

Meeting: IPSASB Consultative Advisory Group

Meeting Location: Toronto, Canada

Meeting Date: June 9, 2025

Agenda Item 2

For:

- ☐ Approval
☒ Discussion
☐ Information

PROGRAM AND TECHNICAL DIRECTOR'S REPORT

Project summary	The purpose of this session is to receive updates on changes on the work program.	
Meeting objectives	Topic	Agenda Item
Discussion items	Update on IPSASB Work Program	2.1
Other supporting items	IPSASB Work Program: June 2025	2.2.1
	Sustainability Reporting: Research and Scoping—December 2024 Report Back	2.2.2
	Presentation of Financial Statements—December 2024 Report Back	2.2.3
	IPSASB Application Group—December 2024 Report Back	2.2.4
	Post-Implementation Reviews—December 2024 Report Back	2.2.5

Update on IPSASB Work Program

Purpose

1. To receive the Program and Technical Director's report on the work program and other activities, including key changes since the last IPSASB CAG (CAG) meeting in December 2024.

Program and Technical Director's Report

Due Process – CAG's Role

2. The CAG has a formal role in the IPSASB's oversight arrangements and Due Process. The CAG executes its important role, by providing input and advice to IPSASB to ensure the perspectives of the diverse CAG membership are considered on significant matters of public interest.
3. The IPSASB consults the CAG for input and advice on:
 - (a) The Strategy and Work Program, including project priorities;
 - (b) Significant issues relating to the development of an international standard (significant issues for consideration as part of the development of a project proposal, Consultation Paper (CP) (if applicable), and Exposure Draft (ED)); and
 - (c) Significant issues raised in comment letters to consultations (CPs and EDs).
4. Since the CAG's inception in 2016, it has enhanced the effectiveness of the IPSASB's processes to set standards, and added value by ensuring that broader perspectives of the CAG are considered during the Board's processes to develop standards and determine its strategic priorities.
5. The IPSASB approved its Strategy 2024-2028 in Q4 2024 which sets the direction for IPSASB activities during the next few years, and consultation with the CAG will be an important part of the IPSASB's activities to achieve the Board's objectives.

Work Program Updates

6. For CAG member information and context, the following IPSASB project developments since December 2024 are highlighted:

Consultations

- (a) [ED 90, Amendments to IPSAS as a Result of the Application of IPSAS 46, Measurement](#) comment period ended on November 29, 2024. The CAG provided significant input to the project to develop IPSAS 46, *Measurement*, which helped shape the final guidance and discussed and advised ED 90 during its development. There were no significant issues noted in the responses to ED 90 related to the proposed changes to IPSAS, except for those related to the introduction of the new public sector measurement basis, current operational value to IPSAS 31, *Intangible Assets*. At the June 2025 meeting, the IPSASB is expected to approve a final pronouncement for the IPSAS amendments proposed in ED 90, except those related to IPSAS 31. The proposed amendments to IPSAS 31, and the path forward, will be considered separately by the IPSASB, and in the context of its already committed limited scope project to update IPSAS 31, and considering developments related to the International Accounting Standards Board's ongoing major project to update IAS 38 *Intangible Assets*, with which IPSAS 31 is fully aligned.

- (b) [ED 91, Limited-scope Updates to First-time Adoption of International Public Sector Accounting Standards \(IPSAS\) \(Amendments to IPSAS 33\)](#) comment period ended December 13, 2024. This is a narrow scope project based on the practical experience and issues encountered by several countries that have used IPSAS 33. The CAG provided the IPSASB advice during recent implementation sessions, which have helped shape the development of ED 91. Recent implementation sessions included:
- (i) **December 2022.** Update on IPSAS Implementation in Saudi Arabia.
 - (ii) **June 2023.** IPSAS Implementation in the United Republic of Tanzania; and
 - (iii) **December 2023.** Cameroon - IPSAS Implementation Update.

The IPSASB began its review of the feedback received from constituents at the March 2025 meeting and is looking to approve a final pronouncement at its June 2025 meeting. There were no significant issues noted in the feedback to the proposals in ED 91.

- (c) The comment period for [ED 92, Tangible Natural Resources](#) ended February 28, 2025. Advice and input from CAG members has been critical to the development of the Natural Resources project and the development of ED 92. The IPSASB received an analysis and summary of key issues identified in the feedback to the consultation at its April 30, 2025, check-in meeting. The IPSASB will continue its deliberations in 2025, including at the June 2025 meeting. Significant issues noted in the comments will be discussed during [Agenda Item 4](#) at the IPSASB CAG June 2025 meeting.
- (d) The comment period for [IPSASB SRS ED 1, Climate-related Disclosures](#) ended February 28, 2025. Since the IPSASB started undertaking work in this new area, it has been a consistent topic on the CAG agenda at each meeting, and the CAG advice has been instrumental and impactful on the development of this project. The IPSASB received an analysis and summary of key issues identified in the feedback to the consultation at its April 30, 2025, check-in meeting. The IPSASB will continue its deliberations in 2025, including at the June 2025 meeting. Significant issues noted in the comments will be discussed during [Agenda Item 5](#) at the IPSASB CAG June 2025 meeting.

