

Work Program Consultation: Dashboard

	Past meetings	June 2026	September 2026
Project Overview	✓		
Review of Draft Work Program Consultation	✓		
Approval of Work Program Consultation	✓		
Analyse and Address Responses to the Work Program Consultation			
Approve items to add to Work Program			

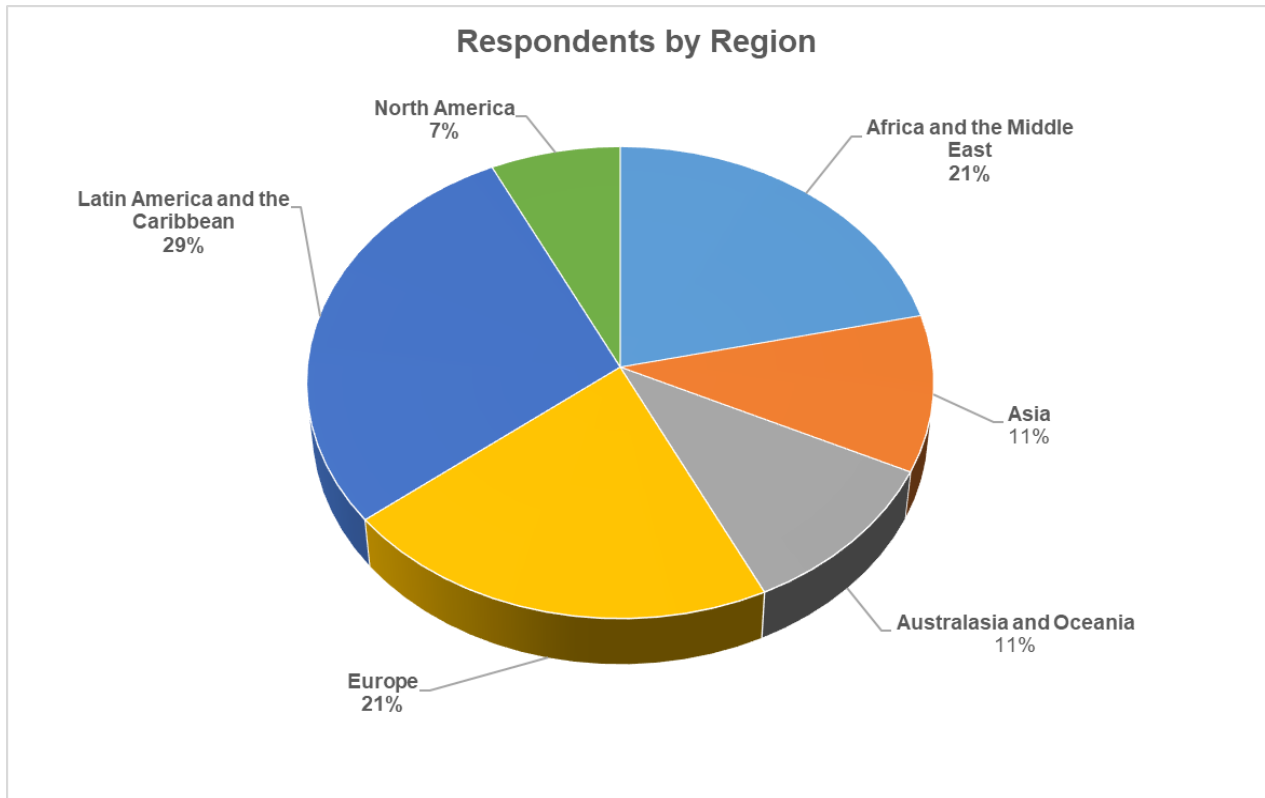
Legend	
✓	Task Completed
	Planned IPSASB Discussion
	Page-by-page Review

Supporting Document 1 – WPC: Analysis of Respondents by Region, Function and Language, and List of Respondents

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

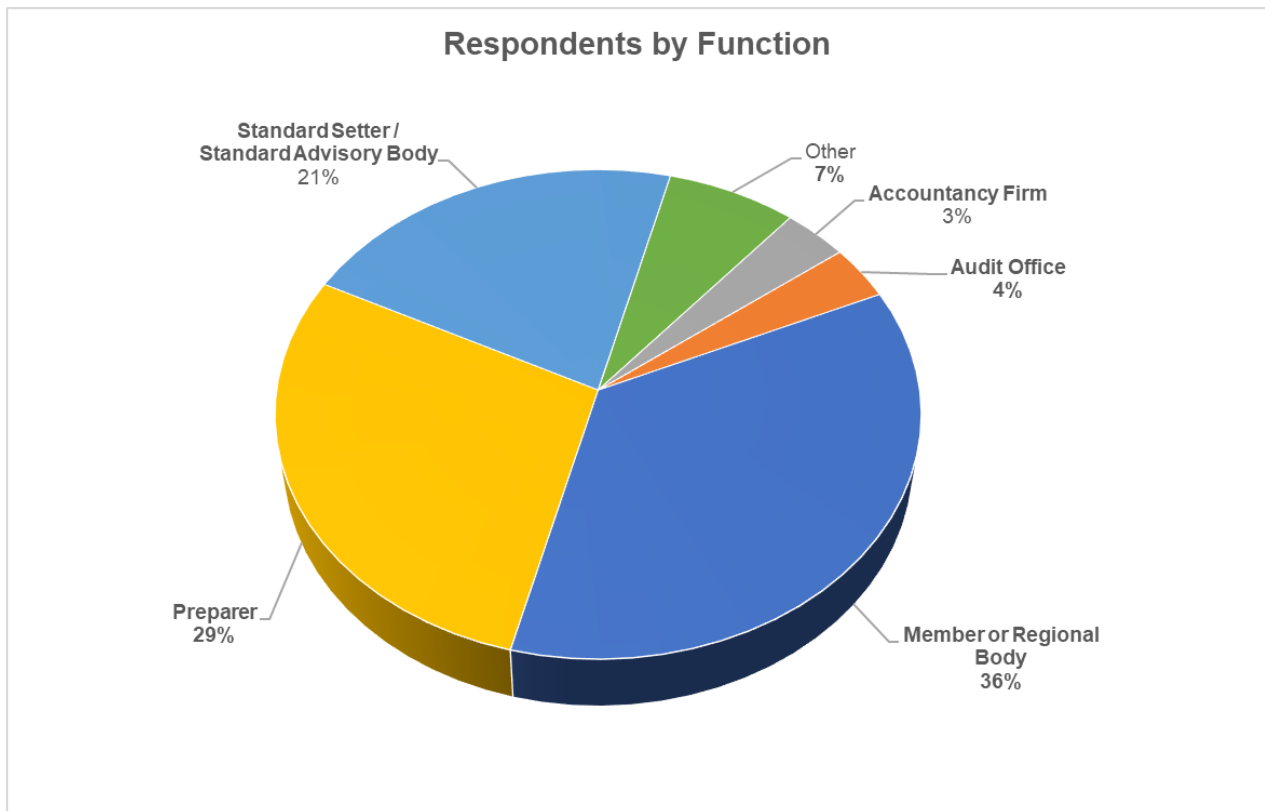
Regional Breakdown

Region	Comment letters	Total Respondents
Africa and the Middle East	R08, R10, R12, R15, R19, R20	6
Asia	R05, R17, R18	3
Australasia and Oceania	R06, R07, R28	3
Europe	R01, R03, R04, R09, R11, R16	6
Latin America and the Caribbean	R14, R21, R22, R23, R24, R25, R26, R27	8
North America	R02, R13	2
Total		28



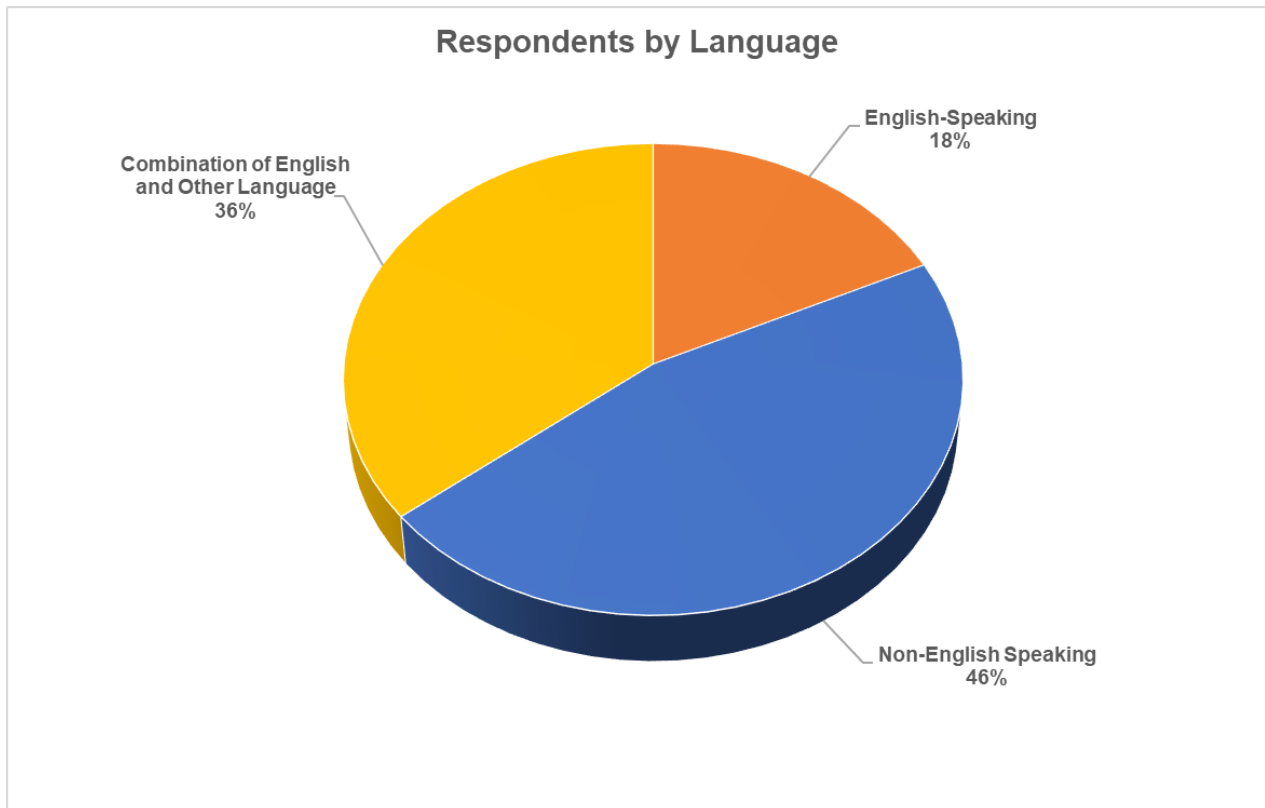
Functional Breakdown

Function	Comment letters	Total Respondents
Accountancy Firm	R09	1
Audit Office	R13	1
Member or Regional Body	R05, R07, R11, R12, R14, R15, R17, R18, R19, R28	10
Preparer	R08, R21, R22, R23, R24, R25, R26, R27	8
Standard Setter / Standard Advisory Body	R01, R02, R04, R06, R10, R20	6
Other	R03, R16	2
Total		28



Linguistic Breakdown

Language	Comment letters	Total Respondents
English-Speaking	R03, R07, R09, R16, R28	5
Non-English Speaking	R01, R04, R05, R08, R14, R18, R21, R22, R23, R24, R25, R26, R27	13
Combination of English and Other Language	R02, R06, R10, R11, R12, R13, R15, R17, R19, R20	10
Total		28



Appendix B: List of Respondents

Comment Letter #	Respondent	Country	Function
R01	Swiss Public Sector Financial Reporting Advisory Committee (SRS-CSPCP)	Switzerland	Standard Setter / Standard Advisory Body
R02	Public Sector Accounting Board (PSAB)	Canada	Standard Setter / Standard Advisory Body
R03	GSG Impact & Social Value International	International	Other
R04	Conseil de Normalisation des Comptes Publics (CNOCP)	France	Standard Setter / Standard Advisory Body
R05	The Japanese Institute of Certified Public Accountants (JICPA)	Japan	Member or Regional Body
R06	External Reporting Board (XRB)	New Zealand	Standard Setter / Standard Advisory Body
R07	Chartered Accountants Australia and New Zealand (CA ANZ)	International	Member or Regional Body
R08	Ministry of Finance	Saudi Arabia	Preparer
R09	PricewaterhouseCoopers International	International	Accountancy Firm
R10	Accounting Standards Board (ASB)	South Africa	Standard Setter / Standard Advisory Body
R11	Accountancy Europe	International	Member or Regional Body
R12	South African Institute of Chartered Accountants (SAICA)	South Africa	Member or Regional Body
R13	Office of the Auditor General of Canada (OAG)	Canada	Audit Office
R14	Conselho Federal de Contabilidade (CFC)	Brazil	Member or Regional Body
R15	Public Accountants and Auditors Board (PAAB)	Zimbabwe	Member or Regional Body
R16	Kalar Consulting Ltd	United Kingdom	Other

