

Meeting: International Public Sector Accounting
Standards Board

Meeting Location: Virtual Meeting

Meeting Date: September 13–17 and 21, 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 Project management | Topic | Agenda Item |
| | 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 JUNE 2021

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

DECISIONS UP TO JUNE 2021

| Meeting | Decision | BC Reference |
|-----------|----------|--------------|
| June 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) Note the work program included in Agenda Item 2.3.1; and
 - (b) Note the activities and information highlighted in paragraphs 10–15.

Background

3. All updates following the June 2021 meeting are reflected in [Agenda Item 2.3.1](#).
4. During the September 21st 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 hold the September and December 2021 meetings virtually. While, no decision has been taken on the March 2022 meeting, which is still planned as in-person, staff, believe that a decision should be made by end of October 2021. Following the September 2021 meeting, staff will survey members on their current personal and organizational situations to better understand the feasibility of an in-person meeting in March 2022.
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.

Program Management

8. The IPSASB reviewed a number of changes to the work program related to key projects (Revenue, Transfer Expenses, Natural Resources and Leases) in June 2021 and agreed the changes to the project timetables which have been reflected on the September 2021 work program is included in [Agenda Item 2.3.1](#).
9. No additional adjustments to the work program are proposed at this time. However, during the September 21st Board session, an update to the work program will be provided to the IPSASB, reflecting on progress made on projects during the meeting.

Sustainability

10. The profile of sustainability reporting has continued to rise during 2021 in the run-up to the November United Nations Climate Change Conference (COP26), and with the coverage given to the recent Intergovernmental Panel on Climate Change (IPCC) Assessment Report. Within the accountancy profession interest has also been catalyzed by the IFRS Foundation discussions in relation the proposed establishment of an International Sustainability Standards Board. Constituents increasingly appear to support an international approach to sustainability standards, and have emphasized the need for public sector considerations to be taken into account in the development of such standards. Given the prominence of this issue and the growing debate, the following actions have been taken:
- (a) A [sustainability reporting webpage](#) has been added to the IPSASB website as a resource for constituents to find information on this issue from a public sector perspective. The IPSASB Chair also published a byline on the IFAC knowledge gateway titled [“Can Public Sector Accountants Help Save the World? Yes We Can – and Here’s Why.”](#) The webpage and the article help to communicate the importance of sustainability reporting in the public sector, while highlighting the applicability of existing IPSASB literature already available.
 - (b) The IPSASB Chair continues to attend the IFRS Foundation’s Technical Readiness Working Group as an observer. This activity is important to help monitor the developments of the International Sustainability Standards Board and to consider the potential public sector reporting implications.
 - (c) The IPSASB Chair and staff continue discussions and engagement with a World Bank team that is developing a report to advocate sustainability reporting for sovereign governments inspired by the Task Force on Climate-Related Financial Disclosures Recommendations.
11. The IPSASB will continue to receive updates from the IPSASB Chair and staff at each meeting during the private session, with any developments of note.

Theme D and E – Initiatives

12. 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:

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).

- (a) **International Statistical Standards Update Process.** The IPSASB³ staff continue to be 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.
- (b) **Adoption and Implementation.** There are several ongoing initiatives related to supporting the adoption and implementation of IPSAS being led by IFAC as well as other organizations, which the IPSASB Chair and staff have been engaging to support. These initiatives include:
- (i) *The International Public Sector Accountability Index [2021 Status Report](#)* which was published in June 2021. The 2021 Index Status Report captures the status of accrual implementation for 165 jurisdictions as of 2020, the forecast outlook for 2025 and a longer-term projection of the status in 2030.
 - (ii) *Pathways to Accrual* is expected to be launched in Q4 2021. Pathways to Accrual is the update to *Study 14, Transition to the Accrual Basis of Accounting: Guidance for Governments and Government Entities*. It updates the content and modernizes the presentation and dissemination of the information included by providing a web based platform that is easier to navigate and use by those planning and undertaking accrual reforms.
 - (iii) *e/S* (electronic International Standards) is an initiative being carried out by IFAC to develop an electronic platform for the IPSAS and the standards of the other two independent international standard setting boards⁴ which operate under the auspices of IFAC. The development of the platform is well advanced, with user testing completed by selected testers of each of the three international standard setting boards, and staff of each Board. The consultant developing e/S is now working to refine and finalize the platform for launch during Q4 2021.

Outreach

13. **Roundtables.** Staff are organizing a number of virtual roundtables supporting the ongoing Mid-Period Work Program Consultation, the Measurement related EDs and the Natural Resources Project. These roundtables will also include updates on key IPSAS adoption and implementation developments, including information on supporting resources being developed by IPSASB and, as well as updates from specific jurisdictions on progress on accrual implementations and reforms. These events are being planned on a regional basis (similar to the 2017 and 2019 roundtables held in relation to the development and implementation of the Strategy and Work Plan 2019-2023). These events are planned to occur during the first three weeks in October 2021 and the IPSASB is working with a number of co-hosts to help engage with constituents on these important outreach opportunities.

