

IPSASB

International Public
Sector Accounting
Standards Board®

Strategy and Work Program 2024-2028

Strategy Consultation

Consultation [October 2023]

Comment Deadline [February 28, 2023]

Mission	The International Public Sector Accounting Standards Board® (IPSASB®) serves the public interest by developing high-quality accounting and sustainability standards and other publications for use by public sector entities around the world in the preparation of general purpose financial reports (GPFRs).
Outputs	<p>The IPSASB's Standards include:</p> <ul style="list-style-type: none"> • International Public Sector Accounting Standards (IPSAS) which set out requirements for accrual-based financial reporting in General Purpose Financial Statements (GPFs); • Sustainability Standards which set out sustainability disclosure requirements; and • Cash Basis IPSAS. <p>The IPSASB's non-authoritative guidance and other publications include:</p> <ul style="list-style-type: none"> • The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities; • Recommended Practice Guidelines (RPGs) applicable to the preparation and presentation of GPFRs; and • Staff papers and other documents.
Impacts	<p>The use of IPSAS and Sustainability Standards:</p> <ul style="list-style-type: none"> • Enhances transparency through increasing comparability and quality of financial and sustainability information, enabling users to assess the financial status of public sector entities and to evaluate the sustainability of their activities today and for future generations. • Strengthens accountability by communicating the nature and amount of resources controlled by public sector entities and how they are used, allowing users to hold governments to account; and • Contributes to better information for decision makers of public sector entities to use in making judgments and delivering goods and services to users efficiently.
Strategic Input	The IPSASB Consultative Advisory Group (CAG) is a forum comprised of representatives from public and private sector organizations and individuals that are interested in, or affected by, the IPSASB's work, including those engaged in the preparation, audit, or evaluation of public sector financial and sustainability reports. Interaction with the CAG is a key element of the IPSASB's due process .
Oversight	The IPSASB sets its standards in accordance with a transparent due process . The IPSASB's governance and standard-setting activities are overseen by the Public Interest Committee (PIC) .
Structures & Processes	The structures and processes that support the IPSASB are facilitated by the International Federation of Accountants (IFAC) .

Funding

The IPSASB receives financial support from IFAC, the Asian Development Bank, the Chartered Professional Accountants of Canada, the New Zealand External Reporting Board, and the governments of Canada.

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Chair's Message

Having achieved so much despite the major challenges we have all faced during the 2019-2023 Strategy period, the IPSASB has reached an inflection point. The next Strategy period could not have come at a more opportune time. The IPSASB, with your help, will need to chart a course that balances the following factors:

- **Maturity of the IPSAS suite.** During the 2019-2023 Strategy period the IPSASB developed a number of major pronouncements addressing key gaps in its literature while addressing major changes in international financial reporting.
- **Growing constituent base.** By 2030 it is projected that more than 70% of jurisdictions will apply accrual accounting.¹ These new users will increase the demands on the IPSASB's resources.
- **Inspiring Implementation.** Continue participating in outreach programs that support adoption and implementation of IPSAS, and partnering with other organizations to develop tools, such as Pathways to Accrual, to meet the implementation needs of the expanding user base.
- **Sustainability reporting.** Loud and clear, our stakeholders told the IPSASB it should lead the development of sustainability reporting in the public sector.



To address these environmental changes, the IPSASB proposes to rebalance its financial reporting resources. A maturing IPSAS suite of standards, reflecting the achievements of the 2019-2023 Strategy period in developing pronouncements that addressed key gaps, will allow the IPSASB to shift the focus of its financial reporting program. The previous focus on the development of new standards can now shift more towards the maintenance of an increasingly complete and mature suite of standards.

This proposed rebalancing of the IPSASB's financial reporting resources will allow the Board to begin to undertake implementation reviews and to launch an interpretations group, both of which will support not only existing IPSAS users but the much larger group of stakeholders expected to be using the IPSASB's Standards by 2030.

With the existing financial reporting resources spoken for, sourcing additional funding is key to the timely development of sustainability reporting standards in the public sector. Sufficient

¹ <https://www.ifac.org/knowledge-gateway/supporting-international-standards/discussion/international-public-sector-financial-accountability-index-2020>

funding was received to start moving forward the climate-related disclosures project, however, additional sources of funding will be needed to drive forward other key potential sustainability projects highlighted by our stakeholders.

This exciting new phase of the IPSASB's work will build on the hard work of the Board and its staff to implement the current strategy, as well as the input from you our stakeholders. This has increased the completeness of the IPSAS suite and enabled us to extend our work into sustainability reporting. We at the IPSASB, look forward to hearing your feedback on our proposals as we shape the 2024-2028 Strategy and Work Program.