Comment Letter #	Respondent	Country	Function
R17	Institute of Chartered Accountants of India (ICAI)	India	Member or Regional Body
R18	Malaysian Institute of Accountants (MIA)	Malaysia	Member or Regional Body
R19	Pan African Federation of Accountants (PAFA)	International	Member or Regional Body
R20	Public Sector Accounting Standards Board (PSASB)	Kenya	Standard Setter / Standard Advisory Body
R21	Forum of Governmental Accounting of Latin America (FOCAL) - Chile	Chile	Preparer
R22	Forum of Governmental Accounting of Latin America (FOCAL) - Colombia	Colombia	Preparer
R23	Forum of Governmental Accounting of Latin America (FOCAL) - Ecuador	Ecuador	Preparer
R24	Forum of Governmental Accounting of Latin America (FOCAL) - El Salvador	El Salvador	Preparer
R25	Forum of Governmental Accounting of Latin America (FOCAL) - Mexico	Mexico	Preparer
R26	Forum of Governmental Accounting of Latin America (FOCAL) - Venezuela	Venezuela	Preparer
R27	Forum of Governmental Accounting of Latin America (FOCAL) - Peru	Peru	Preparer
R28	CPA Australia	Australia	Member or Regional Body

Supporting Document 2 – WPC: Specific Matters for Comment

1. The Consultation was issued on October 16, 2025, and was open for a 201-day comment period ending May 4, 2026. The WPC was issued, along with a supplemental potential projects document prepared by Staff. All of these materials can be found on the IPSASB website [here](#).
2. The Consultation asked three Specific Matters for Comment (SMC):

Specific Matter for Comment 1:

Which financial reporting projects should the IPSASB prioritize? For each financial reporting project you suggest, please clearly explain the project scope and your reasoning, using the IPSASB's project prioritization criteria outlined [on the previous page](#), to support its priority. Respondents are encouraged to use the format in the Optional Template illustrated in the Instructions for Respondents [on the following page](#) for each project suggested.

Specific Matter for Comment 2:

Which IPSAS Standards do you think are the highest priority for the IPSASB to undertake a PIR? For each PIR you suggest, please clearly explain the issues with the existing IPSAS Standard and your priority reasoning using the IPSASB's project prioritization criteria outlined [on the previous page](#). Respondents are encouraged to use the format in the Optional Template illustrated in the Instructions for Respondents [on the following page](#) for each PIR suggested.

Specific Matter for Comment 3:

Which sustainability reporting projects should the IPSASB prioritize? For each sustainability reporting project you suggest, please clearly explain the project scope and your reasoning, using the IPSASB's project prioritization criteria outlined [on the previous page](#), to support its priority. Respondents are encouraged to use the format in the Optional Template illustrated in the Instructions for Respondents [on the following page](#) for each project suggested.

Supporting Document 3 – IPSASB Project Prioritization Criteria

1. Delivering public sector financial and sustainability reporting standards is central to the IPSASB's role as a standard setter. To ensure its Work Program is relevant and focused on the appropriate activities, the IPSASB applies specific criteria to help it assess which projects are most relevant globally and would provide the most significant public interest benefit when considering the needs of primary users of financial and sustainability reports.
2. The IPSASB evaluates potential financial reporting projects, PIRs and sustainability reporting projects proposed by respondents against the following criteria when determining which projects to add to the Work Program:
 - (a) **Prevalence** – Whether the financial reporting/sustainability reporting issue is widespread globally amongst public sector entities.
 - (b) **Consequences** – Whether the issue impairs the ability of the financial statements/general purpose financial reports to provide useful information for accountability and decision making.
 - (c) **Urgency** – Whether the emerging issue has recently gained prominence and therefore requires consideration in the near term.
 - (d) **Feasibility** – Whether a technically sound solution to the issue can be developed within a reasonable time period and current resource constraints without impacting adversely on the completion of other projects.
3. The projects the Board adds to its Work Program as a result of this consultation will reflect the highest priority projects based on the feedback received, the assessment of the project against the project prioritization criteria and the resources available and may not be allocated equally between each of the three project categories

Supporting Document 4 – Report Back from Regional Roundtables

1. This [report back document](#) provides a summary of feedback gathered from respondents during five regional roundtables held from October 2025 through April 2026 on the three SMCs in the Work Program Consultation.

Supporting Document 5 – Additional Financial Reporting Projects Recommended (SMC 1)

1. This following table outlines additional financial reporting projects recommended by respondents through the written responses and staff's initial analysis on whether there is widespread demand for the IPSASB to prioritize the project at this time.

Recommended Project	Staff Analysis
Administered Items: This project would develop authoritative and non-authoritative IPSASB guidance on identifying and reporting administered/non-departmental items - resources, and related obligations, managed or held by an entity on behalf of another party but not controlled/incurred by the reporting entity. The project would address inconsistencies in practice by clarifying the boundary between controlled and administered resources, and by establishing principles for presentation and disclosure (e.g., separate statements, notes, or supplementary schedules).	This project was recommended by only one respondent, so there does not appear to be widespread demand to prioritize such a project at this time.
Better Communication in Financial Reporting: This project would consider the outputs of the IASB's Disclosure Initiative project where relevant for the public sector and not already addressed through a previous or current IPSAS project. The IPSASB would consider potential changes as part of a narrow scope amendments project when resources are available or on an ad hoc basis as part of annual improvements.	This project was recommended by a few respondents, so there is some demand. However, there does not appear to be as much demand to prioritize such a project at this time, as there is for the projects discussed in the five themes in Agenda Item 6.A.4 .
Differential Reporting: The project could develop a simplified financial reporting framework based on IPSAS, intended for less complex public sector entities (similar to IFRS for Small Medium Enterprises (SMEs)), maintaining the accrual basis but with simplified recognition, measurement, and disclosure requirements.	This project was recommended by only three respondents, so there does not appear to be widespread demand to prioritize such a project at this time. Additionally, at the September 2023 meeting, the IPSASB concluded a non-standard setting solution would more effectively address the public sector need in this area, thereby helping public sector entities, navigate, understand, and apply IPSAS Standards.

Agenda Item 6.B.6

IPSASB Meeting (June 2026)

Recommended Project	Staff Analysis
<p>Disclosure of Confidential Information: This project would establish general standards that articulate the conditions under which disclosures of confidential information are exempt from public sector disclosures, rather than to have such guidance in individual IPSAS Standards (i.e. IPSAS 51, <i>Tangible Natural Resources Held for Conservation</i>, where disclosure is not required where it could lead to endangerment or degradation of such items; IFRS S1, <i>General Requirements for Disclosure of Sustainability-related Financial Information</i>, exempts disclosure where information constitutes a trade secret).</p>	<p>This project was recommended by only one respondent, so there does not appear to be widespread demand to prioritize such a project at this time.</p>
<p>Disclosure of Financial Instruments: This project, aiming to improve accountability and public-sector financial management, proposes the disclosure of financial instruments. IFRS 9 <i>Financial Instruments</i> sets forth comprehensive requirements, such as the recognition, measurement, improvement, and hedge accounting of financial instruments. However, in the existing IPSAS 41, <i>Financial Instruments</i>, sufficient consistency has not been ensured, as illustrated by its limited risk information, among others. This project aspires to set more detailed and more transparent disclosure requirements regarding financial instruments traded and held by the public sector.</p>	<p>This project was recommended by only one respondent, so there does not appear to be widespread demand to prioritize such a project at this time.</p>
<p>Emissions Trading: This project aims to take a deeper dive into the discussion of the 2016 IPSASB Staff paper, Emissions Trading Schemes Staff Background Paper, which categorized the emissions reductions schemes in existence at that time and examined the potential economic impacts on the entities involved. However, it did not provide any guidance on accounting or disclosures, which is what this would explore.</p>	<p>This project was recommended by only one respondent, so there does not appear to be widespread demand to prioritize such a project at this time.</p>
<p>Financial Information in High Inflation Environments and Bimonetary Economies in the Public Sector: This project would aim to address the reality of economies facing distortions in purchasing power and the use of multiple currencies, situations that current IPSAS 10, <i>Financial Reporting in Hyperinflationary Economies</i> does not fully cover for the modern public sector.</p>	<p>This project was recommended by only one respondent, so there does not appear to be widespread demand to prioritize such a project at this time. Though the respondent noted that high inflation and bimonetarism are growing realities in several</p>

Agenda Item 6.B.6

IPSASB Meeting (June 2026)

Recommended Project	Staff Analysis
<p>Current IPSAS standards do not include specific guidance for public sector entities operating in economies with sustained hyperinflation or formal bimonetary regimes. This lack of regulatory guidance causes financial statements to lose relevance and comparability, as they do not accurately reflect the entities' true economic situation</p>	<p>developing economies and emerging markets (e.g. many countries in South America and the Caribbean).</p>
<p>Forgone Revenue/Opportunity Costs - IPSAS 42 & IPSAS 48: Revenue waivers are revenues that must be collected by law but are waived on a contractual basis. This results in a financial expenditure (subsidy/ granting of benefits) for the service provider. According to IPSAS 48, this is not recorded in the accounts. The treatment of revenue waivers is not conclusively regulated in IPSAS 47 or 48. Consequently, IPSAS does not allow them to be recorded gross. This net representation reduces transparency and should be reconsidered. The project raises the need to consider recognizing and disclosing such benefits, including measurement challenges and whether forgone revenue should be reflected in income or equity.</p> <p>Similarly, opportunity costs in the public sector, due to policy constraints, services may be offered to counterparties at lower- than-usual prices or loans may be provided under conditions that are more favorable than usual. Losses incurred by the public sector as a result of these differences between conventional conditions and favorable conditions constitute opportunity costs and should be recognized as such in IPSAS 42 Social Benefits and IPSAS 48 Transfer Expenses. However, neither of these standards provides explicit stipulations. Clarifications should be given to the effect that opportunity costs fall under “social benefits” and “transfer expenses,” and accordingly, that they should comply with the disclosure requirements of the respective standards.</p>	<p>This project was recommended by only two respondents, so there does not appear to be widespread demand to prioritize such a project at this time.</p>
<p>IFRS 17 Equivalent Public Sector Standard: This project would aim to develop a public sector equivalent standard to IFRS 17 <i>Insurance Contracts</i>, which provides guidance to account for all types of insurance contracts. This would close a notable gap in the IPSASB literature, particularly as insurance</p>	<p>This project was recommended by a few respondents, so there is some demand. However, there does not appear to be as much demand to prioritize such a</p>

Agenda Item 6.B.6

IPSASB Meeting (June 2026)

Recommended Project	Staff Analysis
<p>arrangements tend to be cumulatively material once public sector entities enter into this type of contract. This is a topic with public sector applicability in certain jurisdictions where public sector entities provide insurance contracts.</p>	<p>project at this time, as there is for the projects discussed in the five themes in Agenda Item 6.A.4.</p>
<p>IAS 34 Equivalent Public Sector Standard: This project would adapt the principles in IAS 34 <i>Interim Financial Reporting</i>, into IPSAS literature to introduce guidance on interim financial reporting in the public sector. Currently, IPSAS Standards do not contain requirements for periodic (e.g., semi-annually or quarterly) general purpose financial reporting, assuming reliance on annual financial statements and budgetary reporting for accountability and decision-making. By developing guidance on interim reporting, the IPSASB could improve the timeliness and relevance of accrual-based financial information.</p>	<p>This project was recommended by only two respondents, so there does not appear to be widespread demand to prioritize such a project at this time. This is consistent with previous IPSASB discussions that since interim financial reporting is rare in the public sector, the IPSASB's resources are better allocated to other initiatives.</p>
<p>IPSAS 20 Alignment with Current Version of IAS 24 Related Party Disclosures: This project would update IPSAS 20 to align with the current version of IAS 24 by refining the definition of related parties, expanding the scope of relationships, and strengthening disclosure requirements. It would enhance consistency with IFRS and other IPSAS Standards while improving the structure, specificity, and comparability of disclosures across the public and private sectors. The project would also address implementation challenges by developing nonauthoritative guidance, including practical examples and consideration of potential legislative changes to support effective application.</p>	<p>This project was recommended by only one respondent, so there does not appear to be widespread demand to prioritize such a project at this time. The limited demand for this project reinforces the Board's March 2026 decision to pursue other PIRs in advance of considering a review of IPSAS 20.</p>
<p>IPSAS 41 Equity Investments Held for Operational Reasons: The classification of sector-specific equity investments held for the purpose of performing public administration activities is not adequately addressed by IPSAS. IPSAS 41.2 does not provide explicit guidance indicating that equity instruments are held with the objective of generating a financial return, such as profit in the form of dividends. Consequently, it is unclear under which standard equity instruments that are held to support operational capacity, and without the intention of generating financial returns (e.g. dividends), should be classified</p>	<p>This project was recommended by only one respondent, so there does not appear to be widespread demand to prioritize such a project at this time.</p>

Agenda Item 6.B.6

IPSASB Meeting (June 2026)

Recommended Project	Staff Analysis
and accounted for. Providing guidance on this issue would ensure that the accounting treatment appropriately reflects the economic substance, service potential, and public interest mandate associated with these equity investments.	
IPSAS 42 Assessment of Implementation: This project recommends the IPSASB assesses how jurisdictions have implemented IPSAS 42, <i>Social Benefits</i> , whether adaptations were made and if so, why. The assessment should also include understanding which approach (insurance or general) entities are applying and whether those that meet the criteria for the insurance approach have opted not to apply it. This could be linked to a project on making targeted improvements to IPSAS 19, <i>Provisions, Contingent Liabilities and Contingent Assets</i> , in line with the IASB's related project. This may provide information on the need for guidance in IPSAS on accounting for insurance contracts, and the appropriateness of IFRS 17 <i>Insurance Contracts</i> .	This project was recommended by only one respondent, so there does not appear to be widespread demand to prioritize such a project at this time. This project would also be better suited as post implementation review.
IPSASB Taxonomy: This project recommends developing an IPSAS taxonomy as the digitization of IPSAS may be an increasingly important mechanism to support adoption and implementation of IPSAS. Having digital information available, universally tagged, means that it can be used for other purposes as well.	This project was recommended by only one respondent, so there does not appear to be widespread demand to prioritize such a project at this time.
Linkages between RPG 2 and Non-financial Information: This project aims to enhance the usability of the public sector's Financial Statement Discussion and Analysis (FSD&A) by better aligning with the needs of the primary users of IPSAS. This project would address weaknesses in public sector FSD&A, including limited disclosure of fiscal risks, weak integration of financial and non-financial information, and overly verbose reporting. It aims to improve the linkage between financial and sustainability information to enhance transparency, support decision-making, and strengthen accountability in addressing long-term challenges such as sustainability and fiscal risk.	This project was recommended by only one respondent, so there does not appear to be widespread demand to prioritize such a project at this time.