³ The IPSASB already considers GFS alignment in its projects and develops consistent guidance when appropriate in line with its Government Finance Statistics Alignment Policy. Given the extended intervals between ISS updates, this is an important opportunity to make significant progress in certain key areas of difference.

⁴ The International Auditing and Assurance Standard Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA) also issue international standards and operate under the auspices of IFAC.

IPSASB staff will be engaging with members and technical advisors in relation to their respective regions on these events. The tentatively confirmed events are as follows:

- (a) Africa Regional Event (Francophone Africa Event). October 15, 2021;
- (b) Africa Regional Event co-hosted by the African Union Commission. October 19, 2021;
- (c) Asia Regional Event co-hosted by the Asian Development Bank. October 20, 2021;
- (d) Latin America Regional Event co-hosted by FOCAL. Tentatively October 26, 2021; and
- (e) National Standards Setters Event. Date to be determined.

14. **Call for Academic Research Papers.** The IPSASB Academic Advisory Group, will hold a 3rd call for academic research papers, with a request for abstracts by September 30, 2021. In support of the work of the AAG, a [webpage](#) providing information on the AAG activities has been launched, including providing information on the ongoing 3rd call for research papers.

Due Process Reporting Enhancements

15. In response to the PIC recommendation following their 2020 governance review, staff continue to enhance due process reporting. As part of the changes to enhance the public transparency of communications between the IPSASB and the PIC, staff has developed the "Status of Application of Due Process" report that will be published as part of the Work Program material posted on the website. This report is included in [Appendix A of Agenda Item 2.3.1](#), and it highlights the progress of each project against each required due process milestone. The report enhances the existing annual communication with the PIC, increasing transparency and the ease of tracking project progress against due process milestones.

Decision Required

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

IPSASB WORK PROGRAM THRU 2023: SEPTEMBER 2021

| Project | Meetings | | | | | | | | | |
|--|----------|----------------|----------|----------------|----------|----------------|----------|----------------|----------|----------------|
| | 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 | DI/IP | DI/IP | DI/IP | IP | | | | | | |
| (ii) Revenue without Performance Obligations [IPSAS 23 update] | DI/IP | DI/IP | DI/IP | IP | | | | | | |
| Transfer Expenses | DI/IP | DI/IP | DI/IP | IP | | | | | | |
| Conceptual Framework—Limited Scope Update-Measurement | | RR CAG | RR/DI | RR/DI CAG | CF | | | | | |
| Conceptual Framework—Limited Scope Update-Next Stage | DI/ED | ED | | | RR/DI | RR/DI CAG | CF | | | |
| Measurement | | RR CAG | RR/DI | RR/IP CAG | 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 | | RR/DI CAG | RR/IP | IP | | | | | | |
| Leases [IFRS 16 alignment] | RR/DI | RR/DI CAG | RR/IP | IP | | | | | | |
| Leases [Public sector specific]² | | RR/DI CAG | RR/DI | RR/ED CAG | ED | | | RR/DI | RR/DI | IP |
| Natural Resources | DI/CP | DI/CP | CP | | | RR CAG | RR/DI | RR/ED | ED | |
| Accounting and Reporting by Retirement Benefit Plans | DI/ED | ED | | RR | RR/IP | IP | | | | |
| Improvements | | IP | | ED | | IP | | ED | | IP |
| Mid-Period Work Program Consultation | | RR/DI | RWP | | | | | | | |
| IPSASB Handbook | | | | 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 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

 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)

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

| Project | Date Issued |
|--|---|
| <i>Non-Authoritative Amendments to IPSAS 5, Borrowing Costs</i> | Approved June 2021 (Planned Issuance November 2021) |
| <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 |

