

Meeting: International Public Sector Accounting
Standards Board

Meeting Location: Toronto, Canada

Meeting Date: June 18–21, 2019

Agenda Item 13

For:

- ☒ Approval
☒ Discussion
☒ Information

PUBLIC SECTOR STANDARD SETTERS FORUM

Project summary	Discussion on approach to research topics and agenda and processes for June 24-25, 2019 Public Sector Standard Setters Forum.	
Decisions required at this meeting	Topic	Agenda Item
	Discussion and Approach to Research Groups	13.1.1
	Discussion of Forum Agenda and Processes	13.2.2
Other supporting items	IPSASB Research Groups Terms of Reference & Template for Output	13.2.1
	Forum Agenda	13.2.2

Discussion and Approach to Research Groups**Question**

1. Whether the IPSASB approves the Research Groups Terms of Reference (ToRs).

Background

2. The IPSASB agreed in the 2019-2023 Strategy and Work Plan that selected topics would be made available to external Research Groups, as follows:
 - (a) Differential Reporting;
 - (b) Discount Rates;
 - (c) Presentation of Financial Statements in the Public Sector; and
 - (d) Tax Expenditures
3. The June 24-25 Public Sector Standard Setters Forum will be launch event for the Research Groups. To set out the purpose of these groups, how they should operate and what the expected output should be, staff has drafted Terms of Reference and a template for output, see [Agenda Item 13.2.1](#).

Decision required

4. The IPSASB is asked to review and approve the Research Groups ToRs and Template for Output?

Forum Discussion

Purpose

1. IPSASB discussion of the agenda, process and logistics for the June 24-25 Public Sector Standards Setters Forum in Niagara-on-the-Lake.
2. The Forum agenda is included in [Agenda Item 13.2.2](#).

IPSASB RESEARCH GROUPS

Draft Terms of Reference

Objective

1. The objective of the Research Groups is to advance the thinking related to specific topics selected by the International Public Sector Accounting Standards Board (IPSASB) that are strong candidates for inclusion in its future Work Program¹, in order to support the eventual decision on this.
2. These groups are informal research groups—not formal decision-making groups. Their aim is to help IPSASB understand potential future project areas better, together with the issues and challenges that would need to be addressed. The decisions on the selection of projects for the Work Program, and the approach to be taken to these are matters reserved for the IPSASB.

Role

3. The IPSASB agreed in its Strategy and Work Plan 2019-2023, that volunteer groups could undertake initial research and scoping activities on important public sector accounting topics in advance of the 2021 mid-period Work Program consultation.
4. The role of the Research Groups is to act in an advisory capacity to the IPSASB staff, providing technical expertise related to the various accounting issues on each topic from an international perspective. This includes identifying international and national accounting guidance related to the topic and providing views on the issues of importance which should be explored in the project. They may provide specific advice on the scope of the project and reasoning for why the project is important, including why it should be dealt with by the IPSASB and why IPSAS should develop/amend IPSAS guidance related to the topic, based on the criteria for project prioritization included in IPSASB's Strategy and Work Plan 2019-23.
5. Research Group members will be expected to contribute to development of papers documenting their findings for use by IPSASB staff, and the IPSASB itself.

Membership

6. Research Groups should have a range of relevant experience, and may include up to six members, including at least two members from different national standard setters (NSS). Members can come from a variety of backgrounds, including NSS, preparers, auditors, academics, and other professional groups. Members will serve in their individual capacities, rather than as representatives of any organization or group. The IPSASB staff will assess, in consultation with the IPSASB Chair, the suitability of those interested in membership, and make appointments of members in order to secure the best range of inputs to Research Group discussions.
7. The IPSASB staff, in consultation with the IPSASB Chair, will select a Chair to lead the Research Group. The role of the Chair is to ensure that the group operates in an open, interactive and inclusive manner, and adheres to these terms of reference while working to address the research topic from an international perspective. The Research Group Chair is asked to provide a resource to undertake the secretariat activities (planning of discussions, hosting telephone and video conferences, keeping

¹ To better reflect linkages between projects, the term Work Program has been adopted.

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notes of discussions and leading on the drafting and development of the groups papers, including final research and scoping output documents).

8. An IPSASB staff member will be assigned as a Group Observer. This staff member should be included in all formal communications of the Group and invited to all of the telephone and video conferences. The purpose of the IPSASB Group Observer is to share IPSASB developments that may be relevant to the work of the Group, and to share Group updates with the IPSASB as necessary. The IPSASB staff observer is not meant to provide the Group secretariat or to support the operations of the group, as with a project Task Force.

Terms of Research

9. Research Groups will meet periodically at the request of the Research Group Chair.
10. Meetings of Research Groups will generally be held via videoconference or teleconference, to be hosted by the Research Group Chair (through their provided secretariat). Regular communications may also occur via email or telephone at other times.
11. Acceptance of membership means that each member will have the capacity and make best efforts to participate in most, if not all, of the Research Group activities.
12. Notes of Research Group discussions will be provided to the IPSASB staff as part of periodic project updates.
13. Agenda items for discussion and any output from the Research Group will not be made public, unless the IPSASB staff, in consultation with the IPSASB Chair decides otherwise. Members are encouraged to consult with other experts as needed to assist in Group discussions. Members are permitted to share relevant meeting materials on the condition that the materials are not further distributed.
14. Research Group membership will be published on the IPSASB website.
15. Research Group members are not permitted to represent publicly the views of the IPSASB or the Research Group. All media or other enquiries related to the Group's work should be referred to the IPSASB staff.
16. Each Research Group should aim to develop a final output to inform a future IPSASB project brief, this should include proposals covering the following areas:
 - (a) Project Rationale and Objectives;
 - (b) Project Scope;
 - (c) Key Public Sector Issues;
 - (d) Relevant Existing Guidance (IPSAS, IFRS, National Accounting Guidance, Statistical Accounting Guidance); and
 - (e) Anticipated Project Output.

