

**Meeting:** International Public Sector Accounting  
Standards Board

**Meeting Location:** Lisbon, Portugal

**Meeting Date:** September 9–12, 2025

# Agenda Item 5

For:

- ☒ Approval  
☐ Discussion  
☐ Information

## DEFINITION OF MATERIAL – NARROW SCOPE AMENDMENTS






<b>Project summary</b>	Phase 1—Enhance consistency of the definition of ‘material’ between the <i>Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities</i> (Conceptual Framework) and IPSAS Standards, and clarify that decisions about materiality are intended to reflect the information needs of the primary users of financial statements.	
<b>Project staff lead</b>	<ul style="list-style-type: none"> <li>Agustina Llambi, Principal</li> </ul>	
<b>Task Force members</b>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	
<b>Meeting objectives</b>	<b>Topic</b>	<b>Agenda Item</b>
<b>Project management</b>	<a href="#">Definition of Material Dashboard</a>	<a href="#">5.1.1</a>
	<a href="#">Instructions up to Previous Meeting</a>	<a href="#">5.1.2</a>
	<a href="#">Decisions up to Previous Meeting</a>	<a href="#">5.1.3</a>
	<a href="#">Definition of Material: Project Roadmap</a>	<a href="#">5.1.4</a>
<b>Decisions required at this meeting</b>	<a href="#">Staff Process to Review the Responses to ED 93</a> (for discussion purposes only)	<a href="#">5.2.1</a>
	<a href="#">Review of Responses to Part 1 of ED 93</a>	<a href="#">5.2.2</a>
	<a href="#">Review of Responses to Part 2 of ED 93</a>	<a href="#">5.2.3</a>
	<a href="#">Review of Responses to Part 3 of ED 93</a>	<a href="#">5.2.4</a>
	<a href="#">Review of Responses to Part 4 of ED 93</a>	<a href="#">5.2.5</a>
	<a href="#">Review of Other Comments Received for ED 93</a>	<a href="#">5.2.6</a>
	<a href="#">Approval of <i>Definition of Material</i> (Amendments to IPSAS 1, IPSAS 3 and the Conceptual Framework)</a>	<a href="#">5.2.7</a>
<b>Other supporting items</b>	<a href="#">ED 93: Analysis of Respondents by Region, Function and Language, and List of Respondents</a>	<a href="#">5.3.1</a>
	<a href="#">[draft] <i>Definition of Material</i> (Amendments to IPSAS 1, IPSAS 3 and the Conceptual Framework)</a> (Track Changes version)	<a href="#">5.3.2</a> (posted separately)


Prepared by: Agustina Llambi (August 2025)

Definition of Material – Narrow Scope Amendments

	<a href="#"><u>Responses to Exposure Draft 93, <i>Definition of Material</i> (Amendments to IPSAS 1, IPSAS 3 and the Conceptual Framework)</u></a>	<a href="#"><u>Posted separately</u></a>
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## DEFINITION OF MATERIAL – NARROW SCOPE AMENDMENTS DASHBOARD

Topic	Past Meetings	September 2025
<b>Overall Project Management</b>		
Plan and Approach	✓	
Development and publication of ED 93	✓	
Review of responses and identification of key themes and other issues		
Review and Approve the Final Pronouncement		
<b>Analyze and Address Responses to IPSAS ED 93</b>		
Part 1: Amendments to the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities		
Part 2 – Amendments to IPSAS 1, <i>Presentation of Financial Statements</i>		
Part 3 – Amendments to IPSAS 3, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>		
Part 4 – Amendments to Other IPSAS Standards		

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

**INSTRUCTIONS UP TO PREVIOUS MEETING**

Meeting	Instruction	Actioned
March 2025	1. All instructions were reflected in <a href="#">Exposure Draft 93, Definition of Material (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework)</a>	1. N/A

**DECISIONS UP TO PREVIOUS MEETING**

Meeting	Decision	BC Reference
March 2025	1. All decisions were reflected in <a href="#">Exposure Draft 93, <i>Definition of Material</i> (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework)</a>	1. N/A

**DEFINITION OF MATERIAL – NARROW SCOPE AMENDMENTS:  
PROJECT ROADMAP**

Meeting	Completed Actions or Discussions / Planned Actions or Discussions:
September 2024	1. <i>Making Materiality Judgments</i> project was added to the IPSASB's Work Program
March 2025	1. Approval of Project Brief 2. Approval of ED 93, <i>Definition of Material</i> (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework)
May to July 2025	1. ED 93 out for comment
September 2025	1. Review of Responses to ED 93 2. Approval of Final Pronouncement

## **Staff Process to Review the Responses to ED 93 (for discussion purposes only)**

### **Purpose**

1. To provide the IPSASB with a summary of the process used by staff to analyze the responses received to Exposure Draft (ED) 93, *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework).

### **Background**

2. On May 15, 2025, the IPSASB issued [ED 93, \*Definition of Material\* \(Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework\)](#). The objective of the ED was to propose amendments to:
  - (a) Clarify that decisions about materiality are intended to reflect the needs of the primary users of general-purpose financial reports; and
  - (b) Align materiality guidance across the IPSAS Standards with the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities ('Conceptual Framework').
3. This paper provides the IPSASB with a summary of the process followed by staff to analyze the feedback received on ED 93's proposed amendments to IPSAS 1, *Presentation of Financial Statements*, IPSAS 3, *Accounting Policies, Changes in Accounting Estimates and Errors*, consequently amendments to Other IPSAS Standards (Part 4 of ED 93) and the Conceptual Framework.

### **Staff Process**

4. Staff reviewed and analyzed each comment letter in NVivo<sup>1</sup>, a data analysis software program. Staff identified comments and issues related to each Part of ED 93 in each comment letter. Comments are considered on their own merit.
5. Staff applied the following logic in classifying the responses into the following four categories:
  - (a) **Agree**—The response clearly states that it agrees with ED 93 proposals, either by not making any further suggestions to enhance ED 93 proposals or by providing additional reasons to support ED 93 proposals. This category also includes responses that agree with the proposals and include minor editorial changes.
  - (b) **Partially agree**—The response states that it agrees with the ED 93 proposals and provides suggestions to enhance them without modifying the ED 93 proposed principles. The suggestions can include clarifications, drafting changes, adding more guidance to support the proposed principles, or removing guidance where the respondent is of the view that it is not necessary in the context of the proposed principles.
  - (c) **Disagree**—The response states that it disagrees with ED 93 proposals. In cases where the response suggests enhancements to ED 93 proposals, those suggestions are considered together with those made by the responses that partially agree with ED 93 proposals. This category also includes responses that state agreement with the proposals but are followed by substantive suggested changes to the proposed principles.

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<sup>1</sup> Detailed NVivo reports are available at a Board member's request.

## Agenda Item 5.2.1

- (d) **No comment**—The response provided an editorial comment or did not explicitly state a view on a specific part of ED 93.
- 6. The second step of the review is to identify the main themes and issues from the responses, which will then be used to develop staff's recommendations on how the IPSASB should address the respondents' comments.
- 7. The detailed response information for ED 93 is provided in [Agenda Item 5.3.1](#), including:
  - (a) [Appendix A: Analysis of Respondents by Region, Function and Language](#);
  - (b) [Appendix B: List of Respondents](#); and
  - (c) [Appendix C: Summary of Responses to ED 93](#).
- 8. A compilation of the response letters received can be found on the IPSASB [website](#).

### *Summary of Responses and Next Steps*

- 9. Staff summarized the responses to ED 93 and made recommendations on how the IPSASB should address the respondents' comments (see [Agenda Items 5.2.2](#) to [Agenda Item 5.2.6](#)). In addition to the matters summarized by staff, IPSASB members are asked whether respondents raised any other issues that the IPSASB should discuss.
- 10. [Agenda Item 5.2.7](#) summarizes the IPSASB's work in compliance with due process in developing the [draft] final pronouncement, *Definition of Material* (Amendments to IPSAS 1, IPSAS 3 and the Conceptual Framework).

### **Decision Required**

- 11. No decisions required. For information purposes only.



**Review of Responses to Part 1 of ED 93, *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework)**

**Purpose**

1. Does the IPSASB agree to proceed with the amendments proposed in Part 1 of ED 93 to the *Conceptual Framework of General Purpose Financial Reporting by Public Sector Entities* ('CF'), subject to the revisions proposed in paragraph 2(b)?

**Recommendation**

2. Staff recommend the IPSASB:
  - (a) Proceed with the amendments to the CF proposed in Part 1 of ED 93; and
  - (b) Revise the footnote as suggested in the paragraph 8(b).

**Background**

3. Part 1 of ED 93 proposed:
  - (a) Clarifying that decisions about materiality are intended to reflect the information needs of the primary users of general-purpose financial reports instead of all users. The IPSASB proposed doing this by adding 'primary' ahead of 'users' in the description of materiality in paragraph 3.32 of the CF.
  - (b) Inserting a footnote in paragraph 2.4 of the CF that reads 'Throughout the Conceptual Framework, the terms 'primary users' and 'users' refer to those service recipients and their representatives and resource providers and their representatives who must rely on general purpose financial reports for much of the financial information they need.'
4. No specific matters for comment were asked in ED 93.'

**Analysis**

*Responses Analysis:*

5. Respondents who supported the proposal<sup>2</sup>, either:
  - (a) Provided supporting comments for why they agreed, consistent with the IPSASB's analysis;
  - (b) Did without further details, or
  - (c) Requested additional guidance (see [Agenda Item 5.2.6](#)).
6. Respondents who partially agree<sup>3</sup> and disagreed, either:
  - (a) **Suggested revisions to the description of materiality.**
    - (i) Suggested adding 'manipulating' to the description of materiality (R03);

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<sup>2</sup> The following respondent supported the proposals: R01, R02, R05, R06, R10, R13, R15, R19, R20, R21, R22, R23, R24, R26, R27, and R28.

<sup>3</sup> Most of these respondents explicitly supported adding 'primary' ahead of 'users' in the description of materiality in paragraph 3.32 of the CF.

