

Meeting: International Public Sector Accounting
Standards Board

Meeting Location: Zurich, Switzerland

Meeting Date: September 12–15, 2023

Agenda Item 5

For:

- ☒ Approval
☐ Discussion
☐ Information

THE IPSASB'S 2024-2028 STRATEGY AND WORK PROGRAM CONSULTATION

Project summary	The project objective is to develop the 2024-2028 Strategy and Work Program.	
Project staff leads	<ul style="list-style-type: none"> Agustina Llambi, Senior Manager Dave Warren, Director 	
Board Sponsor	<ul style="list-style-type: none"> Ian Carruthers, IPSASB Chair 	
Meeting objectives Project management	Topic	Agenda Item
	The IPSASB's 2024-2028 Strategy and Work Program Consultation: Dashboard	5.1.1
	Instructions up to Previous Meeting	5.1.2
	Decisions up to Previous Meeting	5.1.3
	The IPSASB's 2024-2028 Strategy and Work Program Consultation: Project Roadmap	5.1.4
Decisions required at this meeting	Specific Matters for Comment	5.2.1
	Approval of the IPSASB's 2024-2028 Strategy and Work Program Consultation	5.2.2
Other supporting items	Supporting Document 1 – [Draft] The IPSASB's 2024-2028 Next Strategy and Work Program Consultation	5.3.1

THE IPSASB'S 2024-2028 STRATEGY AND WORK PROGRAM: PROJECT DASHBOARD

Topic	Past Meetings	July Check-In	Sept 2023
Project Management	✓		
Approval of the 2024-2028 IPSASB's Strategy and Work Program Consultation			
Other			
Core Document		✓	
Appendices		✓	

Legend	
✓	Task Completed
	Planned IPSASB Discussion
	Page-by-page Review

INSTRUCTIONS UP TO PREVIOUS MEETING

Meeting	Instruction	Actioned
July 2023	1. Consider whether term 'sustainable' should be included in the Strategic Objective to better communication the relationship between sustainability reporting and public financial management;	1. See Agenda Item 5.3.1
	2. Clarify Figure 1 – Delivering the Strategic Objective, to showcase the connectivity of the areas of focus;	2. See Agenda Item 5.3.1
	3. Ensure the language in the Public Sector Sustainability Reporting section is consistent with the Climate-related disclosures project brief;	3. See Agenda Item 5.3.1
	4. Update and consider relocating the text related to the status of Recommended Practice Guidelines;	4. See Agenda Item 5.3.1
	5. Revise Figure 3 – Foundation for Strong PFM to emphasize both 'financial' and 'sustainability' reporting;	5. See Agenda Item 5.3.1
	6. Update Figure 4 – Proposed 2024-2028 Work Program to: a. Be consistent with the headings across the document; b. Better illustrate the proposed allocation of resources; c. Clarify that research and maintenance projects may result in standard setting projects;	6. See Agenda Item 5.3.1
	7. Clarify the process to develop the Appendix: Potential Project List to refine the potential project descriptions of IFRS 17, <i>Insurance Contracts</i> , IPSAS 2, <i>Cash Flow Statements</i> ; and add back IAS 34, <i>Interim Financial Reporting</i> ; and	7. See Agenda Item 5.3.1
	8. Streamline the specific matters for comment to focus on the new proposals for the 2024-2028 Strategic Period.	8. See Agenda Item 5.2.1

DECISIONS UP TO PREVIOUS MEETING

Meeting	Decision	BC Reference
March 2023	1. The 2019-2023 Strategy and Work Program should be updated to reflect the current context, including changes in stakeholder expectations since the current strategy was developed.	1. Not Applicable
June 2023	1. The PIR process should leverage the IASB's post-implementation process and the scope of PIR's should include the full suite of IPSAS.	1. Not Applicable
July 2023	1. Subject to considering the inclusion of the term 'sustainable', the strategic objective should be: <i>Strengthening Public Financial Management (PFM) globally through increasing adoption and implementation of accrual IPSAS and public sector Sustainability Reporting Standards</i> ; and	1. Not Applicable
	2. The Appendix should be renamed 'Potential Project List'.	2. Not Applicable

**THE IPSASB'S 2024-2028 STRATEGY AND WORK PROGRAM
CONSULTATION:
PROJECT ROADMAP**

Meeting	Completed Actions or Discussions / Planned Actions or Discussions:
March 2023	1. Overview of the IPSASB's 2024-2028 Strategy and Work Program.
June 2023	1. Discuss the project plan. 2. Discuss the strategy. 3. Discuss potential technical projects.
July Check-In 2023	1. Review drafting changes to the IPSASB's 2024-2028 Strategy and Work Program.
October 2023	1. Approve Consultation of the IPSASB's 2024-2028 Strategy and Work Program.
October 2023 – March 2024	1. Out for Consultation. 2. Regional Roundtables.
June 2024	1. Review of Responses.
September 2024	1. Approve the IPSASB's 2024-2028 Strategy and Work Program.

