, B and C relate to the IPSASB's central role as a standard setter and are therefore where it has prioritized specific projects that it proposes to add to the Work Plan 2019–2023. In selecting the projects under each Theme, the IPSASB has evaluated a long list of potential projects against the following criteria, in order to help it assess which projects would provide the greatest public interest benefits to users:

1. **Prevalence.** Whether the financial reporting issue is widespread globally amongst public sector entities.
2. **Consequences.** Whether the issue impairs the ability of the financial statements to

provide useful information for accountability and decision-making.

3. **Urgency.** Whether the emerging issue has recently gained prominence and therefore requires consideration in the near term.
4. **Feasibility.** Whether a technically sound solution to the issue can be developed within a reasonable time period and current resource constraints without impacting adversely on the completion of other projects.

The above factors were considered together in the context of the resources available to the IPSASB, and the need for a balanced Work Plan that includes projects with a mix of complexities.



Work Plan Status at December 2018

Figure 1: Projected timelines for the IPSASB's ongoing projects at 31 December 2018

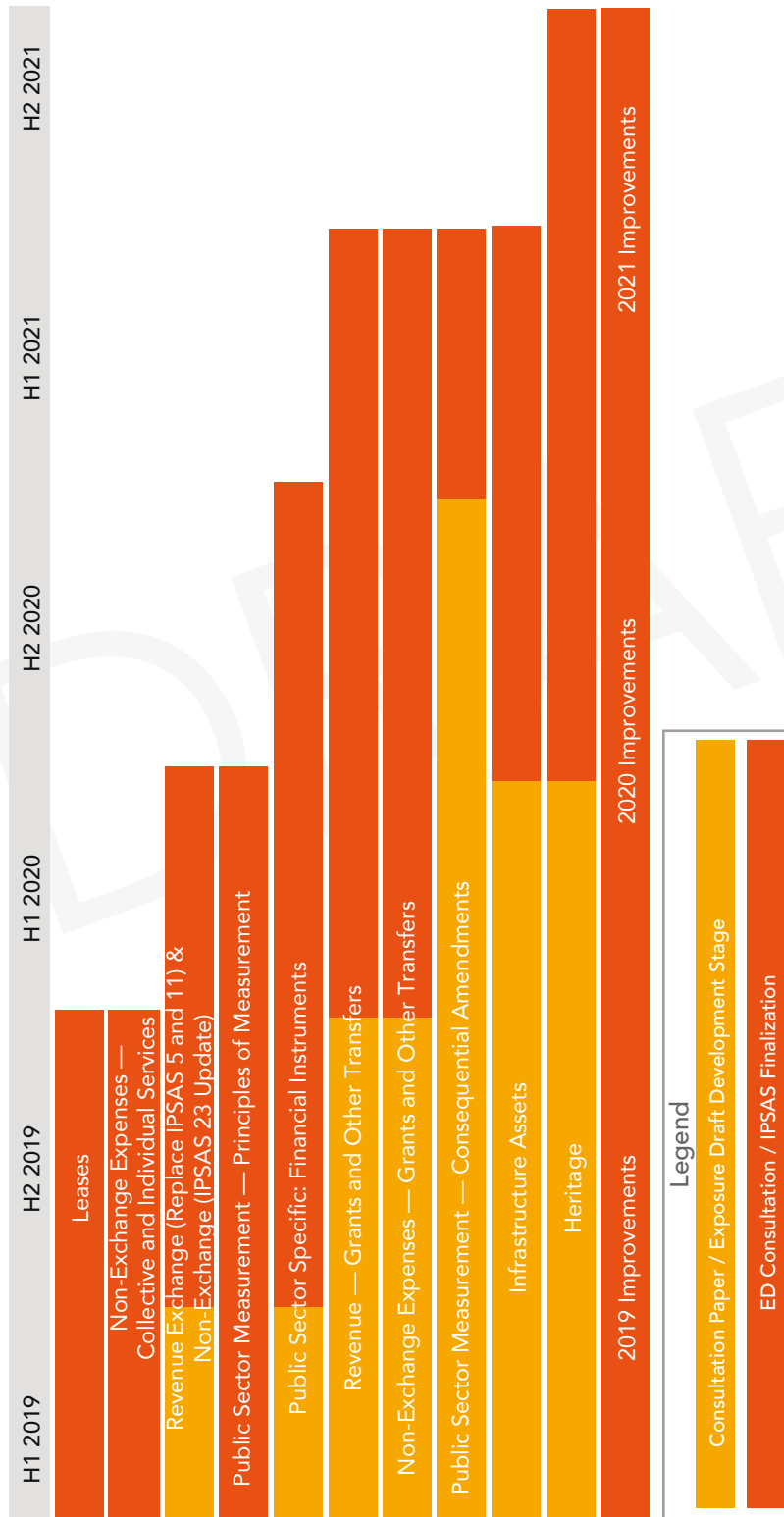


Figure 1 sets out the expected progress for all ongoing projects on the current IPSASB Work Plan as at December 2018. The progress of each project will be dependent on the decisions taken by the IPSASB, feedback received from stakeholders⁸ in each consultation phase, and the availability of staff resources. The IPSASB reviews Work Plan progress at each meeting.

The completion of the projects in the current Work Plan will progressively provide the space from 2019 onwards to undertake new projects. ■

⁸ This work plan assumes that CPs and EDs have standard 4-month consultation periods and assumes that there will not be any projects requiring EDs being re-exposed.

Theme A: Setting standards on public sector specific issues

- The IPSASB's primary focus recently has been in developing public sector specific standards as this is the area of main concern of users.

Our current Work Plan has a number of active projects addressing public sector specific issues, as follows:

Ongoing public sector specific projects include:

- **Revenue**—the current IPSAS exchange revenue standards (IPSAS 9 and 11) are aligned with IASB standards that have been superseded by the publication of IFRS 15, *Revenue from Contracts with Customers*, which provides the IPSASB an opportunity to update these standards. In addition, the approach in IFRS 15 has provided the IPSASB with an impetus to consider its approach to non-exchange revenue transactions and to address practical issues that have emerged in the application of IPSAS 23;
- **Non-exchange expenses**—relate to some of the most important areas of government and public sector entities activity, such as universally accessible services including education and health care and collective services such as defense spending. The public sector transactions in these areas, as well as grants and transfers that give rise to non-exchange expenses are numerous and financially significant. The lack of international guidance on the recognition and measurement for non-exchange expenses creates a public interest deficit as it leads to inconsistent reporting;
- **Public Sector Measurement**—translating the principles in the Conceptual Framework on measurement into more detailed guidance across the suite of IPSAS will help to ensure comparability and the assessment of value for money in the management of public sector assets and liabilities;
- **Heritage**—providing information on heritage items in financial statements is in the public interest as it promotes effective management and preservation of such items for future generations; and

- **Infrastructure Assets**—citizens rely on such assets which are extensive in the public sector. The lack of specific guidance on the recognition and measurement of these assets, causes practical difficulties for preparers (particularly those in the process of adopting IPSAS).

New public sector specific projects added to the 2019–2023 Work Plan

All projects added to the 2019-2023 Work Plan have been assessed against the project prioritization criteria and consulted on with a broad range of constituents globally. The two projects below have been prioritized over other projects proposed as they provide the greatest public interest benefits.

Natural Resources. The issue of accounting for natural resources in the public sector is prevalent in many jurisdictions. Governments often have little idea of the monetary value of natural resources until after they are extracted. However, the rights to extract such resources are often granted beforehand to third parties who then profit from their extraction. From a public interest perspective, this is an important issue, particularly in jurisdictions with resource-based and resource rich economies because the recognition and measurement of these assets impact their management and the benefits derived by citizens from their extraction. The scoping phase of this project will not only have regard to extractive resources, but will also consider broader natural resources, such as water, natural phenomena and living species.

Conceptual Framework limited-scope review.

The IPSASB developed its own Conceptual Framework as the primary basis for its future standard setting activities. In finalizing its Framework in September 2014, it drew on relevant parts of the IASB's Framework at that point. The recent revisions to the IASB's Framework have therefore raised questions about whether the relevant aspects of the IPSASB's own Conceptual Framework should be revised. This project will therefore evaluate the changes made to the IASB's Conceptual Framework, and their relevance to the public sector. Linked to this work, the IPSASB will also evaluate the need for changes to its literature in light of the IPSASB Conceptual Framework chapters on Elements and Recognition in Financial Statements.

New public sector specific projects prioritized for initial research and scoping

A number of IPSASB's constituents highlighted concerns with the number of projects proposed for addition to the 2019-2023 Work Plan. The concerns stemmed from the number and significance of the Board's ongoing projects and the need to focus resources on these in preference to starting new projects. The IPSASB has considered the current and anticipated progress of its current projects, and decided not to add discount rates or differential reporting to the 2019-2023 Work Plan at this time. However, the Board may approach national standard setters to lead work on the initial research and scoping on important public sector accounting issues. This approach allows for continued development on important topics to the

public sector while minimizing direct investment of the IPSASB's resources at a time when there are still a number of on-going public sector specific projects. Following consideration of stakeholder comments, the IPSASB plans to offer national standard setters⁹ the opportunity to lead initial research and scoping work on:

- Differential Reporting;
- Discount Rates;
- Presentation of Financial Statements in the Public Sector; and
- Tax expenditures. ■

Theme B: Maintaining alignment with IFRS

The IPSASB will continue its work to maintain alignment with IFRS¹⁰.

The IPSASB believes that maintaining alignment with IFRS is in the public interest for the following reasons:

- **Common language.** Global public sector standards should have consistent principles and accounting outcomes when the economics of transactions are the same.
- **Mixed Group Consolidations¹¹.** Different requirements are costly to those applying IPSAS when there is no public sector specific reason to develop different accounting treatments. Therefore, reducing unnecessary differences minimizes the cost of preparing consolidated financial statements.
- **Leveraging Resources.** When the transactions are the same in the public and private sector, it makes sense for the IPSASB to build off the best practices in the private sector reporting and develop an aligned standard.

The publications of IPSAS 39, *Employee Benefits* and IPSAS 41, *Financial Instruments* are recent examples of the IPSASB's work to maintain alignment with IFRS. These projects replaced older versions of the standards because of revisions to the related IFRSs. The IPSASB has also completed a number of minor improvements projects in recent years.

