

STRATEGY AND WORK PROGRAM 2024-2028

WORK PROGRAM CONSULTATION

APPENDIX A:
POTENTIAL FUTURE IPSASB PROJECTS

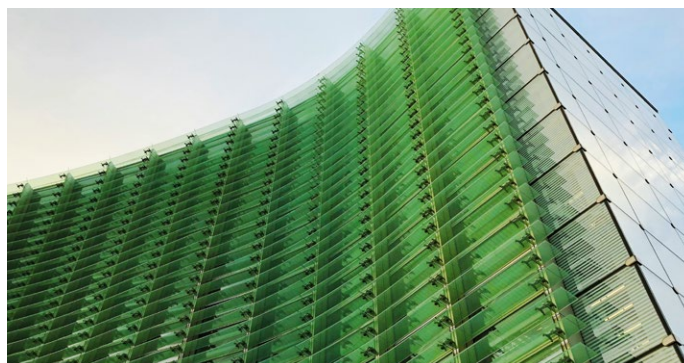
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POTENTIAL FUTURE IPSASB PROJECTS

The following is a list of potential future financial reporting and sustainability reporting projects that stakeholders have previously suggested the International Public Sector Accounting Standards Board® (IPSASB®) add to its future Work Program during previous consultations. The list has been updated for changes in the reporting landscape since the IPSASB's [2024-2028 Strategy and Work Program](#) was finalized. In responding to the IPSASB's Work Program Consultation, stakeholders may want to consider whether any of these projects meet their greatest financial reporting and/or sustainability reporting needs.



Financial Reporting Projects

- Disclosure of Tax Expenditures
- IPSAS 18, *Segment Reporting* (IFRS® Alignment Project)
- IPSAS 31, *Intangible Assets* (Public Sector Improvements)
- Rate-regulated Activities (IFRS 14 *Regulatory Deferral Accounts and Future IFRS Accounting Standards*)
- IFRS 17 *Insurance Contracts*
- IAS 34 *Interim Financial Reporting*
- IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* (Targeted Improvements Project)
- RPG 2, *Financial Statement Discussion and Analysis* (Improvement Project)
- Better Communication in Financial Reporting (Potential Disclosures Project)

A description of what each of these potential financial reporting projects would entail and an analysis of the project against the IPSASB's project prioritization criteria is provided in the next section [below](#).

Sustainability Reporting Projects

- Developing authoritative guidance based on RPG 1, *Reporting on the Long-term Sustainability of an Entity's Finance*
- Developing authoritative guidance based on RPG 3, *Reporting Service Performance Information*
- General sustainability-related disclosures
- Nature-related disclosures

A description of what each of these potential sustainability reporting projects would entail and an analysis of the project against the IPSASB's project prioritization criteria is provided in the next section [below](#).

ANALYSIS OF POTENTIAL FUTURE IPSASB PROJECTS AGAINST PROJECT PRIORITIZATION CRITERIA

Financial Reporting Projects

Disclosure of Tax Expenditures	
<p>This project would develop proposals for disclosures on tax expenditures, to strengthen accountability and public financial management. IPSAS 23, <i>Revenue from Non-exchange Transactions (Taxes and Transfers)</i>, and its replacement IPSAS 47, <i>Revenue</i>, have requirements for tax expenses¹ and tax expenditures.² 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. Therefore, providing disclosures on the forgone revenue as a result of the tax expenditures can be expected to provide useful information to users for accountability purposes.</p>	
Prioritization Criteria	Analysis
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 the Federal Accounting Standards Advisory Board (FASAB) on tax expenditures and the International Monetary Fund (IMF) Manual of Fiscal Transparency .

¹ Benefits paid through the tax system, for example health insurance contributions.

² 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.

Financial Reporting Projects

IPSAS 18, *Segment Reporting* (IFRS Alignment Project)

This project would propose to update IPSAS 18, *Segment Reporting*, to align with IFRS 8, *Operating Segments*, where appropriate for the public sector, to reduce unnecessary differences with IFRS. IPSAS 18 is currently based on a superseded IFRS Accounting Standard (IAS 14 *Segment Reporting*).