[Ian's signature to be inserted]

Our Proposed Strategy

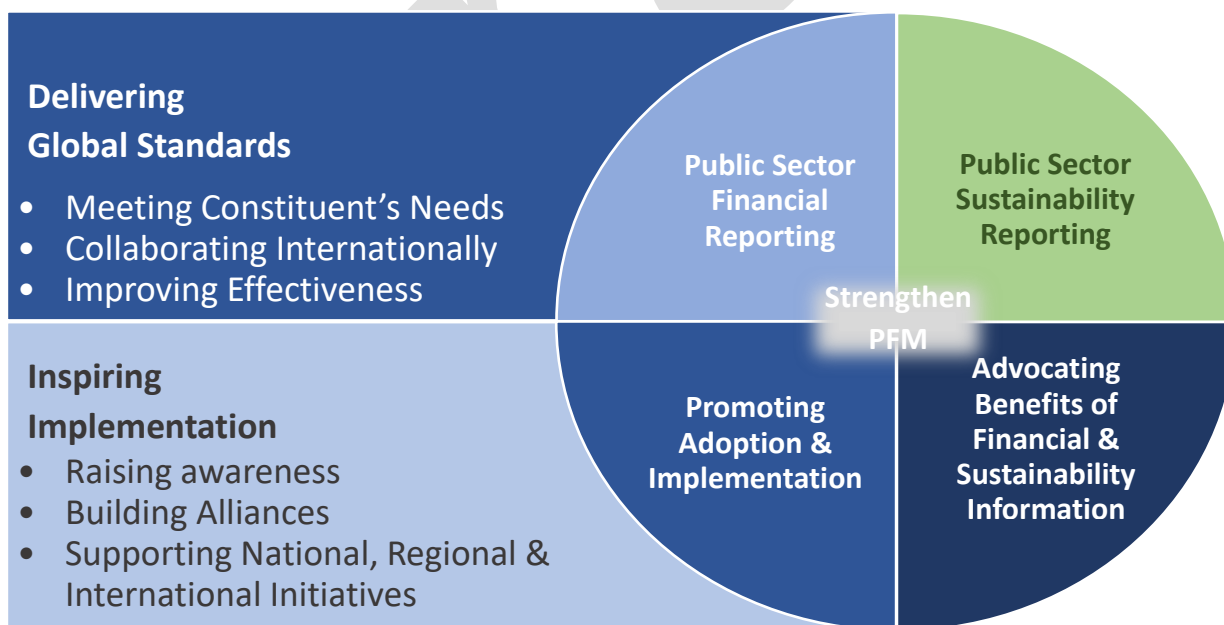
The proposed Strategic Objective for 2024–2028 reflects the shift in the balance of public sector financial reporting needs from IPSAS development towards maintenance, as a result of the continuing momentum in global IPSAS implementation², and the addition of the development of sustainability reporting standards.

Strengthening Public Financial Management³ (PFM) globally through increasing implementation of accrual IPSAS and public sector sustainability standards.

The IPSASB delivers its strategic objective in two ways:

- **Delivering Global Standards.** Developing and maintaining public sector financial and sustainability reporting standards.
- **Inspiring Implementation.** Raising awareness of the IPSASB's Standards and the benefits of their implementation.

The IPSASB proposes to deliver on its Strategic Objective through four key areas of focus, all of which have a public interest focus:



² The IPSASB considers adoption as the political/legislative decision to adopt an accounting framework, and implementation is the act of transitioning to that framework. The ultimate outcome of an adoption decision and an implementation process is the production of accrual reporting (GPFRs), which provide users with accrual financial information for accountability and decision-making purposes.

³ The IPSASB's interpretation of PFM, i.e., the system by which financial resources are planned, directed, and controlled to enable and influence the efficient and effective delivery of public service goals, includes defining sustainable outcomes, such as considering the combined economic, social, and environmental impacts of their policies, plans, and decisions.

Specific Matter for Comment 1: Do you agree with the IPSASB's proposed 2024-2028 Strategic Objective? If you do not agree, please explain your reasoning and your proposed alternative.

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Delivering Global Standards

Setting Public Sector Financial Reporting Standards

Development



Maintenance

As the global public sector financial reporting standard setter, the IPSASB continues to focus its efforts on addressing key public sector specific reporting issues.

The IPSASB's standards program is at an inflection point. The maturing suite of IPSAS is now more complete with few remaining major gaps to fill, as a result of the significant number of pronouncements issued during the 2019-2023 Strategy period. The IPSASB is therefore proposing to rebalance its Work Program to increase the focus on the maintenance of the existing suite of literature in three main ways.

Meeting Constituents' Needs

- Maintaining and improving high-quality financial reporting standards by evaluating the effects of applying specific IPSAS and understanding better the challenges faced by constituents when trying to interpret standards.
- Monitoring emerging issues and broader user needs and their impacts on financial statements.
- Utilizing the Conceptual Framework as a basis for developing public sector relevant solutions to address reporting issues.

