IPSASB International Public Sector Accounting Standards Board®

AGENDA ITEM 5

IPSAS 33 – LIMITED SCOPE UPDATE

IPSASB Meeting – December 2023

Abdullah Al-Mehthil, Task Force Chair, IPSASB Member
David Watkins, Technical Advisor

Toronto, Canada

AGENDA

1. Project summary
2. Task Force members
3. The Team
4. Project Brief – Key Issue
5. Decisions & Instructions
6. Development of IPSAS 33

PROJECT SUMMARY

The objective of this project is to enhance IPSAS 33, *First-time adoption of Accrual Basis IPSAS*

Task Force members

- Abdullah Al-Mehthil, Task Force Chair, IPSASB Member
- David Watkins, IPSASB Technical Advisor

The Team

IPSASB Member Abdullah Al-Mehthil used members of his team in the Ministry of Finance, Kingdom of Saudi Arabia, with IPSAS 33 application experience to assist in the project and identify key issues:

- Abdullah Alhomaida, Team Leader
- Dr Khalid Assy, Consultant
- Rayan Al-Afif, Financial Consulting Specialist
- Sajidah Alasfour, Financial Consulting Specialist
- Reema Al-Jallal, Financial Consulting Specialist
- Raghad S. Alsarhani, Financial Consulting Specialist

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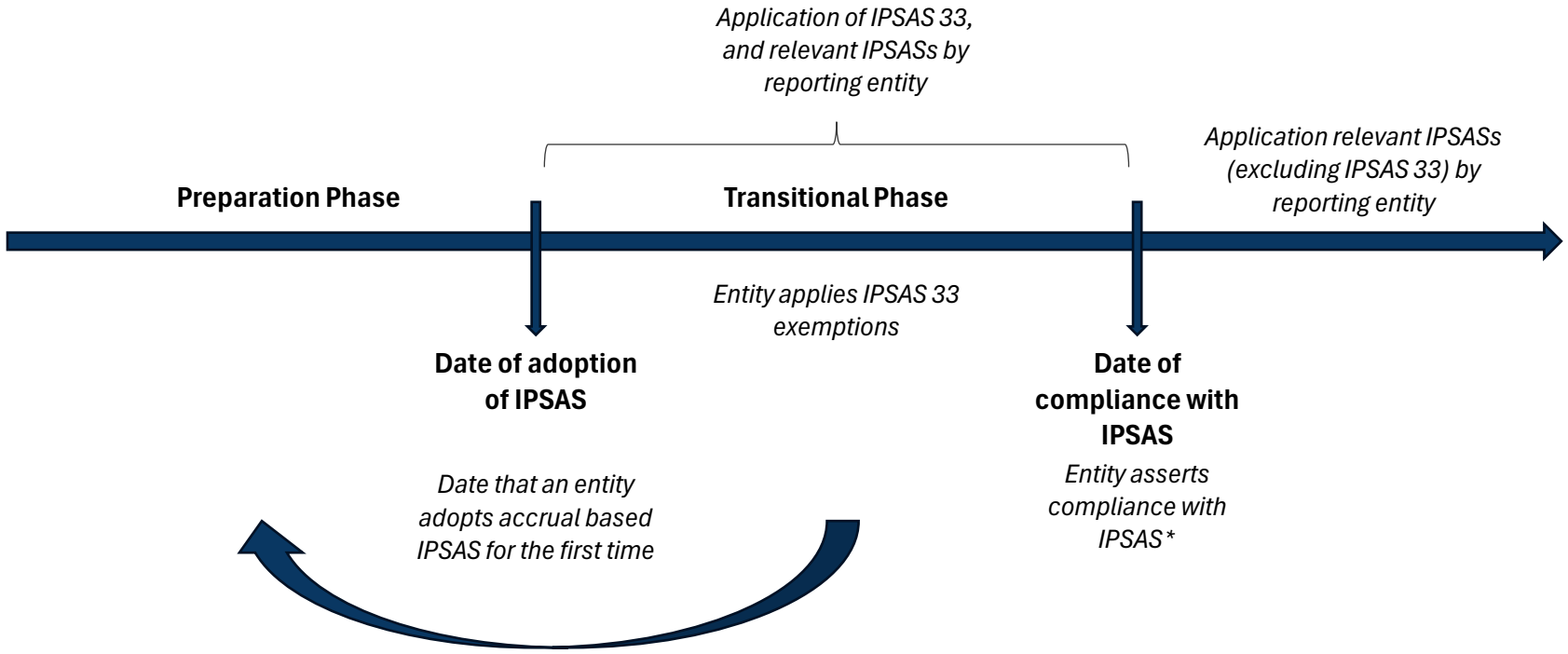
Approval of Project Brief, First time adoption of Accrual Basis IPSAS