Specific Matters for Comment

Question

1. Does the IPSASB agree with the recommendation?

Recommendation

2. Staff recommend the IPSASB to include four specific matters for comment ('SMC') in the IPSASB's 2024-2028 Strategy and Work Program Consultation.

Background

3. During the July 2023 Check-In, [draft] 2024-2028 Strategy and Work Program Consultation included seven SMCs. The IPSASB noted that SMCs should be streamlined and focus on new proposals, such as revisions to the strategic objective and the undertaking of maintenance activities.

Proposed SMCs

4. Staff recommends obtaining constituents' feedback on the proposed IPSASB's Strategic Objective for the 2024-2028 work program period, which captures the shift in the balance of public sector financial reporting needs towards the maintenance of IPSAS and the IPSASB decision to take the next step in developing public sector specific sustainability reporting standards.

SMC 1: The IPSASB proposes to update its strategic objective to reflect the shift in the balance of public sector financial reporting needs towards the maintenance of IPSAS and the development of sustainability reporting standards.

- (a) Do you agree with the revised strategic objective?

Strengthening Public Financial Management globally through increasing adoption and implementation of accrual IPSAS and public sector sustainability reporting standards.

- (b) Do you agree with the IPSASB's proposal to deliver its strategic objective through two main activities (Delivering Global Standards and Inspiring Implementation)?

If you do not agree, please explain your reasoning and your proposed alternatives.

5. Staff also recommends including an SMC to obtain feedback from constituents on the proposed addition of maintenance activities to the Work Program, which addresses stakeholders' needs for the IPSASB to shift the focus from the development of IPSAS towards their maintenance.

SMC 2: The IPSASB proposes to add research and maintenance activities to its Work Program, including a process to assess IPSAS application challenges and to undertake post implementation reviews.

Do you agree with the proposal to add research and maintenance activities? If you do not agree, please explain why, including any proposed alternatives.

6. During the June meeting and July Check-In the IPSASB refined the potential projects list, see Appendix A in [Supporting Document 5.3.1](#). Staff recommends seeking constituents' feedback on projects the IPSASB should consider for each category.

SMC 3: The IPSASB's Potential Future Major Financial Reporting Projects includes projects that span the IPSASB's financial reporting work program (development and maintenance activities).

- (a) Are there other major financial reporting projects the IPSASB should consider adding to its Potential Future Major Financial Reporting Projects list?
- (b) Are there other IPSAS that the IPSASB should consider as a potential activity for its maintenance program?

For each potential financial reporting project identified, please explain why you believe this has international relevance such that the IPSASB should consider it, and elaborate on the nature of the issue you think should be explored.

- 7. Staff proposes the IPSASB seek constituents' feedback on what public sector sustainability reporting issues the IPSASB should consider adding to its Work Program upon the completion of the three pre-committed projects¹ identified from conducting the [Advancing Public Sector Sustainability Reporting Consultation](#).

SMC 4: Upon completion of the three pre-committed sustainability reporting standard projects, what are the key public sector sustainability reporting issues the IPSASB should consider adding to its Work Program?

When answering please provide your rationale as to why the IPSASB should undertake such a project(s).

Decision Required

- 8. Does the IPSASB agree with staff [recommendation](#)?

¹ General Requirements for Disclosure of Sustainability-related Financial Information, Climate-Related Disclosures, and Natural Resources – Non-Financial Disclosures.

Approval of the 2024-2028 Strategy and Work Program Consultation

Question

1. Does the IPSASB agree the 2024-2028 Strategy and Work Program Consultation be approved for exposure.

Recommendation

2. Staff recommend the IPSASB:
 - (a) Approve the [\[draft\] 2024-2028 Strategy and Work Program Consultation](#) for exposure; and
 - (b) Agree that a 4-month exposure period is appropriate.