⁹ The IPSASB will encourage the involvement of small groups of interested national standards setters to undertake the initial research and scoping work with the aim in identifying the range of options available to address the issues in a particular project, different accounting models that exist in national jurisdictions to address the issues and to identify other sources of public sector specific guidance related to the transactions, if any.

¹⁰ The IPSASB follows a robust process for considering if the IFRS requirements are appropriate for public sector transactions when undertaking an alignment project. This includes considering if specific public sector guidance is necessary, if the relevant private sector guidance is fit for purpose for the public sector, and if additional examples and other implementation guidance will help with the application of the principles in the public sector.

¹¹ Mixed group consolidations are when the public sector consolidates entities it controls which apply private sector accounting standards such as IFRS.

Current active projects that will help to maintain alignment following the issue of new IFRSs are:

- Revenue (IFRS 15); and
- Leases (IFRS 16).

Despite these projects, some IPSAS remain based on older versions of IFRS. The next few years present a 'catch up' opportunity as a result of the IASB 2017–2021 Work Plan, where the focus is on completion of large-scale standard setting projects, while not undertaking any new major projects. The IPSASB has identified a number of possible projects, categorized as major projects, narrow scope projects and minor improvements.

In managing its Work Plan and responding to the views of stakeholders globally, the IPSASB will also aim to:

- Undertake regular improvements projects on at least an annual basis in order to address issues identified with current IPSAS as well as to incorporate relevant minor changes to IASB literature;
- Incorporate narrow scope alignment projects, based on the consideration of the availability of agenda time and staff resources¹², as well as the overall mix of complex projects dealing with public sector issues. The IPSASB will consider the potential public interest benefits of undertaking any particular future projects, against the project prioritization criteria and in

terms of the overall balance of the Work Plan; and

- Consider projects to reduce unnecessary differences related to the following items as staff and IPSASB resources become available:
 - IPSAS 18, *Segment Reporting* (update for IFRS 8, *Operating Segments*);
 - IPSAS 20, *Related Party Disclosures* (Update for IAS 24, *Related Party Disclosures* – 2009);
 - IAS 26, *Accounting and Reporting by Retirement Benefits Plans*; and
 - IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*.

This approach to develop a pipeline of alignment projects allows the IPSASB the flexibility to use its resources to address the issues which are most pressing to the public sector, when appropriate resources are available¹³.

To help guide its work under Theme B and in making progress on the pipeline of alignment projects, the IPSASB has developed a dashboard which shows the degree of public sector specificity for each standard as well as the level of alignment with the corresponding IFRS. This document is updated by staff on a quarterly basis and allows the IPSASB and its constituents to understand what the alignment status is for each standard and can be found on the IPSASB website. ■

¹² The IPSASB may leverage staff resources of National Standard Setters when available to work on such IFRS narrow scope alignment projects.

¹³ Based past experience, the IPSASB has evidenced that it can develop guidance aligned with IFRS with much less investment in terms of time and resources than compared to a pure public sector specific project. Therefore, the IPSASB believes it can work in some of the above selected major topics in an efficient manner while public sector specific projects are out for consultation or as they are completed without a large impact on the Work Plan or timeline of the prioritized public sector specific projects.

Theme C: Developing guidance to meet users' broader financial reporting needs

The IPSASB will monitor developments in this area rather than undertake any specific projects.

The IPSASB has developed the following non-mandatory guidance addressing broader financial reporting needs that cannot be satisfied through general purpose financial statements alone:

- RPG 1, *Reporting on the Long-Term Sustainability of an Entity's Finances*;
- RPG 2, *Financial Statement Discussion and Analysis*; and
- RPG 3, *Reporting Service Performance Information*.

The IPSASB's main efforts during the first part of the 2019–2023 period will primarily focused on addressing public sector specific issues and to a lesser extent on maintaining alignment with IFRS. Given resource limits the IPSASB has decided against adding any specific projects to the Work Plan during 2019–2023 period related to Theme C.

Instead, the IPSASB will actively monitor developments in the broader narrative reporting area. Specifically, it will monitor the work and progress related to Integrated Reporting <IR>, the Corporate Reporting Dialogue and the IASB's project on *Better Communication in Financial Reporting*. The IPSASB will consider the need for future projects related to these initiatives based on their evolution from now through to the mid-period Work Plan consultation planned for late 2020.

Project Phasing and Mid-period

Work Plan update

The projects added under Theme A and the on-going work related to maintain IFRS alignment under Theme B will be started on a phased basis as the current active projects in the Work Plan are completed, and capacity becomes available. The IPSASB will undertake initial research phases for each new project, to ensure it understands the scope of public sector issues and the resource requirements, as well as what the intended output is in terms of standards and/or guidance. To ensure that the IPSASB operates

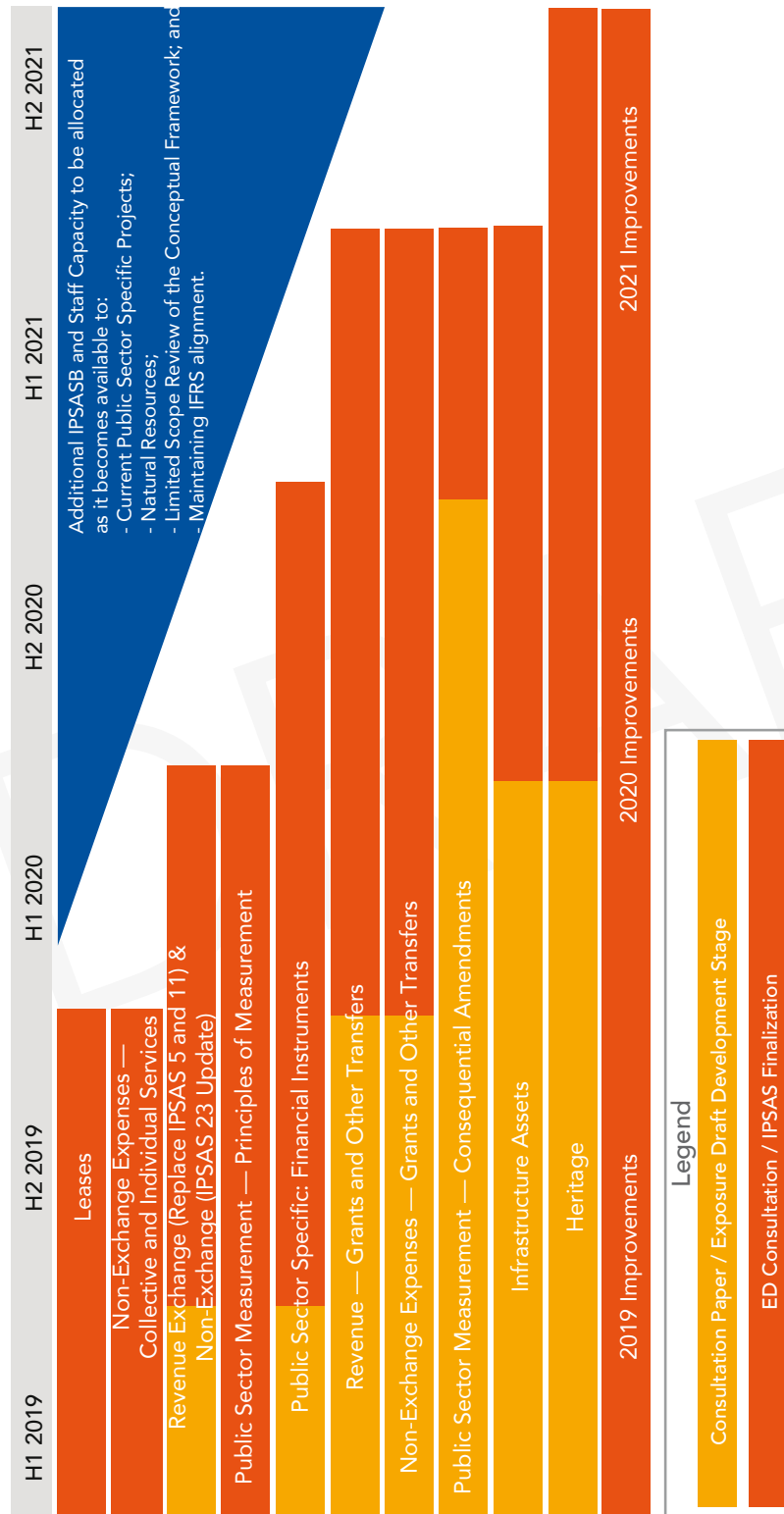
in the public interest of its constituents it is important that it undertakes this initial research phase before initiating full projects.

Anticipated progress with the IPSASB's current projects should mean that the two new projects

are expected to be started in 2019 and 2020 as shown in figure 2. The IPSASB will decide the order in which the specific new projects start, in the light of its assessment of the priorities and resources at that the relevant points in time.

DRAFT

Figure 2: Current Projects and Additions to the Work Plan 2019-2023



Although the Strategy and Work Plan is intended to remain in place throughout the 2019-2023 period, the IPSASB is conscious that new reporting issues may emerge which require a review of Work Plan priorities. It therefore plans to hold a limited-scope public consultation during 2020, in order to obtain external input to its own ongoing consideration of these matters. ■

Raising awareness of IPSAS and the benefits of accrual adoption

- The IPSASB sees the work related to raising awareness of IPSAS and the benefits of accrual adoption as a critical contribution to PFM reform. Given the complexity of the PFM landscape, and its own resource limitations, the IPSASB's view is that building relationships with those working in this space and engagement in their work is the most effective way of promoting the use of IPSAS in PFM reform projects. The IPSASB will therefore actively monitor the work of others in the PFM arena and look for appropriate opportunities to support their work on the international, regional and local levels through its Members, Technical Advisors, Staff and IPSASB Alumni.

Theme D: Promoting IPSAS adoption and implementation

The PFM reform landscape within individual jurisdictions is complex, and the IPSASB's role is more limited than other groups, as shown in the table below. The transition to accrual requires a program of changes across a number of different areas, including professional skills and capacity, systems, internal controls and to processes and requirements for reporting transactions. This involves a number of different groups, with different skills and expertise at various stages to differing degrees throughout the adoption and implementation process.

