

Meeting: International Public Sector Accounting
Standards Board

Meeting Location: Virtual Meeting

Meeting Date: June 15–18 and 22, 2021

Agenda Item 2

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	2.1.1
	Decisions up to Previous Meeting	2.1.2
Decisions required at this meeting	Program Management—IPSASB Work Program Update	2.2.1
Other supporting items	IPSASB Work Program: June 2021	2.3.1
	Summary of Revised 2021 IPSASB Meeting Dates / 2022 Planned Meeting Dates	2.3.2

INSTRUCTIONS UP TO MARCH 2021

Meeting	Instruction	Actioned
March 2021	1. No unresolved instructions at the end of March 2021 meeting.	1. N/A

DECISIONS UP TO MARCH 2021

Meeting	Decision	BC Reference
March 2021		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 leases, revenue and transfer expenses projects set out in paragraphs 9;
 - (b) Agree to reconsider the Natural Resources timeline during the June 22, 2021 session, dependent on progress during the meeting; and
 - (c) Take note of the activities highlighted in paragraphs 12–13.

Background

3. All updates following the March 2021 meeting are reflected in [Agenda Item 2.3.1](#).
4. During the June 22nd 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 for IPSASB consideration and information.

Analysis

Ongoing COVID-19 Impacts

6. Staff continues to evaluate the pandemic situation globally, to determine when it might be safe to return to in-person meetings. Although staff, is very eager to return to in-person meetings, it does not want to do so at the risk to the health of attendees, or to the quality of meetings. The IPSASB has already agreed to convert the September meeting to a virtual one. No decision has been taken on the December 2021 meeting, however, staff does believe that a decision should be made by end of summer 2021 on whether the December 2021 meeting can proceed in-person, or if it should also go ahead virtually.
7. Included in [Agenda Item 2.3.2](#) is a summary of the remaining IPSASB quarterly and in-period check-in meeting dates for 2021, and a tentative summary of the planned meeting dates and locations for 2022. Currently staff are planning for four in-person meetings during 2022, of course, this will be dependent on the pandemic situation and whether travel and in-person meetings can safely occur.
8. As noted in paragraphs 9–10, staff has reflected on the impact COVID-19 has had on the work program, as well as some of the related feedback from the series of conversations that the Chair has been having with Board members. The processes designed to continue the operations of the IPSASB during the pandemic were designed to be operated in the short-term, i.e. “emergency procedures”. Now that we are over one year into virtual meetings, and with the prospect of continued virtual operation for most, if not all of the remainder of 2021, it is becoming apparent that some modifications are necessary. The central challenge has been how to maintain the pace of projects in an environment where there is less plenary time for full debates among members. Staff has addressed

this by proposing to extend the work program for some projects, and has considered other process changes for members' consideration, such as:

- (a) Check in meetings should focus on actioning instructions from the previous meeting for a specific project(s), as opposed to beginning new conceptual debates; and
- (b) More plenary time should be allocated to certain IPSASB discussions where conceptual debate is needed on key issues. The June agenda has been developed with this thinking in mind, by allowing the IPSASB to consider implementation of its earlier decisions.

Program Management—Changes to Work Program

9. Staff highlights the following changes to the work program since the March 2021 meeting:

- (a) **Revenue and Transfer Expenses.** The March 2021 version of the work program showed the approval of the final pronouncements in December 2021. There are still a number of fundamental issues related to the three projects which need to be agreed, so that the projects can be progressed. Staff do not believe the current timeline is realistic. Therefore, the proposed timeline has been adjusted to reflect current expectations to complete the projects. Staff note that the proposed extension at least partially reflect the significant challenges in operating the board in a virtual manner, in particular, when trying to manage complex technical issues across multiple projects. From a strategic point, staff highlight that the adjusted timeline and plan is intended to allow key issues to be resolved, so that the authoritative text (core text and application guidance) can be finalized by the end of 2021. Attention will then shift to finalizing the non-authoritative text (basis for conclusions, implementation guidance and illustrative examples), and consistency checks etc. The proposed completion date of the overall suite of pronouncements is June 2022.
- (b) **Leases.** The first discussion of the responses to ED 75, *Leases* was planned for June 2021, however, this discussion has been delayed because of the impact of COVID-19 on available agenda time and a delay in receiving some responses. Therefore, the timeline has been adjusted and the first discussion of the ED 75 responses will occur at the July 2021 check-in meeting. The work program has been adjusted to reflect this change.

Furthermore, given the expected complexity of the public sector specific portion of the project, the work program has been updated to extend this phase of the project. This phase of the project is no longer tied to the same timeline as the IFRS 16 alignment portion. Staff believes it is more realistic to manage finalization of the proposals in ED 75 alongside the development of an ED addressing public sector issues, but expects the public sector phase to require more discussion with the IPSASB, hence the proposed later approval date for the ED. This will however need to be kept under review in the light of the responses received to the Request for Information.

- 10. **Natural Resources.** Staff highlights the project timeline be revisited on June 22, 2021 depending on progress during the meeting. The work program currently shows the approval of the Consultation Paper (CP) in September 2021. However, there are still a number of issues to be progressed to advance the CP drafting for it to be ready for September approval. Staff propose that the IPSASB review the timeline at the end of the June 2021 meeting depending on progress and decisions made.
- 11. The June 2021 work program is included in [Agenda Item 2.3.1](#).

Sustainability

12. The IPSASB Chair and staff have been engaging in a number of discussions and outreach activities related to the sustainability space with various organizations. As a result, the Chair is joining the IFRS Foundation's Transition Working Group, which is considering the strategic and operational issues involved in the creation of an International Sustainability Standards Board. Currently several more opportunities to engage in the work of others are under consideration, which should be very helpful in ensuring appropriate consideration of the potential relevance to the public sector of current discussions. Staff will share more information on these initiatives when the nature of IPSASB's potential input is clarified.