Agenda Item 6.B.6

IPSASB Meeting (June 2026)

Recommended Project	Staff Analysis
<p>RPG 2 Improvement Project: Recommended Practice Guideline (RPG) 2, <i>Financial Statement Discussion and Analysis</i>, provides non-authoritative guidance for preparing and presenting FSD&A. Such analysis assists primary users in understanding the financial position, financial performance and cash flows presented in the general-purpose financial statements. This project would consider the IASB's Management Commentary project which revised Practice Statement 1 <i>Management Commentary</i>. The IASB issued the revised Practice Statement 1 in June of 2025. This project would evaluate whether the amendments to the guidance developed for the private sector are applicable to the public sector and whether it provides useful information to public sector primary users.</p>	<p>This project was recommended by only two respondents, so there does not appear to be widespread demand to prioritize such a project at this time.</p>
<p>Rate-regulated Activities: Rate regulation is the setting of customer prices for services or products often when an entity has a monopoly or dominant market position that gives it significant market power. In the public sector some controlled entities are subject to regulation, for example, government owned telecommunications entities. IPSAS does not currently contain guidance on accounting for rate-regulated activities. The IASB expects to issue IFRS X <i>Regulatory Assets and Regulatory Liabilities</i>, in the second half of 2025, replacing IFRS 14 (interim standard), based on the Exposure Draft, <i>Regulatory Assets and Regulatory Liabilities</i>. The IPSASB could leverage this work to develop related guidance for IPSAS.</p>	<p>This project was recommended by a few respondents, so there is some demand. However, there does not appear to be as much demand to prioritize such a project at this time, as there is for the projects discussed in the five themes in Agenda Item 6.A.4.</p>
<p>Recognition, Measurement and Disclosure of Strategic Natural Resources (Oil & Gas): This project addresses the lack of guidance in IPSAS Standards on the recognition, measurement, and disclosure of strategic natural resources such as oil, gas, minerals, etc. It aims to develop a comprehensive framework defining when and how these resources should be recognized as public sector assets, including criteria for valuation, depletion, and control based on ownership and reserve classification. The project seeks to improve transparency and accountability by ensuring that the financial statements reflect</p>	<p>This project was recommended by only two respondents, so there does not appear to be widespread demand to prioritize such a project at this time. Additionally, the IPSASB already made a decision not to include such items within the scope of IPSAS 51, <i>Tangible Natural Resources Held for Conservation</i>, because the existence of the resource is</p>

Agenda Item 6.B.6

IPSASB Meeting (June 2026)

Recommended Project	Staff Analysis
the economic value of natural resources and the impact of their extraction on state assets.	difficult to substantiate, resulting in the definition of an asset not being satisfied.
Research Architecture of IPSASB Suite of Literature: This project would undertake research on the architecture of the IPSASB's existing suite of literature to determine where guidance is best situated and clearly define the applicability of each type of guidance, including materiality considerations. The introduction of a sustainability reporting standard and IPSASB's considerations of developing authoritative requirements based on RPG 1, <i>Reporting on the Long-term Sustainability of an Entity's Finances</i> , and RPG 3 <i>Reporting Service Performance Information</i> , have highlighted the need for greater clarity about what guidance applies to general purpose financial statements (GPFS), general purpose financial reports (GPFR), and information outside the financial statements. In particular, we recommend that the IPSASB addresses the distinction between GPFS and GPFR and the implications for preparers when making materiality judgements.	This project was recommended by only three respondents, so there does not appear to be widespread demand to prioritize such a project at this time. Staff have noted this project as a consideration for the broader development of the General Sustainability Disclosure requirements where the architecture of RPG 1 and RPG 3 can be considered in the context of general requirements.
Revise Guidance on Recognition of Liabilities in Chapter 6 of the Conceptual Framework: This project would revise the guidance on the recognition of liabilities in Chapter 6 of the Conceptual Framework. Currently, there is an inconsistency between the recognition and measurement chapters because the IPSASB has not incorporated all the changes made by the IASB to its Conceptual Framework in 2018.	This project was recommended by only one respondent, so there does not appear to be widespread demand to prioritize such a project at this time.
Transfers of Assets and Operations under Common Control: This project would address the lack of clarity in IPSAS Standards regarding the initial measurement of non-financial assets received through non-exchange transfers between entities under common control of the same government, particularly where such transfers occur at no consideration and pursuant to government-mandated rules or instructions.	This project was recommended by only one respondent, so there does not appear to be widespread demand to prioritize such a project at this time.

Supporting Document 6 – Additional Post Implementation Review Topics Recommended (SMC 2)

1. This following table outlines additional post implementation review (PIR) topics recommended by respondents through the written responses and staff's initial analysis on whether there is widespread demand for the IPSASB to prioritize a PIR on the topic at this time:

Recommended Project	Staff Analysis
<p>IPSAS 2, <i>Cash Flow Statements</i>: Respondent recommended a PIR as they do not believe the Cash Flow Statement should be a required component of a complete set of financial statements for public sector entities due to its limited usefulness in the public sector and difficulty of preparation.</p>	<p>This topic was recommended by only one respondent, so there does not appear to be widespread demand to prioritize a PIR on this topic at this time. With the ongoing Presentation of Financial Statements project, updates to IPSAS 2 are better considered when the current project ends.</p>
<p>IPSAS 19, <i>Provisions, Contingent Liabilities and Contingent Assets</i> & IPSAS 42, <i>Social Benefits</i> & IPSAS 48, <i>Transfer Expenses</i>: Respondent recommended a PIR as there are challenges in accounting for individual services, especially where public services such as healthcare are delivered by private providers under insurance coverage provided by the government. There are also challenges in determining which Standard is applicable – IPSAS 19 regarding “collective and individual services” or IPSAS 48 – in situations such as government subsidization of certain goods and services (e.g., private housing and energy-efficient appliances) for eligible households.</p>	<p>This topic was recommended by only one respondent, so there does not appear to be widespread demand to prioritize a PIR on this topic at this time. Additionally, the effective date of IPSAS 42 and IPSAS 48 are, January 1, 2023 and January 1, 2025, respectively, which is outside of the Board's typical timeline for undertaking a PIR.¹ However, the IPSASB could consider examining these issues as public sector issues within the Provisions – Targeted Improvements project described in Appendix B of Agenda Item 6.A.4.</p>

¹ The operating procedures for the PIR process note that, IPSAS are applied globally, in some cases directly, and in other cases indirectly through a local endorsement process that may require a translation process, and which also may make changes to the IPSAS requirements. Therefore, it takes time for application issues and trends to emerge after the effective date of a standard. Other factors such as the complexity of a new standard, the new standard's extent of changes from an existing standard, and if applicable, the results of PIRs performed by the IASB or national standards setters, could also result in additional time for application issues to emerge. In general, a PIR is not considered until at least five years after the effective date of a standard. However, this timeframe, as well as which standards to prioritize, could be adjusted based on certain considerations.

Agenda Item 6.B.7

IPSASB Meeting (June 2026)

Recommended Project	Staff Analysis
<p>IPSAS 20, <i>Related Party Disclosures</i>: Respondent recommended a PIR to evaluate challenges in applying related party disclosure requirements within complex public sector structures. It would assess issues such as identifying related parties, defining their boundaries, and the practical feasibility of achieving comprehensive disclosures.</p>	<p>The IPSASB made a decision at its March 2026 meeting not to move forward with a PIR on IPSAS 20 at this time, because the issues previously raised by constituents relate to the application of judgment as opposed to substantive implementation challenge with the Standard. Additionally, this project was recommended by only one respondent, so there does not appear to be widespread demand to prioritize such a project at this time.</p>
<p>IPSAS 21, <i>Impairment of Non-cash Generating Assets</i>: Respondents recommended a PIR because the standard has been in application for many years and investigating whether the standard meets its initial purpose in practice and understanding any application challenges as well as assessing the need for potential new application guidance would be useful. Additionally, respondents suggested strengthening how service potential is defined and assessed for impairment, which would improve alignment with performance budgeting and reporting. This would support a more holistic evaluation of public sector assets, shifting the focus from asset-level valuation to the overall effectiveness of resources in delivering operational outcomes. This shift would enhance accountability by enabling reporting that demonstrates whether significant expenditures—particularly in areas such as defense—translate into measurable improvements in capacity and value for money.</p>	<p>This topic was recommended by only two respondents, so there does not appear to be widespread demand to prioritize a PIR on this topic at this time.</p>
<p>IPSAS 26, <i>Impairment of Cash Generating Assets</i>: Respondent recommended a PIR because the standard has been in application for many years and investigating whether the standard meets its initial purpose in practice and understanding any application challenges as well as assessing the need for potential new application guidance and a more public sector approach would be useful.</p>	<p>This topic was recommended by only one respondent, so there does not appear to be widespread to prioritize a PIR on this topic at this time.</p>

Agenda Item 6.B.7

IPSASB Meeting (June 2026)

Recommended Project	Staff Analysis
<p>IPSAS 28, <i>Financial Instruments: Presentation</i> & IPSAS 41, <i>Financial Instruments</i>: Respondent recommended a PIR because of the following challenges encountered in practice:</p> <ul style="list-style-type: none"> • Challenges in the classification and measurement of instruments held for purposes other than generating financial returns, such as achieving policy objectives and supporting service delivery, often in the absence of observable market prices. • Challenges in the measurement and impairment of non-contractual receivables. • Uncertainty over whether intended policy objectives should impact the classification of concessional, impairment and waiver losses from loans and advances where these instruments are used in economic or social programs. • Challenges in accounting for government-issued financial guarantees. 	<p>This topic was recommended by only one respondent, so there does not appear to be widespread demand to prioritize a PIR on this topic at this time. Additionally, the effective date of IPSAS 41 is January 1, 2023, which is outside of the Board's typical timeline for undertaking a PIR. While a PIR on the financial instruments suite of Standards may be appropriate in the future, the issues raised may be better suited for consideration by IPSASB Explains for implementation guidance in the meantime.</p>
<p>IPSAS 32, <i>Service Concession Arrangements: Grantor</i></p> <p>Respondent recommended a PIR because of the following challenges encountered in practice:</p> <ul style="list-style-type: none"> • Challenges in determining the substance of arrangements and the roles of the parties, particularly where multiple government entities are involved and various arrangements (in the legal form of shares or asset-based sales, leases, and/or service contracts) exist with the same operator. • Challenges in determining the substance of and accounting for government-to-government concession-like arrangements involving dedicated assets but with no specified durations (possibly also administered/non-departmental items). 	<p>This topic was recommended by only one respondent, so there does not appear to be widespread demand to prioritize a PIR on this topic at this time.</p>
<p>IPSAS 40, <i>Public Sector Combinations</i>: Respondents recommend a PIR on this Standard because it contains public sector-specific requirements on</p>	<p>This topic was recommended by only two respondents, so there does not appear to be</p>

Agenda Item 6.B.7

IPSASB Meeting (June 2026)