Type of support	Entity Staff	Consultants / Contractors	Supranational and regional organizations	IPSASB
Promotion	✓	✓	✓	✓
Technical Guidance	✓		✓	✓
Financial	✓		✓	
Practical / Technical	✓	✓	✓	
Capacity Development	✓	✓	✓	

Promotion

The IPSASB's resources limit the extent to which it can promote IPSAS in individual jurisdictions. However, it has an active outreach program focused on speaking at conferences and attending key local meetings, in support of the work of local adopters and implementers. Given the recent global momentum in the adoption of IPSAS, and indications that this momentum will continue in the 2019–2023 period, it is important that the IPSASB Chair, Board Members, Technical Advisors and Staff continue their program of outreach and engagement in order to support the efforts of:

- Those contemplating adoption and implementation;
- Those already in the process of adopting and implementing; and
- Those who have adopted and implemented.

Direct engagement is key because the needs of constituents differ depending on their progress on adoption.

The IPSASB's outreach activities in promoting adoption and implementation also present an opportunity to learn about issues that are important to users. This important feedback mechanism can identify public sector specific issues and areas for further IFRS alignment or other broader financial reporting needs that should be addressed in the future. This will include working with regional organizations, including engaging in direct discussions on current projects and PFM reform projects and challenges important to the region.

Implementation Support and Technical Guidance

The IPSASB has recently updated its Cash Basis IPSAS, which sets out requirements for public sector entities reporting under the cash basis of accounting, in order to address adoption and implementation challenges encountered in practice. In doing so, it has also clarified that it sees the Cash Basis IPSAS as a step on the path to adoption of the accrual basis, rather than an end in itself.

In order to support accrual adoption and implementation, the IPSASB has issued Study 14: *Transition to the Accrual Basis of Accounting: Guidance for Public Sector Entities*. Study 14 is a practical tool to help with common challenges encountered in the transition to accrual accounting and draws upon the experiences of jurisdictions that have been through the transition already. Since the issuance of the current version in 2010, the IPSASB believes that it should be updated to reflect changes in the IPSAS suite of standards, as well as to include further best practice examples from recent experiences of those transitioning to accrual-based IPSAS. Constituents globally have noted that adoption and implementation challenges are key issues for those looking to move to accrual IPSAS and that an updated and perhaps re-formulated Study 14 could be an effective tool to help those starting that important journey. Therefore the IPSASB will work with others to update Study 14 to help deal with challenges noted.

The IPSASB has recently increased its level of support for the adoption and implementation of IPSAS through:

- Explicitly considering implementation challenges noted in the application of accrual IPSAS, when developing public sector specific application guidance, illustrative examples and implementation guidance for new standards and/or updating and revising existing standards;
- Producing implementation support webpages for all major new standards to facilitate their rollout so that preparers and users can understand their likely impact, and use educational material to support implementation;
- Creating a Task Force to consider Implementation and Interpretations issues raised by constituents, and decide whether additional guidance or changes to standards should be proposed.
- Developing 'At A Glance' summaries for all significant IPSAS publications and pronouncements;
- Providing webinars on significant consultations and final pronouncements;
- Publishing an annual Handbook, which is a one stop shop to all of the IPSASB's current pronouncements;

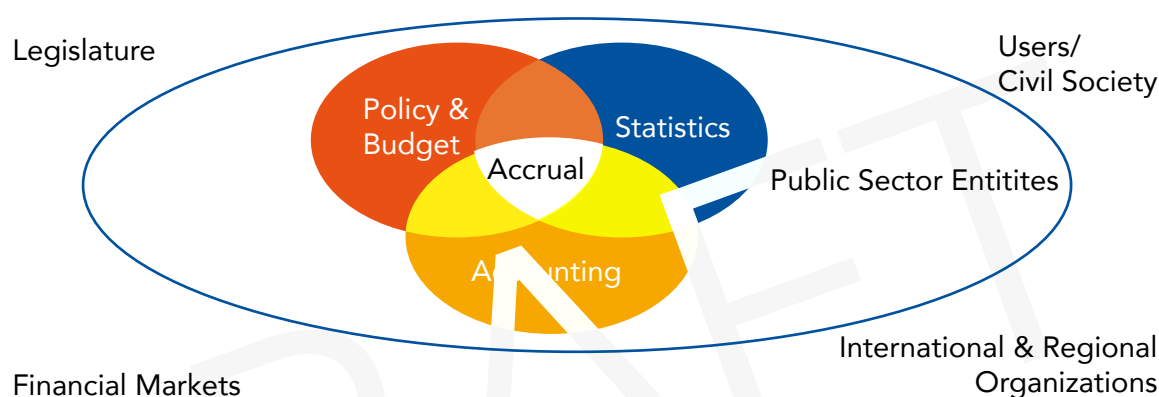
- Issuing Staff Questions and Answers (Q & A) publications highlighting aspects of IPSASB's suite of standards which are relevant to implementation, such as the recent Q & A on Materiality; and
- Creation of training materials as well as delivery of limited training activities to support IPSAS understanding.

The IPSASB recognizes that in some jurisdictions the public sector accounting capacity needed to implement IPSAS is limited. Further, ensuring that those using the standards understand the information being communicated is an ongoing challenge. The IPSASB responds to these challenges through its outreach activities which aim to influence others working in the wider PFM space to ensure activities are coordinated and the needs of jurisdictions are considered. A key aspect of the IPSASB's outreach activities include a continued effort to build on strategic regional relationships developed through the regional roundtable events held during the consultation on this Strategy and Work Plan. This will allow the IPSASB to obtain real-time input to its Work Plan, as well as allowing constituents to provide feedback on problems encountered in practice, in particular those related to the implementation of the standards.■

Theme E: Advocating the benefits of accrual in strengthening PFM

Moving to IPSAS provides many benefits, including contributing to the delivery of Sustainable Development Goals. In order to maximize these benefits, the IPSASB believes that accrual-based information should be used for as many purposes as possible. Figure 3 illustrates the various potential users of, and the variety of uses for, accrual information in PFM.

Figure 3: Uses/Users of accrual in PFM



Other international and regional organizations provide guidance and thought leadership, or otherwise influence the use of accrual information in these broader areas of PFM. The IPSASB believes it is important to build relationships with these organizations, so that its accrual accounting expertise is drawn upon by them, in order to expand the use of accrual information for PFM purposes, and to increase the alignment between the requirements of these different user groups. In turn their knowledge and expertise can influence the IPSASB's own work. In many cases, IPSASB already has relationships with these organizations through its oversight and advisory structures as well as through their Observer roles on the IPSASB.

Recently the IPSASB has worked to establish more formal outreach opportunities and has actively participated in forums in this area, such as:

- The annual Organisation for Economic Co-operation and Development (OECD) Public Sector Accruals Symposium;
- Engagement with the Government Finance Statistics (GFS) community through participation in the IMF GFS advisory committee;
- Participation in the joint IMF/World Bank/IPSASB Seminar: Transparency and Beyond: Harnessing the Power of Accrual in Managing Public Finances; and
- World Bank Governance Forum.

- Activities and engagement with the International Organisation of Supreme Audit Institutions (INTOSAI); and
- Various on-going dialogues and discussions with national and regional standard setters contemplating the potential use of IPSAS in their reporting frameworks.

The IPSASB believes that its advocacy work in the area of increasing the use of accrual in PFM should be taken forward through:

- Further work with the GFS community on reducing unnecessary differences between IPSAS and GFS in order to facilitate the use of IPSAS data for GFS purposes, and in turn its use in supporting budgetary and macroeconomic policy decisions;

- Participating in international and regional organization-sponsored PFM-related events;
- Participation in training and other 'internal' events for these organizations staff in order to raise awareness and disseminate knowledge of IPSAS; and
- Commenting on guidance and thought leadership papers during their development; and Participation in relevant working groups.

These initiatives will be complemented and supported by the regional engagement approach that IPSASB is planning to adopt in connection with Theme D. ■



Managing Delivery of Strategy and Work Plan 2019–2023

IPSAS support high-quality financial reporting for the public sector globally because they are:

Internationally recognized	Designed specifically for the public sector	Developed independently through a rigorous due process
----------------------------	---	--

The Strategy and Work Plan 2019–2023 is ambitious, and draws on the full capacity of the IPSASB to deliver high-quality standards in a timely manner. The IPSASB's current capacity includes:

- Seventeen volunteer members (and their technical advisors) and a remunerated independent Chair who collectively commit approximately 13,000 hours of time annually.
- An experienced full-time technical and administrative team of eight staff, with the IPSASB's administrative structures and processes facilitated by IFAC.
- An annual operating budget¹⁵ that supports staffing, meeting, travel and other direct costs necessary for the IPSASB to be able to execute its Strategy and carry out its Work Plan.

Managing delivery of the IPSASB's Strategy and Work Plan within these limited resources, and with due consideration of the external context

in which it operates is a priority of the IPSASB leadership. Key focus areas include:

International Recognition

The strength of the IPSASB's reputation and global acceptance of the IPSAS—Managed through:

- Ongoing commitment to ensuring both the quality and timeliness of delivery of new standards. This includes developing high-quality principle-based standards that are usable and provide users with information that is relevant and faithfully representative;
- Appointments through the independent nominations process which emphasizes and ensures diversity of¹⁶ IPSASB members, with the requisite skills, resources and capacity to contribute to the projects on the Work Plan; and
- Attracting, developing and retaining diverse, knowledgeable and highly qualified staff.

¹⁵ The IPSASB receives support from the Asian Development Bank, the Chartered Professional Accountants of Canada, the New Zealand External Reporting Board, and the governments of Canada and New Zealand. The structures and processes that support the operations of the IPSASB are facilitated by the International Federation of Accountants (IFAC).

¹⁶ The IPSASB values diversity amongst its members and the staff. The IPSASB continually works to improve the diversity of its members who are selected on the principle of "best person for the job," the primary criterion being the individual qualities and abilities of the nominee in relation to the position for which they are nominated. However, the selection process also seeks a balance between the person and professional qualifications of a nominee and representational needs, including gender balance, geographic representation, sector of the accountancy professional, knowledge of institutional arrangements encompassed by the constituency, size of the organization, and level of economic development.