- (ii) Suggested that the IPSASB broaden the scope of the limited scope project and consider revising the description of 'primary users' and redrafting paragraphs 2.3 to 2.6 of the CF (R04);
  - (iii) Believed the focus of 'discharge of accountability by entities', one of the components of materiality, should be narrowed by adding 'to primary users' after it (R07 and R11); and
  - (iv) Noted softening of the materiality threshold will introduce subjectivity— 'could reasonably be expected to influence' (R16).
  - (v) Did not think that narrowing the focus of GPFRs to the information needs of a specific group is appropriate because these should address the common needs of all users and not just a privileged subset (R25).
- (b) **Raised Concerns about the addition of a footnote.**
- (i) Recommends elevating the footnote's key message into paragraph 2.4 of the CF (R08); and
  - (ii) Suggests that each instance of the term 'users' should be qualified with 'primary' as appropriate, instead of inserting a footnote in paragraph 2.4 of the CF (R07, R09, R14, R29, and R30).
- (c) **Requested the Development of Additional Guidance.**
- (i) Does not think the new clarification related to primary users alone will significantly impact the current practice and urges the IPSASB to start Phase 2 of the project (R12).
  - (ii) Raises concerns about the usefulness of adding 'primary' ahead of 'users' because the 'primary users' of GPFRs will differ depending on the specific scenario and jurisdiction (R17).
7. Some respondents did not explicitly comment about the proposal but sought clarification on determining the primary users of GPFRs (R18), see [Agenda 5.2.6](#).
8. Staff considered and assessed respondents who partially agreed and disagreed with the proposals in Part 1 of ED 93 (see [Appendix A](#) and [Appendix B](#)), noting that:
- (a) **Revisions to the description of materiality.** When the IPSASB initiated the *Making Materiality Judgments* project<sup>4</sup> ('project'), it discussed that the description of materiality was consulted in ED 81, [Proposed Update to the Conceptual Framework](#), and these proposals<sup>5</sup> were strongly supported, leading to the [updated CF's](#) publication in October 2023. Also, the IPSASB concluded that a limited clarification to the description of materiality was necessary. Therefore, Part 1 of the ED 93 proposals' objective is to clarify that an entity needs to focus on the needs of its primary user when making materiality judgments, as opposed to focusing on all users of its GPFRs. Thus, revising the description of materiality, beyond adding 'primary' ahead of 'users', or amending other paragraphs in the CF, is outside the scope of the project.

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<sup>4</sup> Paragraph 5.1 of the [project brief](#) explains the project's scope of work.

<sup>5</sup> Proposals: Addition of 'obscuring information' as a further factor to 'omitting or misstating' and softening of the threshold for entities to determine when information is material.

- (b) **Concerns about the addition of a footnote.** The proposal to insert a footnote in paragraph 2.4 in the CF received mixed views from respondents. The footnote aimed to avoid revising each instance of the term ‘users’ across the CF.

Two staff members independently assessed the meaning of the term ‘user’, which appears 189 times in the CF. Both staff concluded that the context within the paragraph allows the reader to interpret the term appropriately, in the narrow or broader sense— i.e., primary users, or all users, respectively. (See [Appendix B](#) and [Appendix C](#)).

Since most respondents supported the addition of a footnote in paragraph 2.4 of the CF, staff recommends revising the footnote and the Basis for Conclusions to clarify that the terms ‘users’ and ‘primary users’ mainly refer to the same group; however, these are not entirely interchangeable terms (see [Agenda Item 5.3.2](#)).

- (c) **Additional Guidance.** Clarifying that decisions about materiality are intended to reflect the information needs of the primary users of GPFRs instead of all users is one of the initial outputs of the project. In March 2025, the IPSASB discussed that before developing an aligned IFRS® Practice Statement 2: *Making Materiality Judgments* (‘PS2’), it was essential to have consistency in the concept of materiality between the CF and IPSAS Standards. This is why this project is being undertaken in three phases (see paragraph 5.1 of the [project brief](#)). Staff acknowledges that addressing specific stakeholders’ difficulties in making materiality judgments when preparing financial statements will require the development of an adapted PS2, which is in the scope of Phase 2 of this project. Discussion on Phase 2 will commence at the December 2025 IPSASB meeting being held in New York.

### *Proposed Next Steps*

9. Consistent with the responses received by the IPSASB to Part 1 of ED 93, staff recommend that the IPSASB proceed with the proposed amendments to the CF in Part 1 of ED 93 because the clarification that an entity needs to focus on the needs of its primary user when making materiality judgments, as opposed to focusing on all users of its GPFRs, is expected to help stakeholders make better materiality judgments.
10. Staff also recommend that the IPSASB agree with the proposed changes in paragraph 8(b).

### **Decision Required**

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

**Appendix A – Assessment of Constituents’ Comments on amendments proposed in Part 1 of ED 93**

1. The table below:
  - (a) Provides staff’s detailed analysis of the respondents’ comments on the amendments proposed in Part 1 of ED 93<sup>6</sup>; and
  - (b) Proposes whether the IPSASB should revise the guidance proposed in ED 93.

*Analysis of Constituents’ Comments*

Constituents Comments	Staff Analysis
<b>Respondents disagree for the following reasons.</b>	
Claims that limiting materiality assessments solely to "primary users" is too restrictive, especially in the broader accountability landscape of the public sector. Criticizes the exclusion of users who can request tailored reports, despite their reliance on GPFRs for accountability, decision-making, and financial oversight. Urges the IPSASB to reconsider paragraph 2.6 and broaden the definition of users within the Conceptual Framework. Advocates for closer alignment between financial reporting standards and public sector auditing principles (ISSAIs) to reflect the realities of user reliance in the public sector. Finally, the proposal to equate “users” solely with “primary users” is considered overly restrictive, and notes that the term ‘users’ appears throughout the conceptual framework in places where a broader term seems appropriate. (R04)	<p><b>No changes are proposed.</b> When the IPSASB approved the <i>Making Materiality Judgment</i> project brief, it agreed that Part 1 of ED 93 aims to clarify that decisions about materiality are intended to reflect the information needs of the primary users of GPFRs instead of all users.</p> <p>This is because paragraph 2.4 of the CF states who are considered the primary users of GPFRs, while paragraph 1.7 notes that the information needs of primary users determine the scope of financial reporting, are existing guidance in the Updated CF. Therefore, the proposals in ED 93 improve clarity rather than introduce changes to existing guidance.</p> <p>The project's scope was not to revisit the description of primary users or materiality. The latter was consulted as part of ED 81, <a href="#">Proposed Update to the Conceptual Framework</a> and such proposals<sup>7</sup> were strongly supported, leading to the publication of <a href="#">the updated CF</a> in October 2023.</p> <p>See <a href="#">Appendix B</a> for the discussion on inserting a footnote in paragraph 2.4 of the CF.</p>
Thinks obscuring material information is conceptually similar to misrepresentation and misstatement, as such ‘obscuring’ may create confusion due to overlapping interpretations. Considers ‘primary’ may unnecessarily narrow the user focus and limit GPFRs, and suggests maintaining flexibility to reflect broader stakeholder information needs. (R25)	

<sup>6</sup> This table includes respondents’ comments where further analysis is required, meaning responses noting agreement that do not include further details or do not require further analysis are not included. Detailed NVivo reports are available at a Board member’s request. Respondents’ editorial comments are discussed in [Agenda Item 5.2.6](#).

<sup>7</sup> Proposals: Addition of ‘obscuring information’ as a further factor to ‘omitting or misstating’ and softening of the threshold for entities to determine when information is material.

<p>Proposes that the term “users” be revised to “primary users” throughout the Conceptual Framework, where appropriate, and that the term “users” be retained when referring to users other than primary users. (R09)</p>	<p><b>Changes are proposed to the footnote.</b></p> <p>Two staff members independently assessed the meaning of the term ‘user’ across the CF. Both staff concluded that the context within the paragraphs where the term is found allows the reader to interpret its meaning appropriately. (see <a href="#">Appendix B</a> and <a href="#">Appendix C</a>).</p> <p>Staff notes that:</p> <ul style="list-style-type: none"> <li>Revising each instance of the term ‘user’ will delay the publication of the [draft] final pronouncement (<a href="#">Agenda Item 5.3.2</a>) and the development of an aligned IFRS® Practice Statement 2: <i>Making Materiality Judgments</i> (PS 2);</li> <li>Respondents have noted that the amendments in Phase 1 on their own are not expected to change current practice and urge the IPSASB to commence the development of Phase 2 (i.e., development of an aligned PS2); and</li> <li>The use of a footnote is consistent with the approach taken by the IASB.</li> </ul> <p>Considering that most respondents supported adding a footnote in paragraph 2.4 of the CF, staff recommends revising the footnote and the Basis for Conclusions to clarify that the terms ‘users’ and ‘primary users’ mainly refer to the same group; however, these terms are not entirely interchangeable. (see <a href="#">Agenda Item 5.3.2</a>).</p>
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## 5.2.2

<p>Raises concerns about the usefulness of adding 'primary' ahead of 'users' because the 'primary users' of GPFRs will differ depending on the specific scenario and jurisdiction. It is uncertain that the proposed amendment will achieve its desired outcome, i.e., clarity regarding what is included in GPFRs. (R17)</p>	<p><b>Phase 2 will develop application guidance.</b> ED 93 is part of the <i>Making Materiality Judgments</i> project, which is being undertaken in a three-phase approach. The primary users of a public sector GPFR can be expected to differ from entity to entity. This project's first phase (ED 93) aims to clarify that decisions about materiality are intended to reflect the information needs of the primary users of GPFRs instead of all users.</p> <p>In Phase 2, the IPSASB will develop guidance aligned with PS2 and adapt it to meet public sector needs. This guidance will assist public sector entities in making materiality judgments to address the information needs of their primary users.</p>
<p><b>Respondents partially agree for the following reasons<sup>8</sup>.</b></p>	
<p>Suggests including "manipulating" alongside omission, misstating, and obscuring to capture fraudulent behavior better. (R03)</p>	<p><b>No changes are proposed.</b> <a href="#">See the analysis for respondents who disagreed and suggested revisions to the description of materiality.</a></p>
<p>Proposes adding 'to primary users' after 'discharge of accountability by the entity' to narrow the focus of this materiality component, similar to 'decisions made by primary users'. (R07 and R11) Additionally, R11 notes that such a change would better reflect the dual purpose of GPFRs—supporting accountability and decision-making.</p>	
<p>Thinks that the phrase "could reasonably be expected to ..." may lead to interpretation variability due to differing individual judgments. (R16)</p>	
<p>Recommends elevating the footnote's key message into paragraph 2.4 of the CF to ensure visibility and incorporate statements from the Basis for Conclusions (BC3.32I and BC46) directly into the main text of the CF for added precision that the terms 'users' and 'primary users' refer to the same group. (R08)</p>	<p><b>No changes are proposed to paragraph 2.4 of the CF.</b> The terms 'users' and 'primary users' refer to 'those service recipients and their representatives and resource providers and their representatives who must rely on general purpose financial reports for much of the financial information they need.' However, these are not entirely interchangeable terms, as <a href="#">Appendix B</a> notes.</p>

<sup>8</sup> These respondents noted their agreement to add 'primary' ahead of 'users' in the description of materiality in paragraph 3.32 of the CF, one of the two revisions proposed to the CF in Part 1 of ED 93.

