

Meeting: International Public Sector Accounting
Standards Board

Meeting Location: Lisbon, Portugal

Meeting Date: September 12–16, 2022

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: September 2022	2.3.1
	Summary of 2022 Remaining Planned Meeting Dates	2.3.2

INSTRUCTIONS UP TO JUNE 2022

Meeting	Instruction	Actioned
June 2022	1. No unresolved instructions at the end of June 2022.	1. N/A

DECISIONS UP TO JUNE 2022

Meeting	Decision	BC Reference
June 2022		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 update related to work program developments highlighted in paragraphs 6–12;
 - (b) Agree to review the work program during the Thursday September 15th Board session based on progress at the meeting; and
 - (c) Note the activities and information highlighted in paragraphs 13–20.

Background

3. All updates following the June 2022 meeting are reflected in [Agenda Item 2.3.1](#).
4. During the September 15th 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. COVID continues to persist and impact the operations of the IPSASB. Positively, the IPSASB started to transition back to normal operations with its first hybrid meeting in the IFAC NY offices in March. The June 2022 IPSASB CAG meeting was also a hybrid meeting held in the IFAC NY offices.
7. The September 2022 is the first meeting since 2019 that has not been held virtually or hybrid in the IFAC Meeting space in NY.
8. The December 2022 meeting is planned to be hybrid and will take place in the CPA Canada meeting space in Toronto, Canada.
9. IPSASB staff continue to work to ensure that a virtual attendance option is available for each quarterly hybrid meeting. However, when meeting outside the NY IFAC meeting space (which has been optimized for virtual meetings), it is likely that the virtual meeting experience might not be as strong and reliable as when meeting in NY. There is a risk therefore, that the quality of the virtual meeting experience might be lower when hybrid meetings take place outside of the IFAC meeting space.
10. Planning and operating hybrid meetings with a virtual attendance option is complicated in terms of agenda development, timings for discussions, and ensuring adequate technology to support such meetings. There are likely to be some challenges encountered during this on-going 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

11. The IPSASB work program has been updated following the June 2022 meeting for the following:
- (a) **Retirement Benefit Plans.** An initial review of responses to ED 82, Retirement Benefit Plans, was initially planned for September 2022. However, as a result of the number of ongoing technical projects and the number of these at critical stages, it was determined that the first review of responses should be deferred until December 2022. This adjustment and the impact of the delayed review of responses has been reflected on the work program.

Key Items on Current Agenda (September 2022 Meeting)

12. Several projects are approaching critical points in their development. Staff have been working hard with the various Task Forces/Drafting Groups and/or Board Member Sponsors to develop papers on key issues that require IPSASB decisions to progress the projects. To sustain momentum decisions will be needed on the recommendations provided in the agenda papers. This is highlighted to emphasize the importance of providing feedback to the questions and recommendations proposed in each paper to ensure work program timelines can be achieved. This is particularly important for Revenue, Transfer Expenses and Measurement, as all of these long running projects approach planned approvals in December 2022.

New Work Program Initiatives

13. **New 2022 Projects.** In March 2022 the IPSASB agreed to start work during 2022 on new projects on the work program as resources become available. Below is a short update on each of these projects and the planned commencement of work:
- (a) **Reporting Sustainability Program Information.** ED 83, *Reporting Sustainability Program Information—RPGs 1 and 3: Additional Non-Authoritative Guidance* is planned for approval by IPSASB at the September 2022 meeting. See agenda item 7 for the draft ED and issues papers to be reviewed.
 - (b) **Differential Reporting.** Staff research and scoping work will be presented to IPSASB in September during agenda item 11. This initial session will inform the IPSASB on the broad findings from this early work, as well as enabling staff to receive some initial feedback from the IPSASB on further research to inform the development of a project brief.
 - (c) **Presentation of Financial Statements and Differential Reporting** will both be discussed in detail at the 4th Public Sector Standard Setters Forum, to allow the Board to benefit from the experience of national standard setters on these topics.
14. **Pre-Commitments as Resources Become Available in 2023 and onwards.** As the IPSASB completes a number of major projects on its work program in late 2022 and during 2023, Board and staff resources will be freed up to undertake the new projects noted above, as well as potentially some of the limited scope pieces of work added as pre-commitments for the IPSASB to take forward in 2023 and onwards as resources become available. Those specific limited scope projects are:
- (a) IPSAS 21, *Impairment of Non-Cash Generating Assets*;
 - (b) IPSAS 31, *Intangible Assets*;
 - (c) IPSAS 33, *First-Time Adoption of Accrual Basis IPSASs*; and

- (d) Practice Statement, *Making Materiality Judgements*.