Public Sector Specific

Relevance and focused on key public sector specific issues—Managed through:

- Collaborating with national public sector accounting standard setting boards and the IASB to leverage their work and resources, including staff support when possible;
- Use of task forces to aid in standards development work; and
- Optimizing IPSASB plenary time, balancing debates on both strategic and technical considerations, and continuous improvement of effective and issues-focused material.

Rigorous Due Process

Strong public interest focus—Managed through:

- Clearly documented processes reviewed and overseen by the PIC;
- Formal public consultations at ED stage (and CP stage where appropriate);
- A close and active governance dialogue with the PIC and the IPSASB CAG, including a focused, responsiveness to their advice, observations, and recommendations and a steadfast commitment to developing high-quality standards in the public interest.

Operational effectiveness and stability—Managed through:

- Organizing and conducting IPSASB meetings and other activities in the most effective, efficient and timely way;

- Using the IPSASB, staff and other resources in a focused and effective manner; and
- Maintaining relationships with existing funders, and ongoing consideration of additional approaches to increase and broaden the funding base.

Robust outreach and communication with constituents—Managed through:

- Development and release of supporting communication material, such as 'At a Glance' and Q&A documents, webinars and podcasts, for example when addressing complex issues;
- An extensive Chair, member and staff outreach program;
- Platforms such as the Public Sector Standard Setters Forums to discuss national issues of international relevance; and
- Use of technology to make meetings accessible, such as live streaming key sessions when possible.

The IPSASB will continue to monitor external developments and evaluate how changes may impact its approach to delivery of its Strategic Objective. This includes monitoring the growth of demands on the IPSASB as the adoption and implementation of IPSAS increases. ■

COPYRIGHT, TRADEMARK, AND PERMISSIONS INFORMATION

International Public Sector Accounting Standards, Exposure Drafts, Consultation Papers, Recommended Practice Guidelines, and other IPSASB publications are published by, and copyright of, IFAC.

The IPSASB and IFAC do not accept responsibility for loss caused to any person who acts or refrains from acting in reliance on the material in this publication, whether such loss is caused by negligence or otherwise.

The 'International Public Sector Accounting Standards Board', 'International Public Sector Accounting Standards', 'Recommended Practice Guidelines', 'International Federation of Accountants', 'IPSASB', 'IPSAS', 'RPG', 'IFAC', the IPSASB logo, and IFAC logo are trademarks of IFAC, or registered trademarks and service marks of IFAC in the US and other countries.

Copyright © [Month and Year] by the International Federation of Accountants (IFAC). All rights reserved. Written permission from IFAC is required to reproduce, store or transmit, or to make other similar uses of, this document. Contact permissions@ifac.org.



International Public
Sector Accounting
Standards Board®

529 Fifth Avenue, New York, NY 10017

T + 1 (212) 286-9344 **F** + 1 (212) 286 9570

www.ipsasb.org

~~Proposed~~ Strategy and Work Plan™

~~Proposed~~ Strategy and Work Plan 2019–2023

~~Consultation January 2018~~

~~Comments due: June 15, 2018~~

Mission	The International Public Sector Accounting Standards Board® (IPSASB®) serves the public interest by developing high-quality accounting standards and other publications for use by public sector entities around the world in the preparation of general purpose financial reports.
Outputs	<p>The IPSASB's authoritative standards include:</p> <ul style="list-style-type: none"> • International Public Sector Accounting Standards™ (IPSAS™) which set out requirements for financial reporting in General Purpose Financial Statements (GPFs); and • Cash Basis IPSAS. <p>The IPSASB's non-authoritative guidance and other publications include:</p> <ul style="list-style-type: none"> • The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities; • Recommended Practice Guidelines (RPGs) applicable to the preparation and presentation of General Purpose Financial Reports (GPFRs); and • Staff papers and other documents.
Impacts	<p>The use of International Public Sector Accounting Standards™ (IPSAS™):</p> <ul style="list-style-type: none"> • Enhances transparency through comparability and quality of accrual-based financial information, enabling users to assess the financial status of public sector entities; • Increases accountability by communicating the nature and amount of resources controlled by public sector entities and how they are used, allowing users to hold governments and other public sector entities to account; and • Contributes to better information for decision makers in public sector entities to use in making judgements and delivering goods and services to users efficiently.
Strategic Input	The IPSASB Consultative Advisory Group (CAG) is a forum composed of individuals from public and private sector organizations who are interested in, or affected by, the IPSASB's work, including those engaged in the preparation, audit, or evaluation of public sector financial reports. Interaction with the CAG is a key element of the IPSASB's due process.
Oversight	The IPSASB sets its standards in accordance with a transparent due process . Its governance and standard setting activities are overseen by the Public Interest Committee (PIC) .
Structures and Processes	The structures and processes that support the IPSASB are facilitated by the International Federation of Accountants® (IFAC®) .
Funding	The IPSASB receives financial support from IFAC®, the Asian Development Bank, the Chartered Professional Accountants of Canada, the New Zealand External Reporting Board, and the governments of Canada and New Zealand.

Copyright © [Month and Year] by the International Federation of Accountants® (IFAC®). For copyright, trademark, and permissions information, please see page [xx].

Foreword

By Ian Carruthers, IPSASB Chair

2018⁷ marked the twenty-first anniversary year of the IPSAS development program. During that period, the IPSASB and its predecessor—the IFAC Public Sector Committee—developed 40-42 International Public Sector Accounting Standards (IPSAS), as well as three *Recommended Practice Guidelines* (RPGs), an IPSAS on reporting under the cash basis of accounting and, *The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities* (Conceptual Framework). These, together with the introduction of a governance framework and an immense amount of outreach work by members, and others associated with its activities, have progressively allowed the IPSASB to mature into the global standard setter for public sector financial reporting.

The IPSASB's first-ever Strategy and Work Plan consultation during 2014, together with completion of the Conceptual Framework in the second half of 2014, were landmark achievements for the IPSASB. Both have fundamentally shaped its current activities. Our work is also increasingly being influenced by the implementation in the past couple of years of our new governance and advisory framework, comprising the Public Interest Committee (PIC) and the Consultative Advisory Group (CAG). Both of these have a public interest focus that strongly influences the IPSASB's work.

This is a critical time for the IPSASB, as the pace and scale of IPSAS adoption have increased significantly in recent years. This is a trend that looks likely to continue, with the number of governments around the world adopting accrual accounting estimated to increase from 31% in 2015 to 71% in 2020¹. Our standards and guidance will therefore increasingly need to meet the practical requirements of a significantly expanding potential user group.

The 2015 Strategy positioned our work for the first time in the context of the drive to strengthen Public Financial Management (PFM) globally. As a result of the feedback from our constituents, the majority of our work since then has focused on IPSAS development and maintenance. In selecting and scoping the projects in our current Work Plan, the IPSASB attempted to strike a balance between addressing key public sector issues, and maintaining convergence alignment with the major new standards issued by the International Accounting Standards Board (IASB). As the IPSASB has progressed the projects approved in 2015, with a number due for completion by the end of 2018, such as IPSAS 41, *Financial Instruments* and IPSAS 42, *Social Benefits*, it has also considered, and is now considering setting out the direction it should take in the five-year period from 2019–2023, and discussed this with a broad range of constituents, and how to allocate its resources in terms of prioritizing new projects, and other potential areas of work.

Based on the feedback obtained through the many outreach events that the IPSASB, Technical Advisors and its alumni collectively undertake, as well as the input from formal strategic engagement such as the Public Sector Standard Setters Forum meetings held in 2016 and 2017, the four IPSASB roundtables held to discuss the Strategy and Work Plan 2019-2023 together with the 53 formal responses received, the IPSASB has confirmed that it believes it should continue to focus its work on developing high-quality financial reporting standards for the public sector. However, further, the IPSASB had additionally confirmed that it should also believe it needs to sharpen the focus of its activities in the area of promoting awareness of IPSAS and the benefits of their adoption and implementation, in particular by working more closely with global and regional bodies to raise the profile of IPSAS with financial regulators and markets, all of whom we believe are important should be key advocates needed as and more consistent supporters of IPSAS adoption. However, the IPSASB also received constituent feedback to be cautious, to ensure not to overcommit its resources by adding too many new projects to the Work Plan, especially while there are on-going important public sector specific projects to complete, including revenue, non-exchange expenses and measurement.

¹ Source: PwC publication: *Global Survey on Accounting and Financial Reporting by Central Governments* (2nd Edition) 14 September 2015.

The ~~feedback from the roundtables and responses to Strategy and Work Plan 2019-2023 consultation the IPSASB's first-ever Strategy and Work Plan consultation during 2014,~~ provided valuable input that ~~will~~ has ~~have~~ helped shape the way ~~the~~ IPSASB ~~will~~ works and ~~what the~~ its priorities for the future ~~its~~ Work Plan ~~will be~~ since then. The new Strategy and Work Plan will drive the IPSASB's work during the 5-year period from 2019, as well as play a key role in strengthening PFM globally going forward. ~~This consultation now provides the opportunity for you to have your say on its priorities for the period 2019–2023, and through doing so, to~~ Your continued support and input will be vital in ~~helping us~~ shape the future of global public sector financial reporting standards ~~during this critical period.~~

~~To ensure the proposed direction and priorities will indeed best serve the public interest, the IPSASB needs your input and looks forward to receiving your comments.~~

Ian Carruthers,
IPSASB Chair

IPSASB Current Strategy '2015 Forward— Leading Through Change'

Strategic Considerations—IPSAS and PFM

Public Financial Management (PFM), in its broadest sense, is the system by which financial resources are planned, directed, and controlled, both externally to and internally within the public sector entity, to enable and influence the efficient and effective delivery of public service outcomes.

Citizens are affected by the financial management decisions of governments and ~~other~~ public sector entities. In many jurisdictions, the lack of complete and audited information about government finances continues to be a major cause of concern, which impacts government accountability and informed decision-making. Moreover, concerns about the sustainability of key government programs are widespread. The longer-term impacts of the sovereign debt crisis and other challenges faced by governments (particularly around demographics and aging populations) emphasize the ongoing urgent need to strengthen the quality of financial management in governments around the world.