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Questions the practical value of introducing the term “primary users”, suggesting it may not significantly affect current reporting practices. Urges the development of application guidance and principles to assist entities in identifying their primary users. Suggests that this work be included in Phase 2 of the project to support meaningful and tailored materiality assessments. (R12)	<b>Phase 2 will develop application guidance.</b> In Phase 2, the IPSASB will develop guidance aligned with PS2 and adapt it to meet public sector needs. This guidance will assist public sector entities in making materiality judgments to address the information needs of their primary users.
Recommends that one term, either ‘users’ or ‘primary users’, be chosen and consistently used across the CF to avoid confusion. (R14)	<b>Changes are proposed to the footnote.</b> <a href="#">See the analysis for respondents who disagreed with the use of a footnote.</a>
Recommends explicitly revising all relevant sections to uniformly refer to “primary users,” even if it’s a more labor-intensive process to resolve ambiguity and/or prevent misinterpretation. (R29)	
Suggests that consistent terminology be used, as it is essential, given the normative nature of the CF, as well as to avoid confusion. (R30)	

**Appendix B – Assessment of the responses received about inserting a footnote in paragraph 2.4 of the CF.**

1. The IPSASB proposed inserting a footnote to avoid the need to revise each instance of the term ‘users’ to ‘primary users’ throughout the CF. The footnote proposed in ED 93 reads ‘Throughout the Conceptual Framework, the terms ‘primary users’ and ‘users’ refer to those service recipients and their representatives and resource providers and their representatives who must rely on general purpose financial reports for much of the financial information they need.’
2. The proposal to insert such a footnote in paragraph 2.4 of the CF received mixed views (see [Appendix A](#)):
  - (a) Most respondents supported the footnote, with some suggesting revisions to the Basis for Conclusions to clarify that these terms are not to be used interchangeably.
  - (b) Other respondents suggested that the IPSASB revise each instance of the term ‘users’ to ‘primary users’ across the CF.
3. Staff identified each instance of the term ‘users’ across the CF (see [Appendix C](#)), noting that context within each paragraph allows the reader to understand whether ‘users’ refers to:
  - (a) Primary users—service recipients and their representatives and resource providers and their representatives<sup>9</sup>— (narrow sense of the term);
  - (b) A subgroup of primary users;
  - (c) All possible users (broader sense of the term); or
  - (d) Users other than primary users.
4. To address respondents’ concerns, the following options are considered:
  - (a) **Remove the footnote.** Two staff members independently identified and considered the meaning of each instance of the term ‘users’ across the CF. They reached the same conclusion on whether the term ‘users’ referred to primary users or other users, as noted in paragraph 3. This independent assessment shows that the existing context within the relevant paragraphs and sentences allows the reader to interpret the term correctly.
  - (b) **Retain the footnote and revise the Basis for Conclusions for clarity.** One of the respondents suggested that the BCs should clearly state that the footnote does not mean that the terms ‘users’ and ‘primary users’ are entirely interchangeable. This is consistent with the IPSASB’s discussion during March 2025. It discussed that the term ‘users’ is too broad and can be interpreted as requiring an entity to consider all possible users, instead of its primary users, when making materiality judgments about its GPFRs (see [Agenda Item 5.2.2](#) from the March 2025 IPSASB meeting).
  - (c) **Qualify, as appropriate, each instance of the term ‘users’ to ‘primary users’ throughout the CF.** The term ‘users’ that would need to be revised to ‘primary users’ appears in 91 paragraphs over six Chapters of the CF and its Preface (see [Appendix C](#)). Proposing such

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<sup>9</sup> As determined by paragraph 2.4 of the CF.



amendments would delay the target approval and publication of the [draft] Final Pronouncement, *Definition of Material* (Amendments to IPSAS 1, IPSAS 3 and the Conceptual Framework) ('Final Pronouncement'), as well as the development of an aligned IFRS® Practice Statement 2: *Making Materiality Judgments* ('PS2'). The latter is crucial to address the gap in the public sector for non-authoritative guidance that clarifies the principles a public sector entity should consider when making materiality judgements in preparing GPFS in accordance with IPSAS Standards. The development of such guidance was strongly supported in the [2021 Mid-Period Work Program Consultation Summary](#). Additionally, respondents to ED 93 urged the IPSASB to commence the development of such guidance, as they considered Phase 1 on its own would not change current practices.

- (d) **Retain footnote and qualify, as appropriate, specific instances of the term 'users' to 'other users'.** There are five paragraphs in the CF where the term 'users' refers to the broad sense of the term (all users) or users other than primary users. Rather than qualifying the term 'users' to 'primary users', the IPSASB could revise the term 'users' to 'other users' in the five paragraphs identified in [Appendix C](#). As noted in paragraph (c) amendments beyond adding 'primary' ahead of 'users' in paragraph 3.32 of the CF will delay the publication of [draft] Final Pronouncement and the development of an aligned PS2.
  - (e) **Revise the footnote.** The footnote could be revised to note that there are instances where the term 'users' does not refer to primary users, and professional judgment should be applied based on the context of the guidance. For example, the term is used to discuss users who have the authority to require the preparation of financial reports that disclose the information they need for their particular purposes (see paragraph BC1.3 in the CF). These are not primary users, as they do not possess the authority to require a public sector entity to disclose the information they need for accountability and decision-making purposes.
5. This project aims to amend and develop guidance that helps entities make materiality judgments when preparing general-purpose financial statements. Thus, to stay aligned with the project's scope and considering that most respondents supported adding a footnote in paragraph 2.4 of the CF, staff recommends revising it and the Basis for Conclusions to clarify that the terms 'users' and 'primary users' are not entirely interchangeable (see [Agenda Item 5.3.2](#)).

**Appendix C – The table provides the paragraphs in the CF where the term ‘users’ is used**

- Two staff members independently identified each instance of the term ‘users’ and combinations in the CF and assessed its meaning. Staff reached the same conclusion on the meaning of the term ‘users’ and its different combinations across the CF.
- The table below lists the paragraph in which the term is included and the meaning of the term.

Term in the CF	Narrow sense (primary users)	Subgroup of primary users	Broad sense (all users)	Users other than primary users
<b>Primary users</b>	1.7, 2.4, 2.5, 2.6, BC2.1, BC2.2, BC2.3, BC2.4, BC2.5, BC2.9, BC2.12, 4.5	-	-	-
<b>Users</b>	P.2, P.23, P.24, 1.4, BC1.4, 2.1, 2.2, 2.10, 2.14, 2.15, 2.17, 2.21, 2.28, 2.29, 2.31, BC2.4, BC2.7, BC2.14, BC2.16, BC2.19, BC2.20, BC2.22, BC2.25, BC2.26, 3.1, 3.9, 3.12, 3.13, 3.14, 3.17, 3.18, 3.19, 3.20, 3.21, 3.26, 3.29, 3.31, 3.32, 3.36, 3.38, 3.40, BC3.3, BC3.7, BC3.10, BC3.12, BC3.19, BC3.23, BC3.24, BC3.25, BC3.28, BC3.32B, BC3.33, BC3.35, 4.5, 4.7, 4.8, 4.9, BC4.1, BC4.7, 5.2, BC5.48, BC5.49, BC5.55, BC5.61, 7.3, 7.46, BC7.24, BC7.27, BC7.69, BC7.77, 8.2, 8.3, 8.5, 8.10, 8.11, 8.12, 8.15, 8.17, 8.26, 8.30, 8.31, 8.37, 8.46, 8.50, 8.57, 8.63, BC8.5, BC8.9, BC8.13, BC8.14, and BC8.20	-	P.9 <sup>10</sup> , P.11 <sup>11</sup> , BC2.3 <sup>12</sup> , 3.40 <sup>13</sup>	BC1.3 <sup>14</sup>
<b>Some users</b>	BC2.5, 3.6, 3.18, BC3.19	-	-	1.5
<b>Main users</b>	BC2.3	-	-	-
<b>Potential users</b>	BC2.9	BC2.9	BC2.3, BC2.8	-
<b>Other users</b>	-	-	BC2.2	-
<b>Single user</b>	-	BC2.4		-

<sup>10</sup> Appears in the section of the Preface titled: The Importance of the Approved Budget.

<sup>11</sup> Appears in the section of the Preface titled The Nature of Public Sector Programs and the Longevity of the Public Sector.

<sup>12</sup> Appears in the Basis for Conclusions in Chapter 2 of the CF in the section titled: Identifying the Primary User Groups

<sup>13</sup> Appears in Chapter 3 of the CF in the section titled: Cost Benefits.

<sup>14</sup> Appears in the Basis for Conclusions in Chapter 1 of the CF in the section titled: Special Purpose Financial Reports.

**Review of Responses to Part 2 of ED 93, *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework)**

**Purpose**

1. Does the IPSASB agree to proceed with the amendment proposed to IPSAS 1, *Presentation of Financial Statements* in Part 2 of ED 93?

**Recommendation**

2. Staff recommend that the IPSASB proceed with the amendments proposed in Part 2 of ED 93 to IPSAS 1.

**Background**

3. Part 2 of ED 93 proposed to:
  - (a) Align materiality guidance across the IPSAS Standards with the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities ('CF'); and
  - (b) Introduce new guidance to help entities make materiality judgments aligned with the *Definition of Material* (Amendments to IAS 1 and IAS 8) published by the IASB in October 2018.
4. No specific matters for comment were asked in ED 93.