Background

3. In March 2023, the IPSASB decided that the existing IPSASB strategy should be updated to reflect the current context, including changes in stakeholder expectations since the current strategy was developed.
4. During the June 2023 meeting, staff presented the IPSASB with a draft of the IPSASB's 2024-2028 Strategy and Work Program Consultation, reflecting the evolution in the environment and stakeholder expectations of the IPSASB since the development of the 2019-2023 Strategy and Work Program.
5. At the July 2023 check-in meeting, staff presented the IPSASB with a revised draft of the IPSASB's 2024-2028 Strategy and Work Program incorporating the instructions received in the June meeting (See [July 2023 meeting - Agenda Item 1.1.2](#)).

Analysis

Due Process

6. The [draft] IPSASB's 2024-2028 Strategy and Work Program Consultation found in [Supporting Document 5.3.1](#). was developed in consultation with:
 - (a) **Regional Breakout Groups.** The direction provided at the June 2023 IPSASB meeting by the regional breakout groups was excellent. Staff reflected the input received by the IPSASB members, Technical Advisors, and Observers when developing the potential project list (see Appendix A in [Supporting Document 5.3.1](#)), which was presented and discussed with the IPSASB at the July 2023 Check-In meeting.
 - (b) **Consultative Advisory Group (CAG).** The CAG convened on July 18th, 2023, to provide advice on the (draft) 2024-2028 Strategy and Work Program Consultation (see [Appendix A](#) for advice received from the CAG and how that advice was actioned in the document).
 - (c) Decisions and instructions from the IPSASB received in June 2023 meeting and July 2023 check-in meeting have been incorporated in the (draft) 2024-2028 Strategy and Work Program Consultation.
7. Staff extends its thanks to IPSASB members, technical advisors, observers, and CAG members for their commitment, engagement, and support in the development process. Staff considered all the feedback and reflected it as appropriate in the [draft] 2024-2028 Strategy and Work Program Consultation, see [Supporting Document 5.3.1](#).

8. **Public Interest Committee (PIC).** Staff distributed the final draft of the strategy consultation to the PIC for their review and input. Staff will provide a verbal update to the IPSASB during the September 2023 meeting in Zurich.

Exposure Period

9. Staff plans to publish the document in early October 2023. Staff is recommending a 4-month exposure period, the comment period is targeted to close on February 15, 2024. This is consistent with the exposure period of previous strategy consultations, and ensures the final regional roundtable, expected during the first week of February 2024, is held within the exposure period.
10. A comment deadline of February 15 will allow the IPSASB to perform an initial review of responses in March 2024, leading to a detailed review of responses in June 2024, with approval of the 2024-2028 Strategy and Work Program in September 2024.

Decision Required

11. Does the IPSASB agree with the staff [recommendation](#)?

Appendix A - CAG Advice on the Consultation Document

- Summary of the advice provided by CAG members from the July 2023 In-Period CAG Meeting and how the IPSASB staff has responded to the Member comments are included in the table below.

Representatives' and Observers' Comments		IPSASB Staff Response
July 2023 CAG Meeting Comments		
<p>Agustina Llambi, Senior Manager, provided an overview of the process followed in developing the Draft 2024-2028 Strategy and Work Program Consultation (Strategy Consultation):</p> <ul style="list-style-type: none"> Summary of the current Strategy and Work Program, discussing its strategic objective and main two activities to deliver on the strategic objective; Explained the changes in environment the IPSASB needed to address in the 2024-2028 strategic period to meet its stakeholders' expectations; and Walkthrough the CAG through the updated Strategy considering the current context of the IPSASB. 		
The CAG members commented on each section as follows:		
General Comments on the Strategy Consultation		
1.	Mr. Chughtai, and Mr. Gisby noted their support for the IPSASB to undertake the development of Sustainability Reporting Standards and the shift from the development to the maintenance of IPSAS.	Noted by IPSASB staff. No action required.
2.	Mr. Melo agreed is important to focus on inspiring implementation and noted that it is similarly important is to highlight the value of accrual accounting as a data source for budget creation.	Figure 3—Foundation for Strong PFM, notes the importance of budgets based on accrual accounting information. However, as a financial reporting standard setter, budgets are outside of the scope of the IPSASB.
Section 1 - IPSASB's Proposed Strategy (page 7)		
3.	Mrs. Sanderson noted that the undertaking of an application panel and post implementation review was not reflected in Figure 1—Delivering on the Strategic Objective.	Figure 1 is designed to highlight the Strategic Objective is delivered through four key areas. Further detail is articulated in the particular area of focus, which discusses both the application panel and post implementation review process.
4.	Mrs. Weinberg noted that if the focus of the IPSASB Strategic Objective is strengthening PFM, then the focus should be increasing the use of accrual accounting for the development of	The IPSASB advocates for the importance of accrual budgets, however, budgets are outside the scope of the IPSASB, as such it is not included in the IPSASB's Strategic Objective. See comment 1(b).