Accounting standards can lead to improved quality of financial reporting, which has the potential to improve decision-making in the public sector. The increasing complexity of public sector finances, together with a greater focus on the quality of public financial management, has increased demand for high-quality standards and guidance on how to adopt and implement such standards. Adoption of IPSAS are a fundamental step that governments can take to improve financial reporting and PFM because IPSAS-based information provides a comprehensive picture of their financial performance and position. Such information can also- enable progress on key- government development initiatives such as those related to the United Nations sustainable development goals².

The IPSASB is therefore committed to developing high-quality public sector accounting standards to support high-quality financial reporting. In doing this, the IPSASB's standard setting program helps increase confidence from citizens and financial markets in public institutions, which is key to economic and social stability. The application of IPSAS also facilitates governments and other public sector entities being more accountable to their citizens, and so enhances global fiscal stability and sustainability and accountability.

These strategic considerations raise a number of challenges for the IPSASB to address during the period 2019–2023, including:

- The key gaps remaining in its our public sector-specific standards and literature;
- Certain IPSAS are not up to date with the latest version of the IFRS equivalent;
- The accessibility of financial statements for non-specialist users, and civil society in general, needs improvement;
- Capacity constraints impact on the ability of many jurisdictions to undertake accrual transition projects which limits the pace of adoption. Promotion of, and support for, accrual adoption and IPSAS implementation, both in individual jurisdictions and globally, needs to be enhanced;
- The vision for, and guidance on using accrual information to strengthen PFM needs further development, as does the evidence base for such reforms; and
- Considering how the IPSASB can further help constituents actively contribute to its standard setting and other work going forward.

These challenges have all shaped the IPSASB's ~~proposed~~ Strategy and Work Plan for the period 2019–2023.

² Accountability and transparency by governments and public sector entities on the use of their resources, enables through high-quality financial reporting, such as IPSAS can lead to improved decision-making. Further, this can be seen as an important step in achieving improvements on the United Nations sustainable development goals; a key initiative to better society for future generations around the world.

The IPSASB's ~~Proposed~~ Strategic Objective and Strategic Themes 2019–2023

The overarching Strategic Objective that the IPSASB ~~proposes to adopt~~^{ed} for 2019–2023 refines the one currently in use in order to provide a sharper focus for its future work. [The overarching Objective is:](#)

Strengthening Public Financial Management (PFM) globally through increasing adoption of accrual-based IPSAS.

Delivered through two main areas of activity, both of which have a public interest focus:

- Developing ~~and maintaining~~ IPSAS and other high-quality financial reporting guidance for the public sector; and
- Raising awareness of IPSAS and the benefits of accrual adoption.

Developing ~~and maintaining~~ IPSAS and other high-quality financial reporting guidance for the public sector

<i>Theme A:</i> Setting standards on public sector specific issues	As the global public sector accounting standard setter acting in the public interest, the IPSASB will focus proposes that the majority of its efforts should continue to focus on this Theme in order to address key public sector specific reporting issues not already addressed by IPSAS. The Conceptual Framework will be used as a basis for addressing these challenging public sector reporting issues. In addition, the IPSASB's policy to reduce unnecessary differences with Government Finance Statistics (GFS) ³ will also be integral to its work. The IPSASB believes this is the main area where it can add value, as the issues under this theme have not been addressed by other standards setters and are important to users of financial statements in the public sector.
<i>Theme B:</i> Maintaining IFRS convergence alignment ⁴	IFRS convergence alignment has been a key pillar of IPSAS development since the inception of the standards program in 1997. In many instances, government activities are the same as corporate activities and so there are advantages for citizens and constituents in reporting such activities using common global financial reporting

³ The IPSASB considers opportunities to reduce unnecessary differences with GFS in all projects to develop standards and guidance. For further details please see the IPSASB's [Process for Considering GFS Reporting Guidelines during the Development of IPSASs](#).

⁴ The term 'alignment' refers to the formal processes the IPSASB follows to assess the applicability of IFRS and / or GFS requirements when developing pronouncements which faithfully represent the economic substance of transactions in the public sector. Through these processes the IPSASB aims to reduce unnecessary differences with these sources of guidance when they can also be applied in the public sector context.

	approaches where this is appropriate. The IPSASB's approach to using IASB literature where relevant ⁵ allows it, as a volunteer board with a small staff team, to develop standards efficiently that address the needs of public sector users. Its policy on reducing unnecessary GFS differences is also relevant to work under this theme.
<i>Theme C:</i> Developing guidance to meet users' broader financial reporting needs	The IPSASB recognizes that the characteristics of the public sector mean that user needs may not always be satisfied by the financial statements alone. Therefore, it has developed guidance on broader financial reporting (Recommended Practice Guidelines 1–3 ⁶), where specific public interest needs have been identified. The IPSASB will continue to monitor user needs as well as emerging issues and relevant work by other standard setters in the broader financial reporting space.

Raising awareness of IPSAS and the benefits of accrual adoption

<i>Theme D:</i> Promoting IPSAS adoption and implementation	Promoting and encouraging the adoption and implementation of IPSAS, is in the public interest as it can lead to improvements in public sector financial reporting globally, which benefits users by providing greater transparency and provides information to inform better decision-making and accountability. The IPSASB therefore has a very active approach to outreach ⁷ enabling it to engage in a global dialogue with constituents on the adoption and implementation of IPSAS.
<i>Theme E:</i> Advocating the benefits of accrual in strengthening PFM	The IPSASB's view is that the use of accrual information provides the foundation for strong PFM. In furthering its Strategic Objective, the IPSASB works with other professional groups and sponsoring organizations to help develop the understanding of the PFM benefits of IPSAS adoption in improving transparency, accountability and decision-making.

⁵ The IPSASB also considers relevant IASB literature as part of its projects. For further details please see the IPSASB's Process for Reviewing and [Modifying IASB Documents](#).

⁶ The IPSASB has developed three Recommended Practice Guidelines (RPGs), which are pronouncements that provide guidance on good practice in preparing general purpose financial reports (broader financial reporting) that are not financial statements. The following RPGs have been developed: RPG 1, *Reporting on the Long-Term Sustainability of an Entity's Finances*, RPG 2, *Financial Statement Discussion and Analysis* and RPG 3, *Reporting Service Performance Information*.

⁷ IPSASB members and staff undertake a considered and active constituent engagement strategy, including personal appearances, participation in discussion groups and forums, as well as using webinars and other methods of electronic communication, to inform and engage on various technical topics.

Proposed Work Plan 2019-2023

Developing IPSAS and other high-quality financial reporting guidance for the public sector

Themes A, B and C relate to the IPSASB's central role as a standard setter, and are therefore where it has prioritized ~~sd-specific~~ projects ~~that it proposes to add on~~ to the Work Plan 2019–2023.

Criteria for project prioritization

In selecting the projects under each Theme, the IPSASB has evaluated a list of potential projects against the following criteria, in order to help assess which projects would provide the greatest public interest benefits to users:

1. *Prevalence*. Whether the financial reporting issue is widespread globally amongst public sector entities.
2. *Consequences*. Whether the issue impairs the ability of the financial statements to provide useful and transparent information for accountability and decision-making.
3. *Urgency*. Whether the emerging issue has recently gained significance-prominence and therefore requires consideration in the near term.
4. *Technical and Resource Considerations*. Whether a technically sound solution to the issue can be developed within a reasonable time period using available resources.

The above factors were considered together in the context of the resources available to the IPSASB, and the need for a balanced Work Plan that includes projects with a mix of complexities.-

Current Work Plan Status at December 2018

Figure 1: Projected timelines for the IPSASB's current ongoing projects at 31 December 2018

H1 2019	H2 2019	H1 2020	H2 2020	H1 2021	H2 2021
Leases					
Non-Exchange Expenses - Collective and Individual Services					
Revenue: Exchange (Replace IPSAS 9 and 11) & Non-Exchange (IPSAS 23 Update)					
Public Sector Measurement - Principles of Measurement					
Public Sector Specific Financial Instruments					
Revenue - Grants and Other Transfers					
Non-Exchange Expenses - Grants and Other Transfers					
Public Sector Measurement - Consequential Amendments					
Infrastructure Assets					
Heritage					
2019 Improvements	2020 Improvements	2021 Improvements			
Consultation Paper / Exposure Draft Development Stage					
ED Consultation / IPSAS Finalization					

Figure 1 sets out the expected progress for all ongoing projects on the current IPSASB Work Plan as at December 2018. The progress of each project will be dependent on the decisions taken by the IPSASB, feedback received from stakeholders⁸ in each consultation phase, and the availability of staff resources. The IPSASB reviews Work Plan progress at each meeting.

The completion of the items-projects in the current Work Plan will progressively provide the space from 2019 onwards to undertake new projects.

Theme A: Setting standards on public sector specific issues

The IPSASB's primary focus recently has been in developing public sector specific standards as this is the area of main concern of users.

Public sector specific projects are a major area of the IPSASB's current and future work.

OngoingCurrent public sector specific projects

are

- ~~**Social Benefits**—relate to key social programs, for example old age pensions and unemployment benefits and make up a significant proportion of public sector expenditure. The lack of international guidance on accounting for social benefits creates a public interest deficit. Information about social benefits can form a key input to the assessment of the sustainability of government services;~~
- **Revenue**—the current IPSAS exchange revenue standards (IPSAS 9 and 11) are convergedaligned with IASB standards that have been superseded by the publication of IFRS 15, *Revenue from Contracts with Customers*, which provides the IPSASB an opportunity to update theses standards. In addition, the approach in IFRS 15 has provided the IPSASB with an impetus to consider its approach to non-exchange revenue transactions and to address practical issues that have emerged in the application of IPSAS 23;
- **Non-exchange expenses**—relate to some of the most important areas of government and public sector entities activity, such as universally accessible services including education and health care and collective services such as defense spending. ~~The P~~public sector transactions in these areas, as well as grants and transfers -that give rise to non-exchange expenses are numerous and financially significant. The lack of international guidance on the recognition and measurement for non-exchange expenses creates a public interest deficit as it leads to inconsistent reporting;
- ~~**Revenue**—the current IPSAS exchange revenue standards (IPSAS 9 and 11) are converged with IASB standards that have been superseded by the publication of IFRS 15, *Revenue from Contracts with Customers*, which provides the IPSASB an opportunity to update theses standards. In addition, the approach in IFRS 15 has provided the IPSASB with an impetus to consider its approach to non-exchange revenue transactions and to address practical issues that have emerged in the application of IPSAS 23;~~
- **Public Sector Measurement**—translating the principles in the Conceptual Framework on measurement into more detailed guidance across the suite of IPSAS will help to ensure comparability and the assessment of value for money in the management of public sector assets and liabilities;
- **Heritage**—providing information on heritage items in financial statements is in the public interest as it promotes effective management and preservation of such items for future generations; and
- **Infrastructure Assets**—citizens rely on such assets which are extensive in the public sector. The lack of specific guidance on the recognition and measurement of these assets, causes practical difficulties for preparers (particularly those in the process of adopting IPSAS).

