

Meeting: International Public Sector Accounting
Standards Board

Meeting Location: Kuala Lumpur, Malaysia

Meeting Date: December 4–7, 2018

Agenda Item 4

For:

☐ Approval

☒ Discussion

☒ Information

Technical Director's Report on the Work Plan

Objective of Agenda Item

1. To receive the Technical Director's report on the work plan.
2. To carry out an initial review of the work plan on Day One of the meeting and to discuss the work plan in depth in the light of developments at the meeting on Day Four. The work plan agreed on Day Four will be reflected in the finalized *Strategy and Work Plan 2019-2023*.

Material(s) Presented

[Agenda Item 4.1](#)

[IPSASB Work Plan: December 2018](#)

[Agenda Item 4.2](#)

[Indicative Agenda Time Allocations \(March 2019–September 2019\)](#)

Annual Review of the Work Plan

3. In December 2017, the IPSASB carried out its first in-depth review of the work plan. The revised work plan that resulted from that review was reflected in the Consultation Paper, *Strategy and Work Plan 2019-2023*. The IPSASB agreed that an in-depth review of the work plan should take place at the final meeting of each year in order to ensure that, at the end of the year, the work plan is realistic.
4. The Technical Director, Chair and staff have reviewed the work plan, taking into account the issues expected to arise in each project. Where projects are dependent on decisions being made in other projects, the scheduling of projects reflects those dependencies.
5. With the exception of Leases the work plan adopts the assumption that IPSASB proposals and preliminary views (PVs) in consultation papers and proposals in Exposure Drafts (ED) are generally supported by respondents. Apart from Leases the work plan adopts a “best case” scenario, which assumes that there will be no re-exposure of EDs. Leases is discussed in more detail in paragraphs 14 and 15 and in Agenda Item 12.
6. Similarly, the work plan adopts the assumption that there is a full staff complement (eight technical staff supported by the Head of Administration and Events and an Administrative Assistant) and consultancy support for the remaining duration of the period covered by the work plan. As members are aware, Principal, Paul Mason, will be leaving the Toronto-based staff complement and returning to the United Kingdom at the end of December 2018. Paul has indicated that he wants to remain involved in standard-setting with IPSASB, on a contractual basis. Initially, Paul is likely to commit a fairly large amount of his available time to IPSASB, but this commitment is forecast to reduce

significantly from late in the second quarter of next year. Arrangements for recruiting a successor to Paul are well-advanced, and it is anticipated that a replacement will be in post early in 2019. Any delays in recruitment (or the departure of any other staff) are likely to result in delays to one or more projects.

7. Apart from Heritage and Infrastructure where it is proposed to defer work until June 2019, major agenda items are scheduled for all meetings unless the meeting is during a consultation period. It may be necessary to reduce the number of projects discussed at some meetings in order to manage both the agenda and staff resources.

Summary of Changes agreed at September 2018 Meeting

8. At the September meeting, it was agreed that the three streams of the *Revenue* project should be issued for consultation at the same time, to allow respondents to understand the overall impact of the proposed changes. The configuration of EDs is still to be determined. At the September meeting the IPSASB discussed an approach whereby an IPSAS aligned with IFRS 15, *Revenue from Contracts with Customers*, would include application guidance on the Public Sector Performance Obligation Approach. Following the discussion the work plan projected approval of EDs for the three streams in June 2019 (see paragraph 17 for further proposed modification of the timelines).
9. The IPSASB agreed to extend the development of the combined Consultation Paper and ED on *Measurement* until March 2019, with consequential amendments to the finalization of the project. This reflects the IPSASB's view that the volume of work was too great to be completed by the December 2018 meeting.
10. Following the review of the responses to the *Strategy and Work Plan* consultation, the IPSASB agreed to consider *Improvements* on an annual basis, subject to the volume of issues identified justifying an annual consultation.

In-Depth Review of the Work Plan at the December 2018 meeting

11. The Chair, the Technical Director, and staff, have reviewed the individual projects in the work plan for the individual projects. The following section evaluates each of the projects. The Technical Director will lead discussion on Day One with a further more intensive review on Day Four to take into account developments at this meeting.