7. The following updates are provided for CAG members' information on other major IPSASB projects and initiatives:

- (a) **Maintenance Activities.** The IPSASB continues its work to implement its maintenance activities, which were added as part of its new 2024-2028 Strategy. The maintenance activities include setting up a formal Post-Implementation Review (PIR) process and the IPSASB Application Group (IAG), both of which were discussed with the CAG in December 2024, and report backs are included in [Agenda Items 2.2.4](#) and [2.2.5](#). The IPSASB expects to launch the IAG webpage in late June 2025, creating an avenue for stakeholders to submit queries for consideration. CAG members are asked to amplify the promotion of the website launch with any stakeholders in their jurisdiction who may be interested when the IAG webpage is launched.
- (b) **Presentation of Financial Statements.** The CAG has been providing helpful input to the added Presentation of Financial Statements project since the research and scoping of this project commenced in 2022. The CAG discussed this project in December 2024, and a copy

of the report back, which includes the advice provided and thoughts on how key issues are being taken forward by IPSASB, is included in [Agenda Item 2.2.3](#).

- (c) **2025 Work Program Consultation.** The IPSASB is working to develop its next work program consultation, which it plans to approve at its September 2025 meeting to allow a consultation during Q4 2025-Q1 2026. This item will be discussed during [Agenda Item 6](#) at the June 2025 CAG meeting, where CAG members can provide advice and input to IPSASB on this important consultation.
- (d) **Implementation Session.** The IPSASB CAG will discuss '*Advocating Benefits of IPSAS Financial and Sustainability Reporting*' during [Agenda Item 3](#). This session will include short presentations on the benefits of such reporting information from different experts related to their perspectives on the benefits provided. CAG members will be asked to share their views throughout this session.

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IPSASB WORK PROGRAM THRU 2025: MAY 2025

Project	Meetings						
	Jun 2025	Sep 2025	Dec 2025	Mar 2026	Jun 2026	Sep 2026	Dec 2026
Standard Setting Projects							
Sustainability: Climate-Related Disclosures	RR/DI	RR/DI	IP				
Measurement—Application Phase	IP						
Natural Resources	RR/DI	RR/DI	IP				
Presentation of Financial Statements	DI/CP	CP			RR	RR/DI	RR/DI
IPSAS 33—Limited Scope Update	IP						
Strengthening Linkages Between IPSAS Standards and the GFSM		DI/ED		RR/IP			
Improvements	DI/ED	DI/ED	DI/ED	RR/IP	IP	DI/ED	DI/ED
Making Materiality Judgements—Limited Scope	DI	DI/ED		RR/IP			
Definition of Material – Narrow Scope Amendments		RR/IP					
Work Program Consultation	DI/CP	CP		RR/DI	RR/DI/WP	WP	
Maintenance & Research Activities							
International Application Group	DI	DI	DI	DI	DI	DI	DI
Post Implementation Reviews – Pilot - IPSAS 20, <i>Related Party Disclosures</i>			DI	DI/RFI	RFI		
Academic Advisory Group – Public Sector Research		RES					
Other Initiatives							
Advancing Public Sector Sustainability Reporting: I) General Requirements for Disclosure of Sustainability-related Information II) Natural Resources: Non-Financial Disclosures	RES	RES	RES	RES	RES	RES	RES
IPSASB Handbook	Publish				Publish		

Legend:

DI = Discussion of Issues; RR = Review of Responses

PB = Approval of Project Brief

CP = Approval of Consultation Paper

ED = Approval of Exposure Draft

IP = Approval of Final Standard or Amendments to IPSAS

SWP = Approval of Strategy and Work Program

= Planned Consultation Period

RS = Research and Scoping Activities

Project Management—Outputs:

Recent Consultations:

ED 90, *Amendments to IPSAS as a Result of the Application of IPSAS 46, Measurement* consultation period ended on November 29, 2024

ED 91, *Limited-scope Updates to First-time Adoption of International Public Sector Accounting Standards (IPSAS)* (Amendments to IPSAS 33) consultation period ended on December 13, 2024.

ED 92, *Tangible Natural Resources* consultation period ended on February 28, 2025

IPSASB Sustainability Reporting Standards (SRS) Exposure Draft 1, *Climate-related Disclosures* consultation period ended on February 28, 2025

Out for Consultation:

[ED 93, *Definition of Material*](#) (Amendments to IPSAS 1, IPSAS 3, and Chapters 2 and 3 of the Conceptual Framework) was published on May 15, 2025 with a comment end date of July 14, 2025.