Theme D and E – Initiatives

13. In addition to the resources put into project work, IPSASB staff and board members engage in the work of others related to a number of initiatives that support the IPSASB strategic Themes D¹ and E², including:
- (a) **International Statistical Standards Update Process.** The IPSASB staff have been actively involved in the International Statistical Standards (ISS) update process, which is an important initiative being undertaken by the statistical community to update the *System of National Accounts, 2008* and *Balance of Payments and International Investments Position Manual* by 2025. IPSASB staff are involved through the following activities:
 - (i) Membership in four ISS Task Teams (Wellbeing and Sustainability, Communication, Current Account, and Financial Payments Systems Task Teams);
 - (ii) Collaboration in the drafting, including providing input and comments to Guidance Notes related to proposals to the ISS that focus on enhancing alignment with IPSAS from the statistical perspective;
 - (iii) Participation, for the first-time, in the meeting of the Advisory Expert Group on National Accounts (AEG) of the Intersecretariat Working Group on National Accounts (ISWGNA) of the United Nations in April 2021; and
 - (iv) Participation in the meeting of the Group of Experts of the United Nations Economic Commission for Europe (UNECE) in May 2021.

¹ *IPSASB Strategic Theme D: Promoting IPSAS Adoption and Implementation*, relates promotion and encouragement of the adoption and implementation of IPSAS being in the public interest because it better public sector financial reporting enables greater transparency of public sector resources and accountability for their use by decision makers, as well accrual financial information can be used to inform better decision making.

² *IPSASB Strategic Theme E: Advocating the Benefits of Accrual in Strengthening PFM*, reflects the IPSASB's view that the use of accrual information provides the foundation for strong PFM. Accrual based information should be use for as many purposes as possible, not just financial reporting (for example, it can be also be used for policy and budget purposes, and for statistical accounting).

The IPSASB already considers GFS alignment in its projects and develops consistent guidance when appropriate in line with its Government Finance Statistics Alignment Policy³. Given the extended intervals between ISS updates, this is an important opportunity to make significant progress in certain key areas of difference.

- (b) **Adoption and Implementation.** There are several ongoing initiatives related to supporting the adoption and implementation of IPSAS being led by other organizations, which staff and the IPSASB Chair have been engaging to support. In the coming months some of these significant products will start to be made available:
- (i) *The International Public Sector Accountability Index 2021 Status Report* is now planned for publication during the IPSASB's June meeting. The 2021 Index Status Report captures the status of accrual implementation as of 2020, the forecast for 2025 and a long-term projects for 2030 for 165 jurisdictions.
 - (ii) *Pathways to Accrual* is expected to be launched in H2 2021. Pathways to Accrual is the update to *Study 14, Transition to the Accrual Basis of Accounting: Guidance for Governments and Government Entities*. The update will update the content, and modernize it by providing a web based platform that will make the information easier to navigate and use by those planning and undertaking the implementation of accrual reforms.
 - (iii) *e/S* (electronic International Standards) is an initiative being carried out by IFAC to develop an electronic platform for the International Standards developed by the IPSASB and the other two independent international standard setting boards which operate under the auspices of IFAC. It is expected that the electronic standards platform will be launched in H2 2021 and include the 2021 version of the IPSASB handbook in electronic form. During Q3 2021 it is likely that this platform will be soft launched for user testing (IPSASB staff may be reaching out to some members and technical advisors to participate in this user testing).

Decision Required

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

³ The [IPSASB Process for Considering GFS Reporting Guidelines during Development of ISPASs](#) includes consideration of guidance in various statistical manuals (including the System of National Accounts and the Balance of Payments International Investment Position manuals).

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

¹ 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*.

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


³ 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 75, *Leases* (Published January 2021)

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

ED 77, *Measurement* (Published April 2021)

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

ED 79, *Non-Current Assets Held for Sale and Discontinued Operations* (Published April 2021)

June 2021

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

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

Summary of Revised 2021 IPSASB Meeting Dates / 2022 Planned Meeting Dates

1. The IPSASB discussed and agreed in December 2020 and March 2021, the dates for 2021 virtual check-in meetings and additional days to hold for IPSASB meeting in 2021 respectively. The below table summarizes those dates as a reminder for members, technical advisors and observers. These dates are also posted on the IPSASB website under the meetings section. Table 2 below also provides the tentative meeting dates and location for the 2022 IPSASB quarterly meetings.

Table 1 – 2021 Remaining IPSASB Meeting Dates Information – For Information

Remaining Virtual Check-In Dates 2021	Remaining IPSASB Quarterly Meetings Dates
July 22, 2021	September 13-17 and 21-22, 2021
October 28, 2021	December 2021 Meeting: <ul style="list-style-type: none"> • Current planned meeting dates—December 7-10, 2021. • Additional dates to please agreed to be held in-case meeting is virtual—December 1, 14 and 15, 2021.

Table 2 – Planned IPSASB 2022 Meeting Dates/Locations (tentative)

March 2022 Location: New York or Toronto (location to be determined if meeting is in-person) Dates: March 22-25, 2022
June 2022 Location: New York or Toronto (location to be determined if meeting is in-person) CAG Meeting - June 20, 2022 IPSASB Meeting - June 21-24, 2022
September 2022 <i>Portugal – Hosted by the Portuguese Accounting Institute–OCC</i> IPSASB Meeting: September 12-15 (Lisbon, Portugal) Public Sector Standard Setters Forum: September 19-20 (Cascais, Portugal)
December 2022 Toronto, Canada CAG Meeting - December 5 IPSASB Meeting - December 6-9