⁸ This work plan assumes that CPs and EDs have standard 4-month consultation periods and assumes that there will not be any projects requiring EDs being re-exposed.

New public sector specific projects ~~prioritized for inclusion in the~~ added to the 2019–2023 Work Plan

All ~~potential~~ projects ~~added to the 2019-2023 Work Plan~~ have been assessed, against the project prioritization criteria ~~and consulted on with a broad range of global constituents globally~~. The ~~two~~ projects below ~~have been are proposed because they~~ prioritized over other projects proposed as they provide the greatest public interest benefits. ~~Appendix A provides summaries of the other potential projects that the IPSASB has considered, but not currently prioritized for inclusion in the Work Plan.~~

Natural Resources. The issue of accounting for natural resources in the public sector is prevalent in many jurisdictions. Governments often have little idea of the monetary value of natural resources until after they are extracted. However, the rights to extract such resources are often granted beforehand to third parties who then profit from their extraction. From a public interest perspective, this is an important issue, particularly in jurisdictions with resource-based and resource rich economies because the recognition and measurement of these assets impact their management and the benefits derived by citizens from their extraction. ~~The~~ scoping phase of this project ~~will~~ will not only have regard to extractive resources, but ~~would~~ will also consider broader natural resources, such as water, natural phenomena and living species.

Conceptual Framework limited-scope review. The IPSASB developed its own Conceptual Framework as the primary basis for its future standard setting activities. In finalizing its Framework in September 2014, it drew on relevant parts of the IASB's Framework at that point. The impending recent revisions to the IASB's Framework have therefore increasingly raised questions about whether the relevant aspects of the IPSASB's own Conceptual Framework should be revised. This project will therefore evaluate the changes made to the IASB's Conceptual Framework, and their relevance to the public sector. Linked to this work, the IPSASB will also propose to evaluate the need for changes to its literature in light of the IPSASB Conceptual Framework chapters on Elements and Recognition in Financial Statements.

New public sector specific projects prioritized for initial research and scoping

A number of ~~Several~~ IPSASB's ~~global~~ constituents highlighted concerns with the number of projects proposed for addition to the 2019-2023 Work Plan. The concerns stemmed from the number and significance of the Board's ~~current ongoing important ongoing projects that the IPSASB continues to work on~~ and the need to ~~prioritize the~~ focus resources on these in preference to starting new projects. ~~Therefore, the~~ IPSASB has considered the current and anticipated progress of its current projects, and decided ~~will not to add discount rates or differential reporting to the 2019-2023 Work Plan at this time.~~ However, the IPSASB Board may approach national standard setters to lead work on the initial research and scoping on important public sector accounting issues. This approach allows for continued development on important topics to the public sector, ~~without a~~ while minimizing direct investment of the IPSASB's resources at a time when there are still a number of on-going public sector specific projects. Following consideration of stakeholder comments, ~~the~~ IPSASB plans to offer national standard setters⁹ the opportunity to ~~undertake~~ lead initial research and scoping work on:

- Differential Reporting;
- Discount Rates;
- Presentation of Financial Statements in the Public Sector; and
- Tax expenditures.
- ~~Tax expenditures.~~

Discount Rates. ~~Since the global financial crisis, the topic of discount rates used in the measurement of long-lived assets and liabilities with long settlement dates has been a public interest concern for constituents because of the low and negative interest rate environments around the world. Although discount rates are addressed in IPSAS, some constituents argue that the low/negative interest rate environment results in an increased impact on the statement of financial position which may not appropriately recognize the time value of money, which may~~

⁹ The IPSASB will encourage the involvement of small groups of interested national standards setters to undertake the initial research and scoping work with the aim in identifying the range of options available to address the issues in a particular project, different accounting models that exist in national jurisdictions to address the issues and to identify other sources of public sector specific guidance related to the transactions, if any.

~~promote suboptimal decision-making not in the public interest. The project would therefore have a strong linkage with the current Public Sector Measurement project, and would consider the conceptual basis for existing requirements for discounting across the suite of IPSAS as well as the consistency of those existing requirements.~~

~~**Differential Reporting.** Some constituents advocate the development of a less complex set of requirements for small and medium sized public sector entities, with generally simple transactions, for which full IPSAS requirements are too onerous. The lack of differential reporting options may be increasing the cost of adopting IPSAS and therefore creating a barrier to adoption. From a public interest perspective, consideration of the issue of differential reporting is one that may help alleviate capacity issues of governments adopting and implementing IPSAS. However, this needs to be considered in the context of the nature of the public sector, because even small and medium sized entities need to be accountable to constituents for their use of public funds.~~

~~**Conceptual Framework limited scope review.** The IPSASB developed its own Conceptual Framework as the primary basis for its future standard setting activities. In finalizing its Framework in September 2014, it drew on relevant parts of the IASB's Framework at that point. The impending revisions to the IASB's Framework have therefore increasingly raised questions about whether the relevant aspects of the IPSASB's own Conceptual Framework should be revised. This project would therefore evaluate the changes made to the IASB's Conceptual Framework, and their relevance to the public sector. Linked to this work, the IPSASB also proposes to evaluate the need for changes to its literature in light of the IPSASB Conceptual Framework chapters on Elements and Recognition in Financial Statements.~~

Theme B: Maintaining Alignment with IFRS convergence

The IPSASB ~~proposes to will~~ continue ~~its to~~ work to maintain convergence alignment with IFRS¹⁰.

The IPSASB believes that maintaining convergence alignment with IFRS is in the public interest for the following reasons:

- **Common language.** Global public sector standards should have consistent principles and accounting outcomes when the economics of transactions are the same.
- **Mixed Group Consolidations**¹¹. Different requirements are costly to those applying IPSAS when there is no public sector specific reason to develop different accounting treatments. Therefore, reducing unnecessary differences minimizes the cost of ~~developing preparing~~ consolidated financial statements.
- **Leveraging Resources.** When the transactions are the same in the public and private sector, it makes sense for the IPSASB to build off the best practices in the private sector reporting and develop an aligned converged standard.

The publications of IPSAS 39, *Employee Benefits* and IPSAS 41, *Financial Instruments* ~~is are~~ recent examples of the IPSASB's work to maintain convergence alignment with IFRS. These ~~projects is~~ replaced an older versions of the standards ~~because of revisions to the related IFRSs, and notably eliminated options for accounting for actuarial gains and losses.~~ The IPSASB has also completed a number of minor improvements projects in recent years.

Current active projects that will help to maintain convergence alignment following the issue of new IFRSs are:

- ~~Financial Instruments (IFRS 9);~~
- Revenue (IFRS 15); and
- Leases (IFRS 16).

¹⁰ The IPSASB follows a robust process for considering if the IFRS requirements are appropriate for public sector transactions when undertaking an alignment project. This includes considering if specific public sector guidance is necessary, if the relevant private sector guidance is fit for purpose for the public sector, and if additional examples and other implementation guidance will help with the application of the principles in the public sector.

¹¹ Mixed group consolidations are when the public sector consolidates entities it controls which apply private sector accounting standards such as IFRS.

Despite these projects, ~~a number of some~~ IPSAS remain based on older versions of IFRS. The next few years present a 'catch up' opportunity as a result of the IASB 2017–2021 Work Plan, where the focus is on completion of large-scale standard setting projects, while not undertaking any new major projects. The IPSASB has identified a number of possible projects, categorized as major projects, narrow scope projects and minor improvements.

~~The IPSASB has identified a number of possible projects, categorized as major projects, narrow scope projects and minor improvements. Through applying the project prioritization criteria the IPSASB identified the following major project for inclusion in the Work Plan 2019–2023:~~

~~**IPSAS 18, Segment Reporting.** Concerns have been raised about the usefulness of the reporting requirements in IPSAS 18. There are two aspects to this potential project. Firstly, IPSAS 18 is based on IAS 14 *Segment Reporting* and this has been superseded by IFRS 8 *Operating Segments*. Secondly, the need for this project has been raised by constituents who have identified concerns with the quality and usefulness of IPSAS 18. These constituents urged the IPSASB to consider convergence with IFRS 8 and its applicability to public sector entities, as well as the potential to increase the usefulness of information for GFS.~~

In managing its Work Plan and responding to the views of stakeholders globally, the IPSASB will also aim to:

- Incorporate narrow scope ~~convergence alignment~~ projects, based on the consideration of the availability of agenda time and staff resources¹², as well as the overall mix of complex projects dealing with public sector issues. The IPSASB will consider the potential public interest benefits of undertaking any particular ~~future~~ projects, against the project ~~evaluation prioritization~~ criteria ~~proposed above~~, and in terms of the overall balance of the Work Plan;
- It will also ~~u~~Undertake regular ~~minor~~ improvements projects ~~on at least on at least an annual basis~~ in order to address issues identified with current IPSAS as well as to incorporate relevant minor changes to IASB literature; and
- Consider projects to reduce unnecessary differences related to the following items as staff and IPSASB resources become available:
 - IPSAS 18, Segment Reporting (update for IFRS 8, Operating Segments);
 - IPSAS 20, Related Party Disclosures (Update for IAS 24, Related Party Disclosures – 2009);
 - IAS 26, Accounting and Reporting by Retirement Benefits Plans; and
 - IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

This approach to develop a pipeline of alignment projects allows the IPSASB the flexibility to use its resources to address the issues which are most pressing to the public sector, when appropriate resources are available¹³.