Sustainability

15. The International Sustainability Standards Board (ISSB) continues to evolve and develop as a new standard setting body, including making progress in taking forward its work. At the end of March 2022 the ISSB issued its first two Exposure Drafts (ED):
- (a) [Exposure Draft IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information](#); and
 - (b) [Exposure Draft IFRS S2 Climate-related Disclosures](#).

Both of the ISSB ED comment periods closed on July 29, 2022. For those interested the comment letters can be accessed by clicking the relevant link: [ED IFRS S1](#) and [ED IFRS S2](#). The Executive Director of the IFRS Foundation will provide an overview of progress at the Public Sector Standard Setters Forum.

16. IPSASB updates related to sustainability are available on the IPSASB [sustainability reporting webpage](#), including links to the IPSASB CP, [Advancing Public Sector Sustainability Reporting](#). This webpage includes useful sustainability related information and updates.

Theme D and E – Initiatives

17. 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 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. The IPSAS-ISS Dashboard is available as agenda item 1.5.

Outreach

18. **IPSASB 4th Public Sector Standard Setters Forum.** The IPSASB will hold its 4th Public Sector Standard Setters Forum on September 19-20 in Cascais Portugal. The Forum is being hosted by the

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).

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.

Agenda Item 2.2.1

Ordem dos Contabilistas Certificados (The Order of Certified Accountants). The Forum provides IPSASB an opportunity to undertake discussions with standard setters and public sector experts from around the world and will help the IPSASB receive input on:

- (a) Latest thinking on sustainability reporting, including recent developments and insights from the International Sustainability standards Board (ISSB) and the Global Reporting Initiative (GRI).
 - (b) The new major projects IPSASB is starting now (presentation of financial statements and differential reporting); and
 - (c) Initial thinking on the coverage, balance and content of the IPSASB's 2024-2028 Strategy.
19. **Sustainability.** The comment period for the IPSASB [CP, Advancing Public Sector Sustainability Reporting](#) ends on September 9, 2022. As communicated publicly, responses will not be accepted after September 9th because of the urgent need for the IPSASB to decide whether to proceed with sustainability reporting guidance development. Consequently, IPSASB staff will begin comment analysis on September 9th in order to provide a high-level overview of the comment letters and key themes, during the Friday September 16th strategy session on Sustainability Reporting.
20. **IPSASB Research Forum.** The IPSASB will be holding a 3rd Academic Research Forum (Research Forum), co-hosted by CIGAR on September 23, 2022 in Berlin, Germany. In support of the Research Forum, the IPSASB's Academic Advisory Group (AAG) selected four papers to receive research grants based on a blind review of abstracts, covering the following topics:
- (a) Climate Change and Public Sector Reporting Related to Sustainability
 - (b) Differential Reporting
 - (c) Discount Rates
 - (d) IPSAS 33, First-Time Adoption of Accrual Basis IPSASs

Unfortunately, the authors for the paper on Differential Reporting encountered some challenges that they felt they could not address in time to table a final paper. Therefore, the authors of the Differential Reporting paper indicated in August 2022 that they were withdrawing their paper and would return the research grant. Agenda item 10 includes the final research papers that the Board will discuss and provide feedback on during Thursday September 15th Board session.

Decision Required

21. Does the IPSASB agree with the Staff recommendations in [paragraph 2](#)?

IPSASB Work Program: September 2022

IPSASB WORK PROGRAM THRU 2024: SEPTEMBER 2022

Project	Meetings									
	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)
I. Current Projects										
Revenue¹	DI/IP	[IP]			RR/IP	IP				
Transfer Expenses¹	DI/IP	[IP]			RR/IP	IP				
Conceptual Framework—Limited Scope Update-Measurement	DI/CF	CF								
Conceptual Framework—Limited Scope Update-Next Stage	RR/DI	RR/DI CAG	DI/CF	CF						
Measurement	DI/IP	IP								
Property, Plant, and Equipment ² (i) Infrastructure Assets (additional guidance) (ii) Heritage Assets (additional guidance)	DI/IP	IP								
Other Lease-Type Arrangements [Public sector specific]	RR/ED	ED CAG		RR/DI	RR/DI	RR/IP CAG	IP			
Natural Resources		RR CAG	RR/DI	RR/ED	ED		RR/ED	RR/ED CAG	RR/IP	IP
Retirement Benefit Plans		RR/IP CAG	RR/IP	IP						
Improvements			ED		IP		ED		IP	
Strategy and Work Program 2024—2028		DI CAG	DI/CP	CP			RR/DI	SWP		
Advancing Public Sector Sustainability Reporting		IPSASB Deliberations - To Determine Next Steps								
IPSASB Handbook			Publish				Publish			
II. New 2022 Projects³										

¹ 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; which is why the project is shown as ultimately completed in December 2023.