Status of Application of Due Process – September 2021

APPENDIX A

| PROJECT | DUE PROCESS ELEMENTS (✓= ELEMENT COMPLETE) | | | | | | ANTICIPATED FINAL APPROVAL |
|--|---|-------------------------------|----------|-----------------------------|---------------------------------------|----------------|----------------------------------|
| | A. PROJECT COMMENCEMENT | B. DEVELOPMENT OF STANDARD | | C. PUBLIC EXPOSURE | D. EXPOSURE COMMENTS CONSIDERED | E. APPROVAL | |
| | | CP PHASE (IF APPLICABLE) | ED PHASE | | | | |
| Revenue with Performance Obligations | ✓ | ✓ | ✓ | ✓ | ONGOING | | June 2022 |
| Revenue without Performance Obligations [IPSAS 23 update] | ✓ | ✓ | ✓ | ✓ | ONGOING | | June 2022 |
| Transfer Expenses | ✓ | ✓ | ✓ | ✓ | ONGOING | | June 2022 |
| Conceptual Framework—Limited Scope Update-Measurement | ✓ | N/A | ✓ | ED 76 – PUBLIC CONSULTATION | | | September 2022 |
| Conceptual Framework—Limited Scope Update-Next Stage Measurement | ✓ | N/A | ONGOING | | | | March 2023 |
| Measurement | ✓ | ✓ | ✓ | ED 77 – PUBLIC CONSULTATION | | | September 2022 |
| Property, Plant, and Equipment Update - Infrastructure Assets | ✓ | N/A | ✓ | ED 78 – PUBLIC CONSULTATION | | | September 2022 |
| Property, Plant, and Equipment Update - Heritage Assets | ✓ | ✓ | ✓ | ED 78 – PUBLIC CONSULTATION | | | September 2022 |
| Non-Current Assets Held for Sale and Discontinued Operations | ✓ | N/A | ✓ | ED 79 – PUBLIC CONSULTATION | | | June 2022 |

Status of Application of Due Process – September 2021

APPENDIX A

| PROJECT | DUE PROCESS ELEMENTS (✓= ELEMENT COMPLETE) | | | | | | ANTICIPATED FINAL APPROVAL |
|---|---|-------------------------------|----------|-----------------------|---------------------------------------|----------------|--------------------------------------|
| | A. PROJECT COMMENCEMENT | B. DEVELOPMENT OF STANDARD | | C. PUBLIC EXPOSURE | D. EXPOSURE COMMENTS CONSIDERED | E. APPROVAL | |
| | | CP PHASE (IF APPLICABLE) | ED PHASE | | | | |
| Leases [IFRS 16 Alignment] | ✓ | ✓ | ✓ | ✓ | ONGOING | | June 2022 |
| Leases Public Sector Specific | ✓ | ✓ | ✓ | ✓ | ONGOING | | December 2023 |
| Natural Resources | ✓ | ONGOING | | | | | June 2024 |
| Accounting and Reporting by Retirement Benefit Plans | ✓ | N/A | ONGOING | | | | December 2022 |
| IPSAS 5, Borrowing Costs – Non-Authoritative Guidance | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Approved by IPSASB - June 2021 |

N/A – Consultation Paper (CP) phase is not a required due process element, IPSASB determines on a project-by-project basis whether a CP is needed.

Overview of Due Process steps:

A. Project Commencement—due process step complete when project proposal (project brief) approved.

B. Development of Standard—due process step complete when exposure draft approved for public exposure.

C. Public Exposure—due process step complete when exposure draft comment period ends and comments received publicly posted on IPSASB website.

D. Consideration of Exposure Comments—due process step complete when significant issues raised on exposure have been deliberated by IPSASB.

E. Approval—due process step complete after board approval of final standard, considered the need for re-exposure, agreed the basis for conclusions and set an effective date for the standard.

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

1. The below tables summarize the remaining 2021 meeting dates, as well as the dates for 2022 for the IPSASB quarterly meetings and proposed dates for the 2021 check-in meetings.
2. Table 1 summarizes the remaining meeting dates for 2021. Table 2 provides the meeting dates and tentative locations for the 2022 IPSASB quarterly meetings. Table 3 provides the proposed meeting dates for the 2022 IPSASB virtual check-in meetings. Staff ask members to please hold these dates in their calendars.

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

| Remaining Virtual Check-In Dates 2021 | Remaining IPSASB Quarterly Meetings Dates |
|---------------------------------------|--|
| October 28, 2021 | <p>December 2021 Meeting:</p> <ul style="list-style-type: none"> • Current planned meeting dates—December 7-10, 2021. • Additional dates held to accommodate a virtual meeting—December 1, 14 and 15, 2021. <p>Staff does not believe that the additional December 1st meeting date will be needed based on the planned agenda.</p> <p>Therefore, the meeting dates for the December meeting will be December 7-10, and 14-15th.</p> |

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

| |
|---|
| <p>March 2022 Location: New York or Toronto (location to be determined if meeting is in-person) Dates: March 22-25, 2022</p> |
| <p>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</p> |
| <p>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)</p> |
| <p>December 2022 Toronto, Canada CAG Meeting - December 5 IPSASB Meeting - December 6-9</p> |

Table 3 – Proposed IPSASB 2022 Virtual Check-In Meeting Dates

| |
|----------------------------------|
| February 24 th , 2022 |
| May 5 th , 2022 |
| July 28 th , 2022 |
| October 27 th , 2022 |