PROJECTS COMPLETED AND/OR PUBLISHED DURING 2019-2023 STRATEGY AND WORK PROGRAM PERIOD

Project	Date Issued	Effective Date
<i>Amendments to IPSAS Standards: Specific IFRIC Interpretations</i>	January 2025	January 1, 2026
<i>Stripping Costs in the Production Phase of a Surface Mine</i> (Amendments to IPSAS 12)	November 2024	January 1, 2027
IPSAS 50, <i>Exploration for and Evaluation of Mineral Resources</i>	November 2024	January 1, 2027
<i>2024–2028 Strategy and Work Program</i>	October 2024	N/A
<i>Concessionary Leases and Other Arrangements Conveying Rights over Assets</i> (Amendments to IPSAS 43, IPSAS 47, and IPSAS 48)	October 2024	January 1, 2027
<i>Improvements to IPSAS, 2023</i>	April 2024	Various ¹
IPSAS 49, <i>Retirement Benefit Plans</i>	November 2023	January 1, 2026
Conceptual Framework Update—Chapter 3, <i>Qualitative Characteristics</i>	October 2023	N/A*
<i>Reporting Sustainability Program Information—Amendments to RPGs 1 and 3: Additional Non-Authoritative Guidance</i>	May 2023	N/A*
IPSAS 48, <i>Transfer Expenses</i>	May 2023	January 1, 2026
IPSAS 47, <i>Revenue</i>	May 2023	January 1, 2026
IPSAS 46, <i>Measurement</i>	May 2023	January 1, 2025
IPSAS 45, <i>Property, Plant, and Equipment</i>	May 2023	January 1, 2025
Conceptual Framework Update—Chapter 5, <i>Elements in Financial Statements</i>	May 2023	N/A*
Conceptual Framework Update—Chapter 7, <i>Measurement of Assets and Liabilities in Financial Statements</i>	May 2023	N/A*

¹ Improvements includes multiple amendments. The amendments related to Part 1 and Part 3 are effective January 1, 2026, and the amendments related to Part 2 are effective January 1, 2025.

*These pronouncements do not have an effective date because they are amendments to the relevant IPSASB's literature that do not require an effective date.

**The effective dates of these pronouncements were originally January 1, 2022. However, the IPSASB deferred the effective dates until January 1, 2023 through the pronouncement COVID-19: *Deferral of Effective Dates*.

Project	Date Issued	Effective Date
IPSAS 44, <i>Non-current Assets Held for Sale and Discontinued Operations</i>	May 2022	January 1, 2025
IPSAS 43, <i>Leases</i>	January 2022	January 1, 2025
<i>Improvements to IPSAS, 2021</i>	January 2022	January 1, 2023
<i>Amendments to IPSAS 5, Borrowing Costs—Non-Authoritative Guidance</i>	November 2021	N/A*
<i>Non-Authoritative Amendments to IPSAS 41, Financial Instruments</i>	December 2020	January 1, 2023
<i>COVID-19: Deferral of Effective Dates</i>	November 2020	January 1, 2023
<i>Collective and Individual Services</i> (Amendments to IPSAS 19)	January 2020	January 1, 2023
<i>Improvements to IPSAS, 2019</i>	January 2020	January 1, 2023**
IPSAS 42, <i>Social Benefits</i>	January 2019	January 1, 2023**
<i>Amendments to IPSAS 36, Investments in Associates and Joint Ventures, and IPSAS 41, Financial Instruments</i>	January 2019	January 1, 2023**

*These pronouncements do not have an effective date because they are amendments to the relevant IPSASB's literature that do not require an effective date.

**The effective dates of these pronouncements were originally January 1, 2022. However, the IPSASB deferred the effective dates until January 1, 2023 through the pronouncement *COVID-19: Deferral of Effective Dates*.

Status of Application of Due Process – May 2025

APPENDIX A

PROJECT	DUE PROCESS ELEMENTS (✓= ELEMENT COMPLETE)						ANTICIPATED FINAL APPROVAL
	A. PROJECT COMMENCEME NT	B. DEVELOPMENT OF STANDARD		C. PUBLIC EXPOSURE	D. CONSIDERATION OF EXPOSURE COMMENTS	E. APPROVAL	
		CP PHASE (IF APPLICABLE)	ED PHASE				
Measurement—Application Phase	✓	✓	✓	✓	ONGOING		June 2025
Natural Resources	✓	✓	✓	✓	ONGOING		December 2025
Presentation of Financial Statements	✓	ONGOING					December 2027
Sustainability-Climate-related Disclosures	✓	N/A	✓	✓	ONGOING		December 2025
IPSAS 33—Limited Scope Update	✓	N/A	✓	✓	ONGOING		June 2025
IFRIC Alignment—Limited Scope	✓	N/A	✓	✓	✓	✓	December 2024
Making Materiality Judgements—Limited Scope	✓	N/A	ONGOING				March 2026
Definition of Material – Narrow Scope Amendments	✓	N/A	✓	✓	ONGOING		September 2025
Strengthening Linkages Between IPSAS Standards and the GFSM	✓	N/A	ONGOING				March 2026
Advancing Public Sector Sustainability Reporting (General Disclosures & Natural Resources/Biodiversity projects)	ONGOING						To be decided in 2026 or after

N/A – Consultation Paper (CP) phase is not a required due process element, IPSASB determines on a project-by-project basis whether a CP is needed.

Overview of Due Process steps:

A. Project Commencement—due process step complete when project proposal (project brief) is approved.

B. Development of Standard—due process step complete when exposure draft approved for public exposure.

C. Public Exposure—due process step complete when exposure draft comment period ends and comments received publicly posted on IPSASB website.