**Analysis**

*Responses Analysis*

5. Respondents who supported the proposal<sup>15</sup>, either:
  - (a) Provided supporting comments on why they agreed, consistent with the IPSASB's analysis;
  - (b) Did without further details, or
  - (c) Requested additional guidance on applying materiality, which is expected to be addressed in Phase 2 of the *Making Materiality Judgments* project ('project').
6. Respondents who partially agreed and disagreed, either:
  - (a) **Proposed revisions to the definition of material or explanatory guidance.**
    - (i) Suggested including 'manipulating' as a criterion in the definition of material (R03);
    - (ii) Introducing 'primary users' as described in the CF in an IPSAS Standard could create divergence between public sector accounting and auditing standards (R04);
    - (iii) Recommended revisions to the structure or drafting of aligned paragraphs with IFRS (R05)
    - (iv) Thinks 'could reasonably be expected to influence' may introduce interpretive uncertainty (R13 and R16); and

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<sup>15</sup> The following respondent supported the proposals: R01, R02, R06, R08, R10, R11, R14, R15, R19, R20, R21, R22, R23, R24, R26, R27, R28, R29, and R30.

- (v) Thinks ‘obscuring’ can lead to confusion as it is a concept similar to ‘misstating’ and considers that the focus of materiality judgments should address the common needs of all users (R25).
  - (b) **Proposed to qualify the term ‘users’ across IPSAS Standards.** Requested all instances of ‘users’ be updated to ‘primary users’ across IPSAS Standards (R07).
  - (c) **Proposed additional guidance.** Uncertain whether adding ‘primary’ ahead of ‘users’ will change current practices and request clear guidelines and principles to identify primary users (R12 and R17).
7. Some respondents did not explicitly comment about the proposal (R09) and sought clarification on applying materiality (R18), see [Agenda Item 5.2.6](#).
8. Staff considered and assessed respondents who disagreed and partially agreed with the proposals in Part 2 of ED 93 (see [Appendix A](#)), noting that:
- (a) **Revisions to the definition of materiality.** The description of materiality was recently consulted, and strongly supported, in ED 81, [Proposed Update to the Conceptual Framework](#). The scope of amendments in Part 2 of ED 93 is limited to aligning materiality in IPSAS 1 with the CF and introducing guidance to ensure the consistent application of materiality.
  - (b) **Revisions to the term ‘users’ across IPSAS Standards.** The objective of Part 2 of ED 93 is to propose amendments to IPSAS 1 that achieve a consistent definition of ‘material’ with the description of materiality in the CF (See paragraph 5.1 of the [project brief](#)). Revising each instance of the term ‘user’ to ‘primary users’ across IPSAS Standards will delay the development of an aligned IFRS Practice Statement 2: *Making Materiality Judgments* (PS 2) in scope of Phase 2 of the project. This is the guidance respondents to ED 93 urged the IPSASB to develop, consistent with the responses received for the [2021 Mid-Period Work Program Consultation Summary](#) that led to its pre-commitment to the Work Program, as resources become available.
  - (c) **Additional Guidance.** In Phase 2 of the project, the IPSASB will develop an aligned PS2 adapted to meet public sector needs. This guidance will assist public sector entities in making materiality judgments to address the information needs of their primary users.
9. Staff considered editorial comments received in Part 2 of ED 93 in [Agenda Item 5.2.6](#).

### *Proposed Next Steps*

10. Considering the responses received by the IPSASB to Part 2 of ED 93, staff recommend that the IPSASB proceed with the proposed amendments to IPSAS 1 in Part 2 of ED 93 because:
- (a) Aligning the definition of material in IPSAS 1 with the CF is consistent with the project’s objective; and
  - (b) New guidance on materiality introduced in IPSAS 1 will ensure the consistent application of the definition of material.

### **Decision Required**

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

## Appendix A – Assessment of Constituents' Comments on Amendments Proposed in Part 2 of ED 93

1. The table below:
  - (a) Provides staff's detailed analysis of the respondents' comments on the amendments proposed in Part 2 of ED 93<sup>16</sup>; and
  - (b) Proposes whether the IPSASB should revise the guidance proposed in ED 93.

### Analysis of Constituents' Comments

Constituents Comments	Staff Analysis
<b>Respondents disagree for the following reasons.</b>	
Expresses concerns over the description of the primary users and warns that introducing 'primary users' could create divergence between public sector accounting and auditing standards from the outset. R04 stresses harmonizing critical concepts like users and materiality between IPSAS Standards and auditing standards.	<p><b>No changes are proposed.</b> When the IPSASB approved the project brief, it agreed that amendments to IPSAS 1 were to align the definition of material with the CF and introduce guidance for its application aligned with the IASB's <i>Definition of Material</i> (Amendments to IAS 1 and IAS 8) published in October 2018. This is because the CF establishes the concepts to be applied in developing IPSAS Standards.</p> <p>Existing guidance in the Updated CF identifies the primary users of GPFRs (paragraph 2.4). ED 93 did not propose introducing new guidance about primary users but instead aims to align the definition of 'material' IPSAS 1 with the description of materiality in CF (feedback to proposals in Part 1 of ED 93 are discussed in <a href="#">Agenda Item 5.2.2</a>).</p> <p>The project's scope was not to revisit the description of primary users or materiality, the latter was consulted as part of ED 81, <i>Proposed Update to Conceptual Framework</i> (Chapters 3 and 5). Such proposals were strongly supported and led to the publication of the Updated CF in October 2023.</p>
Thinks obscuring material information is conceptually similar to misrepresentation and misstatement, as such 'obscuring' may create confusion due to overlapping interpretations. Considers 'primary' may unnecessarily narrow the user focus and limit GPFRs, and suggests maintaining flexibility to reflect broader stakeholder information needs. (R25)	

<sup>16</sup> This table includes respondents' comments where further analysis is required, meaning responses noting agreement that do not include further details or do not require further analysis are not included. Detailed NVivo reports are available at a Board member's request. Respondents' editorial comments are discussed in [Agenda Item 5.2.6](#).

Respondents partially agree for the following reasons.	
<p>Supports alignment with the description of materiality in the CF and suggests adding 'manipulating' to the definition of material, distinguishing it from omission, misstatement, and obscuring. Request examples of manipulation, similar to those listed for obscuring. (R03)</p> <p>Notes that the phrase "could reasonably be expected to influence" may introduce interpretive uncertainty (R13 and R16).</p>	<p><b>No changes are proposed.</b> <a href="#">See the analysis of respondents who disagreed and proposed revisions to the definition of material.</a></p>
<p>Suggest revisions in language and structure to proposed paragraph 12A in IPSAS 1 for clarity, for example, to create a new paragraph dedicated to guidance on obscuring information. (R05)</p>	<p><b>No changes are proposed.</b> The paragraphs suggested for revisions are aligned with the IASB's <i>Definition of Material</i> (Amendments to IAS 1 and IAS 8). The drafting of the paragraphs are consistent with the IPSASB's <a href="#">Process for Reviewing and Adapting IASB Documents</a> and its <a href="#">Strategy</a> for a common approach and language.</p>
<p>Review and update all relevant instances of "users" to "primary users" across IPSAS Standards where appropriate. Revise IPSAS 1.BC 46 to reflect the outcome of this review. (R07)</p>	<p><b>No changes are proposed.</b> Revising each instance of the term 'users' to 'primary users' across IPSAS Standards would delay the target approval and publication of the [draft] Final Pronouncement, <i>Definition of Material</i> (Amendments to IPSAS 1, IPSAS 3 and the Conceptual Framework), as well as the development of an aligned IFRS Practice Statement 2: <i>Making Materiality Judgments</i> ('PS2'). The latter is crucial to address the gap in the public sector for non-authoritative guidance that clarifies the principles a public sector entity should consider when making materiality judgements in preparing GPFS in accordance with IPSAS Standards. Respondents to ED 93 urged the IPSASB to commence the development of such guidance. This is consistent with the IPSASB precommitment in the <a href="#">2021 Mid-Period Work Program Consultation Summary</a>.</p>
<p>Uncertain whether the new clarification related to primary users alone will significantly impact the current practice, and notes the need for clear guidelines and principles on identifying primary users (R12 and R17). Proposes narrowing or segmenting the definition of primary users to reflect different user interests. (R12)</p>	<p><b>Phase 2 will develop guidance about making materiality judgments.</b> ED 93 reflected amendments to address Phase 1 of the <i>Making Materiality Judgments</i> project—to achieve a consistent/aligned definition of material. In Phase 2, the IPSASB will develop guidance aligned with PS2, adapted to meet public sector</p>

Recommends providing objective criteria or checklists to support consistent application of materiality(R13)	needs. The development of such guidance is expected to address respondents' concerns.
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## **Review of Responses to Part 3 of ED 93, *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework)**

### **Purpose**

1. Does the IPSASB agree to proceed with the amendments proposed in Part 3 of ED 93?

### **Recommendation**

2. Staff recommend that the IPSASB proceed with the proposal to replace the description of materiality in IPSAS 3, *Accounting Policies, Changes in Accounting Estimates and Errors*, with a cross-reference to the definition of material in IPSAS 1, *Presentation of Financial Statements*.

### **Background**

3. Part 3 of ED 93 proposed replacing the description of materiality in IPSAS 3 with a cross-reference to the definition of material in IPSAS 1.
4. No specific matters for comment were asked in ED 93

### **Analysis**

#### *Responses Analysis*

5. Respondents who supported the proposal<sup>17</sup>, either provided supporting comments on why they agreed, consistent with the IPSASB's analysis, or did so without further details.
6. Respondents who disagreed either:
  - (a) Reiterate their response to Part 1 and Part 2 of ED 93 that introducing 'primary users' as described in the CF in an IPSAS Standard may create divergence between public sector accounting and auditing standards (R04); and
  - (b) Noted that the description of materiality in IPSAS 3 provides relevant guidance and should be retained (R28).
7. Some respondents did not explicitly comment on the proposal<sup>18</sup>. Staff considered editorial comments received in Part 3 of ED 93 in [Agenda Item 5.2.6](#).
8. Staff considered and assessed respondents who disagreed with the proposals in Part 3 of ED 93 (see [Appendix A](#)), noting that:
  - (a) The relevant guidance on applying the concept of materiality when preparing general-purpose financial statements has been centralized in IPSAS 1; and
  - (b) The amendments proposed in Part 3 are consequential from those in Part 2 of ED 93, discussed in Agenda [Item 5.2.3](#).