To help guide its work under Theme B and in making progress on the pipeline of alignment projects, the IPSASB has developed a dashboard which shows the degree of public sector specificity for each standard as well as the level of alignment with the corresponding IFRS. This document is updated by staff on a quarterly basis and allows the IPSASB and its constituents to understand what the alignment status is for each standard and can be found on the IPSASB website.

Theme C: Developing guidance to meet users' broader financial reporting needs

The IPSASB ~~proposes to will~~ monitor developments in this area rather than ~~to~~ undertake any specific projects.

¹² The IPSASB may leverage staff resources of National Standard Setters when available to work on such IFRS narrow scope ~~convergence alignment~~ projects.

¹³ Based past experience, the IPSASB has evidenced that it can develop guidance aligned with IFRS with much less investment in terms of time and resources than compared to a pure public sector specific project. Therefore, the IPSASB believes it can work in some of the above selected major topics in an efficient manner while public sector specific projects are out for consultation or as they are completed without a large impact on the Work Plan or timeline of the prioritized public sector specific projects.

The IPSASB has developed the following non-mandatory guidance addressing broader financial reporting needs that cannot be satisfied through general purpose financial statements alone:

- RPG 1, *Reporting on the Long-Term Sustainability of an Entity's Finances*;
- RPG 2, *Financial Statement Discussion and Analysis*; and
- RPG 3, *Reporting Service Performance Information*.

The IPSASB ~~proposes that its~~ main efforts during the first part of the 2019–2023 period ~~be will~~ primarily focused on addressing public sector specific issues and to a lesser extent on maintaining ~~convergence alignment~~ with IFRS. Given resource limits the IPSASB ~~is not currently proposing to has decided against~~ adding any specific projects to the Work Plan during 2019–2023 period related to Theme C. ~~However, it will consider whether to undertake any further work on long term financial sustainability in the light of constituent responses to ED 63 on Social Benefits.~~

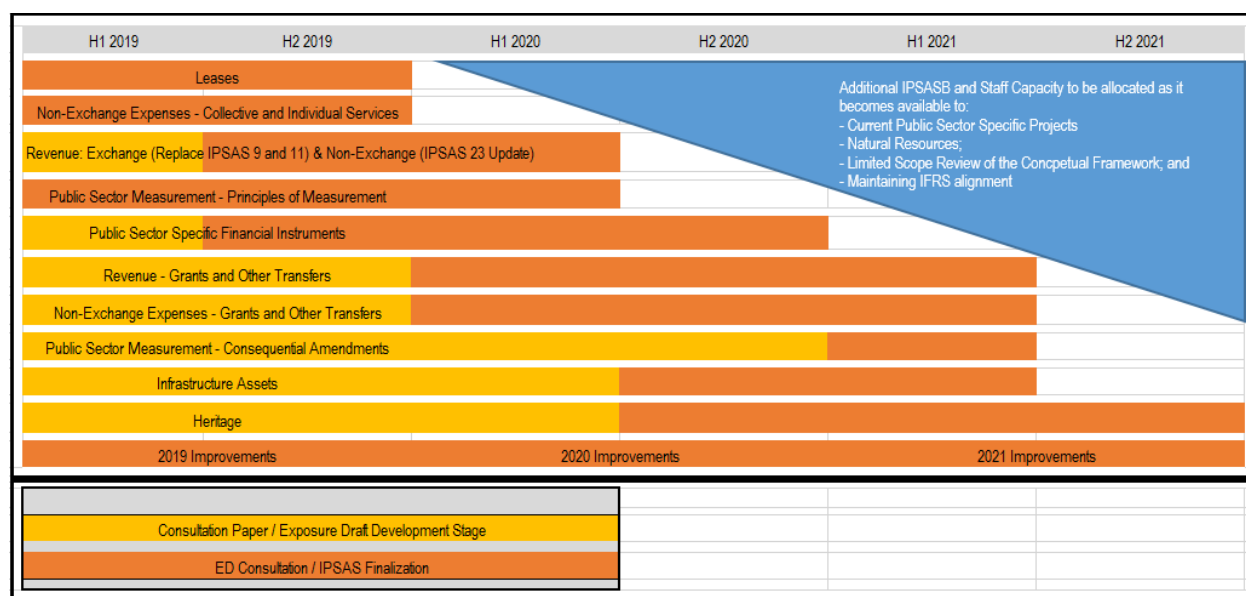
~~In the interim, it~~ Instead, ~~T~~the IPSASB will actively monitor developments in the broader narrative reporting area. Specifically, ~~it proposes to consider the progress of it will monitor t~~the work ~~and progress~~ related to Integrated Reporting <IR>, the Corporate Reporting Dialogue and the IASB's project on *Better Communication in Financial Reporting*. ~~will be monitored and Tthe IPSASB will become involved consider the need for future projects related to these initiatives based on their evolution from now through to the mid-period Work Plan consultation expected in planned for late 2020. to the extent that this seems appropriate and necessary.~~

Project Phasing and Mid-period Work Plan update

The ~~IPSASB proposes that the~~ projects ~~added proposed~~ under Themes A and ~~the on-going work related to maintain IFRS alignment under Theme B be prioritized for addition to the Work Plan 2019–2023, will be started undertaken on a phased basis~~ as the ~~current active~~ projects ~~on the in the current~~ Work Plan are completed, and capacity becomes available. The IPSASB will undertake initial research phases for each ~~new~~ project, to ensure it understands the scope of public sector issues and the resource requirements, as well as what the intended output is in terms of standards and/or guidance. To ensure that the IPSASB operates in the public interest of its constituents it is important that it undertakes this initial research phase before initiating full projects.

Anticipated progress with the IPSASB's current projects should mean that the ~~two proposed~~ new projects are expected to ~~commence progressively from be started in~~ 2019 ~~onwards and 2020~~ as shown in figure 2. The IPSASB will decide the order in which the specific new projects start, ~~based on input from constituents, and~~ in the light of its assessment of the priorities and resources at that the relevant points in time.

Figure 2: Current Projects and ~~Proposed~~ Additions to the Work Plan 2019-2023



Note: Projects in orange represent current ongoing IPSASB projects, projects in blue represent those proposed for addition to the Work Plan 2019-2023. The bars represent the expected timing of completion for all ongoing projects, and the expected commencement and completion for new projects.

Although the Strategy and Work Plan is intended to remain in place throughout the period-2019-2023 period, the IPSASB is conscious that new reporting issues may emerge during that period, and that it will which require a need to review of Work Plan priorities, in the light of progress and evolving priorities. It therefore plans to hold a limited-scope public consultation during 2020, in order to obtain external input to its own ongoing consideration of these matters. In particular the IPSASB may consider the addition of a specific Theme C project in the light of developments in the interim, the relative priority against other potential projects under Strategic Themes A and B, and available resources.

Raising awareness of IPSAS and the benefits of accrual adoption

The IPSASB sees the work related to raising awareness of IPSAS and the benefits of accrual adoption as a critical contribution to PFM reform. Given the complexity of the PFM landscape, and its own resource limitations, the IPSASB's view is that building relationships with those working in this space and engagement in their work is the most effective way of promoting the use of IPSAS in PFM reform projects. The IPSASB will therefore actively monitor the work of others in the PFM arena and look for appropriate opportunities to support their work on the international, regional and local levels through its Members, Technical Advisors, Staff and IPSASB Alumni.

The IPSASB recognizes that in some jurisdictions the public sector accounting expertise needed to implement IPSAS is limited. Further, ensuring that those using the standards understand the information being communicated is an ongoing challenge. The IPSASB responds to these challenges through its outreach activities which aim to influence others working in the wider PFM space to ensure activities are coordinated and the needs of jurisdictions are considered as well as using those

Theme D: Promoting IPSAS adoption and implementation

The PFM reform landscape within individual jurisdictions is complex, and the IPSASB's role is more limited than other groups, as shown in the table below. The transition to accrual requires a program of changes across a number of different areas, including professional skills and capacity, systems, internal controls and to processes and requirements for reporting transactions. This involves a number of different

groups, with different skills and expertise at various stages to differing degrees throughout the adoption and implementation process.

Type of support	Entity Staff	Consultants / Contractors	Supranational and regional organizations	IPSASB
Promotion	★	★	★	★
Technical Guidance	★		★	★
Financial	★		★	
Practical / Technical	★	★	★	
Capacity Development	★	★	★	

Promotion

The IPSASB's resources limit the extent to which it can promote IPSAS in individual jurisdictions. However, it has an active outreach program focused on speaking at conferences and attending key local meetings, in support of the work of local adopters and implementers. Given the recent global momentum in the adoption of IPSAS, and indications that this momentum will continue in the 2019–2023 period, it is important that the IPSASB Chair, Board Members, Technical Advisors and Staff continue their program of outreach and engagement in order to support the efforts of:

- Those contemplating adoption and implementation;
- Those already in the process of adopting and implementing; and
- Those who have adopted and implemented.

Direct engagement is key because the needs of constituents differ depending on their progress on adoption.

The IPSASB's outreach activities in promoting adoption and implementation also present an opportunity to learn about issues that are important to users. This important feedback mechanism can identify public sector specific issues and areas for further IFRS ~~convergence~~alignment or other broader financial reporting needs that should be addressed in the future~~—~~. This will include working with regional organizations, including engaging in direct discussions on current projects and PFM reform projects and challenges important to the region.

Technical GuidanceImplementation Support and Technical Guidance

The IPSASB has recently updated its Cash Basis IPSAS, which sets out requirements for public sector entities reporting under the cash basis of accounting, in order to address implementation and adoption challenges ~~remove obstacles to adoption~~ encountered in practice. In doing so, it has also clarified that it sees the Cash Basis IPSAS as a step on the path to adoption of the accrual basis, rather than an end in itself.