Collaborating Internationally

- Maintaining alignment⁴ with [IFRS](#) is important for many reasons including:
 - *Common approach and language.* Global public sector financial reporting standards should have consistent principles and accounting outcomes when the economics of transactions are the same.
 - *Leveraging Resources.* When the transactions are the same in the public and private sector, it is appropriate and resource efficient for the IPSASB to build off proven private sector guidance to develop public sector relevant guidance.
 - *Mixed Group Consolidations*⁵. Different requirements are costly to those applying IPSAS when there is no public sector specific reason to develop different

⁴ The term 'alignment' refers to the formal processes the IPSASB follows to assess the applicability of IFRS and / or GFS requirements when developing pronouncements which faithfully represent the economic substance of transactions in the public sector. Through these processes the IPSASB aims to reduce unnecessary differences with these sources of guidance when they can also be applied in the public sector context.

⁵ Mixed group consolidations are when the public sector consolidates entities it controls which apply private sector accounting standards such as IFRS.

accounting treatments. Therefore, reducing unnecessary differences minimizes the cost of preparing consolidated financial statements.

- Reducing unnecessary differences with Government Finance Statistics (GFS)³ is also integral to the IPSASB's work because it ensures that reliable and relevant entity based public sector accounting information is available for use in statistical reporting and models.

Improving Effectiveness

- Implementation barriers and challenges impede the effective use of IPSAS. Therefore, it is important that as the IPSAS suite matures the IPSASB focuses a greater proportion of its resources on supporting the application of its standards. Two key focus areas over the coming period will be establishing processes for interpretations and post implementation reviews.
 - **Interpretation Group.** This group will discuss interpretation challenges identified by constituents in applying IPSAS in practice.
 - **Post Implementation Reviews.** Establish and put into action a process to assess IPSAS and whether the effects of applying the standards on users of financial statements, preparers, auditors, and regulators are as intended when the IPSASB developed the requirements.

Specific Matter for Comment 2: Do you agree with the IPSASB's proposed area of focus for Setting Public Sector Financial Reporting Standards for the 2024–2028 period? If you do not agree, please explain your reasoning, including any proposed alternatives.

Setting Public Sector Sustainability Reporting Standards

Development  Maintenance

In June 2023, the IPSASB responded to its stakeholders by deciding to begin developing public sector sustainability standards.

Given the urgency of the issue, the 2024-2028 Strategy Period is important as the IPSASB starts developing the first sustainability reporting standards and the processes to support the Board in their development. As this is a new area of reporting, it will also be critical for the Board to be responsive to implementation issues as they emerge. The IPSASB is proposing to achieve this balance in three main ways.

Meeting Constituents' Needs

- Developing high-quality sustainable reporting standards based on the feedback received from constituents on its Consultation Paper – [Advancing Public Sector Sustainability Reporting](#).
- Monitoring emerging issues, as part of the development of public sector specific sustainability reporting standards.
- Utilizing the IPSASB Conceptual Framework as a basis for key public sector concepts, addressing public sector issues, and connectivity with IPSAS financial reporting.

Collaborating Internationally

- Working towards alignment⁶ with IFRS Sustainability Standards while leveraging GRI Standards and international statistical guidance will be critical for the IPSASB to:
 - *Maximizing Commonality of Approach and Language.* Global public sector sustainability reporting standards should have consistent principles and disclosures when users' information needs are the same.
 - *Leveraging Resources.* When the sustainability issues are the same in the public and private sector, it makes sense for the IPSASB to build off the best practices in the private sector reporting and to develop guidance that is consistent.
 - *Delivering guidance quickly.* Given the urgency and demand for public sector sustainability reporting, drawing from existing and developing international

⁶ The term 'alignment' refers to the formal processes the IPSASB follows to assess the applicability of IFRS Sustainability Standards, GRI Standards and other statistical metrics when developing guidance which faithfully represents sustainability-related information in the public sector. Through these processes the IPSASB aims to reduce unnecessary differences with these sources of guidance when they can also be applied in the public sector context.

standards when appropriate, will allow for faster and more efficient development of public sector standards which is important as the guidance is needed now.

- Reducing unnecessary differences with statistical sustainability metrics and considering other international sustainability commitments and goals will be important.

Improving Effectiveness

- The IPSASB is commencing its development of public sector Sustainability Standards, however, the need to move swiftly through their development makes it essential for the IPSASB to have continuous engagement with public sector users to ensure their needs are addressed by the IPSASB Sustainability Standards, and that the implementation issues that will inevitably arise in this relatively new area of reporting are addressed in a timely manner.

Specific Matter for Comment 3: Do you agree with the IPSASB's proposed area of focus Setting Public Sector Sustainability Reporting Standards for the 2024–2028 period? If you do not agree, please explain your reasoning, including any proposed alternatives.

Inspiring Implementation

Promoting Adoption and Implementation.

Better accrual accounting and sustainability reporting are in the public interest as they enable transparency, accountability and provides better information for decision-making. The IPSASB will continue to promote the IPSASB's Standards for financial reporting and start to promote Sustainability Standards through the following key areas of work.

