

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

**Meeting Location:** Virtual Meeting

**Meeting Date:** December 7–10 and 14–15, 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>Project management</b>	<b>Topic</b>	<b>Agenda Item</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: June 2021</a>	<a href="#">2.3.1</a>
	<a href="#">Summary of Revised 2021 IPSASB Meeting Dates / 2022 Planned Meeting Dates</a>	<a href="#">2.3.2</a>

**INSTRUCTIONS UP TO SEPTEMBER 2021**

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

**DECISIONS UP TO SEPTEMBER 2021**

Meeting	Decision	BC Reference
September 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 to reconsider the Revenue and Transfer Expenses project timelines during the December 15, 2021 session, dependent on progress at the meeting; and
  - (b) Note the activities and information highlighted in paragraphs 13–19.

### **Background**

3. All updates following the September 2021 meeting are reflected in [Agenda Item 2.3.1](#).
4. During the December 15, 2021 Board session, a work program update will be provided to the IPSASB, reflecting on progress 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 is planning for 4 in-person meetings in 2022; the first such in-person meeting being planned for March 2022 in either Toronto or New York (location dependent on availability of meeting facilities and travel restrictions). Included in [Agenda Item 2.3.2](#) is a summary of information on the planned meetings for 2022.
7. In late September, staff sent a virtual survey to members and technical advisors on their personal and organizational situations in relation to 2022 travel, to better understand the feasibility of an in-person meeting in March 2022. Staff is encouraged by the feedback, however, the final decision on whether the meeting can go ahead in-person will be made in early 2022 and will be dependent on the following factors:
  - (a) Survey results and the ability of members to travel;
  - (b) Success of the IAASB and IESBA meetings being held at the IFAC NY offices in December 2021; and
  - (c) Travel restrictions and state of the pandemic.

#### *Program Management*

8. The IPSASB agreed a number of changes to the work program in June and September 2021 related to key projects (Revenue, Transfer Expenses, Natural Resources and Leases) which have been reflected in [Agenda Item 2.3.1](#).

## Agenda Item 2.2.1

9. No additional adjustments to the work program are proposed at this time. However, during the December 15<sup>th</sup> Board session, an update to the work program will be provided to the IPSASB, reflecting on progress made on projects during the meeting.

### *Key Items on Current Agenda (December 2021 Meeting)*

10. Staff highlight that the December 2021 meeting is very important to delivering on the work program given four items are up for approval at this meeting:
- (a) Improvements;
  - (b) Leases;
  - (c) Retirement Benefit Plans; and
  - (d) Conceptual Framework – Limited Scope Update Next Stage.
11. Staff further highlight that the Revenue and Transfer expenses timelines in particular should be revisited during the December 15<sup>th</sup> Board session, alongside the broader impact of progress with the projects up for approval at this meeting. It is imperative that key decisions be taken at this meeting to allow the detailed drafting of both draft standards to proceed, with particular emphasis on Revenue, given the decision in October to combine the guidance into one standard.

### *Sustainability*

12. Sustainability reporting internationally continued to progress, with the announcement on November 3, 2021 by the IFRS Foundation of the establishment of the International Sustainability Standards Board (ISSB) along with the publication of prototype disclosure requirements developed by the Technical Readiness Working Group (TRWG). The announcement can be found [here](#).
13. 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 in 2021:
- (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 helps 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 contributed to the IFRS Foundation’s TRWG as an observer during the development of the prototype disclosure guidance issued on November 3, 2021. The IPSASB Chair has communicated an interest in the IPSASB having a formal relationship with the ISSB to ensure public sector perspectives are considered in the development of future guidance.
  - (c) During its private session in September 2022, the IPSASB had a high-level discussion of the issues associated with sustainability reporting in the public sector, drawing on the latest drafts of the prototype guidance as developed by the TRWG; [Climate-related Disclosure Requirements \(Climate Prototype\)](#) and [General Requirements for Disclosure of Sustainability-related Financial Information \(General Requirements Prototype\)](#), subsequently published to coincide with the announcement of the [ISSB’s formation](#).

