

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

**Meeting Location:** New York, USA

**Meeting Date:** March 21–25, 2022

# Agenda Item 3

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="#">3.1.1</a>
	<a href="#">Decisions up to Previous Meeting</a>	<a href="#">3.1.2</a>
<b>Decisions required at this meeting</b>	<a href="#">Program Management—IPSASB Work Program Update</a>	<a href="#">3.2.1</a>
<b>Other supporting items</b>	<a href="#">IPSASB Work Program: March 2022</a>	<a href="#">3.3.1</a>
	<a href="#">Summary of 2022 Planned Meeting Dates</a>	<a href="#">3.3.2</a>

**INSTRUCTIONS UP TO DECEMBER 2021**

<b>Meeting</b>	<b>Instruction</b>	<b>Actioned</b>
December 2021	1. No unresolved instructions at the end of December 2021 meeting.	1. N/A

**DECISIONS UP TO DECEMBER 2021**

<b>Meeting</b>	<b>Decision</b>	<b>BC Reference</b>
December 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 delay the planned 2022 Improvements project from June 2022 until March 2023 for the reasons noted in paragraph 11; and
  - (b) Note the activities and information highlighted in paragraphs 13–17.

### **Background**

3. All updates following the December 2021 meeting are reflected in [Agenda Item 3.3.1](#).
4. During the March 25, 2022 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. Unfortunately, COVID continues to persist and impact the operations of the IPSASB. Positively, the IPSASB will start to transition back to normal operations throughout 2022, starting with the first in-person meeting since March 2020, when it holds its March 21–25 meeting at the IFAC, NY offices.
7. The current plan for the remainder of the IPSASB 2022 meetings follows:
  - (a) As a result of IFAC meeting space technology improvements, the June 2022 meeting is also planned to be held in NY, to facilitate a better virtual meeting experience for those members that cannot join in-person.
  - (b) The September 2022 meeting is planned to be hosted in Portugal (followed by the 4<sup>th</sup> International Public Sector Standards Setters Forum in Cascais, Portugal).
  - (c) The December 2022 meeting is planned to occur at the CPA Canada meeting space in Toronto, should this be open for meetings.
8. Unfortunately, we cannot ensure at this time that a full virtual attendance option will be available for either the September or December 2022 meetings, so we request members to please discuss the transition plan back to physical attendance with your supporting organizations to ensure a return to the 'norm' – in-person meeting attendance – as soon as possible in 2022.
9. Planning and operating in-person meetings with a virtual attendance option is complicated in terms of planning agendas, timings for discussions, and ensuring adequate technology to support such meetings. There are likely to be some challenges encountered during this transition period, however, members should feel assured that staff are meticulously planning and organizing each meeting to try and ensure the smoothest meeting experience possible whether in-person or virtual. Thank you in advance for your patience and support.

## *Program Management*

10. The IPSASB work program has been updated following the December 2021 meeting for the following:
  - (a) Changes to reflect the approvals of:
    - (i) [IPSAS 43, Leases](#)
    - (ii) [Improvements to IPSAS, 2021](#)
    - (iii) [ED 81, Conceptual Framework Update: Chapter 3, Qualitative Characteristics and Chapter 5, Elements](#)
    - (iv) ED 82, *Retirement Benefit Plans*
  - (b) The extension of the work program timeline until 2024, which is after the end of the current strategy period under the [IPSASB Strategy and Work Plan 2019–2023](#).
11. The Program and Technical Director recommends that the 2022 Improvements Exposure Draft planned for review and approval at the June 2022 meeting be deferred until March 2023. There are no substantive time-critical IFRS improvements waiting to be made, so this will provide more staff time to focus on other more critical projects, and to provide additional IPSASB plenary time in June 2022. This change to the work program will also provide additional time for staff to progress the initiatives agreed in December 2021 related to improvements (define criteria for items to be included in improvements or a separate narrow scope amendments project, and to update the IPSASB Process for Reviewing and Modifying IASB documents), so these can be applied to the next improvements project.

## *Key Items on Current Agenda (March 2022 Meeting)*

12. Staff highlight that the March 2022 meeting is very important to delivering on the work program. The Natural Resources Consultation Paper and proposed additions to the work program as a result of the 2021 Mid-Period Work Program Consultation are both up for approval.

## *Sustainability*

13. 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 (TWRG). The announcement can be found [here](#).
14. Constituents increasingly 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 were taken in 2021 and in Q1 2022:
  - (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 TWRG 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 sessions 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. The IPSASB continued its conversations on public sector sustainability reporting in December 2021 and in February 2022, and there have been briefing sessions with IFAC, the PIC and the CAG.
  - (d) The World Bank issued a report on January 31, 2022, [Sovereign Climate and Nature Reporting: Proposal for Risks and Opportunities Disclosure Framework](#). The report considers the critical issue of advancing sustainability reporting in the public sector. The report highlights that sovereign bonds make up almost 40% of the US\$100 trillion global bond market and the striking need for public sector sustainability reporting guidance. The report acknowledges the IPSASB as the international public sector financial reporting board, is well placed to lead a global consultation and conversation on public sector sustainability reporting. a report to advocate
  - (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 Q2 2022 and are meant to facilitate the timely sharing of information and perspectives on this important topic.
15. The IPSASB will further discuss public sector sustainability reporting and its strategy in this space, during the private session at the March 2022 meeting.

### *Theme D and E – Initiatives*

16. 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

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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.

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, see [Agenda Item 12](#) for a staff paper on the ISS update process.