Role of IPSASB

17. The IPSASB's role will be to consider the final research output(s) and draw on this in deciding whether to include a project in the planned mid-period Work Plan consultation anticipated to occur in the first half of 2021, based on the project prioritization criteria in the Strategy and Work Plan 2019-23.
18. Any projects added to the IPSASB Work Plan are required to go through the appropriate due process steps, including the development and approval of a project brief.

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Template for Output–Research Groups

Topic: Public Sector Accounting Topic for Research Group

Public Sector Accounting Issue/Problem: The purpose of the Research Group work is to help the IPSASB better understand what the public sector accounting issue is and why it is a problem that needs addressing in an IPSAS or other IPSASB pronouncement.

- The group should consider and obtain evidence for the following in its assessment and definition of the accounting issue/problem:
 - **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 information for accountability and decision making.
 - **Urgency:** Whether the emerging issue has recently gained prominence and therefore requires consideration in the near term.
 - **Feasibility:** Whether a technically sound solution to the issue can be developed within a reasonable time period.
- Document its findings and any advice for the Board in final report.

Relevant Sources of Guidance: In considering the public sector accounting issue/problem related to the research topic, consider the following:

Existing IPSASB Guidance and outputs from relevant current projects

- The thinking related to accounting issue/problem should be framed by the [IPSASB Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities](#)
- Existing IPSAS or other IPSASB guidance potentially relevant to the topic:
 - If there is an IPSAS—which IPSAS(s) address the topic;
 - If there is, the Group should explore and clarify what the issue with the current guidance is and/or the need for further guidance. Some questions to consider in this context are;
 - How well the IPSAS principles and application guidance [integral parts of the standard] address the topic, and if not, what the problems with these might be.
 - Relevance of supporting illustrative examples and implementation guidance [accompanying material to the standard], to help with the application of the principles in the public sector, and whether /how these could be supplemented to address the issue.
 - Whether any of the outputs from the current projects cover potentially similar areas, or contain potentially relevant guidance.

Other potentially relevant guidance sources

- Other appropriate accounting sources that should be considered, include:
 - *Other International Accounting Guidance (IFRS)*
 - *National Accounting Standards/Guidance*
 - *Government Finance Statistics (Guidance in GFSM, System of National Accounts, other)*
 - *Academic research*



June 24-25, 2019
Queen's Landing, Niagara on the Lake
Grand Georgian Ballroom

June 23	
5:30 p.m. – 7:00 p.m.	Registration and Networking Reception
June 24	
8:00 am – 8:30 a.m.	Registration
8:30 a.m. – 9:25 a.m.	Opening of 2019 Public Sector Standard Setters Forum <ul style="list-style-type: none"> • Event Overview
9:25 a.m. – 10:45 a.m.	Accountability and Financial Transparency: Historical Perspectives on the Modern Challenges Keynote Speaker: Jacob Soll, University of Southern California
10:45 a.m. – 11:10 a.m.	Networking Break
11:10 a.m. – 12:15 p.m.	Inspiring Implementation – Promoting IPSAS Adoption and Implementation (Theme D) <ul style="list-style-type: none"> • The trend towards accrual adoption and implementation: The Public Sector Financial Accountability Index. • Sharing regional progress and experiences on implementation. • Regional group discussions on key success factors and developments in adoption and implementation.
12:15 p.m. – 1:15 p.m.	Buffet Lunch
1:15 p.m. – 3:00 p.m.	Regional Working Breakout Groups
3:00 p.m. – 3:20 p.m.	Networking Break
3:20 p.m. – 5:10 p.m.	Delivering Global Standards – Developing Guidance to Meet Users' Broader Financial Reporting Needs (Theme C) <ul style="list-style-type: none"> • The financial statements don't reveal all: Sharing current national and international initiatives on broader financial reporting.
6:30 p.m.	Sit Down Dinner Prince of Wales Hotel, 6 Picton Street

June 25	
8:00 a.m. – 8:30 a.m.	Welcome Back Activity: Getting in gear for Day Two
8:30 a.m. – 9:00 a.m.	<p>Delivering Global Standards – Setting Standards on Public Sector Specific Issues and Maintaining IFRS Convergence (Theme A and B)</p> <p>Including:</p> <ul style="list-style-type: none"> • Latest thinking and update on current IPSASB projects. • What's on the menu for the next few years and what should be: Discussion on the projects that have been added to the IPSASB 2019 – 2023 Workplan and those that are still under consideration for possible inclusion through the 2020 mid-period Work Plan review.
9:00 a.m. – 9:50 a.m.	IPSASB Definite Projects discussion and input to assist research and scoping of Natural Resources.
9:50 a.m. – 10:15 a.m.	Networking Break
10:15 a.m. – 10:45 a.m.	IPSASB Definite Projects continued—Limited scope review of the Conceptual Framework.
10:45 a.m. – 12:00 p.m.	Research Projects
12:00 p.m. – 12:45 p.m.	Buffet Lunch
12:45 p.m. – 2:15 p.m.	Inspiring Implementation: Advocating the benefits of accrual in strengthening PFM (Theme E)
2:15 p.m. – 2:50 p.m.	Reflections on the two days
2:50 p.m. – 3:00 p.m.	Closing Comments