

Meeting: International Public Sector Accounting
Standards Board

Meeting Location: Virtual Meeting

Meeting Date: June 4, 2020

Agenda Item 3

For:

- ☐ Approval
☒ Discussion
☐ Information

PROGRAM AND TECHNICAL DIRECTOR'S REPORT

Project summary	The purpose of this session is to receive updates on changes to the work program and approve those changes.	
Meeting objectives	Topic	Agenda Item
Project management	Instructions up to Previous Meeting	3.1.1
	Decisions up to Previous Meeting	3.1.2
Decisions required at this meeting	Update on changes to IPSASB Work Program	3.2.1
Other supporting items	IPSASB Work Program: June 2020	3.3.1

INSTRUCTIONS UP TO MARCH 2020

Meeting	Instruction	Actioned
March 2020	1. Work program presented at March 2020 meeting only went to 2021. IPSASB instructed staff to extend it through the end of the current Strategy and Work Program period of 2023.	1. See Agenda Item 3.3.1.
March 2020	2. The IPSASB will start to consider potential projects to propose in the mid-period Work Program Consultation in June, and consideration should not only be given to the potential projects, but also to their relative scale.	2. See Agenda Item 3.2.1. Further action necessary at a future meeting.

DECISIONS UP TO MARCH 2020

Meeting	Decision	BC Reference
March 2020	1. IPSASB agreed to put back the Measurement, Infrastructure, and Heritage Exposure Draft approval dates to December 2020, because of the need to coordinate these projects and to consult with constituents on these projects as a package.	1. N/A

Update on Changes to IPSASB Work Program

Question

1. To obtain IPSASB agreement on proposed changes to the work program since the March 2020 meeting.

Recommendation

2. Staff recommends that the IPSASB:
 - (a) Agree with the proposed changes to the Work Program.
 - (b) Agree to the proposed the extension of the effective dates of IPSAS 41, 42 and the Collective and Individual Services amendments to IPSAS 19 until January 1, 2023.
 - (c) Discuss options for the September 2020 meeting (virtual or in-person) because of the continuing travel uncertainty.

Background

3. At the March 2020 meeting, the IPSASB:
 - (a) Decided to put back the Exposure Draft (ED) approvals for the Measurement, Heritage and Infrastructure projects, from September 2020 to December 2020.
 - (b) Instructed that the work program be extended through the end of 2023 to be consistent with the current Strategy and Work Program end date.

These changes are reflected in Agenda Item 3.3.1.

4. Other changes to the work program since the March 2020 mainly reflect the impact of the COVID-19 pandemic. These changes are highlighted in the analysis below.

Analysis

5. In response to IPSASB feedback at the March 2020 meeting, Agenda Item 3.3.1 has been re-designed to provide information on expected project consultations directly on the main Work Program, replacing the document titled '*Expected Consultations During the Next Year*' which showed these separately on the previous version.
6. Project briefs on *Natural Resources* and the *Conceptual Framework-Limited Scope Update* projects were approved in March 2020, and these have now been added to the work program. Further, the *Non-Current Assets Available for Sale* project has been added to the work program with a note indicating that the project brief will be approved at the June 2020 meeting.
7. For simplicity, the work program now includes assigned ED numbers each expected 2020 output, as follows:
 - (a) ED 73, *Leases*
 - (b) ED 74, *Conceptual Framework–Limited Scope Update*
 - (c) ED 75, *Measurement*
 - (d) ED 76, *IPSAS 17 Update* (Comprehensive ED bringing together changes to IPSAS 17 from Measurement, Infrastructure Assets and Heritage Assets)