D. Consideration of Exposure Comments—due process step complete when significant issues raised on exposure have been deliberated by IPSASB.

E. Approval—due process step complete after board approval of final standard, considered the need for re-exposure, agreed the basis for conclusions and set an effective date for the standard.

Sustainability Reporting: Research and Scoping—December 2024 Report Back

December 2024 CAG Discussions

1. Extracts from the draft minutes of the December 2024 CAG and how the IPSASB has responded to the Representatives' and Observers' comments are included in the table below.

Representatives' and Observers' Comments	IPSASB Staff Response
December 2024 CAG Meeting Comments	
<p>IPSASB Principal, Celine Chan, shared three potential projects for the next stage of sustainability research and scoping activities, including the analysis for each project in the context of the IPSASB's project prioritization criteria.</p> <p>Ms. Colignon asked CAG members to consider the following questions:</p> <ul style="list-style-type: none"> • Question 1 – What are CAG members' views on the role of the IPSASB in sustainability reporting, within the broader reporting landscape (see Paragraph 10, i.e., beyond GPFs)? • Question 2 – How would you recommend the IPSASB's remit guide the research and scoping of future sustainability reporting projects? • Question 3 – What comments do CAG members have for the IPSASB to consider in prioritizing its future projects within the IPSASB's sustainability work program? 	
The CAG members commented on Question 1 as follows:	
<p>1. Ms. Hall noted that the public sector does not have an equivalent for SASB Standards, which IFRS S1 relies on heavily, and encouraged the IPSASB to fill that gap for the public sector. She also advised the IPSASB to consider the projects discussed by the European Sustainability Reporting Standards.</p>	<p>This point was noted by IPSASB staff. CAG member feedback has been incorporated to inform the IPSASB's 2025 Work Program Consultation.</p>
<p>2. Mr. Winrow supported Ms. Hall that the IPSASB should prioritize work to align with IFRS S1. He acknowledged that IFRS S1 has a broad scope, and suggested the IPSASB focus on 'own operations' in the first stage and then undertake a separate project in 'public policy' later.</p>	<p>See response to Comment 1 above.</p>
<p>3. Ms. Stachniak also supported Ms. Hall, and advised the IPSASB focus on social and governance topics as part of its long-term sustainability strategy, and to leverage existing literature, such as ESRS and GRI Standards.</p>	<p>See response to Comment 1 above.</p>

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<p>4. Mr. Close shared that long-term sustainability standards are the biggest gap in democratic jurisdictions, and the scope should expand beyond the entity level to the jurisdiction. Additionally, Mr. Close noted the importance of consistent ratios, indicators to help compare long-term fiscal sustainability among jurisdictions and service performance statements.</p>	<p>See response to Comment 1 above.</p>
<p>5. Mr. Gisby highlighted the importance of developing an IFRS S1-aligned standard for the public sector because it provides general principles and avoids repeating principles in standards (as currently presented in IPSASB SRS ED 1). He advised the IPSASB take the opportunity to rationalize the requirements across its IPSAS Standards, RPGs, and proposed IPSASB SRS and develop a holistic statement. Additionally, Mr. Gisby noted it would be useful if the IPSASB developed a long-term work program for sustainability reporting that provides public sector entities with timelines for when to expect new IPSASB SRS.</p>	<p>See response to Comment 1 above.</p>
<p>6. Mr. Williamson recommended that the IPSASB define sustainability reporting for the public sector to manage expectations and deliver meaningful and manageable standards.</p>	<p>Mr. Carruthers highlighted that the IPSASB's Conceptual Framework helped scope the work for IPSASB SRS ED 1 to focus on what is relevant – transparency, accountability, decision-making, and the needs of primary users (service recipients and resource providers). This thinking led the IPSASB to focus on outcomes of climate-related public policy programs (as an example), instead of impacts. Further, Mr. Carruthers noted that clear communication will help manage constituent expectations, and thanked CAG members for providing advice to help develop the IPSASB's upcoming Mid-Period Work Program Consultation.</p>

The CAG members commented on Question 2 and 3 as follows:	
7. Mr. Smith Mansilla advised the IPSASB to leverage the ISSB Standards, and consider the role of the public sector as the steward of the environment and the importance of developing guidance on natural resources, when setting public sector sustainability standards.	This point was noted by IPSASB staff. CAG member feedback has been incorporated to inform the IPSASB's 2025 Work Program Consultation.
8. Mr. Chughtai encouraged the IPSASB to consider which groups of professionals may be engaged with the technical and compliance activities related to the adoption of IPSAS SRS. Communicating this information to preparers will help them build necessary capacity to effectively adopt the standard.	This point was noted by IPSASB staff. Since then, the Sustainability Implementation Forum (IPSASB SIF) has successfully held its first meeting, convening a group of Implementation Leaders around the world to ensure that the Standard is practical, implementable, and fit-for-purpose. The IPSASB plans to continue engaging with various stakeholder groups to support its sustainability reporting standards.
9. Ms. Buljubasic supported Mr. Chughtai's point, noting that it would be strategic to provide clarity and transparency of the IPSASB's long-term sustainability work program to ensure auditors and other professionals are also able to build capacity to certify compliance and support preparers in implementing IPSASB SRS.	See response Comment 8 above.
10. Ms. Hall asked whether the IPSASB will take an oversight role and complete a report on adoption progress similar to Financial Stability Board (FSB).	Mr. Carruthers responded that there are no immediate plans, and that assuming this role would require significant additional resources. Ms. Chan shared that the IPSASB is engaged with many key stakeholders in many jurisdictions that are interested in implementing IPSASB SRS ED 1.