Prioritization Criteria	Analysis
Prevalence	Medium – The majority of public sector entities have segments.
Consequences	Medium – Public sector entities are able to provide information for accountability and decision making currently, however the changes may allow public sector entities the ability to communicate more useful information to financial statement users.
Urgency	Low – Not considered an emerging issue in the public sector as public sector entities are already reporting segment information in their financial statements.
Feasibility	High – The IPSASB can draw from IFRS 8 to make similar amendments to IPSAS as applicable.

IPSAS 31, *Intangible Assets* (Public Sector Improvements)

This project would propose public sector specific improvements to IPSAS 31, *Intangible Assets*, such as guidance on accounting for electromagnetic spectrum and determining whether current operational value (COV) should be permitted in measuring intangible assets. This project would focus on public sector specific issues in accounting for intangible assets. This project would not be a comprehensive review of IPSAS 31 like the IASB is currently performing on IAS 38, *Intangible Assets*. The IPSASB will consider the outcome of the [International Accounting Standards Board \(IASB\) comprehensive project on IAS 38](#) in future years once that project is completed and at that time determine whether the changes made for the private sector are applicable to the public sector.

Prioritization Criteria	Analysis
Prevalence	Medium – The majority of public sector entities have intangible assets; however, not all public sector entities may have intangible assets that would be affected by the scope of this project.
Consequences	Low – Public sector entities are able to provide information for accountability and decision making currently, however the changes may allow public sector entities the ability to communicate more useful information to financial statement users.
Urgency	Medium – Not considered an emerging issue in the public sector, but with the introduction of COV to the IPSAS Handbook it has caused public sector entities to consider the applicability of COV to intangible assets.
Feasibility	Medium – The IPSASB can draw from its Conceptual Framework and the work performed on IPSAS 46, <i>Measurement</i> .

Financial Reporting Projects

Rate-regulated Activities (IFRS 14 Regulatory Deferral Accounts and Future IFRS Accounting Standards)

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 IFRS X *Regulatory Assets and Regulatory Liabilities*, in the second half of 2025, replacing IFRS 14 (interim standard), based on the [Exposure Draft, Regulatory Assets and Regulatory Liabilities](#).

Prioritization Criteria	Analysis
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 would not occur until after 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.

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 in areas such as export credit guarantees and in certain jurisdictions where public sector entities provide insurance contracts. In the public sector, IFRS 17 is likely to be limited to entities issuing insurance contracts or that operate schemes that could be considered a provision of insurance coverage. At this time, these arrangements are not thought to be an issue globally relevant to public sector entities. As the IPSASB does not have a specific IPSAS for insurance accounting, entities that are acting as insurers or issuing insurance contracts could use the GAAP hierarchy provided in IPSAS 3, *Accounting Policies, Change in Accounting Estimates and Errors*, to develop accounting policies in line with the guidance in IFRS 17.

Prioritization Criteria	Analysis
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 that the nature of insurance contracts is not thought to be different in the public versus the private sector.
Urgency	Low – Not considered an emerging issue in the public sector. 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 provides a sound basis for an aligned IPSAS. However, extending the concept of an insurance contract to apply in the public sector context presents challenges.

Financial Reporting Projects

IAS 34 *Interim Financial Reporting*

IAS 34 provides guidance on what should be included in interim reports. This topic would be most applicable to jurisdictions that have already adopted accrual-basis IPSAS and prepare interim reports. The IPSASB has not identified a significant and urgent global need for an IPSAS aligned with IAS 34. The absence of an IPSAS based on IAS 34 does not prevent entities providing interim reports by applying IAS 34 through the standards hierarchy in IPSAS 3.

Prioritization Criteria	Analysis
Prevalence	Low – Limited in the public sector to those entities that prepare interim reports.
Consequences	Low – The absence of an IPSAS based on IAS 34 does not appear to have detrimental effects, as a public sector entity has the ability to use the GAAP hierarchy to look to IAS 34 for guidance currently.
Urgency	Low – Not consider an emerging issue in the public sector. The IPSASB has not identified a global need for an IPSAS aligned with IAS 34.
Feasibility	Medium – IAS 34 is a high-quality standard that provide a sound basis for an aligned IPSAS.

IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* (Targeted Improvements Project)

IAS 37 provides guidance on accounting for provisions, contingent liabilities and contingent assets. The IASB is currently undertaking a project [proposing amendments to IAS 37](#) to clarify how entities assess when to record provisions and how to measure them. The amendments would also require entities to provide more information about the measurement of provisions. IPSAS 19, *Provisions, Contingent Liabilities and Contingent Assets*, is based on IAS 37. As such the amendments from the IASB's project would be relevant for IPSAS Standards and all public sector entities with provisions, particularly long-term provisions such as asset decommissioning obligations.

Prioritization Criteria	Analysis
Prevalence	High – Expected to impact entities widely.
Consequences	High – Clarifications to assist public sector entities in assessing when to record provisions and how to measure them would result in more consistency in practice and more useful information to financial statement users.
Urgency	Medium – The IASB's project is still in progress and the amendments have not yet been finalized. As such, the IPSASB would need to wait until after the IASB's project is finished before it could begin a similar project.
Feasibility	High – The IPSASB could draw on the amendments the IASB makes to IAS 37 to make similar amendments to IPSAS 19 and other impacted IPSAS.

Financial Reporting Projects

RPG 2, *Financial Statement Discussion and Analysis* (Improvement Project)

Recommended Practice Guideline (RPG) 2, provides guidance for preparing and presenting financial statement discussion and analysis. Financial statement discussion and analysis (FSD&A) assists users in understanding the financial position, financial performance and cash flows presented in the general-purpose financial statements. This project would consider the IASB's [Management Commentary](#) project which proposes revisions to Practice Statement 1 *Management Commentary*. The IASB expects to issue the revised Practice Statement 1 in H1 of 2025. This project would evaluate whether the amendments to the guidance developed for the private sector are applicable to the public sector and whether it provides useful information to public sector users.

Prioritization Criteria	Analysis
Prevalence	Low - Limited in the public sector to those entities that apply RPG 2 and prepare FSD&A.
Consequences	Medium - Improvements to communication of FSD&A may help users better understand the entity's financial position, financial performance and cash flows presented in its financial statements.
Urgency	Low – Public sector stakeholder can apply the IASB developments to improve FSD&A communication to users.
Feasibility	Medium - The IPSASB could draw from the work of the IASB on Management Commentary .

Better Communication in Financial Reporting (Potential Disclosure Project)

This project would consider the IASB's [Disclosure Initiative project](#) which helped to enable entities in the private sector to make better judgements about which information is material and should be disclosed. This project would evaluate whether the guidance developed for the private sector is applicable to the public sector and whether it provides useful information to public sector users.

Prioritization Criteria	Analysis
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	Medium - The IPSASB could draw from the work of the IASB on Better Communication . Such a project should be undertaken after the IPSASB's Presentation of Financial Statements project is completed.

Sustainability Reporting Projects

Developing Authoritative Guidance based on RPG 1, *Reporting on the Long-term Sustainability of an Entity's Finances*

RPG 1 provides a framework for the reporting and disclosure of information related to the long-term fiscal sustainability of an entity's finances. This project would develop authoritative guidance for reporting on long-term fiscal sustainability based on RPG 1, encouraging adoption and implementation, enhancing the usefulness of reported information for accountability and decision-making.