- (e) ED 77, *Non-Current Assets Available for Sale*

COVID-19 Impact

8. The COVID-19 pandemic has had a significant impact on the IPSASB's operations and on the Work Program, including:

- (a) **Impact on Projects.** As result of the virtual June meeting and the limited amount of plenary discussion time, several projects previously planned for discussion at the June 2020 meeting have been removed from the agenda, as follows:
- (i) **Improvements to IPSAS 2020** will be delayed until 2021. The IPSASB approved the Improvements to IPSAS 2019 amendments in December 2019 and there are not many improvements for consideration in 2020. Given the limited agenda time available and the small number of improvements for consideration, this item is proposed to be deferred until 2021.
 - (ii) **Natural Resources** will not be discussed during the June 2020 agenda. Instead work to develop the Consultation Paper (CP) will be progressed by staff and the Task Force outside of meeting time. This will allow progress to be made so that the IPSASB can have an in-depth discussion in September 2020. Staff do not recommend any adjustment to the CP approval timeline.
 - (iii) **Public Sector Specific Financial Instruments** was planned for discussion at the June 2020 meeting, with a first review of the ED responses. The ED proposals were well supported, with no significant issues identified by staff. Therefore, this item was removed from the June agenda to free up time for other items. Staff do propose a 'virtual check-in' with the IPSASB in late July (potentially July 28th or 29th), so that the Financial Instruments Task Force recommendations on the ED responses can be discussed by the Board. The aim for this discussion is to progress this project with a target of approving the amendments to IPSAS 41, *Financial Instruments* arising from it, in September 2020.
 - (iv) **Mid-Period Work Program Consultation** was initially planned for June 2020. However, it has been put back to December 2020 for several reasons, as follows:
 - a. To free up agenda time in June and September 2020 and provide more agenda time for other critical projects;
 - b. Align timing of decisions on future projects with the Public Sector Standard Setters Forum (the 2020 Forum has been delayed until 2021, see paragraph 8.c.iv); and
 - c. Align timing of decisions on future project with proposed for roundtable discussions 2021 (planned for the 2nd half of 2021).
- (b) **Impact on Constituents.** The impact on constituents related to the COVID-19 pandemic is another important consideration for the IPSASB, as follows:
- (i) **ED 70–72 Comment Period Extension.** To provide immediate support to constituents', staff agreed to extend the comment period from September 15, 2020 until November 1, 2020. This provides constituents additional time to discuss the EDs with their constituents and develop their responses. The extended comment period date

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allows the staff to still bring a high-level review of responses to the EDs to the December 2020 meeting.

- (ii) **Deferral of Effective Dates.** IPSAS 41, *Financial Instruments*, IPSAS 42, *Social Benefits* and the *Collective and Individual Services* amendments to IPSAS 19, all have effective dates of January 1, 2022. This means that entities should be in the process of evaluating the impact of these standards already. Given the impact of the pandemic, **staff recommend that a proposal be made to extend the effective dates by one year, until January 1, 2023.** This would provide constituents more time to prepare for these new standards and deal with the impact of the pandemic. If the IPSASB agrees, staff will develop an ED to consult with constituents on this proposed change.
- (c) **Impact on Meetings and Events.** The impact of the pandemic on meetings and events has been significant with all Q2 2020 events either being deferred or made virtual. The following is an update on significant upcoming IPSASB events (not an exhaustive list):
 - (i) **March 2020 Public Interest Committee Meeting.** This meeting was cancelled because of the pandemic and is expected to be re-scheduled during fall of 2020.
 - (ii) **IMF/EUROSTAT/OECD/IPSASB Government Finance Statistics Workshop.** The workshop planned for May 2020 in Washington, D.C., and went ahead as a 3-day virtual workshop held from May 20-22, 2020.
 - (iii) **2nd IPSASB Research Forum.** This Forum originally planned for June 2020 and will occur virtually on June 17, 2020.
 - (iv) **4th IPSASB Public Sector Standards Setters Forum.** Has been deferred from September 2020 until September 2021 because of the uncertainty as to whether travel will be possible by the fall. Staff are considering a webinar with Public Sector Standard Setters in Q1 2021 – to receive input on potential projects to propose on the Mid-Period Work Program Consultation.
 - (v) **September 2020 IPSASB Meeting in Paris.** A decision has not been made on whether the September meeting will go ahead virtually or in-person. However, the IPSASB staff believe a decision is needed by end of June 2020 at the latest to make appropriate arrangements. At this time international travel is limited and it is not certain when the majority of IPSASB members and staff will be able to resume travel, given the travel restrictions. **Staff recommend that IPSASB members discuss this and form a view on whether there is a realistic possibility of an in-person meeting in Paris in September 2020.**

The on-going impact of the pandemic will be the main driver as to how future meetings will be carried out. Decisions on future meetings will be made in due course as the pandemic and travel situation develops.

Program Management

- 9. Program management will continue to be essential for delivery on the IPSASB's challenging work program commitments. As highlighted during previous IPSASB discussions, as well as in dialogues with stakeholders, the IPSASB and staff need to balance speed to market (output of consultations and final pronouncements) against the quality of outputs. Further, the IPSASB and staff need to

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consider the capacity of stakeholders to both input on consultations (volume and timing of consultations) as well as to implement final pronouncements (volume and effective dates of final pronouncements). This challenge is exacerbated by the impact of COVID-19.

10. Delivery on the current work program assumes that IPSASB proposals and preliminary views (PVs) in consultation papers and proposals in EDs are generally supported by respondents. For major projects, the work program generally provides four meetings between initial discussion of responses to EDs and approval of a pronouncement.
11. The work program assumes a full staff complement. In April 2020, the IPSASB welcomed a new staff member, Eileen Zhou who joins as a Manager, Standard Development and Technical Projects. Further, on April 1st, 2020 John Stanford assumed a part-time role as a senior advisor after stepping down as Technical Director.