Matters for CAG Consideration

- Representatives and Observers are asked to note the Report Back above.

Presentation of Financial Statements—December 2024 Report Back

December 2024 CAG Discussions

1. Extracts from the draft minutes of the December 2024 CAG and how the IPSASB has responded to the Representatives' and Observers' comments are included in the table below.

Representatives' and Observers' Comments	IPSASB Staff Response
December 2024 CAG Meeting Comments	
<p>IPSASB Principal, Eileen Zhou, presented analysis regarding the presentation of revenue and expenses outside surplus or deficit. Certain IPSAS require specific revenue or expense items to be recognized outside surplus or deficit (directly in net assets/equity and presented in the Statement of Changes in Net Assets/Equity (SoCNAE). The allocation of these items in, or outside, of surplus or deficit has been developed over time, consistent with IFRS. Ms. Zhou shared that some constituents have raised concerns about the transparency and prominence of this financial information, and the IPSASB has the opportunity to consider new presentation requirements for revenue and expense items recognized outside of surplus or deficit to enhance transparency and understanding of this financial information.</p> <p>Ms. Zhou asked CAG members to consider the following questions:</p> <ul style="list-style-type: none"> • Question 1 – In your view, considering the need of financial statements users to fully understand the changes in an entity's net financial position and the limitations of current IPSAS presentation requirements, is there a need for greater transparency and clearer communication of revenue and expense items outside of surplus or deficit in the financial statements? • Question 2 – If yes [there is a need], how would you recommend the IPSASB enhance transparency and communication through its standard-setting decisions on the location of, and terminology used to describe this financial information? <ul style="list-style-type: none"> a) Location to present this financial information in an effective, accessible, and understandable manner: Should the IPSASB require entities to present revenue and expense items recognized outside of surplus or deficit using Option 1, Option 2, Option 3, or offer a choice? And / Or b) Terminology to use to best communicate the nature and substance of this financial information: What terminology could the IPSASB use in its presentation guidance to describe revenue and expense items recognized outside of surplus or deficit? 	
The CAG members commented on Question 1 as follows:	

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<p>1. Ms. Stachniak agreed that there is an opportunity for greater transparency, and advised the IPSASB to present all financial performance information in one location. She noted that the SoCNAE is not an appropriate location because of its reduced prominence and different purpose (i.e., not meant to be used to present revenue or expenses).</p>	<p>The IPSASB considered and incorporated CAG member feedback into its December 2024 discussions, to determine whether current IPSAS requirements provide sufficient transparency, and identify potential presentation options (e.g., in which statement to locate this information). The IPSASB decided to outline these presentation options, with benefits and drawbacks, in the draft Consultation Paper.</p> <p>Ms. Stachniak's view is reflected in the IFRS18 alignment approach.</p>
<p>2. Mr. Gisby noted that the introduction of OCI would address constituent concerns in this jurisdiction by increasing the visibility of financial performance information, particularly the numerous items currently buried in "reserves". Public sector financial statement users who are familiar with IFRS find the lack of OCI in the public sector to be confusing. However, Mr. Gisby acknowledged that additional education is necessary, once these revenue and expense items are presented more prominently.</p>	<p>See response to comment 1 above.</p> <p>Mr. Gisby's view is reflected in the IFRS18 alignment approach.</p>

<p>3. Ms. Dar agreed that there is a need for greater transparency about revenue and expense items recognized in net assets/equity, for the reasons presented by the staff. She advised the IPSASB to ensure that new presentation guidance is sufficiently clear so that preparers appropriately recognize revenue and expense items, at the right level of aggregation/disaggregation. She recommended the IPSASB proceed with Option 2 (present this financial performance information outside of Statement of Financial Performance (SoFP) to support budget-to-actual analysis. Ms. Dar also suggested that the IPSASB consider the principles behind why certain revenue and expenses items are in recognized in net assets/equity versus not.</p>	<p>See response to comment 1 above.</p> <p>Ms. Dar's view is reflected in the IFRS18 alignment approach.</p> <p>Through its deliberations and breakout sessions, IPSASB members also concurred that preparers should appropriately apply materiality and aggregation and disaggregation principles.</p>
<p>4. Mr. Chughtai noted that UN entities typically prefer meaningful narration to support financial reporting, rather than changes in the financial reporting itself. He agreed that there could be more clarity about the information presented, but presenting all revenue and expense information on a single statement would cause issues, and advised the IPSASB to provide entities with a policy choice.</p>	<p>See response to comment 1 above.</p> <p>Mr. Chughtai's view is reflected in the IPSAS 1 retention approach. The IFRS 18 approach, which is also presented in the Consultation Paper, would provide entities with a choice between a single, or two separate, financial performance statements.</p>
<p>5. Mr. Close shared that there is sufficient transparency around operating revenue and expenses in his jurisdiction. He agreed that additional narrative explanation and education about these items would be more useful than relocating the financial information into a different statement.</p>	<p>See response to comment 1 above.</p> <p>Mr. Close's view is reflected in the IPSAS 1 retention approach.</p>