Criteria	Analysis
Prevalence	High – Long-term fiscal sustainability is a fundamental aspect of public financial management and is applicable to all public sector entities. As governments around the world experience heightened financial strain, exacerbated by the escalating costs of climate-related impacts, there are increasing demands for public sector entities to provide disclosures on its capacity to meet financial commitments and deliver services over the long-term.
Consequences	Medium – RPG 1 represent good practice for public sector entities. In order to meet the reporting objectives of accountability and decision making, an entity should provide users with information on future inflows and outflows that supplements information on the entity's financial position in the financial statements. However, without an authoritative requirement, many entities lack the urgency necessary for effective reporting, resulting in limited adoption and implementation of the guidance. Authoritative guidance is key to address this gap by steering public sector entities towards consistent and comparable reporting, through providing useful information on long-term fiscal sustainability for accountability and decision-making.
Urgency	Medium – Reporting on long-term fiscal sustainability is becoming increasingly important given escalating global challenges, which will require significant resources and funding. Authoritative guidance on long-term fiscal sustainability would provide greater transparency on a public sector entity's ability to meet its service delivery and financial commitments both now and in the future. These disclosures would also help increase market confidence and enable the public sector to maintain its access to a critical financing stream through capital markets.
Feasibility	High – RPG 1 serves as a robust foundation for this potential project. The approval of the IPSASB Conceptual Framework since the original development of the RPG provides a framework to follow in development of standards for reporting in general purpose financial reports (GPFs) that can be followed to guide and underpin the development of the RPG Guidelines into authoritative standards. Further, the international landscape on reporting long-term fiscal sustainability has evolved significantly since the publication of RPG 1, with jurisdictions developing or enhancing their own approach to reporting on long-term fiscal sustainability.

Sustainability Reporting Projects

Developing Authoritative Guidance based on RPG 3, *Reporting Service Performance Information*

RPG 3 introduces a principles-based approach for reporting service performance information that focuses on meeting the information needs of users. This project would develop authoritative guidance for reporting on service performance based on RPG 3, encouraging adoption and implementation, and enhancing the usefulness of reported information for accountability and decision-making.

Criteria	Analysis
Prevalence	High – Service delivery is a core function of all public sector entities and is relevant to all levels of government. As public sector entities face growing demands to measure and report on the effectiveness and efficiency of a service, consistent and comparable performance indicators have become crucial in meeting these expectations. Further, service performance reporting is becoming increasingly important for securing public sector financing. Reporting on the effectiveness and efficiency of services will enable public sector entities to maintain access to capital markets and ensure continued funding for essential services and programs.
Consequences	Medium – RPG 3 represents good practice for public sector entities and is intended to support the users of the GPFRs as they hold the entity accountable for its service provision and use of resources, enabling users to make informed decisions. However, without an authoritative requirement, many entities lack the urgency necessary for effective reporting, resulting in limited adoption and implementation of RPG 3. Authoritative guidance is key to address this gap by steering public sector entities towards consistent and comparable reporting, through providing useful information on service performance for accountability and decision-making.
Urgency	Medium – Service performance reporting is becoming increasingly important as public sector entities face increasing pressure to efficiently manage resources, given competing priorities and resource limitations. With fiscal constraints and escalating global challenges, the public sector must clearly demonstrate the nature and extent to which it is using resources, providing services, and achieving its service performance objectives. Failure to do so might undermine public trust and hinder the public sector's ability to maintain its access to a critical financing stream through capital markets.
Feasibility	<p>High – RPG 3 serves as a robust foundation for this potential project. The approval of the IPSASB Conceptual Framework since the development of the RPGs provides a framework to follow in development of standards for reporting in GPFRs that can be followed to guide and underpin the development of the RPG Guidelines into authoritative standards.</p> <p>Further, significant international progress has been made since the publication of RPG 3. In some jurisdictions, reporting on an entity's service performance has moved beyond early, premature stages, some of which drew from the RPG 3. For instance, New Zealand's publication of PBE FRS 48, Service Performance Reporting, in 2017, drew on the principles outlined in RPG 3, demonstrating the feasibility of an authoritative standard on the area.</p>

Sustainability Reporting Projects

General Sustainability-related Disclosures

IFRS S1, *General Requirements for Disclosure of Sustainability-related Financial Information*, provides guidance on disclosing information about an entity's sustainability-related risks and opportunities. However, IFRS S1 was not developed to reflect the public sector context. This project would leverage IFRS S1 to develop principles for public sector entities to disclose sustainability-related information. In the absence of specific standards, a general sustainability-related disclosures standard could serve as an overarching framework to address emerging information needs across specific sustainability-related topics.