Recommended Project	Staff Analysis
<p>accounting for amalgamations, and a PIR would be a good opportunity to assess how well these requirements are working in practice. Further other jurisdictions have made several modifications when adopting the Standard to better suit the local environment. A PIR would provide an opportunity to assess whether other jurisdictions are experiencing challenges similar to those addressed through the modifications described above, or whether they have made different modifications to IPSAS 40 to mitigate other anticipated challenges, and how well these modifications are working in practice. A PIR will also help assess whether further international guidance is needed and whether the standard is suited for jurisdictions transitioning into IPSAS.</p>	<p>widespread demand to prioritize a PIR on this topic at this time.</p>
<p>IPSAS 41, <i>Financial Instruments</i>: Respondents recommend a PIR on this Standard because public sector entities have a range of complex financial instruments and encounter application challenges. A PIR would help identify and address those challenges.</p> <p>However, respondents noted they are aware a PIR would likely not occur on this Standard until 5 years after the effective date. Respondents also noted that the IASB's experience demonstrates that PIRs of complex standards such as IFRS 9, <i>Financial Instruments</i>, can be significant and resource intensive. This suggests that a PIR of IPSAS 41 is also likely to be a substantial project and should therefore be planned and timed with care. Additionally, respondents encouraged the IPSASB to monitor and adjust its PIR work program based on</p>	<p>This topic was recommended by a handful of respondents, so there does not appear to be widespread demand to prioritize a PIR on this topic at this time. Additionally, the effective date of the Standard is January 1, 2023, which is outside of the Board's typical timeline for undertaking a PIR.² However, in the meantime some issues raised may be better suited for consideration by IPSASB Explains for implementation guidance. Additionally, the IPSASB could monitor the findings of the IASB's PIR process</p>

² The operating procedures for the PIR process note that, IPSAS are applied globally, in some cases directly, and in other cases indirectly through a local endorsement process that may require a translation process, and which also may make changes to the IPSAS requirements. Therefore, it takes time for application issues and trends to emerge after the effective date of a standard. Other factors such as the complexity of a new standard, the new standard's extent of changes from an existing standard, and if applicable, the results of PIRs performed by the IASB or national standards setters, could also result in additional time for application issues to emerge. In general, a PIR is not considered until at least five years after the effective date of a standard. However, this timeframe, as well as which standards to prioritize, could be adjusted based on certain considerations.

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Recommended Project	Staff Analysis
<p>the equivalent process undertaken by the IASB. For example, the PIR on financial instruments performed by the IASB has identified various areas of desired clarifications and modifications to IFRS 9. The IPSASB would benefit from monitoring such modifications and consider whether they would be relevant for public sector entities applying IPSAS 41.</p>	<p>on IFRS 9 for future consideration of undertaking a PIR on IPSAS 41.</p>
<p>IPSAS 42, <i>Social Benefits</i>: Respondents recommended a PIR on this Standard because when the standard was issued there were divergent opinions on the recognition and measurement rules under the general approach of IPSAS 42. Paragraph 103 of the Basis of Conclusions to IPSAS 42 noted that preparers' experiences of applying an IPSAS Standard on social benefits along with users' experiences of using the information provided may suggest ways of better reconciling the different views that exist. The IPSASB therefore considered it likely that a post-implementation review of IPSAS 42 would be appropriate at some point in the future.</p> <p>Some respondents noted that they are aware a PIR would likely not occur on this Standard until 5 years after the effective date, while others encouraged an earlier PIR since the standard has not been widely adopted and a PIR could help in understanding the reasons for the lack of adoption. A respondent noted that some jurisdictions were delaying the adoption of IPSAS 42 until they adopted IPSAS 48, <i>Transfer Expenses</i>, as IPSAS 42 only deals with social benefit outflows and not inflows. They stated it would be useful to know if there has been an uptake in adoption of IPSAS 42 along with the adoption of IPSAS 48 in practice.</p>	<p>This topic was recommended by only three respondents, so there does not appear to be widespread demand to prioritize a PIR on this topic at this time. Additionally, the effective date of the Standard is January 1, 2023, which is outside of the Board's typical timeline for undertaking a PIR. The adoption issue raised may be better suited as a topic for the FRIF to gain an understanding of the reasons for the lack of adoption. Implementation issues raised (as noted in the recommended project row titled "IPSAS 19, <i>Provisions, Contingent Liabilities and Contingent Assets</i> & IPSAS 42, <i>Social Benefits</i> & IPSAS 48, <i>Transfer Expenses</i>") may be better suited for consideration by IPSASB Explains for implementation guidance.</p>
<p>IPSAS 43, <i>Leases</i>: Respondents recommended a PIR on this Standard because the Standard has not yet been adopted in their jurisdiction due to concerns from public sector entities about significant costs and complexities which are perceived to be disproportionate to the benefits. However, the respondents believe that improvements in several areas of IPSAS 43 could enhance the usefulness of the information in the financial statements resulting</p>	<p>This topic was recommended by only two respondents from the same jurisdiction, so there does not appear to be widespread demand to prioritize a PIR on this topic at this time. Additionally, the effective date of the Standard is January 1, 2025, which is outside of the Board's typical timeline for undertaking a PIR The</p>

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<p>from this standard and reduce the cost burden for most preparers. Respondents noted that they are aware a PIR would likely not occur on this Standard until 5 years after the effective date, but recommended making an exception for this PIR due to the pressing nature of the issues that are delaying adoption.</p>	<p>adoption issue raised may be better suited as a topic for the FRIF to gain an understanding of the reasons for the lack of adoption to better inform the Board's decision making regarding undertaking a future PIR.</p>
<p>IPSAS 45, <i>Property, Plant and Equipment</i> & IPSAS 46, <i>Measurement</i>: The respondents recommended PIRs on these Standards because the Standards address important public sector-specific issues and the IPSASB should explore whether the challenges identified indicate any areas for improvement. The responses listed several challenges with implementing the Standards. One respondent noted the transition process from IPSAS 17 to IPSAS 45 represents the greatest technical challenge for public sector accounting in their jurisdiction due to the magnitude of infrastructure assets and the complexity of their initial valuation, as IPSAS 45 introduce fundamental changes in measurement and recognition that require early evaluation by the IPSASB . The respondent requested that in addition to the PIR, in the short term the IPSASB issue educational materials and implementation guides for IPSAS 45 with a specific focus on developing countries, including guidance for the valuation of infrastructure assets without an active market and the transition process from IPSAS 17. Another respondent also requested implementation materials for both IPSAS 45 and IPSAS 46. Additionally, one respondent requested challenges listed in the response be considered by the IPSASB Application Group (IAG).</p>	<p>This topic was recommended by only three respondents, so there does not appear to be widespread demand to prioritize a PIR on this topic at this time. Additionally, the effective date of these Standards is January 1, 2025, which is outside of the Board's typical timeline for undertaking a PIR. Many of the specific issues raised in the responses may be better suited for consideration by IPSASB Explains for implementation guidance, as requested by the respondent. Some issues may also be suited to the IAG.</p>
<p>IPSAS 45 & IPSAS 51, <i>Tangible Natural Resources Held for Conservation</i>: The respondent did not recommend the IPSASB prioritize a PIR on these standards at this time, but instead recommended the development of implementation guidance to support the implementation and application of both IPSAS 45 and IPSAS 51 as they have found it may be unclear to jurisdictions whether a non-current asset is in the scope of IPSAS 45 or IPSAS 51.</p>	<p>This topic was recommended by only one respondent. As noted by the respondent the specific issues raised in the responses may be better suited for consideration by IPSASB Explains for implementation guidance instead of a PIR at this time.</p>
<p>IPSAS 47, <i>Revenue</i>: The respondents recommended PIRs on this Standard because they have encountered issues transitioning to IPSAS 47. Respondents</p>	<p>This topic was recommended by only two respondents, so there does not appear to be</p>

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Recommended Project	Staff Analysis
<p>noted shifting from the guidance in IPSAS 9 and IPSAS 23 to a performance obligation-based model represents a significant operational and conceptual challenge. The respondent noted it is crucial the IPSASB issue specific application guidance that clarifies the legal and tax recognition of revenue to avoid accounting asymmetries that could compromise the reliability of the government's consolidated financial information during the convergence process. Additionally, the respondents raised several implementation challenges. The respondent requested that in addition to the PIR, in the short term the IPSASB issue educational materials and implementation guides for IPSAS 47 with specific examples for accrual-based tax revenues, conditional intergovernmental transfers, natural resource royalties, and non-reimbursable international cooperation and a specific focus on the realities of developing countries. Also prepare a practical transition guide from IPSAS 9 and 23 to IPSAS 47, with guidance on the treatment of opening balances and comparability. Additionally, the respondent requested challenges listed in the response be considered by the IPSASB Application Group (IAG).</p>	<p>widespread demand to prioritize a PIR on this topic at this time. Additionally, the effective date of these Standards is January 1, 2025, which is outside of the Board's typical timeline for undertaking a PIR. Many of the specific issues raised in the responses may be better suited for consideration by IPSASB Explains for implementation guidance, as requested by the respondent. Some issues may also be suited to the IAG.</p>
<p>Review all Existing Standards to Reduce Complexity and Simplify: The respondent recommends a systematic review of all existing IPSAS standards with a view to assessing their practical applicability; identifying potential simplifications; ensuring proportionality (particularly for smaller public sector entities); reducing the density of disclosure requirements. The respondent noted that currently complexity reduction is largely achieved by preparers through the application of materiality. However, relying solely on materiality at the entity level is not sufficiently user oriented. Standard setters also have a responsibility to reduce complexity. PIRs should therefore explicitly consider whether complexity can be reduced at the standard-setting level.</p>	<p>This topic was recommended by only one respondent, so there does not appear to be widespread to prioritize a PIR on this topic at this time. Additionally, as noted previously for the proposed financial reporting project on differential reporting in Agenda Item 6.B.6, at the September 2023 meeting, the IPSASB concluded a non-standard setting solution would more effectively address the public sector need in this area, thereby helping public sector entities, navigate, understand, and apply IPSAS Standards.</p>

Supporting Document 7 – Additional Sustainability Reporting Projects Recommended (SMC 3)

1. This following table outlines additional sustainability reporting projects recommended by respondents through the written responses and staff's initial analysis on whether there is widespread demand for the IPSASB to prioritize the project at this time.

Recommended Project	Staff Analysis
<p>Consider Social & Governance Matters – Specifically Related to Human Rights: This project encourages the IPSASB to expand its sustainability reporting scope beyond environmental issues to include social and governance matters, particularly human rights, reflecting public sector responsibilities. It recommends leveraging existing standards (e.g., ISSB, EU, GRI) to develop guidance, potentially through enhancements to RPG 1 and RPG 3, rather than relying on high-level frameworks like the SDGs.</p>	<p>This project was recommended by only one respondent, so there does not appear to be widespread demand to prioritize such a project at this time. This was also not the respondent's top priority for sustainability reporting projects, and it was suggested as a longer term objective. This may also in part be addressed by projects the IPSASB may undertake to develop authoritative guidance based on RPG 1, <i>Reporting on the Long-term Sustainability of an Entity's Finances</i>, and RPG 3; <i>Reporting Service Performance Information</i>.</p>
<p>Research User Needs and Current Reporting Landscape: This project recommends the IPSASB research the sustainability reporting information needs of users, including identifying who the users are, and to understand the information already reported across jurisdictions related to sustainable development objectives. This was suggested as part of the IPSASB undertaking research on the architecture of its existing suite of literature to determine where guidance is best suited and help stakeholders understand how to apply pronouncements.</p>	<p>This project was recommended by only one respondent, so there does not appear to be widespread demand to prioritize such a project at this time. Though if the IPSASB undertook a future project on architecture of its existing standards, it could consider including the recommendations here in that project's scope.</p>
<p>Wellbeing in Public Sector Sustainability Reporting: The project would propose establishing authoritative guidance linking service performance reporting to wellbeing outcomes; integrate impact measurement and valuation approaches into public sector reporting; provide a framework for reporting on the outcomes and impacts of public expenditure, beyond inputs and outputs; support</p>	<p>This project was recommended by only one respondent, so there does not appear to be widespread demand to prioritize such a project at this time. The respondent proposed that if a standalone project was not feasible at this time, these elements could be embedded into an enhanced version of RPG 3 ensuring service performance reporting explicitly links to wellbeing outcomes. This</p>

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Recommended Project	Staff Analysis
alignment between financial reporting, sustainability disclosures, and policy objectives; and build towards a coherent system of wellbeing accounting, complementing financial accounting.	is something the Board could consider if it takes on a project on RPG 3 in the future.

Supporting Document 8 – Additional Staff Analysis on SMC 2 Themes

1. This document provides additional staff analysis on the theme of IPSAS 18, *Segment Reporting* for post implementation reviews (PIRs) discussed in [Agenda Item 6.A.2](#).

Analysis - Theme 2: IPSAS 18, *Segment Reporting*

Level of support for undertaking PIR

2. Respondents also supported the IPSASB undertaking a PIR on IPSAS 18, *Segment Reporting*. Additionally, the need for a PIR of IPSAS 18 was discussed at the IPSASB's PSSSF. Overall, based on the feedback there is some support for the IPSASB to undertake a PIR on IPSAS 18.