Raising Awareness

- Remaining engaged in outreach programs, with a focus on speaking at conferences and attending key local meetings, in support of the work of local adopters and implementers.
- Aiming to influence others working in the wider PFM space to consider the needs of jurisdictions to ensure consistent interpretation of the IPSASB's Standards.
- Issuing staff Questions and Answers (Q & A) publications highlighting aspects of the IPSASB's Standards which are relevant to implementation, such as the recent Q & A on [Public Sector Specific Financial Instruments Under IPSAS](#).

Building Alliances

- Continue to partner with IFAC and other global organizations to support the development of resources that strengthen PFM and support the implementation of international standards, such as Pathways to Accrual, IPSAS Train the Trainer, and the digital handbook-eIS.
- Continue to build on strategic regional relationships developed through the regional roundtables and other outreach events.

Supporting National Initiatives

- Developing 'publication materials'⁷ for all significant the IPSASB Standards and pronouncements.
- Publishing an annual Handbook, which is a one-stop-shop for all of the IPSASB's pronouncements.
- Partnering with national-level organizations to support education, capacity building, and implementation solutions for the IPSASB's Standards.

⁷ Develop implementation support, such as 'At-a-Glance' summaries and webinars, for all major new standards to facilitate their rollout so that preparers and users can understand their likely impact, and support implementation through the use of educational material.

Specific Matter for Comment 4: Do you agree with the IPSASB's proposed area of focus Promote Adoption and Implementation for the 2024-2028 period? If you do not agree, please explain your reasoning, including any proposed alternatives.

Groups involved in promoting IPSAS adoption and implementation

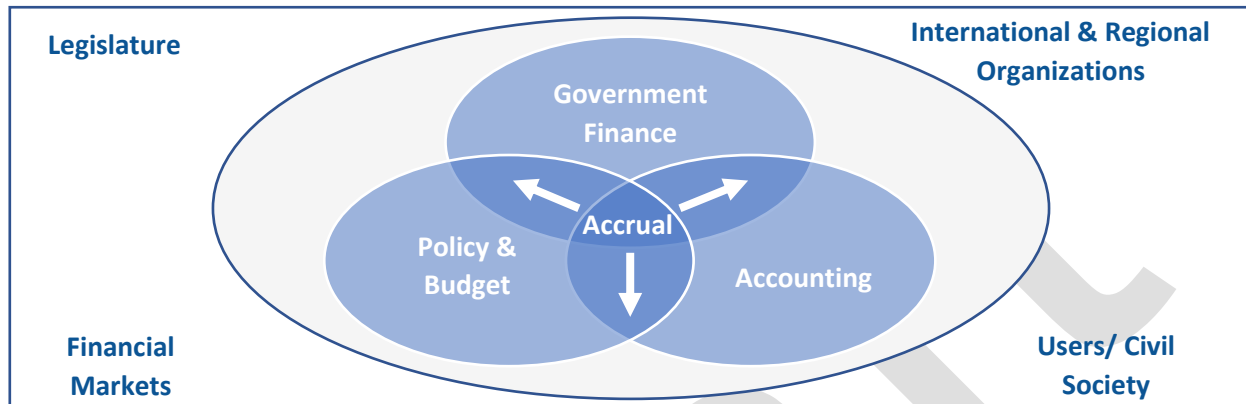
The PFM reform landscape within individual jurisdictions is complex, and the transition to accrual requires a program of changes across a number of different areas, including professional skills and capacity, systems, internal controls and to processes and requirements for reporting transactions. This involves a number of different groups, with different skills and expertise at various stages to differing degrees throughout the adoption and implementation.

Activity	IPSASB	Professional Accountancy Organizations	Governments	Consultants/ Contractors	Supranational & Regional Organizations	Auditors
Promoting adoption	✓	✓	✓	✓	✓	✓
Supporting Implementation						
– Financial Support			✓		✓	
– Capacity Development		✓	✓	✓*	✓*	
– Technical Guidance	✓	✓*	✓			✓
– Practical Guidance		✓*	✓	✓	✓*	✓*
– Continuing Professional Development		✓	✓			

* Not a primary role, but potential for influence and involvement.

Advocating Benefits of Financial and Sustainability Reporting Information

The IPSASB's view is that the use of accrual and sustainability reporting information provides the foundation for strong PFM.



In furthering its Strategic Objective, the IPSASB will continue to work with other professional groups, national, regional and international bodies and sponsoring organizations to help increase the understanding of how accrual IPSAS coupled with Sustainability Standards can strengthen PFM by improving transparency, accountability and decision-making.

Raising Awareness

- Participating in training and other 'internal' events for the staff of relevant organizations in order to raise awareness and disseminate knowledge of the IPSASB's Standards.
- Maintaining dialogues with national and regional standard setters contemplating the potential use of the IPSASB's Standards in their reporting frameworks.
- Participating in joint events with international organizations supporting improvements in public financial management.
- Commenting on guidance and thought leadership papers during their development and participating in relevant working groups on accrual information and sustainability reporting information.