Public Sector Financial Instruments

12. The approval of IPSAS 41, *Financial Instruments*, in June 2018 in advance of the projected approval date, and subsequent publication in August 2018, allowed staff, Financial Instruments Task Force (FITF) and Board to focus on the Public Sector Specific Financial Instruments stream. The FITF held a successful meeting in Amsterdam in October 2018. The Chair and Technical Director consider that the project is on course for approval of an ED in September 2019 with a final pronouncement in December 2020.
13. However, it should be noted that both the FITF and lead staff member have had a considerable involvement in the Measurement project, principally, but not exclusively in making recommendations on the importation of IFRS 13, *Fair Value Measurement*, into the IPSASB literature. Any increase of this input may have an impact on the timelines for *Public Sector Financial Instruments*.

Leases

14. The work plan on the agenda for the September 2018 meeting showed discussions on the Leases project continuing until September 2019, but with no indication of when the project would conclude. Given the wide range of views expressed by respondents on the proposals for lessor accounting and concessionary leases in ED 64, *Leases*, and the complexity of the issues raised, the future development of this project is uncertain. There are a number of possible approaches and those that involve departures from the proposals in ED 64 are highly likely to require re-exposure. Agenda Item 12 considers the strategic approach to Leases in detail.
15. Consequently the work plan at Appendix A includes two options – the approval of an IPSAS in March 2020, or the approval of a further ED in March 2020, and subsequent approval of an IPSAS in the first half of 2021.

Social Benefits and Non-Exchange Expenses

16. IPSAS 42, *Social Benefits*, is due for approval at this meeting. The related ED 67, *Collective and Individual Services and Emergency Relief* (Amendments to IPSAS 19), is also due for approval. If approved as planned, IPSAS 42 and ED 67 will be issued in late January 2019. Because of the linkages between these two projects it is important that IPSAS 42 and ED 67 are issued at the same time. A final pronouncement on *Collective and Individual Services and Emergency Relief* is projected for December 2019. As indicated above this assumes that the approach in ED 67 is largely supported and that no major issues arise.

Revenue project streams and Non-Exchange Expenses (Grants, Contributions and Other Transfers)

17. Because of the complex interactions between the various streams of the Revenue project, and the links with the *Grants, Contributions and Other Transfers* stream of the *Non-Exchange Expenses* project, the Technical Director proposes deferring the approval of the *Revenue* EDs and ED, *Grants, Contributions and Other Transfer Expenses*, until September 2019, with approval of the final IPSAS projected for March 2021. This would fully align the *Revenue* project and the *Grants, Contributions and Other Transfers* stream of the *Non-Exchange Expenses* project. It is also essential that the IPSAS dealing with transactions with appropriate performance obligations is issued at the same time as the updated IPSAS 23, *Revenue from Non-Exchange Transactions (Taxes and Transfers)*.
18. The timeline in the work plan assumes that approval of final pronouncements will take four meetings, rather than the standard assumption of three meetings. This is because of the complex subject matter and the linkages between the different Revenue streams and the linkage with the *Grants, Contributions and Other Transfers* stream of the *Non-Exchange Expenses* project.

Measurement

19. The Chair, Technical Director and staff consider that issuing a *Principles of Measurement* IPSAS before the *Consequential Amendments* (as included in the previous work plan) would not be helpful to users.
20. Consequently, the Technical Director proposes that, following the consultation on the combined CP/ED, a draft IPSAS *Measurement* be issued at the same time as the ED on the *Consequential Amendments*. These would be approved in June 2020, with the final IPSAS *Measurement* being approved in June 2021.

21. Reasonable progress has been made on this project in the second half of 2018, particularly in clarifying the scope of the initial ED, and the structure of the CP and ED. However, the timelines remain challenging and the viability of March 2019 approval is largely dependent on developments at this meeting.

Infrastructure Assets and Heritage

22. In order to prioritize staff resources on the *Measurement* and *Revenue* projects, and in response to the extended timeline for the *Measurement* project, the Technical Director proposes that the IPSASB recommence its deliberations on the *Infrastructure Assets* and *Heritage* projects in June 2019 rather than in March 2019 (as shown in the previous work plan).
23. The work plan indicates approval of EDs for both projects in September 2020, with final pronouncements probably in the form of application guidance to IPSAS 17, *Property, Plant and Equipment*, being approved in the second half of 2021.

Improvements

24. The work plan indicates that improvements will be issued annually. This remains viable, subject to the assumptions in paragraph 6. Amendments from the separate ED 66, *Long-term Interests in Associates and Joint Ventures and Prepayment Features with Negative Compensation*, are expected to be approved at this meeting.