Project scope

3. Respondents generally agreed with the project description for the PIR included in the supplemental [potential projects document](#), which outlined that:
 - (a) This PIR would propose to update IPSAS 18, *Segment Reporting*, to align with IFRS 8 *Operating Segments*, where appropriate for the public sector, to reduce unnecessary differences with IFRS. IPSAS 18 is currently based on a superseded IFRS Accounting Standard (IAS 14 Segment Reporting). At this time, it appears the IASB plans to consult on operating segments in IFRS 8 in its upcoming Fourth Agenda Consultation, which may result in additional changes to IFRS 8 if a project in this area was undertaken by the IASB in the future. This project could also explore the opportunity for enhanced alignment with Classification of Functions of Government (COFOG) categories.
4. Respondents cited several challenges with IPSAS 18 as the need for the Board to undertake a PIR, including that the current risks and rewards approach to identifying segments is outdated, is not aligned with internal management reporting which creates difficulties in allocating certain items, and results in less relevant disclosures. A number of respondents supported aligning IPSAS 18 with IFRS 8, as determining operating segments based on the structure of the organization and how information is reported to management may be more useful and may be more aligned with budgets, which may produce better information for users. This would also reduce unnecessary differences with the private sector. Other respondents noted exploring the opportunity to enhance alignment with COFOG categories in GFS reporting could make IPSAS disclosures more useful for decision making, which may provide additional incentive for IPSAS adoption, though they noted updating IPSAS 18 for this alignment could be complex. Further detail on respondents' feedback is included in Supporting Document 10 – Additional Respondent Feedback on Themes in Agenda Item [6.B.11](#).

Project prioritization criteria

5. An overview of staff's assessment of the project prioritization criteria for the PIR, informed by respondents' analysis for undertaking this PIR is as follows. It is noted below whether there have been any changes in the ranking of each criterion compared to the ranking that was originally included in the supplemental [potential projects document](#).
 - (a) **Prevalence** – *Medium (no change)*
 - (b) **Consequences** – *Medium (no change)*
 - (c) **Urgency** – *Low (no change)*

(d) **Feasibility** – *Low (decreased to Low from High)*

- (i) Ranking decreased to low for the following reasons. The IPSASB can draw from IFRS 8 to make similar amendments to IPSAS Standards as applicable. However, when the IPSASB's Consultation was issued, it appeared the IASB planned to consult on operating segments in IFRS 8 in its upcoming Fourth Agenda Consultation. As such, the IPSASB's Consultation noted that the IPSASB would wait to see the results of the IASB's consultation and whether an IASB project resulted from it before making a decision on whether to begin a project on IPSAS 18. However, in September 2025 the IASB decided to suspend its work on the Fourth Agenda Consultation so that it can undertake a concurrent agenda consultation with the ISSB. As a result, a request for information is not expected to be issued by the IASB until 2027.

- 6. For Staff's detailed assessment of the project prioritization criteria, refer to Supporting Document 11 – Detailed Project Prioritization Criteria Assessment for Themes in Agenda Item [6.B.12](#).

Recommendation

- 7. Overall staff do not recommend the Board undertake a PIR of IPSAS 18 at this time for the following reasons. In general, respondents support alignment with IFRS 8 operating segments as they believe this would produce more useful information. The IASB was initially planning to consult on IFRS 8 in its Fourth Agenda Consultation, which may have resulted in a project on IFRS 8. The IPSASB originally wanted to see the results of this agenda consultation before deciding whether to move forward with a PIR on IPSAS 18. However, this fourth agenda consultation has been deferred so that the IASB can issue a concurrent agenda consultation with the ISSB. As a result, a request for information is not expected to be issued by the IASB until 2027.
- 8. Staff recommend that the IPSASB wait to see the results of the IASB's request for information and then if a project on IFRS 8 will or will not go ahead, make a decision at that point on whether to undertake a PIR of IPSAS 18. This would allow IPSASB resources to be used to undertake a PIR on IPSAS 35 first, which is a clear priority for respondents. Once that is underway, the Board will likely have more insight into the IASB's direction regarding IFRS 8 and can decide whether to move forward with a PIR of IPSAS 18 at that time.

Supporting Document 9 – Additional Staff Analysis on SMC 3 Themes

1. This document provides additional staff analysis on the following key themes for sustainability reporting projects discussed in [Agenda Item 6.A.2](#):

[Theme 2: RPG 1 & RPG 3](#)

[Theme 3: Nature-related Disclosures](#)

Analysis - Theme 2: RPG 1 & RPG 3

Level of support for undertaking project

2. Respondents provided feedback related to the IPSASB undertaking a sustainability reporting project focused on developing authoritative guidance based on RPG 1, *Reporting on the Long-term Sustainability of an Entity's Finances*. Respondents equally provided feedback related to the IPSASB undertaking a separate sustainability reporting project focused on developing authoritative guidance based on RPG 3, *Reporting Service Performance Information*.

Project scope

3. Respondents generally agreed with the project description for a stand-alone sustainability reporting project on each of RPG 1 and RPG 3 that was included in the supplemental [potential projects document](#), which outlined that:
 - (a) **RPG 1** provides a framework for the reporting and disclosure of information related to the long-term fiscal sustainability of an entity's finances. RPG 1 is currently non-authoritative guidance located in the IPSAS Handbook. This project would develop authoritative guidance as part of IPSASB SRS Standards for reporting on long-term fiscal sustainability based on RPG 1, encouraging adoption and implementation, enhancing the usefulness of reported information for accountability and decision-making.
 - (b) **RPG 3** introduces a principles-based approach for reporting service performance information that focuses on meeting the information needs of primary users. RPG 3 is currently non-authoritative guidance located in the IPSAS Handbook. This project would develop authoritative guidance as part of IPSASB SRS Standards for reporting on service performance based on RPG 3, encouraging adoption and implementation, and enhancing the usefulness of reported information for accountability and decision-making.
4. Overall, a majority of respondents who provided feedback on this topic were in favour of the IPSASB undertaking stand-alone sustainability reporting projects producing authoritative guidance for each of RPG 1 and RPG 3. Respondents noted for RPG 1 that long-term fiscal sustainability is a specific concern in the public sector as governments face challenges related to levels of debt, future service commitments and the affordability of programs in the long-term. Authoritative guidance based on RPG 1 could assist public sector entities in effectively responding to these growing challenges. Respondents noted that RPG 3 is regarded as essential for all levels of government to assess and communicate value for money and the effectiveness of public services. It was noted that New Zealand has already demonstrated the feasibility of developing authoritative requirements in this area. However, some respondents were opposed as they did not think authoritative standards on RPG 1

and RPG 3 topics would be feasible to apply in practice and that the IPSASB should not rush into this project. Respondents noted that any potential projects on RPG 1 and RPG 3 should entail a research phase in and of itself to understand who is using the guidance, how it is being used, its usefulness, the challenges faced by preparers in reporting this information, and whether such guidance will materially increase reporting under both RPGs. The majority of respondents thought that a project on general sustainability-related disclosures should be undertaken prior to a project(s) on RPG 1 and RPG 3 for the reasons outlined earlier in Theme 1. This would also allow the IPSAB to have a better understanding of user needs and the bigger picture. Further detail on respondents' feedback is included in Supporting Document 10 – Additional Respondent Feedback on Themes in Agenda Item [6.B.11](#).

Project prioritization criteria

5. An overview of Staff's assessment of the project prioritization criteria for RPG 1 and RPG 3, informed by respondents' analysis for undertaking this project is as follows. It is noted below whether there have been any changes in the ranking of each criterion compared to the ranking that was originally included in the supplemental [potential projects document](#).
 - (a) **Prevalence** – *High (no change)*
 - (b) **Consequences** – *Medium (no change)*
 - (c) **Urgency** – *Medium (no change)*
 - (d) **Feasibility** – *Medium (decreased from high to medium)*
 - (i) Ranking decreased from high to medium as respondents have clearly stressed the need for a public sector specific general sustainability-related disclosures standard to be developed first to establish the foundational principles necessary to support consistency, connectivity and scalability across future IPSASB sustainability reporting standards.

For Staff's detailed assessment of the project prioritization criteria for each of RPG 1 and RPG 3, refer to Supporting Document 11 – Detailed Project Prioritization Criteria Assessment for Themes in Agenda Item [6.B.12](#).

Recommendation

6. Overall, based on respondents' clear feedback that a project on general sustainability-related disclosures is a key priority, staff recommend that the Board does not undertake sustainability reporting projects on either RPG-1 or RPG-3 at this time. Instead, staff recommend the Board consider adding this to the Work Program in the future when resources become available after a project on general-related sustainability disclosures has been completed.

Analysis - Theme 3: Nature-related Disclosures

Level of support for undertaking project

7. A number of respondents provided feedback related to the IPSASB undertaking a sustainability reporting project focused on nature-related disclosures.

Project scope

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8. Respondents generally agreed with the project description for a stand-alone sustainability reporting project on nature-related disclosures that was included in the supplemental [potential projects document](#), which outlined that:
 - (a) In 2024, the International Sustainability Standards Board (ISSB) launched a research project on Biodiversity, Ecosystems and Ecosystem Services (BEES) to explore sustainability-related risks and opportunities associated with nature. This project joins a growing landscape of nature-related frameworks and standards, including the Taskforce on Nature-related Financial Disclosures (TNFD) Recommendations and the Global Reporting Initiative (GRI) Topic Standard for Biodiversity. This project would address the increasing demand for public sector entities to disclose information on their critical role in addressing nature-related issues.
9. The key message from respondents was that the IPSASB should monitor the work of the ISSB in this area, wait until the ISSB's project is finished and then begin a related public sector project leveraging the ISSB's work. Alignment with the ISSB was considered very important to minimize differences between the private and public sector. However, there will be additional public sector specific considerations for nature-related disclosures that will need to be taken into account to produce useful guidance. Further detail on respondents' feedback is included in Supporting Document 10 – Additional Respondent Feedback on Themes in Agenda Item [6.B.11](#).

Project prioritization criteria

10. An overview of Staff's assessment of the project prioritization criteria, informed by respondents' analysis for undertaking this project is as follows. It is noted below whether there have been any changes in the ranking of each criterion compared to the ranking that was originally included in the supplemental [potential projects document](#).
 - (a) **Prevalence** – *Medium (no change)*
 - (b) **Consequences** – *Medium (no change)*
 - (c) **Urgency** – *Medium (no change)*
 - (d) **Feasibility** – *Low (no change)*
11. For Staff's detailed assessment of the project prioritization criteria, refer to Supporting Document 11 – Detailed Project Prioritization Criteria Assessment for Themes in Agenda Item [6.B.12](#).

Recommendation

12. Overall, based on respondents' clear feedback and the fact that the ISSB project is still in progress, staff recommend that the Board does not undertake a sustainability reporting project on nature-related disclosures at this time. Instead, staff recommend the Board continue to monitor this project and potentially consider adding it to the Work Program in the future when resources become available after other higher priority sustainability projects have been completed.

Supporting Document 10 – Additional Respondent Feedback on Themes

1. This document provides additional feedback from respondents related to the key themes for financial reporting projects, post implementation reviews (PIRs), and sustainability reporting projects discussed in [Agenda Item 6.A.2](#). It is not a complete listing of all comments from respondents on that theme. Instead, it provides a summary of some of the key points/issues respondents believe the Board should consider in undertaking the potential project.

Financial Reporting Projects

[Theme 1: Intangible Assets](#)

[Theme 2: Provisions – Targeted Improvements](#)

[Theme 3: Climate-related and Other Uncertainties in the Financial Statements](#)

[Theme 4: Disclosure Tax Expenditures](#)

Post Implementation Reviews

[Theme 1: IPSAS 35, Consolidated Financial Statements](#)

[Theme 2: IPSAS 18, Segment Reporting](#)

Sustainability Reporting Projects

[Theme 1: General Sustainability-related Disclosures](#)

[Theme 2: RPG 1 & RPG 3](#)

[Theme 3: Nature-related Disclosures](#)

Financial Reporting Projects

Theme 1: Intangible Assets

2. Respondents' feedback also included:
 - (a) Undertaking a comprehensive review of IPSAS 31, *Intangible Assets*, includes developing guidance to address public sector specific gaps not currently covered by existing standards.
 - (b) It is key to follow the work the IASB is currently undertaking on IAS 38 *Intangible Assets* and update IPSAS 31 as relevant to maintain alignment with IFRS where transactions are the same.
 - (c) Guidance should be developed on recognition, measurement and disclosure of new types of digital assets including artificial intelligence; cloud computing arrangements (software as a service); data registries; digital platforms, etc. As well as other non-separable digital infrastructure that generates significant service potential rather than commercial economic benefits.
 - (d) Consider whether current definitions of control, identifiability, and useful life appropriately reflect modern public sector digital transformation practices or whether a right-of-use type of recognition model could provide a more faithful representation of the service potential public sector entities obtain.