Building Alliances

- Continue to work with the Government Finance Statistics (GFS) community on reducing unnecessary differences between IPSAS and GFS in order to facilitate the use of IPSAS data for GFS purposes, and in turn its use in supporting budgetary and macroeconomic policy decisions.
- Engaging with the GFS community through participation in the IMF GFS advisory committee.

- Maintaining on-going dialogues with other international, national and regional sustainability standard setters and sustainability experts, including participation in their work as appropriate.

Supporting Regional and International Initiatives

- Participating and supporting in the annual meeting of the Working Party on Financial Management and Reporting held by Organization for Economic Co-operation and Development (OECD).
- Engaging and participating in activities with the International Organization of Supreme Audit Institutions (INTOSAI).
- Participating in international and regional organization-sponsored PFM-related and sustainability-related events.

Specific Matter for Comment 5: Do you agree with the IPSASB's proposed area of focus Advocate Benefits of Financial and Sustainability Reporting Information for the 2024–2028 period? If you do not agree, please explain your reasoning, including any proposed alternatives.

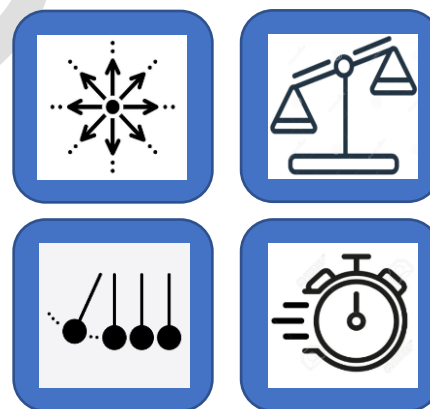
Proposed 2024-2028 Work Program

Setting public sector financial reporting and sustainability reporting standards is central to the IPSASB's role as a standard setter. To ensure its Work Program is relevant and focused on the appropriate activities, the IPSASB applies specific criteria to help it identify the projects which are most relevant globally when adding items to its Work Program.

Criteria for Project Prioritization

In selecting the projects to add to its Work Program, the IPSASB evaluates potential projects against the following criteria, in order to help it assess which projects would provide the greatest public interest benefits when considering the needs of users of financial and sustainability reports:

1. **Prevalence.** Whether the issue is widespread globally amongst public sector entities.
2. **Consequences.** Whether the issue impairs the ability of the financial reports to provide useful information for accountability and decision-making.
3. **Urgency.** Whether the emerging issue has recently gained prominence and therefore requires consideration in the near term.
4. **Feasibility.** Whether a technically sound solution to the issue can be developed within a reasonable time period and current resource constraints without impacting adversely on the completion of other projects.



The above criteria were considered together in the context of the resources available to the IPSASB, the need to rebalance the financial reporting Work Program to increase the resources available for the maintenance of IPSAS, and the need to secure further funding to undertake additional sustainability reporting projects.

Projects Proposed in the 2024-2028 Work Program

Financial Reporting Projects

The IPSASB's resources are allocated to the projects on its current Work Program (see [Current Work Program](#)). This is consistent with the [IPSASB 2021 Mid-Period Work Program Consultation](#) which asked constituents what projects should be added to the Work Program when resources became available in 2023 and beyond. Major projects supported by respondents were started in 2023 and are reflected on the Work Program.

The IPSASB is not proposing to add any new major standard setting projects to its Work Program. This is to ensure the Board has the appropriate resources to rebalance its standard setting efforts towards maintenance of IPSAS. The IPSASB is proposing to add new work streams to support its research and maintenance activities, including:

- Post implementation reviews;
- Interpretations; and
- Other international alignment work.

These new work streams require staff and Board resources and should be reflected as separate Work Program activities. It is important that the Work Program allows the flexibility to undertake such work on an ongoing basis to support the timely maintenance of IPSAS.

The IPSASB does not have additional space in its current Work Program to add any new major projects or initiatives. Additionally, the IPSASB has reviewed its list of potential projects and considered each against the prioritization criteria and has concluded that there are no projects that require urgent attention. During the next strategy period, the IPSASB will allocate significant staff and Board resources to the development of sustainability reporting standards as discussed below. The IPSASB intends to consult on its Work Program during the 2024-2028 period when sufficient resources are available.

Specific Matter for Comment 6: Do you agree with the prioritization of the research and maintenance activities – Interpretations and post-implementation review – over the addition of new major financial reporting projects to the 2024-2028 Work Program on setting public sector financial reporting standards. If you do not agree, please explain why, including any proposed alternatives and what project should be prioritized.

Specific Matter for Comment 7: The IPSASB will start a post-implementation review, is there any IPSAS that you consider is not working as intended when developed by the IPSASB? What implementation challenges are faced by your entity in the application of that IPSAS? Please explain your reasons, clearly stating why, and providing specific paragraphs.