Decision Required

12. Does the IPSASB agree with the Staff recommendation in paragraph 2?

IPSASB WORK PROGRAM THRU 2023: JUNE 2020

Project	Meetings														
	Jun 2020 (CAG)	Sep 2020	Dec 2020 (CAG)	Mar 2021	Jun 2021 (CAG)	Sep 2021	Dec 2021 (CAG)	Mar 2022	Jun 2022 (CAG)	Sep 2022	Dec 2022 (CAG)	Mar 2023	Jun 2023 (CAG)	Sep 2023	Dec 2023 (CAG)
Public Sector Specific Financial Instruments	CAG	IP ¹													
Revenue															
(i) Revenue with Performance Obligations	ED 70, ED 71, ED 72 Exposure Period Feb. 21—Nov. 1		RR/DI	RR/DI	RR/DI	IP									
(ii) Revenue without Performance Obligations [IPSAS 23 update]			RR/DI CAG	RR/DI	RR/DI	IP									
Transfer Expenses			RR/DI CAG	RR/DI	RR/DI	IP									
Conceptual Framework—Limited Scope Update	DI/ED	DI/ED	ED ²			RR	RR/DI CAG	RR/DI	CF						
Measurement	DI/ED CAG	DI/ED	ED			RR	RR/DI CAG	RR/DI	IP						
IPSAS 17, Update															
(i) Infrastructure Assets (additional IPSAS 17 guidance)	DI/ED CAG	DI/ED	ED			RR	RR/DI CAG	RR/DI	IP						
(ii) Heritage Assets (additional IPSAS 17 guidance)	DI/ED	DI/ED	ED			RR	RR/DI CAG	RR/DI	IP						
Non-Current Assets Available for Sale ³	PB CAG	ED ⁴		RR	RR/DI	IP									
Leases⁵ [IFRS 16 alignment]	DI/ED	DI/ED	ED RFI		RR CAG	RR/DI	RR/DI	IP							
Leases [Public sector specific]					DI CAG	DI	DI/ED	ED			RR	RR/DI	RR/DI	IP	
Natural Resources		DI	DI	DI/CP	DI/CP	CP			RR	RR/DI	DI/ED	ED		RR	RR
Improvements					ED		IP		ED		IP		ED		IP
Mid-Period Work Program			DI CAG	DI	CP			RR/DI	RWP						
IPSASB Handbook	Publish				Publish				Publish				Publish		

¹ The Financial Instruments Task Force will review the comments to ED 69 and make recommendations on the changes to the final pronouncement to the IPSASB. A Board call will be held in July 2020 to allow IPSASB to review the Task Force recommendations on comments received on the amendments to IPSAS 41, so those amendments can be approved in September 2020.

² The timeline is provisional. The IPSASB will decide whether there will be a single ED of proposed amendments in December 2020 or two EDs in December 2020 and June 2021.

³ Timeline subject to IPSASB the project brief approval in June 2020.


⁴ Although the ED is planned for provisional approval in September 2020, the intent is to issue it alongside the ED for Measurement, Infrastructure Assets, Heritage Assets, and Conceptual Framework in early 2021 so constituents can comment on the package.


⁵ The IPSASB will issue a Request for Information on public sector specific issues on Leases that will inform the next phase of the Leases project entitled Leases [Public sector specific].

Legend:


DI = Discussion of Issues; RE = Research; RR = Review Responses; SB = Staff Background Paper;

 PB = Approval of Project Brief

 CP = Approval of Consultation Paper

 ED = Approval of Exposure Draft

 IP = Approval of Final Standard or Amendments to IPSAS

 CF = Approval of Conceptual Framework or Amendments to Conceptual Framework

 RP = Approval of Final Recommended Practice Guidance

 RWP = Approval of Revised Work Program

 ST = Approval of Final Strategy and Work Program

 = Planned Consultation Period

Project Management—Outputs:

Expected 2020 Exposure Draft Outputs:

ED 73, *Leases*

ED 74, *Conceptual Framework—Limited Scope Update*

ED 75, *Measurement*

ED 76, *IPSAS 17 Update* (Comprehensive ED bringing together changes to IPSAS 17 from Measurement, Infrastructure Assets and Heritage Assets)

ED 77, *Non-Current Assets Available for Sale*

March 2020

PROJECTS COMPLETED AND/OR PUBLISHED DURING 2019-2023 STRATEGY AND WORK PROGRAM PERIOD

Project	Date Issued
<i>Collective and Individual Services, (Amendments to IPSAS 19)</i>	January 2020
<i>Improvements to IPSAS, 2019</i>	January 2020
<i>IPSAS 42, Social Benefits</i>	January 2019
<i>Amendments to IPSAS 36, Investments in Associates and Joint Ventures, and IPSAS 41, Financial Instruments</i>	January 2019