

Meeting: International Public Sector Accounting
Standards Board

Meeting Location: New York, USA

Meeting Date: March 10–13, 2020

Agenda Item 4

For:

☐ Approval

☒ Discussion

☒ Information

PROGRAM AND TECHNICAL DIRECTOR'S REPORT ON THE WORK PROGRAM

Objective of Agenda Item

1. To receive the Program and Technical Director's Report on the Work Program.
2. To highlight changes to the work program subsequent to the December 2019 meeting on Day One of this meeting, and further developments at the meeting on Day Four.

Material(s) Presented

[Agenda Item 4.1](#)

[IPSASB Work Program: March 2020](#)

Summary of Changes Agreed at December 2019 Meeting

3. The IPSASB undertook its annual detailed review of the work program at its December 2019 meeting. Based on progress and decisions taken at the December 2019, the following changes have been reflected on the work program:
 - a. *Public Sector Specific Financial Instruments*. The initial review of responses to Exposure Draft (ED) 69, *Public Sector Financial Instruments* were scheduled for March 2020. However, this initial review of responses was put back to June 2020. The viability of approval of a final pronouncement in September 2020 will be assessed in June after the first review of responses.
 - b. *Leases*. The approval of a further ED on Leases in March 2020 was unrealistic. An updated project timeline will be developed once the strategic decision on how to take the project forward is agreed in March 2020.
 - c. *Revenue and Transfer Expenses*. ED 70, *Revenue with Performance Obligations*, ED 71, *Revenue with Performance Obligations* and ED 72, *Transfer Expenses* were published in February 2020 with a comment period until September 15, 2020. An initial review of responses to these EDs is planned for the December 2020 meeting.
 - d. *Measurement*. The March 2020 meeting is the first in-depth review of responses to the Consultation Paper (originally, the first in-depth review of responses was planned for December 2019 but was delayed as staff were committed to help deliver approvals on EDs 70-72). The work program reflects an ED approval in September 2020 and a final pronouncement in December 2021. This timeline appears challenging and will continue to require monitoring at each meeting to ensure it remains viable.

Program Management

4. Program management will 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 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).
5. 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.
6. The work program assumes a full staff complement. Currently there are eight technical staff and consultancy support provided by a senior adviser. The technical staff are supported by the Head of Administration and Events and an Administrative Assistant. The Technical Director will move to half time working on April 1st, 2020 after stepping down from his current role. A new staff has been hired to start at the beginning of April 2020, as a Manager, Standards Development and Technical Projects.
7. Active IPSASB projects are scheduled for all meetings, unless the project is out for consultation. It may be necessary to reduce the number of projects discussed at some meetings in order to manage both the agenda and staff resources to allow focus on certain projects.

IPSASB Guidance: Landscape Discussion

8. Agenda Item 5 of the March 2020 meeting will be a discussion about the nature of the guidance developed by the IPSASB, the location of material within IPSAS literature, and the process for development followed by the IPSASB. This is an important time to have such a discussion because of the greater linkages between ongoing IPSASB projects, the number of new projects being added to the work program, and the need for effective and efficient project management to make the best use of the IPSASB, staff and stakeholders resources required for the standard setting process. The Program and Technical Director will make a presentation during this session to frame the discussion.

IPSAS 17 Update

9. The Measurement, Heritage, Infrastructure and the Conceptual Framework-Limited Scope Update are all interlinked projects. The EDs related to all these projects will need to be coordinated and put out for comment together to ensure that stakeholders can comment on the full package. From a program management perspective, the following EDs are planned:
 - a. ED XX—IPSAS 17 update, to include the proposed changes to IPSAS 17 arising from Measurement, Heritage and Infrastructure projects.
 - b. ED XX—Measurement, to propose the principles to be included in the future Measurement standard.
 - c. ED XX—Conceptual Framework-Limited Scope Update. To propose the changes to the conceptual framework related to measurement.

The work program currently notes September 2020 as the approval date for the Measurement, Heritage, and Infrastructure projects. As well, the project brief for the Conceptual Framework-Limited

Scope Update project notes September 2020 for the approval of the ED on Phase 1. Staff highlights that continued and coordinated progress will be required on all these projects and is working with that goal in mind. However, it does flag that this timeline is quite optimistic and will need to be monitored.

Leases

10. It is imperative that a decision be made at the March 2020 meeting on the strategic direction of the project. From a public interest perspective, an approach and timeline need to be identified to allow the IPSASB and staff resources to be effectively deployed in delivering a leases solution. Continued delays in setting a course for the Leases project brings reputational risks to the IPSASB.

Addition of New Projects to the Work Program

Natural Resources and Conceptual Framework–Limited Scope Update

11. These projects were committed for addition to the work program and project briefs will be considered for approval at the March 2020 meeting. After the IPSASB approves the project briefs, the work program will be updated to reflect the timelines for each. The Consultative Advisory Group considered the scope and key issues identified in the respective project briefs at its meetings of June 2019 (on Natural Resources) and of December 2019 (on Conceptual Framework–Limited Scope Update).