- (d) 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.
  - (e) The IPSASB Chair and staff have had ongoing discussions with a number of national public sector standard setters. IPSASB staff have are proposing to convene quarterly calls with public sector national standard setters to share information and developments on sustainability reporting. These calls are planned to start in Q1 2022 and are meant to facilitate the timely sharing of information and perspectives on this important topic.
14. The IPSASB will receive a further update from the IPSASB Chair and staff at the end of the meeting during the private session, as well as discussing options for taking the debate forward during 2022.

### *Theme D and E – Initiatives*

15. 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 D<sup>1</sup> and E<sup>2</sup>, including:
- (a) **International Statistical Standards Update Process.** The IPSASB<sup>3</sup> 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. A full update on this work will be provided at the March 2022 meeting.
  - (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) *e/S* (electronic International Standards) is an IFAC initiative to provide an electronic platform for the IPSAS, as well as the standards of the other two other independent

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<sup>1</sup> *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.

<sup>2</sup> *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).

<sup>3</sup> 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.

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international standard setting boards<sup>4</sup> which operate under the auspices of IFAC. The platform was launched by IFAC and can be accessed here: <https://eis.international-standards.org/>. This is the first phase eIS, and now that the platform is live and operating, IFAC will continue to build out its features and functionality.

- (iii) *Pathways to Accrual* is expected to be launched in early 2022. 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 by providing a web-based platform that is easier to navigate and use by those planning and undertaking accrual reforms.
- (iv) *Train the Trainer: Introduction to IPSAS* is a comprehensive set of training materials that includes ten modules broken down into stand alone topics, so they can be delivered as individual sessions. Each module consists of a training manual and an accompanying set of slide decks (one slide deck per topic). The materials can be accessed here: <https://www.ifac.org/knowledge-gateway/supporting-international-standards/discussion/train-trainer-introduction-ipsas>. IFAC and IPSASB have had a very positive response to this material. IFAC is currently looking into the feasibility of translating the materials into additional languages.

### Outreach

16. **Roundtables.** Staff with the significant support of IPSASB members, carried out a number of virtual roundtables supporting the Mid-Period Work Program Consultation which closes on November 30, 2021. IPSASB staff thanks our co-hosts for each of the events and found the events to be very informative, allowing direct input from attendees and feedback on important initiatives. See a high level summary of each event below in Table A.

Table A: IPSASB Virtual Regional Roundtable Events

	Africa	Africa	Asia	Latin America
Co-Host	West African Economic and Monetary Union / IFAC	African Union Commission	Asian Development Bank	Governmental Accounting Forum of Latin America (FOCAL)
Date	October 15, 2021	October 19, 2021	October 20, 2021	October 26, 2021
Attendees	117	94	100	96
Countries	26	30	25	20

17. **Call for Academic Research Papers.** The IPSASB Academic Advisory Group, is undertaking its 3<sup>rd</sup> call for academic research papers, following a request for abstracts that closed on 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 3<sup>rd</sup> call for research papers. The AAG is meeting on November 29<sup>th</sup> to complete its blind review of the abstract submissions to select the proposals to receive grants to develop full research papers. Staff note that the Call for Papers was highly successful with 30 abstracts submitted across the proposed topics.

<sup>4</sup> 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.

*Due Process Reporting Enhancements*

18. In response to the PIC recommendation following their 2020 governance review, staff continue to enhance the due process reporting process. To enhance transparency related to the progression of projects as they move through due process staff implemented changes to the quarterly work program reporting in September 2021 by adding the "Status of Application of Due Process". This report is included in Appendix A of Agenda Item 2.3.1, and is made available on the IPSASB website along with the work program material. This report provides transparency by showing how each project progresses through the key due process milestones over time. Staff continue to work on additional reporting enhancements to provide further transparency on project pages on the IPSASB website and other enhancements to the reporting process.