- (e) Develop guidance to allow recognition of internally generated intangible assets.
- (f) Develop guidance on public sector specific issues, such as:
 - (i) Intangible natural resources including electromagnetic spectrum, radio frequencies, analogous public sector assets, etc.; and
 - (ii) Cultural intangibles.
- (g) Assess the appropriateness of current operational value (COV) for measurement of intangible assets in the public sector.

Theme 2: Provisions – Targeted Improvements

3. Respondents' feedback also included:

- (a) Importance of maintaining alignment with IFRS, unless unique public sector characteristics justify a different approach. This is especially key for jurisdictions where large and complex “mixed group” entities operate across both the public and private sectors and are required to prepare consolidated financial statements while applying both IPSAS and IFRS based requirements across different components.
- (b) While alignment with IFRS is important, respondents encouraged the IPSASB to consider public sector specific matters in these projects, such as recognition of commitments under the Paris Agreement and other climate-related obligations, as well as other government obligations (e.g. public private partnerships, public sector/state guarantees, legal claims, environmental rehabilitation, asset decommissioning, disaster response, infrastructure related obligations, social benefit schemes, sovereign obligations, and long term service related commitments, etc.) that may require tailored guidance to reflect the unique nature of public sector activities and reporting objectives.
- (c) It is also important this project be considered in the context of the IPSASB's public sector specific standards that relate to expenses and liabilities, such as IPSAS 42, *Social Benefits*, and IPSAS 48, *Transfer Expenses*.
- (d) Encouragement for the IPSASB to use this project as an opportunity to improve consistency of IPSAS Standards with the updated IPSAS Conceptual Framework (e.g. the consistency of with the revised definition of a liability in the IPSAS Conceptual Framework).
- (e) This project would help improve fiscal risk reporting and strengthen transparency over obligations that may affect future public finances.
- (f) Incorporating application materials and/or illustrative examples would help entities in applying the guidance in the public sector context.

Theme 3: Climate-related and Other Uncertainties in the Financial Statements

4. Respondents' feedback also included:

- (a) Importance of maintaining alignment with IFRS, unless unique public sector characteristics justify a different approach. This is especially key for jurisdictions where large and complex

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“mixed group” entities operate across both the public and private sectors and are required to prepare consolidated financial statements while applying both IPSAS and IFRS based requirements across different components.

- (b) The need to establish connectivity and alignment between financial reporting and sustainability reporting is growing. Providing examples will aid in improving reporting of the effects of climate-related and other uncertainties in the financial statements.
- (c) The clear need to adapt the IASB’s examples as appropriate for the public sector to make them useful in practice.
- (d) The need to develop additional public sector specific examples (e.g. related to natural disasters, impact on useful lives of infrastructure assets, asset impairment, disaster relief obligations, commitments under the Paris Agreement and other government climate-related uncertainties and long-term commitments, broader accountability framework, public policy settings, legislative mandates, appropriations, service delivery obligations, whole of government commitments, etc.) for the guidance to be useful.
- (e) Identifying and providing more complex and judgement-based examples, rather than simple fact patterns with predetermined conclusions, to demonstrate how preparers should apply judgement in areas such as impairment, provisions, measurement uncertainty and disclosures.
- (f) Considering walk-through examples or decision trees to help preparers identify which IPSAS Standards requirements may be relevant to climate-related and other uncertainties.
- (g) Clarifying the connectivity between financial statements, sustainability reporting, budget papers, service performance reporting and broader fiscal accountability documents.
- (h) Considering aggregation and disaggregation of public sector assets, particularly where climate-related risks affect infrastructure or service delivery assets differently by geography, function, age, condition or exposure to physical climate risks.
- (i) Considering undertaking this project concurrently with the project on targeted improvements to provisions (Theme 2).
- (j) Develop guidance that enables coherent reporting across IPSAS financial statements and long-term fiscal sustainability analysis (RPG 1) and builds on relevant statistical reporting requirements.

Theme 4: Disclosure Tax Expenditures

5. Respondents’ feedback also included:

- (a) The project should develop principles-based disclosure requirements or guidance to improve transparency over tax concessions, exemptions, incentives, rebates, preferential rates, and other forms of foregone revenue granted through tax systems. Many governments rely heavily on tax policy instruments to attract investment, support priority sectors, or pursue social and economic policy objectives. However, tax expenditures can significantly reduce public revenue available for service delivery, infrastructure, health, education, and social protection. In many jurisdictions, information about the fiscal cost, beneficiaries, policy objectives, and effectiveness of tax expenditures is not reported clearly in financial statements or general

purpose financial reports. This is a high public interest issue especially in developing nations because transparent reporting of tax expenditures can support domestic resource mobilization, fiscal discipline, parliamentary oversight, and public debate on whether incentives deliver value for money.

- (b) This topic is key for long-term fiscal sustainability (RPG-1) and ESG/sustainability. Governments face rising deficits and can no longer maintain "invisible parallel budgets." Convergence with sustainability standards requires that foregone tax revenue (such as subsidies for incentive actions to address climate-related change issues) be disclosed to enable an immediate assessment of socioenvironmental impacts. There is growing demand for enhanced transparency, particularly in environments marked by fiscal constraints and increased scrutiny of public finances. Improving disclosures at this stage would provide timely support for accountability and decision making.
- (c) This project could also be linked to the ongoing work of the International Monetary Fund (IMF) on fiscal transparency.

Post Implementation Reviews (PIRs)

Theme 1: IPSAS 35, Consolidated Financial Statements

6. Respondents' feedback also included:

- (a) The majority of respondents cited issues with application of the control criteria as the main reason the Board should undertake a PIR of IPSAS 35.
- (b) Respondents also noted inconsistent application in practice or lack of adoption of IPSAS 35 in various jurisdictions point to the need for the Board to undertake a PIR.
- (c) Some respondents noted there are issues with the principles of control in IPSAS 35 and questioned whether they were appropriate for the public sector.
- (d) A majority of respondents acknowledged it was not necessarily a principles issue, but a lack of application guidance/ examples about how to apply the principles of control in IPSAS 35 to complex government organizations (e.g. due to complex government structures, legal ownership, diverse forms of rights and powers that are not always clear or evident, funding dependency, appointment powers, regulatory authority, policy control, legislation, non-financial objectives, political influences, etc.) in the public sector. Respondents requested the IPSASB perform a PIR on IPSAS 35 to gain a better understanding of the issues with the Standard and develop additional application guidance, illustrative examples and implementation guidance to support application of the control principles.
- (e) A respondent noted that the scope of consolidation in some jurisdictions is determined by legal and fiscal policy considerations rather than by accounting standards and as such did not recommend the Board prioritize further work on IPSAS 35 at this time.
- (f) Some respondents requested the IPSASB add guidance to IPSAS 35 to allow for consolidation of entities that share a relationship beyond the concept of control, where it would provide better transparency and better meet information needs. Similarly, some respondents noted certain

funders expect consolidated financial statements will always produce “whole of government accounts”, when that is not always the case.

- (g) A respondent noted that IPSAS 35 is conceptually sound, but the heavy reliance on Government Finance Statistics (GFS) as the basis for government-wide key performance indicators and its adoption of the GFS perspective on consolidation, introduce a fiscal-reporting logic that is not always compatible with the purpose of general-purpose financial statements.
- (h) A respondent asked the IPSASB to develop an exemption that would allow a consolidated group to still claim compliance with IPSAS if it could not harmonize accounting policies in time to consolidate a state-owned enterprise prior to the financial reporting deadline (e.g. in an emergency situation where a public sector entity provides support for the restructuring of a private company and as a result that company becomes a state-owned enterprise shortly before the financial reporting deadline and the private company has a significant impact on the public sector entity's consolidated financial statements).
- (i) Some respondents noted that amendments were made to IPSAS 35 in their jurisdiction to improve consistency and appropriateness of control assessments in the public sector and encouraged the Board to undertake a PIR to understand if other jurisdictions have also experienced challenges in applying the control criteria or made modifications to the standard to address application challenges. Respondents noted this may also help the Board gain an understanding of why some jurisdictions have chosen not to adopt IPSAS 35 as well.

Theme 2: IPSAS 18, Segment Reporting

7. Respondents' feedback also included:

- (a) There are complexities in allocating certain items to operating segments (e.g. long-term assets and tax revenue) based on the current guidance in IPSAS 18.
- (b) Aligning to IFRS 8 and providing guidance on how to determine operating segments based on the structure of the organization and on how information is reported to management (e.g. what does “through the eyes of management” mean specifically in the public sector) for the public sector may be more useful.
- (c) Aligning with IFRS 8 to reduce unnecessary differences with the private sector and exploring the opportunity to enhance alignment with COFOG categories in GFS reporting would make IPSAS disclosures more useful for decision making, which may provide additional incentive for IPSAS adoption.
- (d) There are challenges in applying the segmentation principles in IPSAS 18 when internal management reporting is not aligned with those principles.
- (e) Aligning segment disclosures with budget classification categories may produce better information for users. Aligning with IFRS 8 and managements view of segments may be closer aligned with budgets.
- (f) The current risk and rewards approach to identifying segments in IPSAS 18 is outdated and produces less relevant disclosures. Aligning with IFRS 8 approach would reflect how

management actually monitors and manages operations, which would improve relevance and decision-usefulness of disclosures.

- (g) Alignment with IFRS 8 is achievable, but integrating COFOG classifications adds moderate complexity.
- (h) Sustainability reporting may emphasis the need to report on operating segments, particularly when they relate to sustainability policy programs.
- (i) Segment reporting is not considered a priority.

Sustainability Reporting Projects

Theme 1: General Sustainability-related Disclosures

8. Respondents feedback also included:

- (a) Many respondents noted that sustainability-related disclosures will become a requirement for public sector entities of every nation. Therefore, establishing a general sustainability-related disclosure standard would establish the foundational principles necessary to support consistency, connectivity and scalability across future IPSASB sustainability reporting standards and should be developed before guidance on other specific topics. This would also help eliminate inconsistencies in disclosure content and ensure comparability amongst the public sector.
- (b) Some respondents noted that jurisdictions have different priorities in terms of their sustainability concerns (e.g. Africa contributes the least carbon emissions when compared to other continents and users may not have an urgent need for climate-related disclosures but rather need information on other Sustainable Development Goals (SDGs) such as no poverty, zero hunger and clean water and sanitation). A separate IPSASB sustainability reporting standard on the general requirements and conceptual foundations of sustainability reporting on an entity's own operations would provide a framework that would allow public sector entities to disclose information on sustainability topics that are priorities in their jurisdiction but are not yet covered by a specific standard.
- (c) Some respondents noted that in setting forth general requirements for sustainability-related disclosures, clarification on the concept of materiality in the selection of objects and the content to be disclosed will enable the provision of information that is transparent and useful to users. Consequently, further guidance on materiality should be developed as soon as possible.
- (d) Another respondent noted that the project should establish general guidelines for the disclosure of sustainability information in the public sector, incorporating a dual-materiality approach that allows for the identification, measurement, and reporting of both sustainability risks and opportunities that affect financial prospects, as well as the impacts of entities and government action, through the implementation of policies, plans, and programs, on society and the environment. It should also include the definition of users under a multi-stakeholder approach, alignment with the Sustainable Development Goals (SDGs), and guidelines for reporting the performance and impact of public policies. This implies moving beyond approaches focused exclusively on financial risks and opportunities, which do not reflect the nature of the public sector.

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- (e) The IPSASB's work in scoping this project should be in collaboration with other standard setters and informed by relevant research. It should also consider potential connection with other existing guidance including IPSASB SRS 1 – phase 1 and 2 and RPG 1 and RPG 3.
- (f) One respondent noted they had received mixed feedback on the usefulness of a public sector equivalent to IFRS 1. However, they agreed there is a need for an overarching framework as other sustainability topics that are material to the public sector are brought into the reporting regime. Appendix B of IPSASB SRS 1 contains conceptual foundations and principles drawn from the Conceptual Framework and IFRS S1. In the absence of an overarching framework, this same approach would need to be replicated across all sustainability topic standards which would result in significant duplication.
- (g) Respondents noted this project should be public sector specific and should reflect the role of governments not only as reporting entities, but also as policymakers, regulators, service providers, asset owners, funders, and stewards of public resources.
- (h) One respondent noted, this project must consider potential connection with other existing sets of guidance, including the RPG 1 and RPG 3. If this project is expanded to consider incorporating guidance from RPG 1 and RPG 3, such public sector specific guidance could be leveraged in the development of the general sustainability-related disclosures standard. However, if RPG 1 and RPG 3 were made into authoritative guidelines, the heavy burden to be borne by entities that can disclose information in accordance with these guidelines, as well as entities that have previously declared compliance with IPSAS, will become a concern. Furthermore, considering the significant differences and diversity of fiscal systems and policy objectives of each country, the application of the provisions of RPG 1 and RPG 3 uniformly on an international basis is not practical. Considering these various factors, we should not rush into the discussion of making RPG 1 and RPG 3 authoritative guidelines but instead engage in careful consideration that fully takes into account practical feasibility and institutional diversity.