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<p>6. Mr. Williamson noted that laypeople would want more transparency, and separate presentation of items recognized directly in net assets/equity would be important for certain entities, but not others. Thus, he advises the IPSASB to provide options, to allow entities to consider their specific users' needs and context. In his view, it would be important to have a clear distinction between items in surplus or deficit and those in net assets/equity.</p>	<p>See response to comment 1 above. The current draft of the Consultation Paper notes the importance of considering specific needs and context.</p>
<p>7. Mr. Zhang encouraged the IPSASB to consider what is "transparency", and that the main users of public sector financial statements are resource providers, who may not understand Other Comprehensive Income ("OCI") or misinterpret these items as available resources to be spent. Presenting these items outside the SoFP would appropriately keep the SoFP focused on operations. He concluded that there is no strong need to relocate or change the current presentation requirements.</p>	<p>See response to comment 1 above.</p> <p>Mr. Zhang's view is reflected in the IPSAS 1 retention approach.</p> <p>Both of the IPSASB's proposed presentation approaches will continue to separately present revenue and expense items recognized outside of surplus and deficit, separately from items recognized in surplus or deficit.</p>
<p>8. Mr. Johri noted that separate disclosure usually leads to more transparency, but having too much information in a separate statement could lead to a less meaningful SoFP.</p>	<p>See response to comment 1 above. The Consultation Paper notes the importance of providing information in a meaningful manner.</p>
<p>9. Mr. Simpson commented that this discussion, which focuses on the relocation of financial information, would not negatively impact or eliminate financial information. He agreed that OCI is not very intuitive, and generally not well-understood, and that the emphasis on an entity's ability to control the revenue or expense item is useful.</p>	<p>Ms. Zhou confirmed that the IPSASB is considering the presentation of revenue and expense items recognized outside of surplus or deficit (specifically, the location of this information), and not whether these items should or should not be outside of surplus or deficit.</p> <p>The Consultation Paper reflects the importance of presenting information in a way that is intuitive and understandable by financial statement users.</p>

The CAG members commented on Question 2 as follows:	
10. Ms. Raboy advised the IPSASB to converge with IFRS, which would help public sector entities that consolidate entities reporting using IFRS.	See response to comment 1 above. Ms. Raboy's view is reflected in the IFRS18 alignment approach.
11. Ms. Stachniak noted that she is against option 3 but also does not feel strongly about options 1 or 2. She encouraged the IPSASB to allow jurisdictions to make the decision, and provide narrative reporting through improved note disclosures. Ms. Stachniak stressed that the decision should be made at the jurisdiction level and not at the individual entity level. Ms. Stachniak agreed OCI is not a good term to use, even for the private sector, and suggested using a term that includes "performance".	See response to comment 1 above.
12. Mr. Smith Mansilla advised the IPSASB to require better descriptions of the items recognized in net assets/equity and to use a term other than OCI. He noted that some entities, such as the UN, may not need to make any changes, considering the content of their financial statements.	See response to comment 1 above. Most IPSASB members view "OCI" to not be an appropriate term. The Consultation Paper proposes a term to refer to revenue and expense items recognized outside of surplus or deficit, that is not "OCI".

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<p>13. Mr. Zhang reflected that the OCI term is not the issue; rather, the inclusion of OCI items in the SoFP would imply that they are resources available to the entity. In his view, the best approach to enhancing transparency would be to leave OCI items outside the SoFP, and to add a note to explain that certain unrealized, non-operating, and uncontrollable items are not included in SoFP and provide more detailed listing of these items. Mr. Zhang acknowledged that aligning with IFRS saves time and expedites the development process but noted that there are differences in the public sector which could lead to different approaches. The suggested disclosure and listing of items would maintain alignment with IFRS and address public sector differences.</p>	<p>See response to comments 7 and 12 above.</p>
<p>14. Mr. Chughtai noted his agreement with Mr. Zhang's suggestion regarding the disclosure and listing of items in net assets/equity.</p>	<p>See response to comments 7 and 12 above.</p>
<p>15. Mr. Gisby noted the need to increase the prominence of the items in net assets/equity, but his constituents were equally split between presenting these items in one or separate statements. He advised it is important for the IPSASB to determine which items should be recognized directly in net assets/equity.</p>	<p>See response to comments 1 and 9 above.</p>
<p>16. Mr. Close supported Option 2, as users focus on financial position and performance. He also noted that separately presenting these items in a separate statement may be confusing and that the clarification of which items are ongoing versus one-off items may provide helpful information.</p>	<p>See response to comments 1 and 9 above.</p>

17. Ms. Dar noted that she does not see any compelling reason to deviate from IFRS and encouraged the IPSASB to allow entities to choose between Option 1 and 2. She suggested the IPSASB consider terminology that denotes "overall" or "total" surplus or deficit instead of OCI.	See response to comment 12 above.
18. Mr. Williamson supported Option 1, or the choice between Option 1 and 2, because it is comprehensive and is comparable to IFRS. He advised the IPSASB to clarify the composition of OCI and the entity's control over these items, and that the term OCI has no meaning to a layperson.	See response to comments 1 and 9 above. Mr. Williamson's view is reflected in the IFRS18 alignment approach.
19. Mr. Gisby cautioned against changing from one meaningless term (OCI) to another meaningless term.	See response to comment 12 above.