**Decision Required**

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





# IPSASB WORK PROGRAM THRU 2023: DECEMBER 2021

Project	Meetings								
	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	DI/IP	DI/IP	IP						
(ii) Revenue without Performance Obligations [IPSAS 23 update]	DI/IP	DI/IP	IP						
<a href="#">Transfer Expenses</a>	DI/IP	DI/IP	IP						
<a href="#">Conceptual Framework—Limited Scope Update-Measurement</a>	RR CAG	RR/DI	RR/DI CAG	CF					
<a href="#">Conceptual Framework—Limited Scope Update-Next Stage</a>	ED			RR/DI	RR/DI CAG	CF			
<a href="#">Measurement</a>	RR CAG	RR/DI	RR/IP CAG	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					
<a href="#">Non-Current Assets Held for Sale and Discontinued Operations</a>	RR/DI CAG	RR/IP	IP						
<a href="#">Leases [IFRS 16 alignment]</a>	IP								
<a href="#">Other Lease-type arrangements [Public sector specific]<sup>2</sup></a>	RR/DI	RR/DI	RR/ED CAG	ED			RR/DI	RR/DI	IP
<a href="#">Natural Resources</a>	DI/CP	CP			RR CAG	RR/DI	RR/ED	ED	
<a href="#">Retirement Benefit Plans</a>	ED		RR	RR/IP	IP				
Improvements	IP		ED		IP		ED		IP
Mid-Period Work Program Consultation	RR/DI CAG	RWP							
IPSASB Handbook			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> This 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 81, *Conceptual Framework-Limited Scope Update – Next Stage*

ED 82, *Retirement Benefit Plans*

Final Pronouncements:

IPSAS 43, *Leases*

*Improvements to IPSAS 2021*

December 2021

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

Project	Date Issued
<i>Amendments to IPSAS 5, Borrowing Costs—Non-Authoritative Guidance</i>	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 – December 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				
<a href="#">Revenue with Performance Obligations</a>	✓	✓	✓	✓	ONGOING		June 2022
<a href="#">Revenue without Performance Obligations [IPSAS 23 update]</a>	✓	✓	✓	✓	ONGOING		June 2022
<a href="#">Transfer Expenses</a>	✓	✓	✓	✓	ONGOING		June 2022
<a href="#">Conceptual Framework—Limited Scope Update-Measurement</a>	✓	N/A	✓	✓	ONGOING		September 2022
<a href="#">Conceptual Framework—Limited Scope Update-Next Stage</a>	✓	N/A	ED 81 APPROVAL PLANNED DEC 2021				March 2023
<a href="#">Measurement</a>	✓	✓	✓	✓	ONGOING		September 2022
<a href="#">Property, Plant, and Equipment Update - Infrastructure Assets</a>	✓	N/A	✓	✓	ONGOING		September 2022
<a href="#">Property, Plant, and Equipment Update - Heritage Assets</a>	✓	✓	✓	✓	ONGOING		September 2022
<a href="#">Non-Current Assets Held for Sale and Discontinued Operations</a>	✓	N/A	✓	✓	ONGOING		June 2022

## Status of Application of Due Process – December 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				
<a href="#">Leases [IFRS 16 Alignment]</a>	✓	✓	✓	✓	✓	IPSAS 43, APPROVAL PLANNED DEC 2021	December 2021
<a href="#">Other Lease-type arrangements [Public sector specific]</a>	✓	✓	✓	✓	ONGOING		December 2023
<a href="#">Natural Resources</a>	✓	ONGOING					June 2024
<a href="#">Retirement Benefit Plans</a>	✓	N/A	ED 81 APPROVAL PLANNED DEC 2021				December 2022
<a href="#">IPSAS 5, Borrowing Costs – Non-Authoritative Guidance</a>	✓	✓	✓	✓	✓	✓	Issued November 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 2022 Planned Meeting Dates

1. The below tables summarize the IPSASB quarterly meetings and check-in meetings for 2022. Staff note that locations and dates are still tentative. In particular, if any of the quarterly board meetings proceed as virtual meetings, rather than physical as currently planned, it is likely that additional meeting dates will be needed to accommodate the agenda time needed for each meeting, given virtual meetings generally are planned for 3 hours or less each day.
2. Table 1 summarizes the meeting dates for 2022. Table 2 provides the meeting dates for the 2022 IPSASB virtual check-in meetings. Staff ask members to please hold these dates in their calendars.

**Table 1—IPSASB 2022 Meeting Dates/Locations (tentative)**

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

**Table 2—IPSASB 2022 Virtual Check-In Meeting Dates**

February 24 <sup>th</sup> , 2022
May 5 <sup>th</sup> , 2022
July 28 <sup>th</sup> , 2022
October 27 <sup>th</sup> , 2022