In order to support accrual adoption and implementation, the IPSASB has issued *Study 14: Transition to the Accrual Basis of Accounting: Guidance for Public Sector Entities*. Study 14 is a practical tool to help with common challenges encountered in the transition to accrual accounting and draws upon the experiences of jurisdictions that have been through the transition already. Since the issuance of the current version in 2010, the IPSASB ~~proposes-believes~~ that it should be updated to reflect changes in the IPSAS suite of standards, as well as to include further best practice examples from recent experiences of those transitioning to accrual-based IPSAS. Global constituents globally have noted that adoption and implementation challenges are key issues for those looking to move to accrual IPSAS and that an updated and modernized perhaps re-formulated Study 14 could be an effective tool to help those starting that important journey. Therefore the IPSASB will look-to-work with others to modernize-update Study 14 to help deal with challenges noted.

The IPSASB has recently increased its level of support for the adoption and implementation of new IPSAS through:

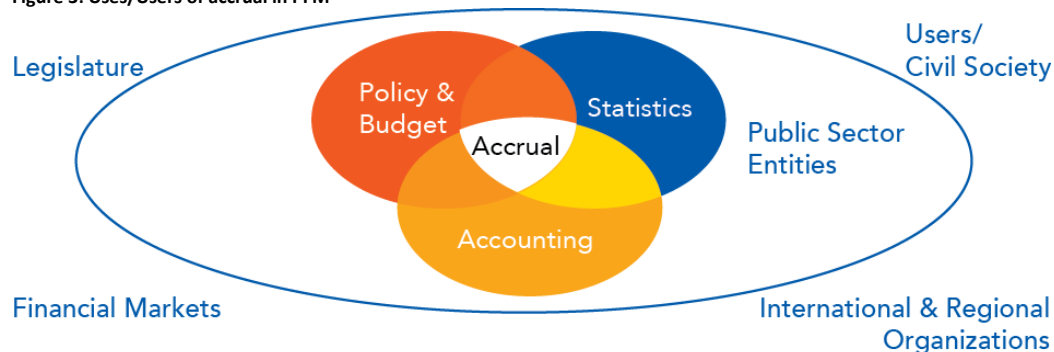
- Explicitly considering implementation challenges noted in the application of accrual IPSAS, including when developing public sector specific application guidance, illustrative examples and implementation guidance when developing for new standards and/or updating and revising existing standards;
- Producing implementation support webpages for all new-major new standards to facilitate their rollout so that preparers and users can understand their likely impact, and use review-educational material and understand key aspects of the guidance into support of its effective adoption and implementation;
- CreatingEnacting a Task Force to consider Implementation and Interpretations issues raised by constituents, and decide whether additional guidance or changes to standards should be proposed.
- Developing 'At A Glance' summaries for all significant IPSAS publications and pronouncements;
- Providing webinars on significant consultations and final pronouncements;
- Publishing an annual Handbook, which is a one stop shop to all of the IPSASB's current pronouncements;
- Issuing Staff Questions and Answers (Q & A) publications highlighting aspects of IPSASB's suite of standards which are relevant to implementation, such as the recent Q & A on Materiality; and
- Creation of training materials as well as delivery of limited training activities to support IPSAS understanding.

The IPSASB recognizes that in some jurisdictions the public sector accounting capacity needed to implement IPSAS is limited. Further, ensuring that those using the standards understand the information being communicated is an ongoing challenge. The IPSASB responds to these challenges through its outreach activities which aim to influence others working in the wider PFM space to ensure activities are coordinated and the needs of jurisdictions are considered. A key aspect of the IPSASB's outreach activities include a continued effort to build on strategic regional relationships developed through the regional roundtable events held during the consultation on this Strategy and Work Plan. This will allow the IPSASB to obtain real-time input to its Work Plan, as well as allowing constituents to provide feedback on problems encountered in practice, in particular those related to the implementation of the standards.

Theme E: Advocating the benefits of accrual in strengthening PFM

Moving to IPSAS provides many benefits, including contributing to the delivery of Sustainable Development Goals. In order to maximize these benefits, the IPSASB believes that accrual-based information should be used for as many purposes as possible. Figure 3 illustrates the various potential users of, and the variety of uses for, accrual information in PFM.

Figure 3: Uses/Users of accrual in PFM



Other international and regional organizations provide guidance and thought leadership, or otherwise influence the use of accrual information in these broader areas of PFM. The IPSASB believes it is important to build relationships with these organizations, so that its accrual accounting expertise is drawn upon by them, in order to expand the use of accrual information for PFM purposes, and to increase the alignment between the requirements of these different user groups. In turn their knowledge and expertise can influence

the IPSASB's own work. In many cases, the IPSASB already has relationships with these organizations through its oversight and advisory structures as well as through their Observer roles on the IPSASB.

Recently the IPSASB has worked to establish more formal outreach opportunities and has actively participated in forums in this area, such as:

- The annual Organisation for Economic Co-operation and Development (OECD) Public Sector Accruals Symposium;
- Engagement with the Government Finance Statistics (GFS) ~~Community~~ community through participation in the IMF GFS advisory committee;
- Participation in the joint IMF/World Bank/IPSASB Seminar: Transparency and Beyond: Harnessing the Power of Accrual in Managing Public Finances;
- World Bank Governance Forum; ~~and~~
- ~~Various a~~Activities and engagement with the International Organisation of Supreme Audit Institutions (INTOSAI); ~~and~~
- Various on-going dialogues and discussions with national and regional standard setters contemplating the potential use of IPSAS in their reporting frameworks.

The IPSASB believes that its advocacy work in the area of increasing the use of accrual in PFM should be taken forward through:

- ~~Strategic regional engagement working with institutions to engage with a broad group of stakeholders with common issues and concerns~~
- Further work with the GFS community on reducing unnecessary differences between IPSAS and GFS in order to facilitate the use of IPSAS data for GFS purposes, and in turn its use in supporting budgetary and macroeconomic policy decisions;
- Participating in international and regional organization-sponsored PFM-related events;
- Participation in training and other 'internal' events for these organizations' staff in order to raise awareness and disseminate knowledge of IPSAS; ~~and~~
- Commenting on guidance and thought leadership papers during their development; and participation in relevant working groups.

These initiatives ~~should be~~ will be complemented and supported by the regional engagement approach that IPSASB is panning to adopt in connection with Theme D.

Managing Strategy Delivery and Work Plan Output Quality

IPSAS support high-quality financial reporting for the public sector globally because they are:		
Internationally recognized	Designed specifically for the public sector	Developed independently through a rigorous due process

The ~~proposed~~ Strategy and Work Plan 2019–2023 is ambitious, and will draw on the full capacity of the IPSASB to continue to deliver high-quality standards in a timely manner. The IPSASB's current capacity includes:

- Seventeen volunteer members (and their technical advisors) and a remunerated independent Chair who collectively commit approximately 13,000 hours of time annually.⁴⁴
- An experienced full-time technical and administrative team of eight staff, with the IPSASB's administrative structures and processes facilitated by IFAC.
- An annual operating budget¹⁵ that supports staffing, meeting, travel and other direct costs necessary for the IPSASB to be able to execute its Strategy and carry out its Work Plan.

Managing delivery of the IPSASB's Strategy and the high-quality of Work Plan outputs within these resource constraints, and with due consideration of the external context in which it operates is a priority of the IPSASB leadership. Key focus areas include:

International Recognition

The strength of the IPSASB's reputation and global acceptance of the IPSAS—Managed through:

- Ongoing commitment to ensuring both the quality and timeliness of delivery of new standards. This includes developing high-quality principle-based standards that are usable and provide users with information that is relevant and faithfully representative;
- Appointments through the independent nominations process which emphasizes and ensures diversity of provide a diverse mix¹⁶ of IPSASB members, with the requisite skills, resources and capacity to contribute to the projects on the Work Plan; and
- Attracting, developing and retaining diverse, knowledgeable and highly qualified staff.

Public Sector Specific

Relevance and focused on key public sector specific issues—Managed through:

- Collaborating with national public sector accounting standard setting boards and the IASB to leverage their work and resources, including staff support when possible;
- Use of task forces ~~and task-based groups~~ to aid in standards development work; and

⁴⁴ ~~In addition, most IPSASB members are aided by technical advisors.~~

¹⁵ The IPSASB receives support from the Asian Development Bank, the Chartered Professional Accountants of Canada, the New Zealand External Reporting Board, and the governments of Canada and New Zealand. The structures and processes that support the operations of the IPSASB are facilitated by the International Federation of Accountants (IFAC).

¹⁶ The IPSASB values diversity amongst its members and the staff. The IPSASB continually works to improve the diversity of its members who are selected on the principle of "best person for the job," the primary criterion being the individual qualities and abilities of the nominee in relation to the position for which they are nominated. However, the selection process also seeks a balance between the person and professional qualifications of a nominee and representational needs, including gender balance, geographic representation, sector of the accountancy professional, knowledge of institutional arrangements encompassed by the constituency, size of the organization, and level of economic development.

- Optimizing IPSASB plenary time, balancing debates on both strategic and technical considerations, and continuous improvement of effective and issues-focused material.

Rigorous Due Process

Strong public interest focus—Managed through:

- Clearly documented processes reviewed and overseen by the PIC;
- Formal public consultations at ED stage (and CP stage where appropriate);
- A close and active governance dialogue with the PIC and the IPSASB CAG, including a focused, responsiveness to their advice, observations, and recommendations and a steadfast commitment to developing high-quality standards in the public interest.

Operational effectiveness and stability—Managed through:

- Organizing and conducting IPSASB meetings and other activities in the most effective, efficient and timely way;
- Using the IPSASB, staff and other resources in a focused and effective manner; and
- Maintaining relationships with existing funders, and ongoing consideration of additional approaches to increase and broaden [the](#) funding base.

Robust outreach and communication with constituents—Managed through:

- Development and release of supporting communication material, such as ‘At a Glance’ and Q&A documents, webinars and podcasts, for example when addressing complex issues;
- An extensive Chair, member and staff outreach program;
- Platforms such as the Public Sector Standard Setters Forums to discuss national issues of international relevance; and
- Use of technology to make meetings accessible, such as live streaming key sessions when possible.

The IPSASB will continue to monitor external developments and evaluate how changes may impact its approach to delivery of its Strategic Objective. This includes monitoring the growth of demands on the IPSASB as the adoption and implementation of IPSAS increases.