Strategy and Work Plan 2019-2023

24. The Strategy and Work Plan 2019-2023 and the associated Feedback Statement are on course for approval at this meeting.

Natural Resources and Limited Scope Review of the Conceptual Framework

25. At the September meeting the IPSASB agreed to add a project on *Natural Resources* and *the Limited Scope Review of the Conceptual Framework* to the work plan. This will be actioned following approval of the Strategy and Work Plan 2019-2023 at this meeting.

Indicative Agenda Time Allocations (March 2019–September 2019)

26. Agenda Item 4.2 provides the indicative time allocations for the next three meetings, based on the proposed work plan. This is provided to assist members in planning for future meetings. However, changes to the indicative time allocations will be required if there are amendments to the work plan.

Question for the IPSASB

27. The IPSASB is asked to review the work plan on Day One and carry out a further in-depth review on Day Four, and to **instruct** any changes.

Agenda Item 4.1

IPSASB WORK PLAN: DECEMBER 2018

Project/ Initiative	Links	Dec 2018 (CAG)	Mar 2019	Jun 2019 (CAG)	Sep 2019	Dec 2019 (CAG)	Mar 2020	Jun 2020	Sep 2020	Dec 2020	H1 2021	H2 2021
A Public Sector Specific Financial Instruments	D, E	DI/ED	DI/ED	DI/ED CAG	ED			DI/RR	DI/IP	IP		
B Leases	D	DI/RR ^a CAG	DI	DI	DI	DI	IP ED			DI/RR	DI/IP	
C Social Benefits	D, E	IP										
D Revenue												
(i) Revenue from Contracts with Customers (IFRS 15) / PSPOA for Revenue	A, B, C, E	DI/ED ^b		ED	ED			RR	DI	DI/IP	IP	
(ii) IPSAS 23 update		DI/ED	DI/ED	ED	ED			RR	DI	DI/IP	IP	
(iii) Grants, Contributions and Other Transfers		CAG ^b	DI/ED	ED	ED			RR	DI	DI/IP	IP	
E Non-Exchange Expenses												
(i) Collective and Individual Services & Emergency Relief	A, B, C, D	ED			RR	DI/IP						
(ii) Grants, Contributions and Other Transfer Expenses		CAG	DI/ED	DI/ED	ED			RR	DI	DI/IP	IP	
F Public Sector Measurement												
(i) Measurement	G, H	DI/ED CAG	CP ED			DI/RR	DI/IP	Draft IPSAS			DI/IP	
(ii) Consequential Amendments						DI/RR	DI/ED	ED			DI/RR	
G Infrastructure Assets	F, H			DI CAG	DI/ED	DI/ED	DI/ED	DI/ED	ED		RR/IP	IP
H Heritage	F, G			DI CAG	DI/ED	DI/ED	DI/ED	DI/ED	ED		RR/DI	IP
I Improvements				ED		IP		ED		IP	ED	IP

Project/ Initiative	Links	Dec 2018 (CAG)	Mar 2019	Jun 2019 (CAG)	Sep 2019	Dec 2019 (CAG)	Mar 2020	Jun 2020	Sep 2020	Dec 2020	H1 2021	H2 2021
J Long-term Interests in Associates and Joint Ventures and Prepayment Features with Negative Compensation		RR/IP										
K Strategy and Work Plan Consultation		ST										
L IPSASB Handbook				Publish			Publish				Publish	

Key:

IP = Final Standard or Amendments to IPSAS(s); RP = Final Recommended Practice Guidance; ED = Approval of Exposure Draft; PB = Project Brief; DI = Discussion of Issues; RR = Review Responses; CP = Consultation Paper; **CAG = Consultative Advisory Group Meeting**; PI = Public Interest Committee Meeting; SB = Staff Background Paper; ST = Final Strategy and Work Plan

Approvals Key:

CP = Approval of Consultation Paper

ED = Approval of Exposure Draft

IP = Approval of Final Standard or Amendments to IPSAS(s)

RP = Approval of Final Recommended Practice Guidance

ST = Approval of Final Strategy and Work Plan

This Work Plan does not include projects that are currently the subject of the Strategy and Work Plan consultation. Projects will be added to the Work Plan once the IPSASB has considered responses to the consultation and formally agreed to add projects to the Work Plan.