- (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) *Pathways to Accrual* was published on February 24, 2022 and you can access the tool here: <https://pathways.ifac.org/standards/pathways/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 modernizes the presentation and dissemination of the information by providing a web-based platform, and updates the content to ensure it is relevant and easier to navigate and use by those planning and undertaking accrual reforms.
  - (ii) *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.
  - (iii) *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 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.
  - (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

17. **Francophone Africa Event.** The IPSASB held an event hosted by the IMF on February 16, 2022. This event was coordinated and planned by the IMF to assist the IPSASB in forging deeper relationships in Francophone Africa. IPSASB members from France, Canada and Tanzania joined to update on the IPSASB's work, and to share information on the successful adoption of IPSAS in Tanzania. Additionally, other countries in the region presented on their ongoing public financial

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<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.

management reforms. The secretariat from the Public Sector Accounting and Reporting Program (PULSAR) also presented information on the ongoing regional PFM program targeting the Western Balkan states to help reform public sector accounting and management frameworks. The event had over one hundred attendees, mainly representing government departments, and regional development organizations. This was an important event that leveraged IPSASB members experience and allowed conversations in the predominant language of the region to occur. Staff from the IMF and IPSASB agreed that future events should be planned building of this first successful engagement with Francophone Africa.

### **Decision Required**

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

## IPSASB WORK PROGRAM THRU 2024: MARCH 2022

Project	Meetings											
	Mar 2022	Jun 2022 (CAG)	Sep 2022	Dec 2022 (CAG)	Mar 2023	Jun 2023 (CAG)	Sep 2023	Dec 2023 (CAG)	Mar 2024	Jun 2024 (CAG)	Sep 2024	Dec 2024 (CAG)
<b>I. Current Projects</b>												
<a href="#">Revenue</a> <sup>1</sup>	DI/IP	DI/IP	IP									
<a href="#">Transfer Expenses</a> <sup>1</sup>	DI/IP	DI/IP	IP									
<a href="#">Conceptual Framework—Limited Scope Update-Measurement</a>	RR/DI	RR/DI CAG	CF									
<a href="#">Conceptual Framework—Limited Scope Update-Next Stage</a>			RR/DI	RR/DI CAG	CF							
<a href="#">Measurement</a>	RR/DI	RR/IP CAG	IP									
Property, Plant, and Equipment <sup>2</sup> (i) <a href="#">Infrastructure Assets (additional guidance)</a> (ii) <a href="#">Heritage Assets (additional guidance)</a>	RR/DI	RR/IP	IP									
<a href="#">Non-Current Assets Held for Sale and Discontinued Operations</a>	RR/IP	IP										
<a href="#">Other Lease-type arrangements [Public sector specific]</a> <sup>3</sup>	RR/DI	RR/DI CAG	RR/ED	ED		RR/DI	RR/DI	RR/IP CAG	IP			
<a href="#">Natural Resources</a>	CP			RR CAG	RR/DI	RR/ED	ED		RR/ED	RR/ED CAG	RR/IP	IP
<a href="#">Retirement Benefit Plans</a>			RR/IP	RR/IP	IP							
Improvements		ED		IP		ED		IP		ED		IP
Mid-Period Work Program Consultation	RWP											
IPSASB Handbook		Publish			Publish				Publish			

<sup>1</sup> Due process requires the IPSASB to consider the need for re-exposure after it approves a new standard. However, because of changes since the Revenue and Transfer Expense exposure drafts, the IPSASB is proceeding under a working assumption that both standards will require re-exposure.

<sup>2</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>3</sup> This project will be informed by the Request for Information, which was issued 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:

### *Consultation Paper:*

Natural Resources [Planned approval March 2022]

### *Exposure Drafts:*

ED 81, *Conceptual Framework Update: Chapter 3, Qualitative Characteristics and Chapter 5, Elements*

ED 82, *Retirement Benefit Plans*

# Agenda Item 3.3.1

March 2022

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

Project	Date Issued
IPSAS 43, <i>Leases</i>	January 2022
<i>Improvements to IPSAS, 2019</i>	January 2022
<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
IPSAS 42, <i>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 – March 2022

## APPENDIX A Agenda Item 3.3.1

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</a>	✓	✓	✓	✓	ONGOING		September 2022
<a href="#">Transfer Expenses</a>	✓	✓	✓	✓	ONGOING		September 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 – PUBLISHED JAN 2022			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
<a href="#">Leases [IFRS 16 Alignment]</a>	✓	✓	✓	✓	✓	✓	Approved December 2021

## Status of Application of Due Process – March 2022

## APPENDIX A Agenda Item 3.3.1

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="#">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 82 APPROVED PUBLICATION EXPECTED MARCH 2022			March 2023
<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 Meeting Dates**

1. The below tables summarize the IPSASB quarterly meetings and check-in meetings for 2022.
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 (in-person, virtual option available) Dates: March 21-25, 2022
<b>June 2022</b> Location: New York (in-person, virtual option available) CAG Meeting - June 20, 2022 (virtual CAG meeting) IPSASB Meeting - June 21-24, 2022 (in-person, virtual option available)
<b>September 2022</b> <b><i>Portugal – Hosted by the Portuguese Accounting Institute—OCC</i></b> IPSASB Meeting: September 12-15, 2022 (Lisbon, Portugal) (physical location still under consideration - virtual option unlikely to be available) Public Sector Standard Setters Forum: September 19-20, 2022 (Cascais, Portugal) – in-person
<b>December 2022</b> Toronto, Canada (in-person) CAG Meeting - December 5, 2022 (TBD if in-person or virtual) IPSASB Meeting - December 6-9, 2022 (In-person – unsure if virtual option will be available)

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

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