

MEASUREMENT

David Watkins, Task Force Chair
Dave Warren, Director

IPSASB Meeting – December 2022

Overview of IPSAS [X], *Measurement*

Topics for Discussion

<u>Agenda Item 5.2.2</u>	Current Operational Value. Overview of changes to COV compared with ED 77.
<u>Agenda Item 5.2.3</u>	Other Measurement Bases. Overview of changes to core text and Historical Cost, Cost of Fulfillment, and Fair Value Measurement Bases Appendices compared with ED 77.
<u>Agenda Item 5.2.4</u>	Basis for Conclusions. Overview of changes to BCs compared with ED 77.
<u>Agenda Item 5.2.5</u>	Implementation Guidance. Overview of changes to IGs compared with ED 77.
<u>Agenda Item 5.2.6</u>	Amendments to Other IPSAS. Interaction of COV with IPSAS 32 and IPSAS 43.
<u>Agenda Item 5.2.7</u>	Amendments to Other IPSAS. Overview of changes to Amendments to Other IPSAS compared with ED 77.

Supplemental Materials

<u>Agenda Item 5.3.1</u>	IPSAS [X], Measurement. Clean version of draft standard.
<u>Agenda Item 5.3.2</u>	IPSAS [X], Measurement. Tracked changes version of draft standard.

Current Operational Value

Recommendation

- Staff and the Drafting Group recommend [draft] IPSAS [X], *Measurement*, has been updated to reflect the COV principles agreed by the IPSASB.
- Key changes:
 - Definition
 - Relevance of term 'pay' to both market value and cost measurement techniques
 - Restructured Text
 - Modern Equivalent Asset
 - Discounted cash flows

Does the IPSASB agree with this recommendation?

Other Measurement Bases

Recommendation

- Staff recommend [draft] IPSAS [X], *Measurement* has been updated to reflect the decisions agreed by the IPSASB.
- Key changes:
 - Switch order of fair value and cost of fulfillment guidance
 - Clarify definition of historical cost and transaction price
 - Disclosure clarification
 - Cost of fulfillment – income approach

Does the IPSASB agree with this recommendation?

Basis for Conclusion

Recommendation

- Staff recommend the BCs to [draft] IPSAS [X], *Measurement* has been updated to reflect the decisions agreed by the IPSASB.

Does the IPSASB agree with this recommendation?

Implementation Guidance

Recommendation

- Staff recommend the IGs to [draft] IPSAS [X], *Measurement* has been updated to reflect the instructions provided by the IPSASB.

Does the IPSASB agree with this recommendation?

Interaction of COV with IPSAS 32 and IPSAS 43

Recommendation

- Staff recommend IPSAS 32 and IPSAS 43 be amended to explicitly reference the fair value measurement basis as part of the Amendments to Other IPSAS in [draft] IPSAS [X], *Property, Plant, and Equipment*.

Does the IPSASB agree with this recommendation?

Amendments to Other IPSAS

Recommendation

- Staff recommend the Amendments to Other IPSAS in [draft] IPSAS [X], *Measurement* have been updated to reflect changes to other IPSAS as a consequence of IPSAS, *Measurement*.
- Key changes:
 - Amendments to IPSAS 16
 - Amendments to IPSAS 33 – COV on adoption

Does the IPSASB agree with this recommendation?



International Public Sector Accounting Standards Board
277 Wellington Street West
Toronto, ON M5V 3H2
Canada
T +1 647 826 3171
www.ipsasb.org



[@IPSASB_News](https://twitter.com/IPSASB_News)



[@International Public Sector
Accounting Standards Board \(IPSASB\)](https://www.linkedin.com/company/@International-Public-Sector-Accounting-Standards-Board-(IPSASB))



YouTube [@IPSASB](https://www.youtube.com/@IPSASB)

Current Operational Value – Appendix A

ED 77, Measurement		IPSAS [X], Measurement	
Paragraph	Principle	Principle	Paragraph
B9	Entry Price	Entry Price	B7
B18-B20	Least Costly Manner	Least Costly Manner	B8-B10
B8-B9	Entity-Specific Value	Entity-Specific Value	B11-B13
B23	Observable Inputs	Observable Inputs	B14-B15
B15	Service Capacity*	Remaining Service Potential	B16-B17
B5	The value of an Asset*	Existing Asset	B19-B20
B3-B4	Service Delivery Objectives (Current Use)	Existing Use	B21-B23
B6-B7	Location of an asset	Existing Location	B24-B26