Analysis – Issue 1

Late application of IPSAS 33, First-time adoption of Accrual Basis IPSAS – there is little guidance in IPSAS 33 about the preparation phase and is only relevant when the planning stage has been completed. Additionally, the Basis for Conclusions has little to say about the preparation phase.

Approval of Project Brief, First time adoption of Accrual Basis IPSAS

Analysis – Issue 1



Key issue:

- *Should the exemptions that affect fair presentation become encouraged OR required accounting practices prior to the date of adoption of IPSAS?*

Approval of Project Brief, First time adoption of Accrual Basis IPSAS

Analysis – Issue 2

A First-Time adopter is encouraged, but not required, to recognize and measure certain assets and liabilities - A first-time adopter is encouraged, but not required, to recognize asset(s), liability(ies), revenue and expense(s), and other exemptions that allow the adopter to start recognizing such transactions and balances over a period of three years, which give rise to several issues and challenges for the first time adopter and for the users of the transitional financial statements.

Approval of Project Brief, First time adoption of Accrual Basis IPSAS

Recommendation

Staff recommends the IPSASB approve the Project Brief, Limited Scope Update: IPSAS 33, *First–Time Adoption of Accrual Basis IPSASs*

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Decisions up to previous meeting

Actioned following the September meeting

Decision	Basis for Conclusions Reference
Material in IPSAS 33 shall be rearranged by topic and non-authoritative guidance shall be added.	To be drafted

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6. **Development of IPSAS 33**

IPSAS 33: Development (revised)

Recommendation

IPSAS 33 Alignment with IFRS 1	Potential EPSAS Standards	World Bank 'PULSE' Assessment Framework	IFAC Pathway to Accrual

This Agenda Item sets out proposed groupings of IPSAS by topic, aligning the IPSAS 33 approach with the World Bank 'PULSE' Assessment Framework and potential EPSAS Standards. In most areas, these groupings align with those used in the IFAC Pathways to Accrual tool, although some adjustments will need to be made.

Instructions up to previous meeting

Actioned following the September meeting

Instruction	Actioned
Prepare a high-level options analysis for the September meeting considering what might be included in a revised Standard and what might be included in separate guidance (linked to Pathways to Accrual).	First-Time Adoption of Accrual Basis IPSAS at September 2023 (See Agenda Item 15)
Develop illustrative material to demonstrate the arrangement of guidance in IPSAS 33 by topic, and the addition of non-authoritative guidance to better support adopters in their transition efforts.	See [draft] Project Brief, First-time adoption of Accrual Basis IPSAS. (Agenda Item 5.3.1) See IPSAS 33 outline (Agenda Item 5.3.3)

Does the IPSASB agree that instructions from the September meeting have been implemented appropriately?

Recommendation

Analysis

Staff has reformatted IPSAS 33 to reflect the instructions given by the IPSASB (see Agenda Item 5.3.3). At this stage, with the exception of some deletions of duplicative material, the text has not been materially changed from what is in IPSAS 33, although some suggested clarifications have been incorporated — as shown in mark-up. The IPSASB is invited, during discussion, to provide any strategic direction to assist staff in developing an Exposure Draft.

Recommendation

Staff recommends the IPSASB approve the grouping of IPSAS as set out in Agenda Paper 5.3.3

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