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<sup>17</sup> The following respondent supported the proposals: R01, R02, R03, R06, R08, R10, R11, R14, R15, R19, R20, R21, R22, R23, R24, R26, R27, R28, R29, and R30.

<sup>18</sup> The following respondents did not provide comments on the amendments in Part 3 of ED 93: R05, R06, R07, R09, R10, R17, and R18. R14 provided an editorial comment; see [Agenda Item 5.2.6](#).



*Proposed Next Steps*

9. Considering the responses received by the IPSASB to Part 3 of ED 93, staff recommend that the IPSASB proceed with the proposed amendments to IPSAS 3 in Part 3 of ED 93 because it achieves alignment of the definition of material in IPSAS Standards consistent with the project's objective.

**Decision Required**

10. Does the IPSASB agree with the Staff [recommendation](#)?

## Appendix A – Assessment of Constituents’ Comments to Proposed Amendments in Part 3 of ED 93.

1. The table below:
  - (a) Provides staff’s detailed analysis of the respondents’ comments on the amendments proposed in Part 3 of ED 93<sup>19</sup>; and
  - (b) Proposes whether the IPSASB should revise the guidance proposed in ED 93.

### Analysis of Constituents’ Comments

Constituents Comments	Staff Analysis
<b>Respondents disagree for the following reasons.</b>	
Consistent with its view of amendments in Part 2 of ED 93, R04 expresses concerns over the description of the primary users and warns that introducing ‘primary users’ could create divergence between public sector accounting and auditing standards from the outset. R04 stresses harmonizing critical concepts like users and materiality between IPSAS Standards and auditing standards.	<b>No changes are proposed.</b> <a href="#">See the analysis in Appendix A of Agenda Item 5.2.3 for respondents who disagreed with the proposals in Part 2 of ED 93.</a>
R28 suggests retaining paragraph 8 in IPSAS 3 because it provides relevant guidance to assess materiality.	<b>No changes are proposed.</b> The description of materiality in IPSAS 3 was replaced with a cross-reference to the definition of material in IPSAS 1. This amendment is consistent with the IPSASB’s practice to avoid duplication of definitions and the approach taken by IASB in its publication <i>Definition of Material</i> (Amendments to IAS 1 and IAS 8).

<sup>19</sup> This table includes respondents’ comments where further analysis is required, meaning responses noting agreement that do not include further details or do not require further analysis are not included. Detailed NVivo reports are available at a Board member’s request. Respondents’ editorial comments are discussed in [Agenda Item 5.2.6](#).

## **Review of Responses to Part 4 of ED 93, *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework)**

### **Purpose**

1. Does the IPSASB agree to proceed with amendments proposed in Part 4 of ED 93 and revisions proposed to paragraph 22 in IPSAS 20, *Related Party Disclosures*?

### **Recommendation**

2. Staff recommend the IPSASB to:
  - (a) Proceed with the consequential amendments proposed in Part 4 of ED 93; and
  - (b) Amend paragraph 22 in IPSAS 20 for alignment with materiality guidance in IPSAS 1, *Presentation of Financial Statements*.

### **Background**

3. Part 4 of ED 93 proposed consequential amendments to specific IPSAS Standards, where the definition of material is quoted, as a result of the amendments proposed in Part 2 of ED 93, see [Agenda Item 5.2.3](#).
4. No specific matters for comment were asked in ED 93.

### **Analysis**

#### *Responses Analysis*

5. Respondents who supported the proposal<sup>20</sup>, either provided supporting comments on why they agreed, consistent with the IPSASB's analysis, or did so without further details.
6. Respondents who partially agree, either:
  - (a) Requested additional guidance (R13) or proposed consequential amendments to IPSAS 20 consistent with the amendments to IPSAS 1 discussed in [Agenda Item 5.2.3](#) (R19); or
  - (b) Thinks 'could reasonably be expected to influence' may introduce interpretive uncertainty (R16).
7. Respondents who disagreed did so for editorial reasons (R25 and R27) or reiterate their response to Parts 1 and 2 of ED 93 (R04 and R25) discussed in [Agenda Item 5.2.2](#) and [Agenda Item 5.2.3](#) respectively.
8. Some respondents did not explicitly comment on the proposal<sup>21</sup>. Staff considered editorial comments received in Part 4 of ED 93 in [Agenda Item 5.2.6](#).
9. Staff considered and assessed respondents who disagreed and partially agreed with the proposals in Part 4 of ED 93 (see [Appendix A](#)), noting that:

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<sup>20</sup> The following respondent supported the proposals: R01, R02, R03, R06, R08, R10, R11, R12, R15, R20, R21, R22, R23, R24, R26, R29, and R30.

<sup>21</sup> The following respondents did not comment on the amendments in Part 4 of ED 93: R05, R07, R09, R14, R17, R18, and R28.

## Agenda Item 5.2.5

- (a) To achieve alignment of the definition of material across IPSAS Standards, Part 4 of ED 93 proposed amendments to other IPSAS Standards where the definition of material is quoted. For example, paragraph 30 in IPSAS 14, *Events after the Reporting Date* quotes the definition of material, as a result 'could influence' was amended to 'could reasonably be expected to influence' for alignment with paragraph 7 of IPSAS 1. Such amendments are consequential amendments from those in Part 2 of ED 93, discussed in Agenda [Item 5.2.3](#).
- (b) Paragraph 22 of IPSAS 20 quotes guidance on materiality in IPSAS 1, which ED 93 proposes to amend (see paragraph 12A in IPSAS 1 in [Agenda Item 5.3.2](#)). Specifically, paragraph 20 of IPSAS 22 uses the term 'size', and the amendments proposed to paragraph 12A of IPSAS 1 now use the term 'amount'. To ensure aligned guidance on materiality across IPSAS Standards, the term 'size' in IPSAS 20.22 should be updated to 'amount' for consistency with IPSAS 1.12A.

10. Staff considered editorial comments received in Part 4 of ED 93 in [Agenda Item 5.2.6](#).

### *Proposed Next Steps*

- 11. Considering the responses received by the IPSASB to Part 4 of ED 93 and consistent with the project's objective, staff recommend that the IPSASB proceed with the proposed amendments in Part 4 of ED 93 because they aligned the definition of material across IPSAS Standards.
- 12. Staff also recommends that the IPSASB agree with the proposed amendments to paragraph 22 in IPSAS 20, which ensure consistency of materiality guidance across IPSAS Standards.

### **Decision Required**

13. Does the IPSASB agree with the Staff [recommendation](#)?

**Appendix A – Assessment of Constituents’ Comments to Proposed Amendments in Part 4 of ED 93.**

1. The table below:
  - (a) Provides staff’s detailed analysis of the respondents’ comments on the amendments proposed in Part 4 of ED 93<sup>22</sup>; and
  - (b) Proposes whether the IPSASB should revise the guidance proposed in ED 93.

*Analysis of Constituents’ Comments*

Constituents Comments	Staff Analysis
<b>Respondents disagree for the following reasons.</b>	
Consistent with its view on amendments in Part 2 of ED 93, R04 expresses concerns over introducing ‘primary users’ in an IPSAS (vs. the conceptual framework), warning that this could create divergence between public sector accounting and auditing standards from the outset. R04 stresses the need to harmonize these standards, especially on critical concepts like users and materiality.	<b>No changes are proposed.</b> <a href="#">See the analysis in Appendix A of Agenda Item 5.2.3 for respondents who disagreed with the proposals in Part 2 of ED 93.</a>
Consistent with its view on amendments in Part 2 of ED 93, R25 disagrees with adding ‘primary’ ahead of ‘users’ and thinks ‘obscuring’ can lead to confusion, as it is a concept similar to ‘misstating’.	
Questions the deletion of the title for IPSAS 1 in IPSAS19.AG18 (R25 and R27)	<b>To proceed with the respondent’s suggestion.</b> Application Guidance is considered a new document; as such, the title of IPSAS 1 should be retained. This is an editorial change and recommended to be actioned by the IPSASB in <a href="#">Agenda Item 5.2.6</a> . See IPSAS 19.AG18 in Part 4 of the [draft] Final Pronouncement in <a href="#">Agenda Item 5.3.2</a> .
Questions the deletion of the title for IPSAS 3 in IPSAS 42.IG5. (R27)	<b>No changes are proposed.</b> Paragraph IG5 of IPSAS 42 had a cross-reference to the discussion of materiality in IPSAS 3. To avoid duplication of guidance, ED 93 proposed replacing the description of materiality in IPSAS 3 with a cross-reference to IPSAS 1. As such, IPSAS 3 no longer includes guidance on materiality. Thus, replacing IPSAS 3 with IPSAS 1 in paragraph IG5 of IPSAS 42 is appropriate.

<sup>22</sup> This table includes respondents’ comments where further analysis is required, meaning responses noting agreement that do not include further details or do not require further analysis are not included. Detailed NVivo reports are available at a Board member’s request. Respondents’ editorial comments are discussed in Agenda Item 5.2.6.

Respondents partially agree for the following reasons.	
Notes that applying the definition of “subsequent events” may be challenging in jurisdictions lacking formal approval processes and suggests that application guidance be developed. Additionally, the respondent requests the development of support material for amendments in IPSAS 19, <i>Provisions, Contingent Liabilities and Contingent Assets</i> ; IPSAS 42, <i>Social Benefits</i> ; and IPSAS 45, <i>Property, Plant, and Equipment</i> . (R13)	<p><b>No changes are proposed.</b></p> <p>The amendments in Part 4 of ED 93 introduce new guidance to help entities make materiality judgments and incorporate consequential changes from those outlined in Part 1 of ED 93. ED 93 has not proposed amendments to the definition of ‘events after the reporting date’. The respondent notes an application challenge that could be raised to the IPSASB’s Application Group.</p> <p><b>Phase 2 will develop application guidance.</b></p> <p>Development of an aligned IFRS Practice Statement 2: <i>Making Materiality Judgments</i>, adapted to meet public sector needs, is expected to address respondents’ concerns. This work is in the scope of Phase 2 of the <i>Making Materiality Judgments</i> project.</p>
Thinks the phrase “reasonably be expected” may introduce increased subjectivity and reliance on individual judgment, which could affect consistency in interpretation. (R16)	<p><b>No changes are proposed.</b> <a href="#">See the analysis in Appendix A of Agenda Item 5.2.3 for respondents who disagreed with the proposals in Part 2 of ED 93.</a></p>
Suggests aligning terminology between paragraph 22 of IPSAS 20, <i>Related Party Disclosures</i> discussing materiality, with paragraph 7 of IPSAS 1, <i>Presentation of Financial Statements</i> . Specifically, the term ‘size’ should be revised to ‘amount’ for consistency with paragraph 7 of IPSAS 1. (R19)	<p><b>To proceed with the respondent’s suggestion</b>, because paragraph 22 in IPSAS 20 quotes the definition of material, revising the term ‘size’ to ‘amount’ is consistent with the proposed amendments to paragraph 12A of IPSAS 1 in Part 1 of ED 93. See consequential amendments to IPSAS 20 in Part 4 of the [draft] Final Pronouncement in <a href="#">Agenda Item 5.3.2</a>.</p>

**Review of Other Comments Received for ED 93, *Definition of Material*  
(Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework)**

**Purpose**

1. Does the IPSASB agree with staff recommendation to include enhancements identified in [Appendix A.1](#) and not to include respondents' suggestions identified in [Appendix A.2](#)?