Criteria	Analysis
Prevalence	High – Sustainability is fundamental to all aspects of the public sector's activities due to its broader societal role and responsibilities. Sustainability-related risks and opportunities are therefore pervasive across the entire public sector's activities, ranging from service delivery to policy design and implementation, and encompass social, economic and environmental issues.
Consequences	High – Comprehensive guidance on sustainability-related disclosures would help public sector entities provide adequate information on social, economic, and environmental sustainability for accountability and decision-making. Sustainability-related risks need to be adequately disclosed and integrated into general purpose financial reports to inform primary users on the critical role of the public sector across all areas of sustainability.
Urgency	High – While sustainability is often associated with environmental sustainability, it is essential to recognize that all three pillars of sustainability—social, economic, and environmental sustainability, are interdependent and critical to the long-term stability of public sector operations and public sector value creation. In the absence of specific standards, a general sustainability-related disclosures standard could provide early help in addressing the needs relating to other specific sustainability-related topics.
Feasibility	<p>High – Drawing on the IPSASB's experience with building on IFRS S2 to develop the IPSASB SRS ED 1, and based on responses from the Consultation Paper, the IPSASB decided that IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) could be leveraged in developing a public sector specific general sustainability-related disclosures standard. While IFRS S1 is not tailored to the public sector and does not address the unique policy and regulatory role of the public sector, the existing guidance provides a foundation that can be adapted for public sector context.</p> <p>Given the core function of the public sector and its broader role and responsibilities relating to society, the economy and environment, developing a general sustainability-related disclosures standard for the public sector requires careful consideration in terms of its breadth and scope in respect of such complex topics, alongside considerations on the potential connection of the project with other existing sets of guidance, including the RPG 1 and RPG 3.</p> <p>This potential project would require the IPSASB to carefully consider its remit in the context of the broader reporting landscape. Decisions would then be required on the extent of sustainability-related information that should be included within GPFs such that they enhance, complement and supplement the GPFs.</p>

Sustainability Reporting Projects

Nature-related Disclosures	
<p>In 2024, the International Sustainability Standards Board (ISSB) launched a research project on Biodiversity, Ecosystems and Ecosystem Services (BEES) to explore sustainability-related risks and opportunities associated with nature. This project joins a growing landscape of nature-related frameworks and standards, including the Taskforce on Nature-related Financial Disclosures (TNFD) Recommendations and the Global Reporting Initiative (GRI) Topic Standard for Biodiversity. This project would address the increasing demand for public sector entities to disclose information on their critical role in addressing nature-related issues.</p>	
Criteria	Analysis
Prevalence	Medium – There is an increasing demand that public sector entities disclose information about their interactions with nature, with many governments making public commitments to address environmental challenges. The public sector is a key success factor in nature-related issues, such as in addressing biodiversity loss. Unlike the private sector, the public sector serves as a key data provider for nature-related indicators.
Consequences	High – The public sector is increasingly held accountable for managing nature-related risks and opportunities, given its role as a steward of nature. Nature-related disclosures would enhance transparency through an increased availability of nature-related information, enabling primary users to make informed decisions on nature-related topics.
Urgency	Medium – The Kunming-Montreal Global Biodiversity Framework has set ambitious targets for 2030, with the timeline rapidly approaching. Nature is a key asset for public sector entities, and standard setters play a critical role in enabling progress towards these international goals. Failing to address nature-related disclosures at this point in time could result in missed opportunities to align with global sustainability efforts and expose public sector entities to increased risks that threaten long-term fiscal sustainability due to nature-related degradation. However, despite this growing recognition, there is yet to be an international nature-related disclosures standard that addresses the public sector context.
Feasibility	Low – Although significant research has already been undertaken by organizations such as the International Union for Conservation of Nature (IUCN), World Wildlife Fund, and The Nature Conservancy, the development of relevant private sector guidance is relatively recent (i.e. the TNFD framework and GRI standard were just published in 2023 and 2024, respectively) and is still evolving (i.e. the ISSB research project on Biodiversity, Ecosystems and Ecosystem Services (BEES)), indicating that the landscape and requirements for private sector nature-related disclosures have further to develop. Further, the scope of nature is broad and technically complex, with various interconnected strands across nature, society and the economy. The IPSASB would have to consider an appropriate scope of a nature-related disclosures standard that would address public sector primary users' information needs, alongside interoperability with other guidance, including the United Nations System of Environmental Economic Accounting (UN SEEA) and other statistical reporting.

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