

**Meeting:** International Public Sector Accounting  
Standards Board

**Meeting Location:** Virtual Meeting

**Meeting Date:** March 16–19 and 23, 2021

## Agenda Item 2

For:

- ☐ Approval  
☒ Discussion  
☐ Information

### PROGRAM AND TECHNICAL DIRECTOR'S REPORT

<b>Project summary</b>	The purpose of this session is to receive updates on changes to the work program and approve those changes.	
<b>Meeting objectives</b>	<b>Topic</b>	<b>Agenda Item</b>
<b>Project management</b>	<a href="#">Instructions up to Previous Meeting</a>	<a href="#">2.1.1</a>
	<a href="#">Decisions up to Previous Meeting</a>	<a href="#">2.1.2</a>
<b>Decisions required at this meeting</b>	<a href="#">Program Management—IPSASB Work Program Update</a>	<a href="#">2.2.1</a>
<b>Other supporting items</b>	<a href="#">IPSASB Work Program: March 2021</a>	<a href="#">2.3.1</a>

**INSTRUCTIONS UP TO DECEMBER 2020**

<b>Meeting</b>	<b>Instruction</b>	<b>Actioned</b>
December 2020	1. No unresolved instructions at the end of December 2020 meeting.	1. N/A

**DECISIONS UP TO DECEMBER 2020**

Meeting	Decision	BC Reference
September 2020		1. N/A

## **Program Management—IPSASB Work Program Update**

### **Purpose**

1. To obtain IPSASB agreement on the identified program management items outlined in the report.

### **Recommendation**

2. Staff recommends that the IPSASB:
  - (a) Agree the changes to the work program related to revenue, transfer expenses and the measurement suite of projects set out in paragraphs 6-8; and
  - (b) Agree to the proposed extended meeting dates for 2021 virtual IPSASB meetings.

### **Background**

3. All updates following the December 2020 meeting are reflected in [Agenda Item 2.3.1](#).
4. During the March 23<sup>rd</sup> Board session, an update to the work program will be provided to the IPSASB, reflecting on progress made on projects during the meeting.
5. The analysis below highlights a number of key items relevant to program management and work program delivery.

### **Analysis**

#### *Program Management—Changes to Work Program*

6. Staff highlights the following changes to the work program since the December 2020 meeting:
  - (a) The completion of the Revenue and Transfer Expenses IPSAS were put back from September 2021 to December 2021. This change is the result of the extension of the comment periods of EDs 70-72 in 2020, to provide constituents additional response time because of the impact of COVID-19.
  - (b) At the February 25, 2021 check-in meeting, the IPSASB finalized the December 2020 approvals of:
    - (i) ED 76, *Conceptual Framework—Limited Scope Update*;
    - (ii) ED 77, *Measurement*; and
    - (iii) ED 78, *Property, Plant, and Equipment*.
  - (c) The publication of EDs 76-78, together with ED 79, *Non-Current Assets Held for Sale and Discontinued Operations*<sup>1</sup> is expected by early April 2021, for a 6-month exposure period. This means the comment period will extend until October 2021. Therefore, the work program was adjusted to reflect the impact for each project (each project has been delayed by one quarter).
  - (d) Staff highlights that the Conceptual Framework—Limited Scope Update Next Stage currently notes ED approval in September 2021. However, staff notes that means that according to Agenda Item 8 that the IPSASB would be reviewing issues for the first time and agreeing the

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<sup>1</sup> ED 79 was approved in September 2020, and IPSASB agreed that it should be published together with EDs 76-78.

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ED at the same meeting. This timeline may require further consideration depending on progress at this meeting and the ED approval might be better being delayed until December 2021 to ensure sufficient time to discuss the issues and review the ED.

- (e) The timeline has been adjusted for the Mid-Period Work Program consultation. As the project's scope is to identify proposals and add a limited number of projects to the work program, staff adjusted the expected timeline as it developed the project plan and next steps as noted in Agenda Item 7. The Mid-Period Work Program consultation is expected to be finalized during the March 2022 meeting.

- 7. The March 2021 work program is included in [Agenda Item 2.3.1](#).

### *COVID-19 Impact*

- 8. The COVID-19 pandemic continues to have a significant impact on the IPSASB's operations and work program. The impact on meetings presents a significant work program delivery challenge. To continue to deliver on the work program while the IPSASB continues to meet virtually, IPSASB meetings will need to be extended and the virtual check-ins will need to continue in between meetings. Therefore, staff proposed the following 2021 virtual check-in and March 2021 meeting dates:

- (a) The IPSASB agreed in December 2020 to continuing virtual check-in meetings each quarter during 2021, and these have been added to the meeting schedule. The agreed dates are:
  - (i) Thursday, February 25, 2021;
  - (ii) Thursday April 29, 2021;
  - (iii) Thursday July 22, 2021; and
  - (iv) Thursday October 28, 2021.