**Recommendation**

2. Staff recommend the IPSASB to:
  - (a) Update the proposals in ED 93 to address the respondent recommendations summarized in [Appendix A.1](#) to the Final Pronouncement; and
  - (b) Not to include the respondent's recommendations summarized in [Appendix A.2](#) to the Final Pronouncement.

**Background**

3. This agenda item discusses other comments received for ED 93, which have not been mentioned in [Agenda Item 5.2.2](#) to [Agenda Item 5.2.5](#).

**Analysis**

4. Some respondents provided editorial comments or sought clarification on proposals in ED 93.
5. Staff completed a detailed analysis of these comments:
  - (a) [Appendix A.1](#) includes a detailed staff analysis of respondents' recommendations where revisions to the Final Pronouncement are proposed.
  - (b) [Appendix A.2](#) includes a detailed staff analysis of respondents' recommendations where no revision to the Final Pronouncement are proposed

**Decision Required**

6. Does the IPSASB agree with the Staff [recommendation](#)?

## Appendix A.1 – Constituents' Comments where Revisions to Final Pronouncement are Proposed by Staff

- The table below provides a detailed analysis of the respondents' comments, for which staff propose that the IPSASB revise the final announcement (see [Agenda Item 5.3.2](#)).

### Analysis of Constituents' Comments

Constituents Comments	Staff Analysis
<b>Respondents sought clarification</b>	
Asks why IPSAS 45.IG12(a) discusses 'external primary users' instead of 'primary users'. (R02)	<b>Editorial changes are proposed</b> ED 93 should have shown 'external' as a strikethrough and 'primary' as an addition. See IPSAS 45.IG12(a) in Part 4 of the [draft] Final Pronouncement in <a href="#">Agenda Item 5.3.2</a> .
<b>Respondents provided the following editorial comments.</b>	
Recommends redrafting of IPSAS 1 BC42 for further clarity that the definition of material in IPSAS 1 is not fully aligned with IAS 1 <i>Presentation of Financial Statements</i> or IFRS 18 <i>Presentation of Financial Statements</i> due to the inclusion of 'discharge of accountability'. (R05)	<b>To proceed with the respondent's suggestion</b> , to clarify why the difference between IPSAS 1 and IFRS 18 exists, see BC42 in IPSAS 1 of Part 2 of the [draft] Final Pronouncement in <a href="#">Agenda Item 5.3.2</a> .
Seeks clarification on why the title of IPSAS 1 was deleted in AG18 of IPSAS 19. (R08 and R30)	<b>To proceed with the respondent's suggestion</b> . Application Guidance is considered a new document; as such, the title of IPSAS 1 should be retained. See IPSAS 19.AG18 in Part 4 of the [draft] Final Pronouncement in <a href="#">Agenda Item 5.3.2</a> .
R11 notes that primary users are a subset of all users and recommends redrafting of IPSAS 1.BC46 because, as currently drafted, it could wrongly imply that 'users' and 'primary users' are interchangeable terms.	<b>To proceed with the respondent's suggestion</b> , see BC46 in IPSAS 1 of Part 2 of the [draft] Final Pronouncement in <a href="#">Agenda Item 5.3.2</a> .
Suggests removing 'prepared for that reporting entity' from paragraph 30 in IPSAS 14 for consistency with wording in paragraph 87 of IPSAS 19 and because it is redundant. (R07 and R14)	<b>To proceed with respondents' suggestion</b> , see paragraph 30 in IPSAS 14 in Part 4 of the [draft] Final Pronouncement in <a href="#">Agenda Item 5.3.2</a> .
R14 recommends aligning the effective date paragraph in Part 3 with Part 4 of ED 93 by adding 'If an entity applies this amendment for an earlier period, it shall disclose that fact. An entity shall apply this amendment when it applies the amendments to the definition of material in paragraph 7 of IPSAS 1.'	<b>To proceed with the respondent's suggestion</b> , as the revisions to IPSAS 3 result from the proposed amendments to IPSAS 1. Also, it brings consistency with the effective date paragraphs in Part 4 of ED 93, which are also a result of the proposed amendments to IPSAS 1.



## Appendix A.2 – Constituents’ Comments where Revisions to Final Pronouncement are not Proposed by Staff

- The table below provides a detailed analysis of the respondents’ comments, for which staff does not propose revisions to the final announcement.

### Analysis of Constituents’ Comments

Constituents Comments	Staff Analysis
<b>Respondents sought clarification</b>	
Seeks guidance on making materiality judgments, such as identifying ‘primary users’ or calculating materiality. (R02 and R18)	<b>No changes are proposed.</b> Phase 2 will develop guidance about making materiality judgments. ED 93 reflected amendments to address Phase 1 of the <i>Making Materiality Judgments</i> project—to achieve a consistent/aligned definition of material. In Phase 2, the IPSASB will develop guidance aligned with IFRS Practice Statement 2: <i>Making Materiality Judgments</i> (PS2), adapted to meet public sector needs. The development of such guidance is expected to address respondents’ concerns.
<b>Respondents provided the following editorial comments.</b>	
Recommends deleting ‘materiality threshold was softened’ in IPSAS 1.BC41, as it may cause confusion or misinterpretation. (R05)	<b>No changes are proposed.</b> The language ‘materiality threshold was softened’ is consistent with BC2.32A and 32C in the CF. These are BCs from the development of ED 81, <i>Proposed Update to Conceptual Framework</i> (Chapters 3 and 5), and Updates to the CF published in October 2023. Changing the language may raise questions on whether the IPSASB aligned the concept of materiality between the CF and IPSAS 1.
Suggests the Basis for Conclusions in IPSAS 1 explicitly explains the differing scopes of materiality in IPSAS Standards versus the Conceptual Framework. (R07)	<b>No changes are proposed.</b> The scoping paragraph in IPSAS 1 notes that the content of this IPSAS Standard shall be applied to all general-purpose financial statements prepared and presented under accrual IPSAS.
Suggests drafting changes to 12A(a) and 12A(b) to insert the term ‘material’ before ‘information’ and remove ‘material’ before ‘item’, respectively. (R21)	<b>No changes are proposed</b> because the respondent’s suggestions are drafting preferences. Paragraphs 12A(a) and 12A(b) are aligned with IFRS paragraphs. The IPSASB’s practice is to adapt guidance and principles when there is a public sector reason to depart from private sector guidance. <sup>23</sup>

<sup>23</sup> See [Process for Reviewing and Adapting IASB Documents](#).

Notes that the subtitle ahead of paragraph 12 in IPSAS 1 is Government Business Enterprises and was deleted, and questions whether the proposed numbering for paragraph 12A in IPSAS 1 should be different. (R26)	<b>No changes are proposed.</b> When amendments are made to existing IPSAS Standards, the numbering of the paragraphs is not changed; instead, the new paragraph numbering will include the paragraph number plus a letter. The proposed paragraph is ahead of paragraph 13 and under the subtitle Materiality.
<b>Respondent provided the following recommendations.</b>	
<p>R22 notes that official statistical bodies compiling GFS are not primary users of GPFRs because they can request tailored reports. However, it notes that this may not be the case in some jurisdictions. As such, the BC stated below should be added, noting that official statistical bodies compiling GFS may be considered primary users under specific jurisdictional constraints.</p> <ul style="list-style-type: none"> <li>‘Materiality works together with faithful presentation as qualitative characteristics to contribute to the usefulness of information. To be useful in financial reporting information must be faithfully represented. Faithful representation is attained when the information is complete, neutral and free from material errors. In some cases, a balancing or trade-off between qualitative characteristics may be necessary to achieve the objectives of financial reporting. This would ensure that the needs of some non primary users (according to the definition above) such as statistical bodies can be met.’</li> </ul>	<p><b>No changes are proposed</b> because:</p> <ul style="list-style-type: none"> <li>The information needs of statistical bodies and primary users of GPFRs can be expected to differ, as IPSAS Standards and GFS reporting guidelines have different objectives<sup>24</sup>;</li> <li>Revising or redefining who the primary users of GPFRs is not in the scope of the <a href="#">Making Materiality Judgments</a> project; rather, the objective of Phase 1 is to review the consistency of the definition of ‘material’ between the CF and IPSAS Standards and propose changes to achieve this.</li> </ul>
A few respondents suggested the development of non-authoritative guidance on making materiality judgments (R13, R18, R19, R20, and R29)	<b>No changes are proposed</b> because respondents’ suggestions are in the scope of Phase 2 of the <i>Making Materiality Judgments</i> project.
R07 encourages the IPSASB to examine alignment and divergence between IPSAS 1 and IPSASB SRS ED 1 regarding the concept of materiality, particularly in the context of climate-related disclosures.	<b>No changes are proposed</b> because the respondent’s comment relate to work in Phase 3 of the <i>Making Materiality Judgments</i> project.

<sup>24</sup> See paragraph 23 of the Preface of the Conceptual Framework.

**Approval of *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework)**

**Question**

1. Does the IPSASB agree to vote to approve the [draft] Final Pronouncement, *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework)?