Accounting for Non-Current Assets Held for Sale and Discontinued Operations in the Public Sector

12. The IPSASB agreed in its Strategy and Work Plan 2019–2023 under Theme B that it would look for opportunities to pick up minor IFRS alignment projects when staff resources are available. One such project noted in the Strategy is IFRS 5, *Non-Current Assets Held for Sale and Discontinued Operations*. The IPSASB discussed this topic in the Measurement project in 2019. Staff have developed a project brief and propose that the IPSASB add this minor project to the work program to take advantage of available staff resources.

IFAC Adoption and Implementation Support

13. Agenda Item 12, *Study 14—Transition to the Accrual Basis of Accounting–Update Project* is an initiative to update and modernize Study 14 being undertaken by IFAC under its activities to help support the adoption and implementation of IPSAS. Study 14 is ‘non-authoritative’ and not an IPSAS. However, Study 14 can play an important role in inspiring IPSAS implementation as well as raising awareness of benefits of accrual adoption (Themes D and E in the IPSASB Strategy and Work Plan 2019-2023). Therefore, the IPSASB is being consulted on the appropriateness of the proposals in the project brief with reference to IPSAS.

Indicative Agenda Time Allocations

14. Based on feedback received, the Program and Technical Director is of the view that the indicative time allocations previously included in with the work program and the Technical Directors Report on the Work Program provided an inaccurate estimate of agenda time required for future meetings because they are estimated prior to the process to develop detailed meeting agenda considerations. Therefore, these estimates will no longer be developed and included in this report.

Questions for the IPSASB

15. The IPSASB is asked to review the work program on Day One and carry out a further review in the light of developments at this meeting on Day Four, and to agree any changes to the work program at that time.

Agenda Item 4.1

IPSASB WORK PROGRAM: MARCH 2020

Project/ Initiative	Links	Mar 2020	Jun 2020 (CAG)	Sep 2020	Dec 2020 (CAG)	Mar 2021	Jun 2021 (CAG)	Sep 2021	Dec 2021 (CAG)
A Public Sector Specific Financial Instruments	C, D		RR/DI CAG	IP					
B Leases ¹	C	DI	Project timeline to be determined						
C Revenue									
(i) Revenue with Performance Obligations	A, B, D, H				RR/DI	RR/DI	RR/DI	IP	
(ii) Revenue without Performance Obligations [IPSAS 23 update]					RR/DI CAG	RR/DI	RR/DI	IP	
D Transfer Expenses	A, B, C				RR/DI CAG	RR/DI	RR/DI	IP	
E Measurement	F, G, H	DI/ED	DI/ED CAG	ED		RR	RR/DI	DI	IP
F Infrastructure Assets	E, G	DI	DI/ED	ED		RR	RR/DI	DI	IP
G Heritage	E, F	DI	DI/ED	ED		RR	RR/DI	DI	IP
H Natural Resources	C, E	PB	Project timeline to be determined						
I Conceptual Framework—Limited Scope Update		PB	Project timeline to be determined						
J Improvements			ED		IP		ED		IP
K Mid-term Work Program Consultation			CAG	DI	CP	WPC			
L IPSASB Handbook		Publish				Publish			

¹ At the December 2019 meeting the Board discussed the strategic direction for the Leases Project regarding IPSAS 13, *Leases*, ED 64, *Leases*, and IFRS 16, *Leases* in relation to the development of a final pronouncement.

Key:

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

Approvals Key:

PB = Approval of Project Brief

CP = Approval of Consultation Paper

ED = Approval of Exposure Draft

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

CF = Approval of Conceptual Framework

RP = Approval of Final Recommended Practice Guidance

ST = Approval of Final Strategy and Work Program

WPC = Work Program Consultation

March 2020

EXPECTED CONSULTATIONS DURING THE NEXT YEAR

Project details	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020
Improvements to IPSAS, 2019 (Exposure Draft) Approved at the June 2019 meeting and issued in July 2019												
Public Sector Specific Financial Instruments (Exposure Draft) Approved at the June 2019 meeting and issued in August 2019												
Revenue with Performance Obligations (Exposure Draft) Approval expected at the December 2019 meeting												
Revenue without Performance Obligations (Update of IPSAS 23) (Exposure Draft) Approval expected at the December 2019 meeting												
Expenses: Transfer Expenses (Exposure Draft) Approval expected at the December 2019 meeting												
Improvements (Exposure Draft) Approval expected at the June 2020 meeting												

Key:

Consultation document published (dates confirmed)

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

March 2020

PROJECTS COMPLETED AND/OR PUBLISHED DURING 2019-23 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