² 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*.

Project	Meetings									
	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)
Reporting Sustainability Program Information (Theme C)	ED		RR/DI RP							
Presentation of Financial Statements	RS	RS	RS							
Differential Reporting	RS	RS	RS							

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 Amendments to Conceptual Framework

RP = Approval of Final Recommended Practice Guidance

RWP = Approval of Revised Work Program

ST = Approval of Strategy and Work Program

= Planned Consultation Period

RS = Initial Project Research and Scoping Activities

Project Management—Outputs:

Consultation Papers:

Advancing Public Sector Sustainability Reporting

Natural Resources

Exposure Drafts:

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

ED 82, *Retirement Benefit Plans*

³ The IPSASB also added four limited-scope projects to its 2023 work program as pre-commitments with project work to commence as resources become available from 2023 onwards. The limited scope projects are: IPSAS 21, *Impairment of Non-Cash Generating Assets*; IPSAS 31, *Intangible Assets*; IPSAS 33, *First-Time Adoption of Accrual Basis IPSASs*; and Practice Statement: *Making Materiality Judgements*.

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

Project	Date Issued
IPSAS 44, <i>Non-current Assets Held for Sale and Discontinued Operations</i>	May 2022
IPSAS 43, <i>Leases</i>	January 2022
<i>Improvements to IPSAS, 2021</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 – September 2022

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	✓	✓	✓	✓	ONGOING		December 2022 [December 2023]
Transfer Expenses	✓	✓	✓	✓	ONGOING		December 2022 [December 2023]
Conceptual Framework—Limited Scope Update- Measurement	✓	N/A	✓	✓	ONGOING		December 2022
Conceptual Framework—Limited Scope Update-Next Stage	✓	N/A	✓	✓	ONGOING		June 2023
Measurement	✓	✓	✓	✓	ONGOING		December 2022
Property, Plant, and Equipment Update - Infrastructure Assets	✓	N/A	✓	✓	ONGOING		December 2022

Status of Application of Due Process – September 2022

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			
Property, Plant, and Equipment Update - Heritage Assets	✓	✓	✓	✓	ONGOING	December 2022
Other Lease-type arrangements [Public sector specific]	✓	N/A	ONGOING			March 2024
Natural Resources	✓	CP PUBLISHED MAY 2022				December 2024
Retirement Benefit Plans	✓	N/A	✓	ED 82 PUBLISHED APRIL 2022		June 2023

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 Remaining 2022 Meeting Dates

1. The below tables summarize the remaining IPSASB quarterly and check-in meetings for 2022 and for 2023.

Table 1—Remaining IPSASB 2022 Meeting Dates/Locations

December 2022 <i>Toronto, Canada (Hybrid in-person/virtual)</i> CAG Meeting - December 5, 2022 (Hybrid in-person/virtual) IPSASB Meeting - December 6-9, 2022 (Hybrid in-person/virtual)

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

October 27 th , 2022

Table 3—IPSASB 2023 Meeting Dates

March 2023 <i>Washington D.C. – Hosted by International Monetary Fund</i> IPSASB Meeting: March 14-17, 2023: (Hybrid in-person/virtual) Please note that the IPSASB is planning an outreach event with the IMF on Monday March 13, 2023.
June 2023 <i>Toronto, Canada (Hybrid in-person/virtual) – CPA Canada</i> CAG Meeting – June 12, 2023 (Hybrid in-person/virtual) IPSASB Meeting – June 13-16, 2023 (Hybrid in-person/virtual)
September 2023 <i>Zurich, Switzerland (Hybrid in-person/virtual) – Hosted by The Canton of Zurich</i> IPSASB Meeting – September 12–15, 2023 (Hybrid in-person/virtual)
December 2023 <i>Toronto, Canada (Hybrid in-person/virtual) – CPA Canada</i> CAG Meeting – December 4, 2023 (Hybrid in-person/virtual) IPSASB Meeting – December 5-8, 2023 (Hybrid in-person/virtual)

Table 4—IPSASB 2023 Virtual Check-In Meetings

February 23, 2023
April 27, 2023
July 27, 2023
October 26, 2023