Theme 2: RPG 1 & RPG 3

9. Respondents feedback also included:

- (a) Overall, a majority of respondents were in favour of the IPSASB undertaking stand-alone sustainability reporting projects producing authoritative guidance for each of RPG 1 and RPG 3.
- (b) Respondents noted that for RPG 1 that long-term fiscal sustainability is a specific concern in the public sector as governments face challenges related to levels of debt, future service commitments and the affordability of programs in the long-term. Authoritative guidance based on RPG 1 could assist public sector entities in effectively responding to these growing challenges.
- (c) Respondents noted that RPG 3 is regarded as essential for all levels of government to assess and communicate value for money and the effectiveness of public services. Furthermore, it provides critical information for investment decision-making and facilitates informed public discussions on priorities. A respondent noted that New Zealand has already demonstrated that feasibility of developing authoritative requirements in this area.

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- (d) Respondents also noted that RPG 1 and RPG 3 are particularly important for public sector entities and the information to be provided under these is particularly useful in that it greatly increases the stewardship of public sector entities in the use of public funds, making them more accountable and enhancing decision making by the users of IPSAS financial statements.
- (e) However, some respondents were opposed as they did not think authoritative standards on RPG 1 and RPG 3 topics would be feasible to apply in practice. Some of these respondents favoured incorporating guidance from RPG 1 and RPG 3 into general sustainability-related disclosure guidance instead. These respondents also noted that the IPSASB should not rush into making RPG 1 and RPG 3 authoritative guidance but instead should engage in careful consideration that fully takes into account practical and institutional diversity.
- (f) A respondent noted that the IPSASB should not invest too many resources into developing authoritative guidance on RPG 1 and RPG 3 unless it gets strong indications that such guidance will materially increase reporting under on or both RPGs.
- (g) Another respondent noted in their jurisdiction they had not received feedback indicating strong demand for a new authoritative standard on service performance reporting (RPG 3) as this information is already provided through other established reporting channels aligned with operational, budgetary and accountability frameworks. This respondent recommended that the IPSASB reassesses the underlying problem definition and user needs before progressing this project. Further consideration should be given to the identification of primary users, the specific information gaps that remain unaddressed, and whether authoritative guidance would meaningfully enhance accountability and decision-making without duplicating or replacing existing well-established public sector reporting practices. While improving consistency and comparability is a valid objective, it remains important to assess whether the benefits of standardization would outweigh the costs and implementation challenges across different jurisdictions.
- (h) Another respondent commented that consideration should be given to existing non-authoritative guidance in RPG 1 and RPG 3, not only in regard to the intended purpose of RPG 1 and RPG 3 but also the uptake and usefulness of existing literature. Consequently, and as mentioned in the IPSASB staff paper on potential projects, we suggest that the potential projects covering authoritative guidance based on RPG 1 and RPG 3 should be revisited once the outcomes of the architecture research project (and a potential general sustainability-related disclosures project) are known allowing the potential RPG project(s) to be scoped and phased appropriately. This will ensure that the IPSASB is more informed about user needs, clearer on its reporting architecture and not committing itself to a research or scoping project before it understands the bigger picture.
- (i) A respondent noted that the projects on RPG 1 and RPG 3 are framed as being as part of the IPSASB SRS Standards, but neither seem to fit within the sustainability reporting work stream. Although an entity's environmental sustainability can affect its financial viability, the concept extends beyond just environmental considerations. While service performance information is non-financial in nature, it may or may not include sustainability information and is in any case broader than sustainability information.
- (j) The majority of respondents thought that a project on general sustainability-related disclosures should be undertaken prior to a project(s) on RPG 1 and RPG 3 for the reasons outlined earlier

in sustainability reporting projects Theme 1. This would also allow the IPSAB to have a better understanding of user needs and the bigger picture.

Theme 3: Nature-related Disclosures

10. Respondents feedback also included:

- (a) The key message from respondents was that the IPSASB should monitor the work of the ISSB in this area, wait until the ISSB's project is finished and then begin a related public sector project leveraging the ISSB's work.
- (b) Alignment with the ISSB was considered very important to minimize differences between the private and public sector. However, there will be additional public sector specific considerations for nature-related disclosures that will need to be taken into account to produce useful guidance.

Supporting Document 11 – Detailed Project Prioritization Criteria Assessment for Themes

1. This document provides staff's detailed assessment of the project prioritization criteria, informed by respondents' analysis, for undertaking the projects in the key themes for financial reporting projects, post implementation reviews (PIRs), and sustainability reporting projects discussed in [Agenda Item 6.A.2](#).

Financial Reporting Projects

[Theme 1: Intangible Assets](#)

[Theme 2: Provisions – Targeted Improvements](#)

[Theme 3: Climate-related and Other Uncertainties in the Financial Statements](#)

[Theme 4: Disclosure Tax Expenditures](#)

Post Implementation Reviews (PIRs)

[Theme 1: IPSAS 35, Consolidated Financial Statements](#)

[Theme 2: IPSAS 18, Segment Reporting](#)

Sustainability Reporting Projects

[Theme 1: General Sustainability-related Disclosures](#)

[Theme 2: RPG 1 & RPG 3](#)

[Theme 3: Nature-related Disclosures](#)

Financial Reporting Projects

Theme 1: Intangible Assets

2. Staff's assessment of the project prioritization criteria, informed by respondents' analysis for undertaking this project is as follows:

(a) **Prevalence** – *High*

- (i) Expected to impact entities widely as most public sector entities have intangible assets and digital transformation is widespread amongst governments and public sector entities.

(b) **Consequences** – *High*

- (i) Guidance that improves the usefulness of information entities provide about intangible assets in their financial statements and is more suitable for new types of intangible items and new ways of using them would be beneficial in the public sector. Especially as many stakeholders have expressed concerns about the usefulness of the information entities can provide in the financial statements, particularly regarding newer types of intangible items and the way they are being used by entities and the service potential they provide. Stakeholders have also expressed concerns about inconsistent treatment of intangible items across jurisdictions due to different interpretations of how existing guidance should

be applied to newer intangible items. Additionally, maintaining alignment with IFRS where transactions are the same or similar between the public and private sector would be beneficial. However, there may be additional public sector specific considerations for intangible assets that need to be taken into account in undertaking such a project depending on the direction the IASB determines for the project.

(c) **Urgency – Medium**

- (i) IPSAS Standards currently contains guidance on accounting for intangible assets. The IASB's project is still in the early stages, the project scope is still unclear, and no amendments have even been proposed yet. However as noted above in the Consequences section, stakeholders have expressed concerns about the usefulness of the information entities can provide in their financial statements regarding new types of intangibles and their use, as well as, different interpretations of existing guidance leading to inconsistent treatment of intangible items across jurisdictions, which hinders comparability and understandability for financial statement users.

(d) **Feasibility – Low**

- (i) The IPSASB could draw on any amendments the IASB makes to IAS 38 to make similar amendments to IPSAS 31 and other impacted IPSAS as appropriate for the public sector. However, as previously noted, the IASB project is in the very early stages. As such, the IPSASB would need to wait until after the IASB's project is finished or further along before undertaking a similar project so as to leverage the work performed by the IASB and to minimize differences in accounting for intangible assets between the private and public sector where there is no public sector reason for a departure. If the IPSASB was to perform a comprehensive review of IPSAS 31 it would also need to determine if specific public sector guidance was needed in areas where public sector intangible items differ from the private sector.

Theme 2: Provisions – Targeted Improvements

3. Staff's assessment of the project prioritization criteria, informed by respondents' analysis for undertaking this project is as follows:

(a) **Prevalence – High**

- (i) Expected to impact public sector entities widely as most entities have provisions.

(b) **Consequences – High**

- (i) Clarifications to assist public sector entities in assessing when to record provisions and how to measure them may result in more consistency in practice and more useful information to financial statement primary users. Additionally, maintaining alignment with IFRS where transactions are the same or similar between the public and private sector would be beneficial. However, there may be public sector specific considerations that need to be taken into account in undertaking such a project. This is especially true if interaction with IPSAS 42, *Social Benefits*, and IPSAS 48, *Transfer Expenses*, are considered in the project scope.

(c) **Urgency – Medium**

- (i) IPSAS Standards currently contain guidance on accounting for provisions. The IASB's project is still in progress, and the amendments have not yet been finalized, so there are no new differences between the IFRS and IPSAS guidance at the moment. The IASB is currently deciding next steps of the project based on the feedback received from respondents on its Exposure Draft proposing the amendments to IAS 37. As such, the IPSASB would wait until after the IASB's project is finished before it would begin a similar project.

(d) **Feasibility – Low**

- (i) The IPSASB could draw on amendments the IASB makes to IAS 37 to make similar amendments to IPSAS 19 and other impacted IPSAS Standards as appropriate for the public sector. However, the IASB's project is still in progress and the IPSASB would wait until after the IASB's project is finished before it would begin a similar project. Additionally, there may be other public sector specific issues related to provisions and impacts on other IPSAS Standards that the IPSASB would need to consider as part of such a project.

Theme 3: Climate-related and Other Uncertainties in the Financial Statements

4. Staff's assessment of the project prioritization criteria, informed by respondents' analysis for undertaking this project is as follows:

(a) **Prevalence – Medium**

- (i) Expected to impact entities widely as most public sector entities are impacted by climate-related and other uncertainties, including challenges on whether assets will continue to deliver future economic benefits and/or service potential. These uncertainties may also require consideration as to whether accounting for provisions is needed.

(b) **Consequences – Medium**

- (i) May result in improved clarity and consistency in how public sector entities report the financial effects of climate-related risks and other uncertainties in their financial statements which would provide more useful information to financial statement primary users.

(c) **Urgency – Medium**

- (i) While information on these types of risks and their financial effects is being requested more often by stakeholders, entities have the ability to make disclosures about the financial effects of climate-related and other uncertainties in their financial statements currently without additional guidance being developed. Additionally, the illustrative examples provided by the IASB are non-authoritative, as they demonstrate the application of existing disclosure requirements.

(d) **Feasibility – High**

- (i) The IPSASB could draw on the amendments the IASB made to IFRS Accounting Standards to make similar amendments to IPSAS Accounting Standards as appropriate

for the public sector. The IASB's project has been finalized, so this project could begin once IPSASB resources are available. Additionally, the IPSASB would need to determine whether/how the illustrative examples would need to be modified to be relevant for the public sector, as well as the development of public sector specific examples.

Theme 4: Disclosure Tax Expenditures

5. Staff's assessment of the project prioritization criteria, informed by respondents' analysis for undertaking this project is as follows:

(a) **Prevalence – High**

- (i) Limited to tax collecting entities in the public sector. However, tax expenditures significantly influence fiscal outcomes, budgetary flexibility and long term fiscal sustainability. As a result, they are relevant to the entire public sector and to the informational needs of primary users.

(b) **Consequences – Medium**

- (i) The treatment of tax expenditures raises a public interest concern because of the potential lack of transparency in the provision of tax concessions, which impairs the accountability of governments. The absence of clear information restricts stakeholders' ability to evaluate public service costs, compare alternative policy tools and analyze fiscal trade offs, potentially impairing decision making and diminishing public trust.

(c) **Urgency – Low**

- (i) Not considered an emerging issue in the public sector. Does not directly relate to the face of financial statements, but an important accountability implication for which pervasiveness is dependent on the use of tax expenditures in each jurisdiction.

(d) **Feasibility – Medium**

- (i) The IPSASB can draw from its Conceptual Framework and from the work of the [Federal Accounting Standards Advisory Board \(FASAB\) on tax expenditures](#) and the [International Monetary Fund \(IMF\) Manual of Fiscal Transparency](#) to develop guidance in this area.

Post Implementation Reviews (PIRs)

Theme 1: IPSAS 35, Consolidated Financial Statements

6. Staff's assessment of the project prioritization criteria, informed by respondents' analysis for undertaking this PIR is as follows:

(a) **Prevalence – Medium**

- (i) The majority of public sector entities are part of a consolidated group.

(b) **Consequences – Medium**

- (i) Enhancing guidance as it relates to the application of control when determining when to consolidate entities would facilitate application of the guidance and create more consistency in practice.
- (c) **Urgency – Medium**
 - (i) Not considered an emerging issue in the public sector as existing consolidation guidance in IPSAS 35 can be applied. However, there have been requests for a PIR and additional guidance to improve consistency of application, especially as more governments move to adopt IPSAS.
- (d) **Feasibility – Medium**
 - (i) Some jurisdictions have noted applying control in determining whether or not to consolidate in the public sector is not an appropriate factor to consider. It may be quite challenging to develop another consolidation principle, and one supported broadly by stakeholders internationally. However, respondents from many jurisdictions acknowledged it is not necessarily a principles issue, but a lack of application guidance/ examples about how to apply the principles of control in IPSAS 35 to complex government organizations in the public sector. Gaining a better understanding of stakeholders challenges in applying the control criteria and adding additional application guidance / illustrative examples and/or developing implementation resources on how to apply the control criteria in IPSAS 35 in the public sector increases the feasibility of this project.