Should any of the Q2-Q4 2021 virtual check-ins not be needed, these will be cancelled. However, based on experience so far, these check-in meetings are very helpful to progress key issues on selected projects in between the normal quarterly meetings.

- (b) The IPSASB agreed during the February 25, 2021 check-in meeting to make the June 2021 meeting virtual because of the continued uncertainty as to when safe travel can resume. To facilitate this virtual meeting, an additional meeting day is required to allow enough plenary time for the discussions. The following are the proposed dates:
  - (i) Sessions 1-4: Tuesday June 15–Friday June 18 (original planned meeting dates); and
  - (ii) Session 5: Tuesday June 22.
- (c) The September 2021 meeting planned for Portugal, followed by the fourth IPSASB Public Sector Standards Setters Forum also in Portugal, have been deferred until 2022 because of the pandemic. The IPSASB has not yet made a decision as to whether to hold the September meeting virtually, however, if it goes ahead it will be held in either the IFAC offices in New York, or the CPA Canada offices in Toronto and will depend on the ability to travel safely (with consideration of the factors set out in [paragraph 10](#)). Decisions on the September and December meetings will be made closer to those meetings.

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- (d) If the September and December 2021 meetings are made virtual, it is likely that additional days will need to be added to make plenary time available to progress projects and achieve the milestones set out in the work program (similar to the virtual meetings in September and December 2020). Therefore, staff wanted to highlight the following additional dates, and request members, technical advisors and observers to please hold these dates:

- (i) September 2021:
  - a. Current planned meeting dates—September 13-16.
  - b. Additional dates to please hold—September 17, 21 and 22.
- (ii) December:
  - a. Current planned meeting dates—December 7-10.
  - b. Additional dates to please hold—December 1, 14 and 15.

Should the requested additional dates not be required when finalizing the meeting agendas, these will be released. Should these meetings occur in-person, the additional days are not likely to be needed.

- 9. Staff will continue to evaluate the pandemic situation in line with the factors noted above, to determine when it is safe to return to in-person meetings. Staff is very eager to return to in-person meetings, however, does not want to do so at the risk to the health of attendees, or to the quality of meetings.
- 10. In taking a decision on when to resume in-person meetings<sup>2</sup>, the following factors will be considered:
  - (i) **Travel Restrictions.** Staff view is that travel restrictions would need to be lifted in the country where the meeting occurs, meaning that the borders are open, no quarantine is required upon arrival, and group meetings are permitted.
  - (ii) **Number of Members.** Staff view is that a minimum of 12 members would need to be both willing and able to travel, for in-person meetings to resume.
  - (iii) **Number of Staff.** Staff view is that the IPSASB Program and Technical Director, Deputy Director and staff members on the key projects for that particular meeting would need to be both willing and able to travel to the meeting, if it is not held in Toronto.
  - (iv) **Availability of Appropriate Meeting Space.** The IPSASB has two 'home' meeting spaces, the CPA Canada offices in Toronto and the IFAC office in New York. Currently both meeting spaces are closed for meetings. One of these spaces would need to be open, and able to support the meeting.

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<sup>2</sup> It is not expected that all members, technical advisors, observers and staff will be able to attend in-person meetings when they being to resume at first. The return to traditional in-person meetings will occur over a transition period, with a mixed model at first with only members and key staff joining in-person at first (supported by some members, staff, technical advisors and observers joining virtually). Over time the hope is that meetings will progress back to full attendance in person.

- (v) **Vaccinations.** Staff view is that for the initial resumption of in-person meetings, all attendees may need to be vaccinated to reduce the potential risk of serious illness as a result of COVID-19.

### *2021 IPSASB Board Plenary Time and Staff Resource Availability*

11. With the recent approval of EDs 75-79, there is an opportunity in 2021 in terms of board and staff resources to take on two limited scope projects. As noted in the December 2020 Program and Technical Director's report this availability of resources was foreseen when the IPSASB Strategy and Work Plan 2019-2023 was approved, and it identified under Theme B-*Maintaining IFRS Alignment* a list of narrow scope projects available.
12. Staff is of the view that these available resources are a great short-term opportunity to work towards for the continued reduction in [IPSAS-IFRS alignment differences](#), while improving the IPSAS suite of guidance. The proposed projects are:
- (a) IAS 26, *Accounting and Reporting by Retirement Benefit Plans* which sets out requirements for the preparation of financial statements of retirement plans. The benefits of undertaking this limited scope project are that it:
- (i) Provides guidance in an area where currently there is a gap in IPSAS;
  - (ii) Addresses a concern raised by some IPSAS adopters, through a resource efficient narrow scope project; and
  - (iii) Further IFRS alignment by using the private sector standard as a basis for improved IPSAS guidance.

Agenda Item 3 includes further analysis of issues related to this project and a draft project brief for consideration by the IPSASB.