Matters for CAG Consideration

2. Representatives and Observers are asked to note the Report Back.

IPSASB Application Group—December 2024 Report Back

December 2024 CAG Discussions

1. Extracts from the draft minutes of the December 2024 CAG and how the IPSASB has responded to the Representatives' and Observers' comments are included in the table below.

Representatives' and Observers' Comments	IPSASB Staff Response
December 2024 CAG Meeting Comments	
<p>IPSASB Principal, Edwin Ng, introduced Agenda Item 5 which seeks CAG advice on behalf of the IPSASB regarding its proposed IPSASB Application Panel (subsequently renamed IPSASB Application Group (IAG)) procedures. He presented the objective, purpose, and the expected involvement of the CAG in the IAG process.</p> <p>Mr. Ng asked CAG members to consider the following questions:</p> <ul style="list-style-type: none">• Are the proposed operating procedures of the IAG consistent with the panel's strategic objectives? Do the CAG members have any other advice regarding the operation of the IAG for the IPSASB to consider?	
<p>The CAG members commented on the Questions as follows:</p>	

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<p>1. Ms. Stachniak asked whether staff considered having separate panels for financial and sustainability reporting issues and whether the number of members should be expanded to include members with relevant technical knowledge. Additionally, she asked what the output of the IAG will be and how it will be communicated back to stakeholders to ensure transparency.</p>	<p>Mr. Smith responded that the IPSASB is in the early stages of establishing its formal process. Once the group is established, the IPSASB will be better able to consider and commit to a standard timeline and speed in considering issues and providing responses to stakeholders. He confirmed that the IPSASB website will be a platform to communicate topics discussed by the IAG, and the outcomes. Mr. Smith responded that a separate group for sustainability reporting would not be an efficient allocation of resources at this time, as the IPSASB only recently issued its first IPSASB SRS Standards Exposure Draft. Mr. Smith shared that the IPSASB has other groups that support the implementation of IPSASB SRS, such as the Sustainability Reference Group or the Sustainability Implementation Forum.</p> <p>Subsequent to the CAG meeting, the IPSASB decided to remove all references to the IPSASB SRS in the operating procedures for the IAG. The IPSASB will review the operation of the IAG in three years and consider at that time if the Group should be expanded to consider the application of IPSASB SRS Standards.</p>
<p>2. Ms. Buljubasic supported Ms. Stachniak's point, reaffirming that the IPSASB should communicate the consideration and outcome back to stakeholders, which is not currently reflected in the IAG procedure.</p>	<p>See comment #1 above.</p>
<p>3. Ms. Hall asked what the speed of responses by the IAG to stakeholders would be.</p>	<p>Noted. The operating procedures do not specify a time for responding to stakeholders, as the amount of time needed will vary depending on the complexity of the query or issue.</p>
<p>4. Mr. Williamson advised the IPSASB consider how to nominate and select panel members, considering the diversity of issues, technical knowledge needed, time commitment, and potentially tight timelines.</p>	<p>Noted. Subsequent to the CAG meeting, the IPSASB decided that members will be selected from stakeholder groups based on the membership criteria proposed in the operating procedures, and at the discretion of the IPSASB Chair and IPSASB Program and Technical Director.</p>

5. Mr. Gisby asked whether there should be a formal link between the IAG and the PIR process.	Mr. Ng responded that there is no formal link between the IAG and the PIR. However, an issue discussed by the IAG could lead to a PIR, but that would depend on the review and decision of the IPSASB to undertake a PIR.
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Matters for CAG Consideration

2. Representatives and Observers are asked to note the Report Back above.

Post-Implementation Reviews—December 2024 Discussion Report Back

December 2024 CAG Discussions

1. Extracts from the draft minutes of the December 2024 CAG and how the IPSASB has responded to the Representatives' and Observers' comments are included in the table below.