Sustainability Reporting Projects

In December 2022, the IPSASB committed to start initial research and scoping for the following sustainability topics:

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

In June 2023, the IPSASB secured sufficient initial resources to commence the development of its first sustainability project, to develop a Climate-Related Disclosures Standard. The IPSASB will consult on possible additional sustainability reporting projects, in addition to the ones already committed to, during the 2024-2028 period when sufficient resources are available.

The IPSASB also plans to reconsider the status of RPGs, during the 2024-2028 strategy period in the context of progress with the development of Sustainability Standards, and how the RPGs fit with these.

Current Projects and Proposed Additions of Research and Maintenance Activities to the 2024-2028 Work Program

H1 2024	H2 2024	H1 2025	H2 2025	H1 2026	H2 2026	H1 2027	H2 2027	H1 2028	H2 2028
Standard Setting Projects									
Other Leases – Type Arrangements	Pre-Committed Financial Reporting Projects: IPSAS 31, <i>Intangible Assets</i> narrow scope								
Measurement – Phase Two: Application of Current Operational Value	Pre-Committed Financial Reporting Projects: IPSAS 33, <i>First-Time Adoption of Accrual Basis</i>								
Sustainability: Climate-Related Disclosures				Pre-Committed Sustainability Projects: General Requirements for Disclosure of Sustainability Information and Natural Resources-Non-Financial Disclosures					
Natural Resources				Additional Project(s) following the Inter-Period Consultation					
Natural Resources – IFRS 6 Alignment				Additional Project(s) following the Inter-Period Consultation					
Presentation of Financial Statements - Timeline of ED and Final pronouncement TBD									
Standard-setting projects identified through international alignment, interpretations and post-implementation reviews (ongoing work)									
Improvements to IPSAS (ongoing work)									
Other Projects									
Differential Reporting (Research and Scoping) [Future of project TBD in September 2023]									
Research and Maintenance Activities – International Alignment (IFRS and GFS)									
Research and Maintenance Activities - Interpretations									
Research and Maintenance Activities - Post Implementation Reviews									
IPSAS Handbook									

Note: The bars reflect the expected timing of completion (i.e., publication of pronouncement) for all ongoing projects, and the expected commencement and completion for new projects. Below is a legend for what each color represents).

	Represent current ongoing financial reporting IPSASB projects
	Represent sustainability reporting projects
	Represent future allocation of IPSASB resources to pre-committed projects
	Represent additional projects following the inter-period consultation
	Represent non-standard setting projects
	Represent incremental work streams proposed for the Work Program, which include both non-standard setting projects, and possible standard setting projects as a result of the IPSASB conducting these new activities.

Request for Comments

This Consultation, IPSASB 2024-2028 Strategy and Work Program, was developed and approved by the International Public Sector Accounting Standards Board® (IPSASB®)

*The proposals in this Consultation document may be modified in light of comments received before being issued in final form. **Comments are requested by [February 28, 2024].***

Respondents are asked to submit their comments electronically through the IPSASB website, using the [Submit a Comment](#) [link]. Please submit comments in both a PDF and Word file. Also, please note that first-time users must register to use this feature. All comments will be considered a matter of public record and will ultimately be posted on the website. This publication may be downloaded from the IPSASB website: www.ipsasb.org. The approved text is published in the English language.

Specific Matters for Comments

Specific Matter for Comment 1

Do you agree with the IPSASB's proposed 2024-2028 Strategic Objective? If you do not agree, please explain your reasoning and your proposed alternatives.

Specific Matter for Comment 2

Do you agree with the IPSASB's proposed area of focus for Setting Public Sector Financial Reporting Standards for the 2024–2028 period? If you do not agree, please explain your reasoning, including any proposed alternatives.

Specific Matter for Comment 3

Do you agree with the IPSASB's proposed area of focus Setting Public Sector Sustainability Reporting Standards for the 2024–2028 period? If you do not agree, please explain your reasoning, including any proposed alternatives.

Specific Matter for Comment 4

Do you agree with the IPSASB's proposed area of focus Promote Adoption and Implementation for the 2024-2028 period? If you do not agree, please explain your reasoning, including any proposed alternatives.

Specific Matter for Comment 5

Do you agree with the IPSASB's proposed area of focus Advocate Benefits of Financial and Sustainability Reporting Information for the 2024-2028 period? If you do not agree, please explain your reasoning, including any proposed alternatives.

Specific Matter for Comment 6

Do you agree with the prioritization of the research and maintenance activities - Interpretations group and post-implementation review - over the addition of new major financial reporting projects to the 2024-2028 Work Program on setting public sector financial reporting standards. If you do not agree, please explain why, including any proposed alternatives and what project should be prioritized.

Specific Matter for Comment 7

The IPSASB will start a post-implementation review, is there any IPSAS that you consider is not working as intended when developed by the IPSASB? What implementation challenges are faced by your entity in the application of that IPSAS? Please explain your reasons, clearly stating why, and providing specific paragraphs.