**Recommendation**

1. Staff recommend the IPSASB:
  - (a) Vote to approve *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework) based on the IPSASB Program and Technical Director's assertion that due process has been followed effectively in its development; and
  - (b) Set the effective date as January 1, 2027.

**Background**

2. The IPSASB has completed its review of constituents' responses and the [draft] Final Pronouncement, *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework).
3. This paper summarizes the IPSASB's work in compliance with due process in developing the *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework), walks through next steps to facilitate the approval, and asks the IPSASB to approve the Final Pronouncement.

**Analysis**

***Due Process***

4. The IPSASB has followed due process throughout this project. The complete analysis supporting the assertions and recommendations noted below is in [Appendix A](#). Key activities and final steps in the due process are presented below.
5. The IPSASB published [ED 93, \*Definition of Material\* \(Amendments to IPSAS 1, IPSAS 3 and the Conceptual Framework\)](#) in May 2025. The IPSASB received 30 comment letters for ED 90.
6. When staff is satisfied a proposed final pronouncement is ready for approval, IPSASB's [Due Process and Working Procedures](#) sets out the necessary steps to facilitate its approval (bolded procedures require action by the IPSASB):
  - (a) **Staff present the revised content of the exposed international standard to the IPSASB;**  
See [draft] Final Pronouncement, *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework) in [Agenda Item 5.3.2](#).
  - (b) **The IPSASB Program and Technical Director advises the IPSASB on whether due process has been followed effectively;**  
The IPSASB Program and Technical Director asserts that due process has been effectively followed in developing the [draft] *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework).

- (c) **The IPSASB confirms whether or not it is satisfied that the due process has been followed effectively;**

The IPSASB Chair asks the IPSASB for confirmation on due process.

- (d) **The IPSASB votes on the approval of the *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework) in accordance with its [Terms of Reference](#);**

Staff recommend the approval of *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework).

- (e) **The IPSASB considers whether there has been a substantial change to the exposed document such that a vote on re-exposure is necessary;**

Staff confirm that there have been no substantial changes that would require a vote on re-exposure by the IPSASB (see rationale in paragraph 3(e) in [Appendix A](#)).

- (f) **The IPSASB sets the effective date of the application of the *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework);**

Staff recommend that the IPSASB set an effective date for Parts 2 to 4 of the *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework) of January 1, 2027, and that amendments to the Conceptual Framework in Part 1 of the Final Pronouncement be applicable upon its approval (see rationale in paragraph 3(f) in [Appendix A](#)).

- (g) **The IPSASB issues Basis for Conclusions with respect to comments received on an exposure draft.**

See Basis for Conclusions in [draft] *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework) ([Agenda Item 5.3.2](#))

#### **Decision Required**

7. Does the IPSASB agree with the Staff [recommendation](#)?

## Appendix A – Detailed Due Process for Approval of *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework)

1. The IPSASB has followed due process throughout this project. Thus, the details of the final steps in the due process are noted below.
2. The IPSASB published [Exposure Draft \(ED\) 93, \*Definition of Material\* \(Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework\)](#), in May 2025. The IPSASB received 30 comment letters. During Q3 2025:
  - (a) Staff reviewed and analyzed the 30 comment letters received (see IPSASB's [website](#));
  - (b) [Agenda Item 5.3.2](#) includes all changes in markup from ED 93, consistent with staff recommendations in [Agenda Item 5.2.2](#) to [Agenda Item 5.2.6](#), and several editorial revisions related to:
    - (i) Adding the expected publication date and effective dates; and
    - (ii) Removing references to [draft].
  - (c) The IPSASB discussed the issues raised by respondents to ED 93 in [Agenda Item 5.2.2](#) to [Agenda Item 5.2.6](#).
3. When staff is satisfied that a proposed new final international pronouncement (i.e., the Final Pronouncement) is ready for approval, IPSASB's [Due Process and Working Procedures](#) sets out the necessary steps to facilitate its approval:
  - (a) **Staff present the revised content of the exposed international standard to the IPSASB;**  
[Agenda Item 5.3.2](#) includes all changes in markup from ED 93 as presented to the IPSASB in this Agenda Item. Changes to the ED reflect matters raised in comment letters, to clarify the proposed guidance, or for consistency with existing guidance. There were no substantial changes to the guidance (see paragraph (e)).
  - (b) **The IPSASB Program and Technical Director advises the IPSASB on whether due process has been followed effectively;**  
The IPSASB Program and Technical Director asserts that due process has been followed effectively, noting that:
    - [ED 93](#) was issued for consultation;
    - Responses to the ED were received and made publicly available on the IPSASB [website](#);
    - The IPSASB has deliberated significant matters raised in the comment letters at its meetings in September 2025, and decisions taken will be minuted; and
    - The IPSASB will be asked to consider whether any issues raised by respondents, in addition to those summarized by staff, should be discussed by the IPSASB and agree there are none.
  - (c) **The IPSASB confirms whether or not it is satisfied that the due process has been followed effectively;**  
The IPSASB Chair asks the IPSASB for confirmation on due process.

- (d) **The IPSASB votes on the approval of *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework) in accordance with its [Terms of Reference](#);**

Staff recommend the approval of *Definition of Material* (Amendments to IPSAS 1, IPSAS 3 and the Conceptual Framework).

- (e) **The IPSASB considers whether there has been a substantial change to the exposed document such that a vote on re-exposure is necessary;**

The IPSASB Program and Technical Director, in consultation with the Chair of the IPSASB, advises the IPSASB that no substantial changes have been made to ED 93 that would necessitate a vote on re-exposure. Changes to ED 93 reflect matters raised in comment letters or are editorial in nature.

- (f) **The IPSASB sets the effective date of the application of *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework);**

The IPSASB will need to consider the effective date of the Final Pronouncement, *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework). Paragraph A44 of the IPSASB's [Due Process and Working Procedures](#) requires the IPSASB to consider the reasonable expected minimum period for effective implementation, including the need for translation into national languages.

Staff note that the IPSASB's usual practice of setting an effective date depends on whether it is approving new IPSAS Standards or Improvements to IPSAS Standards.

At the March 2025 meeting, the IPSASB issued ED 93 with a 60-day exposure period, consistent with its EDs related to Improvements to IPSAS Standards. The IPSASB agreed that the nature of the amendments in ED 93 was consistent with those in Improvement projects (see [Agenda Item 5.2.4](#) from the March 2025 IPSASB meeting).

Staff note that the IPSASB's usual practice with respect to Improvements to IPSAS Standards is to set an effective date of January 1 in the year following publication, subject to any additional implementation period required for specific improvements.

The *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework) is expected to be published in October 2025. Setting an effective date of January 1, 2026, would be consistent with the IPSASB's usual practice with respect to Improvements to IPSAS Standards. However, staff notes that this will provide entities with only two months to implement the amendments, less than the time given for the [Improvements to IPSAS, 2023](#) and [Improvements to IPSAS, 2021](#), issued in early Q2 2024 and Q1 2022, respectively. Therefore, staff recommend an effective date of January 1, 2027, for Parts 2 to 4 of this Final Pronouncement.

Part 1 of the Final Pronouncement includes amendments to Chapters 2 and 3 of the Conceptual Framework. The Conceptual Framework provides non-authoritative guidance that the IPSASB applies when developing IPSASB Standards<sup>25</sup>. Consistent with the approvals of Chapter 3: *Qualitative Characteristics* of the Conceptual Framework in June 2023<sup>26</sup>, staff

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<sup>25</sup> See paragraphs 1.1 and 1.2 of the Conceptual Framework.

<sup>26</sup> See [Agenda Item 5.2.1](#) from the June 2023 IPSASB meeting.

recommend that amendments in Part 1 of this Final Pronouncement be applicable when approved and that it be included in the 2026 IPSASB Handbook.

- (g) **The IPSASB issues Basis for Conclusions with respect to comments received on an exposure draft.**

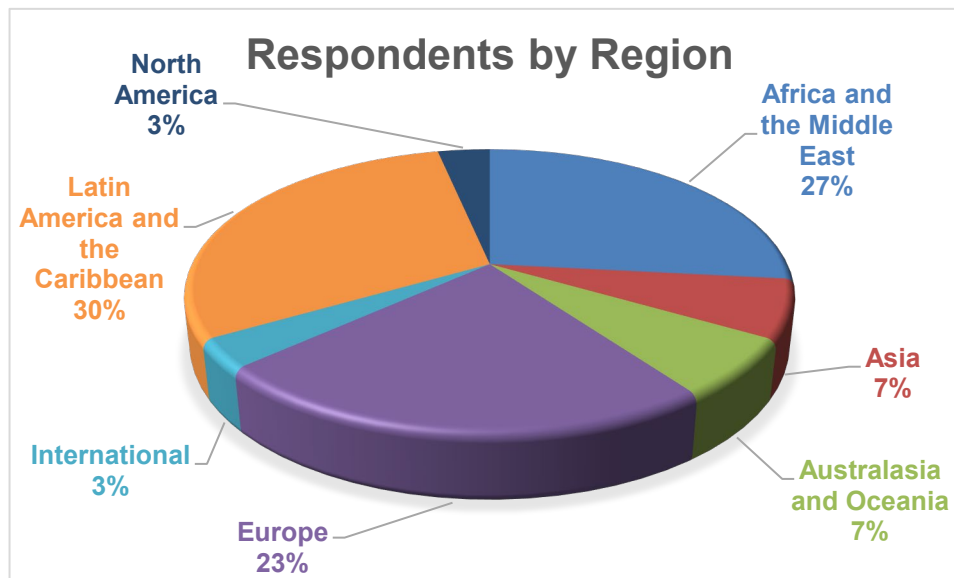
Staff highlights that Final Pronouncement, *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework) includes Basis for Conclusions (See [Agenda Item 5.3.2](#))

**Supporting Document 1 – ED 93: Analysis of Respondents by Region, Function and Language, List of Respondents, Summary of Responses**