Representatives' and Observers' Comments	IPSASB Staff Response
budgets as opposed to adoption and implementation of accrual IPSAS.	
5. Mr. Simpson advised clarifying the 'improving effectiveness' action. He advised redrafting to include application challenges and conducting post implementation reviews.	The action was clarified from 'improving effectiveness' to 'clarifying principles'. This is a better reflection of the purpose of establishing an application panel and post implementation review process.
Section 2 – Delivering Global Standards (pages 9-12)	
6. Mrs. Sanderson supported the IPSASB undertaking PIR, and asked whether the IPSASB will have the resource capacity to address the potential outcome of conducting PIRs, such as a standard setting project.	The document has been updated to propose that resources should be reallocated from standard development to maintenance activities, such as PIRs. This will provide the IPSASB with the flexibility needed to undertake such PIR and have the capacity to act on the potential outcome.
7. Mr. Close asked whether cost-effectiveness will be considered in the PIR process.	The IPSASB is developing its PIR process. Currently, it is expected that cost-effectiveness will be considered.
8. Mr. Simpson questioned the naming of the group to discuss IPSAS application challenges as 'Interpretation Panel', noting that if IPSASs are clear there should be no need for interpretation.	The name of group has been revised to Application Panel to better reflect the purpose of the group.
9. Mrs. Colignon suggested further clarity is needed on whether the IPSASB will develop a Conceptual Framework specifically for sustainability reporting standards or utilize the existing one.	The Sustainability Reporting Standards area of focus has been updated to be consistent with the Climate related Disclosure project brief. The project brief, and now the Strategy Consultation, is clear the IPSASB's current Conceptual Framework will be key for addressing public sector issues.
10. Mrs. Sanderson advised clarifying whether the IPSASB will be able to undertake more sustainability reporting standards besides the one on Climate during the 2024-2028 Strategic Period.	Figure 4–Proposed 2024-2028 Work Program that the IPSASB, was enhanced to clarify the IPSASB will first undertake the completion of pre-committed projects ahead of consulting on additional projects to be added to the 2024-2028 Work Program.
11. Mrs. Makgolo appreciated the focus shift from the development of IPSAS to their maintenance.	Noted by IPSASB staff. No action required.

Representatives' and Observers' Comments	IPSASB Staff Response
Section 3 – Inspiring Implementation (pages 13-16)	
12. Mrs. Colignon asked whether the IPSASB will seek strategic input from the CAG on its Sustainability Reporting Standards.	Mr. Smith, IPSASB Program and Technical Director, noted that the CAG will continue to play its strategic role and that a Sustainability Reporting Standard structure is being established below the CAG to help developed Sustainability Reporting Standards in a timely way.
13. Mrs. Dar asked whether an entity would need to adopt both IPSAS and the upcoming IPSASB Sustainability Reporting Standards to be in compliance.	Sustainability Reporting Standards and IPSAS will be kept separate, meaning an entity could apply IPSAS without the requirement to apply Sustainability Reporting Standards and vice versa.
Section 4 – Proposed Work Program (pages 17-23)	
14. Mr. Gisby asked whether the projects considered in the 2021 mid-period consultation were considered in this upcoming strategy.	The projects committed in response to the mid-period work program consultation have been reflected in Figure 4—Proposed 2024-2028 Work Program.
15. Mr. Mansilla noted his support for the IPSASB to allocate Work Program resources to undertake PIR and mentioned the progress of IPSAS implementation in Latin America will benefit from them.	Noted by IPSASB staff. No action required.
Section 5 – Chair's Message (page 5)	
16. No comments.	No action required.

**Supporting Document 1 – [draft] The 2024-2028 Strategy and Work Program
Consultation**

Review Instructions

1. IPSASB members, Technical Advisors, and Observers are asked to note the following when reviewing the draft IPSASB's 2024-2028 Strategy and Work Program:
 - (a) The current version includes comments received from the July In-Period CAG session, and revisions based on IPSASB decisions and instructions in the July 2023 Check-In meeting;
 - (i) Staff worked with individual IPSASB members ahead of the September 2023 meeting to ensure their comments were addressed.
 - (b) For readability purposes, this supporting document does not include track changes; and
 - (c) Please provide all editorial comments via email before or during the September 2023 meeting in Zurich, Switzerland.