Strategy and Work Program Consultation Timeline

Month/Year	Activity
September 2023	Issue Consultation Document
October 2023-January 2024	Roundtables and IPSASB member outreach
February 2024-June 2024	Review responses / Draft Strategy Development
September 2024	Approve final 2024-2028 Strategy and Work Program
September/October 2024	Publish 2024-2028 Strategy and Work Program
2024-2028	Implement 2024-2028 Strategy and Work Program

Appendix – Project Prioritization List

In conducting its analysis on whether projects should be considered for inclusion in the 2024-2028 Work Program, the IPSASB considered:

- Whether the project requires a standard setting solution;
- The criteria for project prioritization – prevalence, consequences, urgency and feasibility (explained in page 17); and
- Availability of resources.

The IPSASB concluded no projects in the project prioritization list require urgent attention. The analysis for each project has been included in this Appendix and the projects are grouped by type of activity:

- **Standard setting projects.** Projects that develop pronouncements when there is an absence of an IPSAS that specifically applies to a transaction, other event, or condition.
 1. IFRS 17, *Insurance Contracts*; and
 2. IASB's expected standard on Rate-regulated Activities.
 3. Accounting for Tax Expenditures (Disclosure project); and
 4. Initiative Better Communication in Financial Reporting (Disclosure project).
- **Research and Maintenance Activities**
- The criteria for project prioritization were not applied to research and maintenance projects⁸.
 - Maintenance.** Activities to determine whether there are fundamental questions about the clarity and suitability of the core objectives and principles in an IPSAS. This includes conducting post-implementation reviews and interpretations.
 5. IPSAS 2, *Cash Flow Statements*;
 6. IPSAS 18, *Segment Reporting*;
 7. IPSAS 20, *Related Party Transactions*;
 8. IPSAS 22, *Disclosure of Financial Information about the General Government Sector*; and
 9. IPSAS 24, *Presentation of Budget Information in Financial Statements*;
 - Research.** Activities involving academic research on specific issues to help the IPSASB consider whether there is a need to update an IPSAS. This includes engagement of the Academic Advisory Group.
 10. Discount Rates; and
 11. Business Combinations under Common Control.

⁸ Upon the completion of research and maintenance activities, the IPSASB could conclude there are fundamental questions about the clarity and suitability of the core objectives or principles in the IPSAS that require a standard setting solution.

Standard Setting Projects

IFRS 17, Insurance Contracts		
IFRS 17 provides guidance to account for all types of insurance contracts. This is a topic with potential public sector applicability, such as export credit guarantees and in certain jurisdictions where public sector entities provide insurance contracts, for example, natural disasters (i.e., home insurance for wildfires, earthquakes, etc.).		
IPSAS Impacted	Develop standalone guidance	
Prevalence	Low	Limited in the public sector to those entities issuing insurance contracts.
Consequences	Low	The absence of an IPSAS based on IFRS 17 does not appear to have detrimental effects on the usefulness of Financial Statements. Especially given the nature of insurance contracts is not thought to be different in the public versus the private sector.
Urgency	Low	The IPSASB has not identified a global need for an IPSAS, aligned with IFRS 17.
Feasibility	Medium	IFRS 17 is a high-quality standard that provide a sound basis for an aligned IPSAS. However, extending the concept of an insurance contract to apply in the public sector context presents challenges.

Rate-regulated Activities (IFRS 14, <i>Regulatory Deferral Accounts and future IFRS</i>)		
Rate regulation is the setting of customer prices for services or products often when an entity has a monopoly or dominant market position that gives it significant market power. In the public sector some controlled entities are subject to regulation, for example, government owned telecommunications entities. The IASB expects to issue a standard in 2025, replacing IFRS 14 (interim standard), and is currently redeliberating proposals in the Exposure Draft, <i>Regulatory Assets and Regulatory Liabilities</i> .		
IPSAS Impacted	Develop standalone guidance	
Prevalence	Low	The issue is limited to rate regulated industries (such as electric or gas utilities), and potentially regulatory entities. It is likely that most entities affected by rate regulation are profit seeking entities reporting under IFRS or national for-profit standards.
Consequences	Low	Not expected to impair the ability of Financial Statements to provide useful information, as entities operating in regulated industries are likely applying IFRS or national for-profit standards entities.
Urgency	Low	Not an emerging issue in the public sector. Consideration of whether a public sector rate regulated accounting standard is needed should be made when the IFRS is completed and issued in 2025.
Feasibility	Medium	The IPSASB could leverage from the expected IFRS to be issued in 2025, if deemed applicable to the public sector.