Theme 2: IPSAS 18, Segment Reporting

7. Staff's assessment of the project prioritization criteria, informed by respondents' analysis for undertaking this PIR is as follows:
- (a) **Prevalence – Medium**
 - (i) The majority of public sector entities have segments and alignment with IFRS 8 may produce more disclosures more useful for decision making. Additionally, opportunities for enhanced alignment with COFOG categories may be useful for certain levels of government.
 - (b) **Consequences – Medium**
 - (i) Public sector entities are able to provide information for accountability and decision making currently; however, the changes may allow public sector entities the ability to communicate more useful information to financial statement users.
 - (c) **Urgency – Low**
 - (i) Not considered an emerging issue in the public sector as public sector entities already have guidance to follow in the form of IPSAS 18 and are reporting segment information in their financial statements.
 - (d) **Feasibility – Low**

- (i) The IPSASB can draw from IFRS 8 to make similar amendments to IPSAS Standards as applicable. However, when the IPSASB's Consultation was issued, it appeared the IASB planned to consult on operating segments in IFRS 8 in its upcoming Fourth Agenda Consultation. As such, the IPSASB's Consultation noted that the IPSASB would wait to see the results of the IASB's consultation and whether an IASB project resulted from it before making a decision on whether to begin a project on IPSAS 18. However, in September 2025 the IASB decided to suspend its work on the Fourth Agenda Consultation so that it can undertake a concurrent agenda consultation with the ISSB. As a result, a request for information is not expected to be issued by the IASB until 2027.

Sustainability Reporting Projects

Theme 1: General Sustainability-related Disclosures

8. Staff's assessment of the project prioritization criteria, informed by respondents' analysis for undertaking this project is as follows:

(a) **Prevalence – High**

- (i) Sustainability is fundamental to all aspects of the public sector's activities due to its broader societal role and responsibilities. Sustainability-related risks and opportunities are therefore pervasive across the entire public sector's activities, ranging from service delivery to policy design and implementation, and encompass social, economic and environmental issues.

(b) **Consequences – High**

- (i) Comprehensive guidance on sustainability-related disclosures would help public sector entities provide adequate information on social, economic, and environmental sustainability for accountability and decision-making. Sustainability-related risks need to be adequately disclosed and integrated into general purpose financial reports to inform primary users on the critical role of the public sector across all areas of sustainability.

(c) **Urgency – High**

- (i) While sustainability is often associated with environmental sustainability, it is essential to recognize that all three pillars of sustainability—social, economic, and environmental sustainability, are interdependent and critical to the long-term stability of public sector operations and public sector value creation. In the absence of specific standards, a general sustainability-related disclosures standard could provide early help in addressing the needs relating to other specific sustainability-related topics.

(d) **Feasibility – High**

- (i) Drawing on the IPSASB's experience with building on IFRS S2 to develop the IPSASB SRS 1, and based on responses from the Consultation Paper, the IPSASB decided that [IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information \(IFRS S1\)](#) could be leveraged in developing a public sector specific general sustainability-related disclosures standard. While IFRS S1 is not tailored to the public sector and does not address the unique policy and regulatory role of the public sector,

the existing guidance provides a foundation that can be adapted for the public sector context.

- (ii) Given the core function of the public sector and its broader role and responsibilities relating to society, the economy and environment, developing a general sustainability-related disclosures standard for the public sector requires careful consideration in terms of its breadth and scope in respect of such complex topics, alongside considerations on the potential connection of the project with other existing sets of guidance, including the RPG 1 and RPG 3.
- (iii) This potential project would require the IPSASB to carefully consider its remit in the context of the broader reporting landscape. Decisions would then be required on the extent of sustainability-related information that should be included within GPFRs such that they enhance, complement and supplement the GPFSS.

Theme 2: RPG 1 & RPG 3

9. **RPG 1:** Staff's assessment of the project prioritization criteria, informed by respondents' analysis for undertaking this project is as follows:

(a) **Prevalence – High**

- (i) Long-term fiscal sustainability is a fundamental aspect of public financial management and is applicable to all public sector entities. As governments around the world experience heightened financial strain, exacerbated by the escalating costs of climate-related impacts and other global challenges, there are increasing demands for public sector entities to provide disclosures on their capacity to meet financial commitments and deliver services over the long-term.

(b) **Consequences – Medium**

- (i) RPG 1 represents good practice for public sector entities. In order to meet the reporting objectives of accountability and decision making, an entity should provide primary users with information on future inflows and outflows that supplements information on the entity's financial position in the financial statements. However, without an authoritative requirement, many entities lack the urgency necessary for effective reporting, resulting in limited adoption and implementation of the guidance. Authoritative guidance is key to address this gap by steering public sector entities towards consistent and comparable reporting, through providing useful information on long-term fiscal sustainability for accountability and decision-making.

(c) **Urgency – Medium**

- (i) Reporting on long-term fiscal sustainability is becoming increasingly important given escalating global challenges, which will require significant resources and funding. Authoritative guidance on long-term fiscal sustainability would provide greater transparency on a public sector entity's ability to meet its service delivery and financial commitments both now and in the future. These disclosures would also help increase market confidence and enable the public sector to maintain its access to a critical financing stream through capital markets.

(d) **Feasibility – Medium**

- (i) RPG 1 serves as a robust foundation for this potential project. The approval of the IPSASB Conceptual Framework since the original development of the RPG provides a framework to follow in development of standards for reporting in general purpose financial reports (GPFRs) that can be followed to guide and underpin the development of the RPG Guidelines into authoritative standards. Further, the international landscape on reporting long-term fiscal sustainability has evolved significantly since the publication of RPG 1, with jurisdictions developing or enhancing their own approach to reporting on long-term fiscal sustainability. However, respondents have stressed the need for a public sector specific general sustainability-related disclosures standard to be developed first to establish the foundational principles necessary to support consistency, connectivity and scalability across future IPSASB sustainability reporting standards.

10. **RPG 3:** Staff's assessment of the project prioritization criteria, informed by respondents' analysis for undertaking this project is as follows:

(a) **Prevalence – High**

- (i) Service delivery is a core function of all public sector entities and is relevant to all levels of government. As public sector entities face growing demands to measure and report on the effectiveness and efficiency of a service, consistent and comparable performance indicators have become crucial in meeting these expectations. Further, service performance reporting is becoming increasingly important for securing public sector financing. Reporting on the effectiveness and efficiency of services will enable public sector entities to maintain access to capital markets and ensure continued funding for essential services and programs.

(b) **Consequences – Medium**

- (i) RPG 3 represents good practice for public sector entities and is intended to support the primary users of the GPFRs as they hold the entity accountable for its service provision and use of resources, enabling primary users to make informed decisions. However, without an authoritative requirement, many entities lack the urgency necessary for effective reporting, resulting in limited adoption and implementation of RPG 3. Authoritative guidance is key to address this gap by steering public sector entities towards consistent and comparable reporting, through providing useful information on service performance for accountability and decision-making.

(c) **Urgency – Medium**

- (i) Service performance reporting is becoming increasingly important as public sector entities face increasing pressure to efficiently manage resources, given competing priorities and resource limitations. With fiscal constraints and escalating global challenges, the public sector must clearly demonstrate the nature and extent to which it is using resources, providing services, and achieving its service performance objectives. Failure to do so might undermine public trust and hinder the public sector's ability to maintain its access to a critical financing stream through capital markets.

(d) **Feasibility – Medium**

- (i) RPG 3 serves as a robust foundation for this potential project. The approval of the IPSASB Conceptual Framework since the development of the RPGs provides a framework to follow in development of standards for reporting in GPFRs that can be followed to guide and underpin the development of the RPG Guidelines into authoritative standards. Further, significant international progress has been made since the publication of RPG 3. In some jurisdictions, reporting on an entity's service performance has moved beyond early, premature stages, some of which drew from the RPG 3. For instance, New Zealand's publication of [PBE FRS 48, Service Performance Reporting](#), in 2017, drew on the principles outlined in RPG 3, demonstrating the feasibility of an authoritative standard on the area. However, respondents have stressed the need for a public sector specific general sustainability-related disclosures standard to be developed first to establish the foundational principles necessary to support consistency, connectivity and scalability across future IPSASB sustainability reporting standards.

Theme 3: Nature-related Disclosures

11. Staff's assessment of the project prioritization criteria, informed by respondents' analysis for undertaking this project is as follows:

(a) **Prevalence – Medium**

- (i) There is an increasing demand that public sector entities disclose information about their interactions with nature, with many governments making public commitments to address environmental challenges. The public sector is a key success factor in nature-related issues, such as in addressing biodiversity loss. Unlike the private sector, the public sector serves as a key data provider for nature-related indicators.

(b) **Consequences – Medium**

- (i) The public sector is increasingly held accountable for managing nature-related risks and opportunities, given its role as a steward of nature. Nature-related disclosures would enhance transparency through an increased availability of nature-related information, enabling primary users to make informed decisions on nature-related topics.

(c) **Urgency – Medium**

- (i) The Kunming-Montreal Global Biodiversity Framework has set ambitious targets for 2030, with the timeline rapidly approaching. Nature is a key resource for public sector entities, and standard setters play a critical role in enabling progress towards these international goals. Failing to address nature-related disclosures at this point in time could result in missed opportunities to align with global sustainability efforts and expose public sector entities to increased risks that threaten long-term fiscal sustainability due to nature-related degradation. However, despite this growing recognition, there is yet to be an international nature-related disclosures standard that addresses the public sector context.

(d) **Feasibility – Low**

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IPSASB Meeting (June 2026)

- (i) Although significant research has already been undertaken by organizations such as the International Union for Conservation of Nature (IUCN), World Wildlife Fund, and The Nature Conservancy, the development of relevant private sector guidance is relatively recent (i.e. the TNFD framework and GRI standard were just published in 2023 and 2024, respectively) and is still evolving (i.e. the ISSB research project on Biodiversity, Ecosystems and Ecosystem Services (BEES)), indicating that the landscape and requirements for private sector nature-related disclosures have further to develop. Further, the scope of nature is broad and technically complex, with various interconnected strands across nature, society and the economy. The IPSASB would have to consider an appropriate scope of a nature-related disclosures standard that would address public sector primary users' information needs, alongside interoperability with other guidance, including the United Nations System of Environmental Economic Accounting (UN SEEA) and other statistical reporting in undertaking such a project. As such, the IPSASB may wait until after the ISSB's project is further along/finished before it would begin a similar project so as to leverage the work performed by the ISSB and to minimize differences between the private and public sector where there is no public sector reason for a departure and to increase interoperability with other guidance.

Supporting Document 12 – Overview of Breakout Groups

1. At the June 2026 meeting, the IPSASB Members, Technical Advisors and Observers will be allocated to a breakout group to discuss the five key themes identified from the Consultation response to SMC 1. The breakout group discussions will focus on which financial reporting project(s) the Board should add to its Work Program when resources become available.
2. The Agenda Item will be structured as follows:

Agenda Item 6 – Work Program Consultation	
Wednesday June 10	
2:30 – 3:00	Presentation by IASB staff
3:00 – 3:30	Afternoon break
3:30 – 4:15	IPSASB Discussion of SMC 2 & SMC 3 and presentation by IPSASB Staff, including detailed instructions for breakout groups
4:15 – 5:00	Breakout groups (no public virtual connection) <ul style="list-style-type: none"> - Members, Technical Advisors and Observers will be split into three breakout groups
Thursday June 11	
11:30 – 12:00	Report back and debrief by IPSASB <ul style="list-style-type: none"> - Members will discuss breakout group report-backs and provide Staff direction.

Key Roles

3. The following roles will be assigned prior to the breakout group sessions:
 - (a) **Breakout Group Leader.** Each Breakout Group will be moderated by an IPSASB Staff member. The Breakout Group Leader is responsible to facilitate discussions, and work with other IPSASB staff to capture the summary of the discussion to be reported back to the Board.
 - (b) **IPSASB Staff.** Each Breakout Group will be assigned multiple IPSASB Staff to support the discussions. Staff are responsible for recording notes, providing background information as necessary, providing administrative/operational support, and developing a summary of the discussions with the Breakout Group Leader.
 - (c) **Breakout Group Participants.** Participants are expected to participate in discussions as they relate to the breakout group questions outlined in paragraph 5 below. Participants are asked to prepare in advance for the discussions to maximize contributions.

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4. Key considerations are to be discussed in the Breakout Groups and then summarized by IPSASB Staff to be reported back to the Board.
5. Breakout Groups will discuss the following questions:
 - (a) Which financial reporting project(s) from the five key themes for SMC 1 do you think the IPSASB should prioritize adding to the Work Program?
 - (b) In addition to the factors and considerations (e.g. timing, alignment with related IFRS project, resources, etc.) discussed in each of the key themes for SMC 1 in Agenda Item [6.A.4](#), is there anything else you think staff should take into consideration when developing a recommendation for the September 2026 Board meeting of which financial reporting project(s) the IPSASB should add to the Work Program when resources become available?
 - (c) Are there any additional key themes in the responses to SMC 1 that staff have not identified?