- (b) IFRS 8, *Operating Segments*. Current IPSAS 18, *Segment Reporting*, is based on IAS 14, *Segment Reporting*, which is an outdated standard that was replaced by IFRS 8, *Operating Segments*.<sup>3</sup> The benefits of undertaking this limited scope project are:
- (i) Principle-based approach that provides information useful to users as it requires entities to present information consistent with how management views the entity and makes decisions about its operations;
  - (ii) Addresses adverse stakeholder feedback on IPSAS 18, *Segment Reporting*;
  - (iii) Furthers IFRS alignment, with the most up to date equivalent IFRS, removing a case where an IPSAS has been superseded by an updated IAS/IFRS; and
  - (iv) Opportunity for increasing GFS alignment, as staff believes that the IFRS 8 disclosure model provides an opportunity for entities to disclose operating segments consistent with the IMF's Classification of the Functions of Government (CoFoG) at the government consolidated level, when the entity's operations are managed from that perspective, while still allowing reporting entities at lower levels to present meaningful operating segment information.

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<sup>3</sup> IFRS 8 was approved in November 2006

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The IPSASB will receive an education session during Agenda Item 4 on IFRS 8, *Operating Segments*.

13. Based on the positive experience with ED 79, staff believe that if both projects are undertaken as projects under Theme B and operated as alignment projects as committed in the Strategy and Work Plan 2019-2023, that EDs can be developed and approved utilizing the available resources in 2021.

### **Decision Required**

14. Does the IPSASB agree with the Staff recommendations in paragraph 2?





# IPSASB WORK PROGRAM THRU 2023: MARCH 2021

Project	Meetings											
	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)
<a href="#">Revenue</a>												
(i) Revenue with Performance Obligations	RR/DI	RR/DI CAG	DI/IP	IP								
(ii) Revenue without Performance Obligations [IPSAS 23 update]	RR/DI	RR/DI CAG	DI/IP	IP								
<a href="#">Transfer Expenses</a>		RR/DI CAG	DI/IP	IP								
<a href="#">Conceptual Framework—Limited Scope Update-Measurement</a>				RR CAG	RR/DI	RR/DI	CF					
<a href="#">Conceptual Framework—Limited Scope Update-Next Stage</a>	DI	DI/ED	ED			RR CAG	RR/DI CAG	RR/DI	CF			
<a href="#">Measurement</a>				RR CAG	RR/DI	RR/IP	IP					
Amendments to IPSAS 5, <i>Borrowing Costs</i>		RR/IP										
Property, Plant, and Equipment <sup>1</sup> [IPSAS 17 Replacement]												
(i) <a href="#">Infrastructure Assets (additional IPSAS 17 guidance)</a>				RR CAG	RR/DI	RR/IP	IP					
(ii) <a href="#">Heritage Assets (additional IPSAS 17 guidance)</a>				RR CAG	RR/DI	RR/IP	IP					
Non-Current Assets Held for Sale and Discontinued Operations <sup>2</sup>				RR/DI	RR/DI	IP						
<a href="#">Leases [IFRS 16 alignment]</a>		RR CAG	RR/DI	RR/DI	IP							
<a href="#">Leases [Public sector specific]<sup>3</sup></a>		RR CAG	RR/DI	DI/ED	ED			RR	RR/DI	RR/DI	IP	
<a href="#">Natural Resources</a>	DI/CP	DI/CP CAG	CP			RR	RR/DI	DI/ED	ED		RR	RR
Improvements		ED		IP		ED		IP		ED		IP
Mid-Period Work Program Consultation	DI	CP		RR/DI	RWP							
IPSASB Handbook		Publish				Publish				Publish		

<sup>1</sup> The amendments arising from Infrastructure Assets and Heritage Assets are included in ED 78, *Property, Plant, and Equipment*, which will replace IPSAS 17, *Property, Plant, and Equipment*.

<sup>2</sup> ED 79 was approved in September 2020 and will be published alongside EDs 76, 77 and 78, planned for publication as a package in early 2021.


<sup>3</sup> This Public Sector Specific Leases project will be informed by the Request for Information, which was issued along with the Leases ED in January 2021.


**Legend:**

DI = Discussion of Issues; RR = Review Responses; CAG = Discussion of Issue with CAG


 RFI = Approval of Request for Information

 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:**

Exposure Drafts:

ED 74, *Amendments to IPSAS 5, Borrowing Costs* (Published October 2020)

ED 75, *Leases* (Published January 2021)

ED 76, *Conceptual Framework—Limited Scope Update* (Expected Publication April 2021)

ED 77, *Measurement* (Expected Publication April 2021)

ED 78, *Property, Plant, and Equipment* [replacement of IPSAS 17—bringing together changes from Measurement, Infrastructure Assets and Heritage Assets] (Expected Publication April 2021)

ED 79, *Non-Current Assets Held for Sale and Discontinued Operations* (Approved by IPSASB September 2020 – To be published with ED 76-78) (Expected Publication April 2021)

March 2021

## 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
<i>COVID-19: Deferral of Effective Dates</i>	November 2020
<i>Non-Authoritative Amendments to IPSAS 41, Financial Instruments</i>	December 2020