**Appendix A: Analysis of Respondents by Region, Function, and Language**

*Geographic Breakdown*

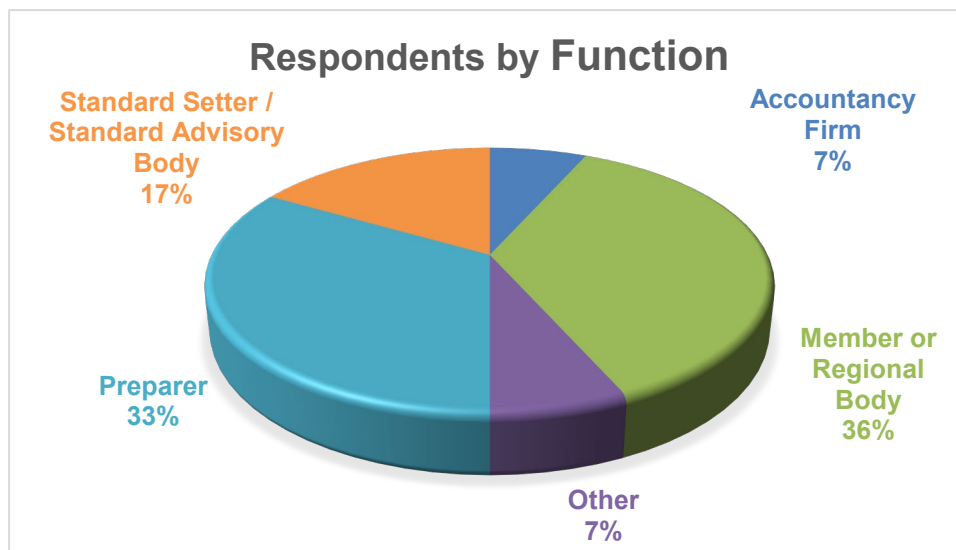
Region	Comment Letters	Total Respondents
Africa and the Middle East	R01, R03, R09, R15, R19, R20, R21, and R23	8
Asia	R16 and R18	2
Australasia and Oceania	R07 and R11	2
Europe	R02, R05, R08, R12, R14, R17, and R22	7
International	R06	1
Latin America and the Caribbean	R10, R13, R24, R25, R26, R27, R28, R29, and R30	9
North America	R04	1
<b>Total</b>		<b>30</b>





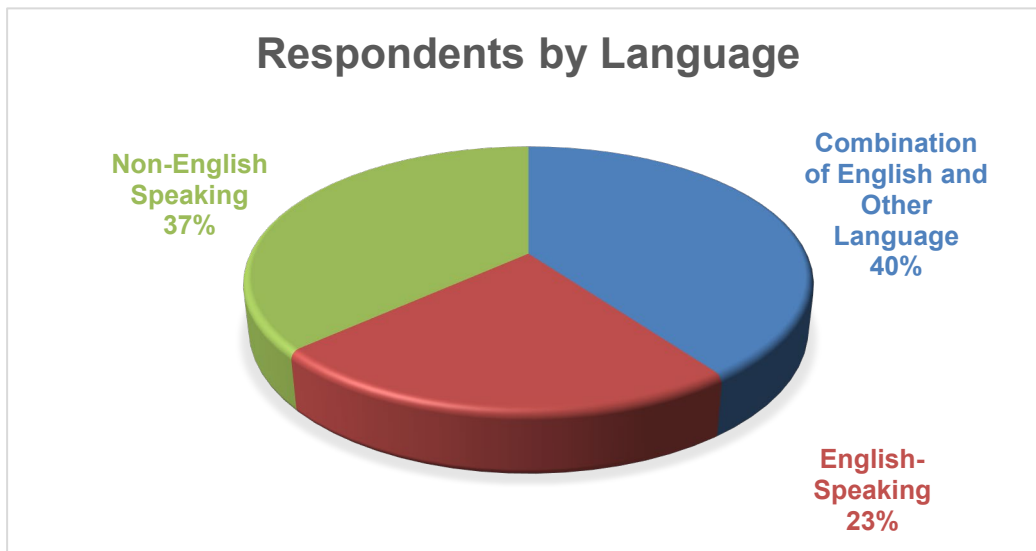
*Functional Breakdown*

Function	Comment Letters	Total Respondents
Accountancy Firm	R03 and R14	2
Member or Regional Body	R01, R08, R10, R11, R12, R13, R15, R16, R18, R21 and R23	11
Preparer	R02, R06, R19, R24, R25, R26, R27, R28, R29, and R30	10
Standard Setter / Standard Advisory Body	R05, R07, R09, R20, and R22	5
Other	R04 and R17	2
<b>Total</b>		<b>30</b>



*Linguistic Breakdown*

Language	Comment Letters	Total Respondents
English-Speaking	R04, R07, R08, R09, R11, R17, and R21	7
Non-English Speaking	R05, R10, R13, R19, R24, R25, R26, R27, R28, R29, and R30	11
Combination of English and Other Language	R01, R02, R03, R06, R12, R14, R15, R16, R18, R20, R22, and R23	12
<b>Total</b>		<b>30</b>



## Appendix B: List of Respondents

Comment Letter #	Respondent	Country	Function
1	The Institute of Chartered Accountants of Nigeria (ICAN) <sup>27</sup>	Nigeria	Member or Regional Body
2	North Atlantic Treaty Organization (NATO)	International	Preparer
3	Mo Chartered Accountants (Zimbabwe)	Zimbabwe	Accountancy Firm
4	Ricky A. Perry, Jr.	United States of America	Other
5	Conseil de Normalisation des Comptes Publics (CNOCP)	France	Standard Setter / Standard Advisory Body
6	International Labour Organisation (ILO)	International	Preparer
7	External Reporting Board (XRB)	New Zealand	Standard Setter / Standard Advisory Body
8	Association of Chartered Certified Accountants (ACCA)	International	Member or Regional Body
9	Accounting Standards Board (ASB)	South Africa	Standard Setter / Standard Advisory Body
10	Conselho Federal de Contabilidade (CFC)	Brazil	Member or Regional Body
11	Chartered Accountants Australia and New Zealand (CA ANZ) and CPA Australia	Australia	Member or Regional Body
12	Accountancy Europe	International	Member or Regional Body
13	Colegio de Contadores Publicos de Pichincha y del Ecuador	Ecuador	Member or Regional Body
14	Forvis Mazars	Belgium	Accountancy Firm
15	Institute of Certified Public Accountants of Kenya (ICPAK)	Kenya	Member or Regional Body
16	Institute of Chartered Accountants of India	India	Member or Regional Body
17	Kalar Consulting Ltd	United Kingdom	Other
18	Malaysian Institute of Accountants (MIA)	Malaysia	Member or Regional Body

<sup>27</sup> The response received noted the inclusion of a Nigeria-focused annex to illustrate materiality considerations in local practice and terminology. Staff has followed up with ICAN as this annex was not included it in the submission. Staff will inform the IPSASB on the additional information receive verbally, if any. As of posting no new information was received from staff.

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19	Ministry of Finance	Saudi Arabia	Preparer
20	Public Sector Accounting Standards Board (PSASB)	Kenya	Standard Setter / Standard Advisory Body
21	South African Institute of Chartered Accountants (SAICA)	South Africa	Member or Regional Body
22	Swiss Public Sector Financial Reporting Advisory Committee (SRS-CSPCP)	Switzerland	Standard Setter / Standard Advisory Body
23	Public Accountants and Auditors Board (PAAB)	Zimbabwe	Member or Regional Body
24	Forum of Governmental Accounting of Latin America (FOCAL) - Chile	Chile	Preparer
25	Forum of Governmental Accounting of Latin America (FOCAL) - Colombia	Colombia	Preparer
26	Forum of Governmental Accounting of Latin America (FOCAL) - El Salvador	El Salvador	Preparer
27	Forum of Governmental Accounting of Latin America (FOCAL) - Guatemala	Guatemala	Preparer
28	Forum of Governmental Accounting of Latin America (FOCAL) - Dominican Republic	Dominican Republic	Preparer
29	Forum of Governmental Accounting of Latin America (FOCAL) - Venezuela	Venezuela	Preparer
30	Forum of Governmental Accounting of Latin America (FOCAL) - Peru	Peru	Preparer

**Appendix C: Summary of Responses to ED 93**

ED 93	IPSAS Standards	Summary of Proposed Change in ED 93	Agree	Partially Agree	Disagree	No Comment
Part 1— Amendments to the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities	Chapter 2 and Chapter 3 of the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities	The amendments clarify that decisions about materiality are intended to reflect the needs of the primary users of general purpose financial reports.	16	9 <sup>28</sup>	4	1
Part 2— Amendments to IPSAS 1, <i>Presentation of Financial Statements</i>	IPSAS 1, <i>Presentation of Financial Statements</i>	<p>The amendments:</p> <ul style="list-style-type: none"> <li>Align materiality guidance across the IPSAS Standards with the Conceptual Framework; and</li> <li>Introduce new guidance to help entities make materiality judgments.</li> </ul>	19	7	2	2

<sup>28</sup> Respondents agreed with adding 'primary' ahead of 'users' in paragraph 3.32 of the CF; however, they do not support revisions to the description of materiality consulted in ED 81 or inserting the footnote in paragraph 2.4 of the CF (proposed in ED 93).

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Part 3— Amendments to IPSAS 3, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	IPSAS 3, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	The amendments add a cross- reference to IPSAS 1 for the definition of material and delete the description of materiality.	20	-	2	8
Part 4— Amendments to Other IPSAS Standards	IPSAS 14, <i>Events after the Reporting Date</i> ; IPSAS 19, <i>Provisions, Contingent Liabilities and Contingent Assets</i> ; IPSAS 42, <i>Social Benefits</i> ; IPSAS 45, <i>Property, Plant, and Equipment</i>	The amendments incorporate consequential changes from the amendments outlined in Part 1 of ED 93.	17	3	3	7

**Supporting Documents 2 – [draft] Final Pronouncement, *Definition of Material*  
(Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework)**

1. The [\[draft\] Final Pronouncement, \*Definition of Material\* \(Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework\)](#) is posted separately for easier readability.

*Review Instructions*

2. IPSASB members, Technical Advisors, and Observers are asked to note the following when reviewing the [\[draft\] Final Pronouncement, \*Definition of Material\* \(Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework\)](#) in marked-up form:
  - (a) Text in marked-up red are revisions (deletions are strikethrough and insertions are underlined);
  - (b) The key revisions made are consistent with staff's recommendations in the above [Agenda Items 5.2.2](#) to [Agenda Item 5.2.6](#).
3. IPSASB members are asked to provide editorial comments to staff offline by **Thursday, September 18, 2025**.
4. A clean version (i.e., without track changes) is available upon request offline.