Accounting for Tax Expenditures (Potential Disclosure Project)		
IPSAS 23, <i>Revenue from Non-exchange Transactions (Taxes and Transfers)</i> , and its replacement IPSAS 47, <i>Revenue</i> , have different requirements for tax expenses ⁹ and tax expenditures ¹⁰ . Tax expenditures are foregone revenue, not expenses, and do not give rise to inflows or outflows of resources. IPSAS 23/IPSAS 47 requires taxation revenue to be presented net of tax expenditures. This project would consider disclosing tax expenditures, to strengthen public financial management.		
IPSAS Impacted	Develop standalone guidance	
Prevalence	Low	Limited to tax collecting entities.
Consequences	Medium	The treatment of tax expenditures raises a public interest concern because of the potential lack of transparency in the provision of tax concessions, which impairs the accountability of governments.
Urgency	Low	Not consider an emerging issue in the public sector. Does not directly relate to the face of financial statements, but an important accountability implication which pervasiveness is dependent on the use of tax expenditures in each jurisdiction.
Feasibility	Medium	The IPSASB can draw from its Conceptual Framework and from the work of FASAB and the IMF Manual of Fiscal Transparency .

Initiative Better Communication in Financial Reporting (Potential Disclosure Project)		
This project would be based on the IASB's Disclosure Initiative project to enable entities to make better judgements about which information is material and should be disclosed, thereby providing more useful information to investors.		
IPSAS Impacted	IPSAS Suite	
Prevalence	High	Expected to impact entities widely.
Consequences	Medium	Improvements to financial reporting communication may make financial statements more meaningful and useful to users.
Urgency	Low	IASB developments may improve financial reporting and information communicated to users.
Feasibility	High	The IPSASB could draw from the work of the IASB on Better Communication . Such a project should be undertaken after the completion of the IPSAS 1, <i>Presentation of Financial Statements</i> project.

Research and Maintenance Activities

The criteria for project prioritization were not applied to research and maintenance projects. The IPSASB applies the criteria after research has been performed to determine the issues associated

⁹ Benefits paid through the tax system, for example health insurance contributions.

¹⁰ Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others. It is the use of the tax system to encourage or discourage behaviors, for example allowing homeowners to deduct mortgage interest from gross income to reduce taxable income.

with each research and maintenance project in order to determine which projects would provide the greatest public interest benefits when considering the needs of users of financial reports.

Maintenance.

- **IPSAS 2, *Cash Flow Statements*.** IPSAS 2 is primarily drawn from IAS 7, *Statement of Cash Flows*, however, some of the amendments to IAS 7 were not incorporated because they related to consequential amendments not incorporated in IPSAS 1. Ahead of considering a standard setting solution, a PIR is necessary to determine whether there are fundamental questions in principles or guidance. Future work should be considered after the completion of the committed project to update IPSAS 1.
- **Update of IPSAS 18, *Segment Reporting*** IPSAS 18 is primarily drawn from IAS 14, *Segment Reporting*. The IASB replaced IAS 14 with IFRS 8, *Operating Segments* in November 2006. Some preparers and IPSASB partners engaged in IPSAS implementation raised concerns on the usefulness of the reporting requirements in IPSAS 18. Ahead of considering a standard setting solution, a PIR is necessary to determine whether there are fundamental questions in principles or guidance.
- **IPSAS 20, *Related Party Disclosures*.** IPSAS 20 is based on a superseded version of IAS 24, *Related Party Disclosures* which does not incorporate the simplified definition of 'related party' and the partial exemption from the disclosure requirements for some government related entities. Ahead of considering a standard setting solution, a PIR is necessary to determine whether there are fundamental questions in principles or guidance.
- **IPSAS 22, *Disclosure of Financial Information about the General Government Sector*.** IPSAS 22 was issued in December 2006 and prescribes disclosure requirements for governments that elect to present information about the general government sector (GGS) in their consolidated financial statements. Updates to 2008 SNAs (System of National Accounts) are expected to be completed in 2025, and the IPSAS 1 project is expected to make consequential amendments to IPSAS 22. Ahead of considering a standard setting solution a PIR is necessary to determine whether there are fundamental questions in principles or guidance. Such a PIR should wait until the IPSAS 1 project has been completed.
- **IPSAS 24, *Presentation of Budget Information in Financial Statements*.** IPSAS 24 is a public sector specific IPSAS that requires a comparison of budget amounts and the actual amounts arising from the execution of the budget to be included in the financial statements of entities that are required to or elect to, make their approved budget publicly available. The question has been raised whether this IPSAS should be mandatory. Ahead of considering a standard setting solution a PIR is necessary to determine whether there are fundamental questions in principles or guidance. Future work should be considered after the completion of the committed project to update IPSAS 1.

Research

- **Discount Rates.** Different discount rates are used across IPSAS, whether the differences in discount rates to be applied is clearly justified or the reason for the difference lacks clarity requires research to be undertaken. Ahead of considering a standard setting solution, research to understand whether there is a need for changes in principles or guidance in the public sector is needed.
- **Business Combinations under Common Control.** The IASB initiated a project on [Business Combinations under Common Control](#) in November 2020 to consider how to fill the gap in its literature regarding business combinations involving companies controlled by the same party. The IPSASB will monitor the IASB project, and consider its potential guidance for future research to understand whether there is a need for changes in principles or guidance in the public sector.