Representatives' and Observers' Comments	IPSASB Staff Response
December 2024 CAG Meeting Comments	
<p>IPSASB Principal, Edwin Ng, introduced Agenda Item 5 which seeks CAG advice on behalf of the IPSASB regarding its proposed Post-Implementation Review (PIR) procedures. He presented the objective, purpose, and the expected involvement of the CAG in the PIR process.</p> <p>Mr. Ng asked CAG members to consider the following questions:</p> <ul style="list-style-type: none"> • Are the proposed operating procedures for the PIR consistent with the process' strategic objectives? Do the CAG members have any other advice regarding the implementation of the PIR process for IPSASB to consider? 	
The CAG members commented on the Questions as follows:	
<p>1. Mr. Gisby agreed that maintenance activities are consistent with the strategic objective and with the proposed level of CAG involvement. He asked for the rationale behind the proposed 5-year timeline, which is inconsistent with the IASB's practice, and whether it can be shortened if circumstances warranted. Additionally, Mr. Gisby asked if the lack of adoption and implementation of a standard would be considered a sign to conduct a PIR.</p>	<p>Mr. Ng responded that the 5-year timeline considers that there is no formal procedure to get jurisdictions to adopt and implement IPSAS and there is no, or limited, quarterly reporting in the public sector from which to draw information. He noted the 5-year timeline could be shortened or extended depending on circumstances and that the lack of adoption and implementation of an IPSAS could be considered an indication that a PIR should be performed.</p> <p>Mr. Smith shared that these are staff views at this point and the discussion with the IPSASB will take place later this week. Mr. Smith noted that the procedure outlines the formal process to undertake a PIR; however, it does not prevent the IPSASB from undertaking a review sooner.</p>

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<p>2. Ms. Stachniak generally agreed with the PIR and IPSASB Application Group (IAG) procedures but recommended that the PIR process reconsider whether the assumption that principles aligned with the private sector are valid for the public sector. Additionally, she suggested that the IPSASB update the IAG procedure to ensure that outputs from IAG queries could feed into a PIR. Ms. Stachniak also asked whether the full suite of IPSAS, or only new IPSAS, are subject to PIR process.</p>	<p>Mr. Ng responded that the IPSASB would consider IPSAS by topic, rather than individually. The IPSASB's research and scoping activities will help determine if a PIR is warranted for a specific IPSAS.</p> <p>Mr. Smith reminded CAG members that the IPSASB is aiming to approve operating procedures and will discuss how to operationalize the procedures at a later date.</p> <p>Mr. Ng also noted that a query discussed by the IAG could lead to a PIR depending on the nature of the query or issue, and the review by IPSASB and any subsequent decisions on its work program.</p>
<p>3. Mr. Simpson encouraged the IPSASB to consider whether the effect of each IPSAS occurred as intended during development.</p>	<p>Mr. Ng confirmed the expectation, and noted that the IPSASB's documents, such as consultations and basis for conclusions, should support the analysis of whether the IPSAS principles have achieved the intended impact.</p>
<p>4. Mr. Williamson asked whether a PIR would consider if an IPSAS objective is achieved in different contexts and jurisdictions, beyond accounting.</p>	<p>Mr. Smith responded that if a PIR leads to the development of guidance, the IPSASB due process is open to the public, which gathers feedback from different contexts, to assess the intended effect of applying an IPSAS. Similarly, the diversity of CAG and IPSASB members provides a diversity of perspectives in the development of IPSAS.</p> <p>Mr. Ng added that the development of IPSAS already considers impacts beyond accounting, such as the public interest.</p>
<p>5. Mr. Close asked if the process would distinguish between major and minor reviews, such as the review of a full standard versus a limited scope review. He noted the importance of communicating the scope and progress of reviews to constituents, including the identification of issues, and assessment of urgency.</p>	<p>Mr. Ng noted that progress of ongoing reviews, as well as whether the scope of review is expected to be limited, will be communicated publicly as agenda items on the IPSASB's website.</p>

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6. Ms. Faye supported the PIR operating procedures but encouraged the IPSASB to adapt them as needed to consider jurisdictional differences, and their respective challenges in adopting accrual accounting. She noted that ongoing communication with stakeholders is crucial, to acknowledge implementation challenges and support stakeholders in tackling these challenges.	Noted. Mr. Smith agreed that communication will be paramount and that as part of the proposed procedures, the IPSASB is expected to publicly publish Requests for Information and Feedback Statements. He indicated that a PIR may lead to the addition of a major or minor project to the IPSASB Work Program.
7. Ms. Raboy shared her support for the PIR procedures and encouraged the IPSASB to consider whether the implementation of any changes to existing IPSAS may result in substantial costs for preparers. She encouraged the IPSASB to explain the application of principles.	Noted. Any changes to existing IPSAS will be subjected to the IPSASB's due process, which will include the consideration of costs for preparers and other stakeholders.
8. Mr. Chughtai welcomed the PIR, noting that it will greatly help preparers interpret and apply principles, and in their subsequent conversations with external auditors.	Noted.
9. Mr. Zhang advised the IPSASB to clarify the rationale for the 5-year timeframe for a PIR, and whether it considers the adoption approach (direct or indirect).	Noted. Subsequent to the CAG meeting, the IPSASB decided that the adoption or endorsement approach by local jurisdictions would be one of the factors to consider when determining the timing for a PIR.
10. Ms. Buljubasic noted that the procedures clearly define the tasks and purpose. She advised the IPSASB to add details about the process for annual activities (for example, when a PIR starts, the timeframe to complete a PIR, etc.).	Noted. The detailed activities will vary depending on each review. Before commencing each review, staff will present a work plan, similar to a project brief, which will propose the topics and timelines for the review for the IPSASB's approval.
11. Ms. Colignon thanked CAG members for their valuable input, to help the IPSASB identify potential topics for the PIR process.	Noted.

Matters for CAG Consideration

2. Representatives and Observers are asked to note the Report Back.