^a At the December 2018 and subsequent meetings the IPSASB will consider the options for addressing issues raised by respondents to ED 64, *Leases*. There are two possible timelines for completing the project shown, depending on whether the IPSASB agrees to proceed directly to a final IPSAS or agrees to issue a further ED.

^b The IPSASB's current intention is to issue one IPSAS covering transactions that meet the definitions within IFRS 15, Revenue from Contracts with Customers, and other transactions with appropriate performance obligations. The Board will discuss this further in December 2018.

December 2018

EXPECTED CONSULTATIONS DURING THE NEXT YEAR

Project details	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019
Collective and Individual Services and Emergency Relief (Exposure Draft) Approval expected at the December 2018 meeting		◆	●						
Public Sector Measurement (Combined Consultation Paper and Exposure Draft) Approval expected at the March 2019 meeting					◆		
Improvements to IPSAS, 2019 (Exposure Draft) Approval expected at the June 2019 meeting								◆
Public Sector Specific Financial Instruments (Exposure Draft) Approval expected at the June 2019 meeting								◆
Revenue from Contracts with Binding Arrangements / Public Sector Performance Obligations (Exposure Draft) Approval expected at the September 2019 meeting											◆
Revenue: Update of IPSAS 23 (Exposure Draft) Approval expected at the September 2019 meeting											◆
Expenses: Grants, Contributions and Other Transfers (Exposure Draft) Approval expected at the September 2019 meeting											◆

Key: ◆ — ●

Consultation document published (dates confirmed)

◆ ●

Consultation document not yet approved (dates not known, consultation period indicative)

December 2018

PROJECTS COMPLETED SINCE LAST WORK PLAN CONSULTATION

Project	Date Issued
<i>Improvements to IPSAS, 2018</i>	October 2018
2018 Handbook of International Public Sector Accounting Pronouncements	September 2018 (online)
IPSAS 41, <i>Financial Instruments</i>	August 2018
2017 Handbook of International Public Sector Accounting Pronouncements	February 2018 (online)
<i>Financial Reporting Under the Cash Basis of Accounting (Revised 2017)</i>	November 2017
IPSAS 40, <i>Public Sector Combinations</i>	January 2017
<i>Emissions Trading Schemes—Staff Background Paper</i>	December 2016
Narrow scope amendments: <i>Impairment of Revalued Assets</i> (Amendments to IPSAS 21, <i>Impairment of Non-Cash-Generating Assets</i> , and IPSAS 26, <i>Impairment of Cash-Generating Assets</i>)	July 2016
IPSAS 39, <i>Employee Benefits</i>	July 2016
2016 Handbook of International Public Sector Accounting Pronouncements	July 2016 (online) September 2016 (print)
Narrow scope amendments: <i>The Applicability of IPSASs</i>	April 2016
<i>Improvements to IPSAS 2015</i>	April 2016
2015 Handbook of International Public Sector Accounting Pronouncements	December 2015
RPG 3, <i>Reporting Service Performance Information</i>	March 2015
IPSAS 38, <i>Disclosure of Interests in Other Entities</i>	January 2015
IPSAS 37, <i>Joint Arrangements</i>	January 2015
IPSAS 36, <i>Investments in Associates and Joint Ventures</i>	January 2015
IPSAS 35, <i>Consolidated Financial Statements</i>	January 2015
IPSAS 34, <i>Separate Financial Statements</i>	January 2015
IPSAS 33, <i>First-time Adoption of Accrual Basis IPSASs</i>	January 2015
<i>Improvements to IPSASs 2014</i>	January 2015
Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities	October 2014
2014 Handbook of International Public Sector Accounting Pronouncements	June 2014

Agenda Item 4.2

INDICATIVE AGENDA TIME ALLOCATIONS (MARCH 2019–SEPTEMBER 2019)

Project	March 2019 (Hours)	June 2019 (Hours)	September 2019 (Hours)
Standing Items (Governance, Technical Director's Report, Outreach, Feedback, Closed Session etc.)	3	3	3
Public Sector Specific Financial Instruments	3	3	3
Leases	4	5	4
Revenue	4	3	4
Non-Exchange Expenses	3	3	4
Public Sector Measurement	5	-	
Infrastructure Assets	-	3	3
Heritage	-	3	3
Improvements	-	1	-
Unallocated	2	-	-
TOTAL	24	24	24