

**Meeting:** IPSASB Consultative Advisory Group

**Meeting Location:** Washington D.C., USA

**Meeting Date:** June 8, 2026

## Agenda Item 4

### PROGRAM AND TECHNICAL DIRECTOR'S REPORT

<b>Project summary</b>	The purpose of this session is to receive updates on changes on the work program.	
<b>Meeting objectives</b>	<b>Topic</b>	<b>Agenda Item</b>
<b>Discussion items</b>	<a href="#">Update on IPSASB Work Program</a>	<a href="#">4.1</a>
<b>Other supporting items</b>	<a href="#">Strengthening Linkages Between IPSAS Standards and the GFSM—December 2025 Report Back</a>	<a href="#">4.2.1</a>
	<a href="#">Helping Practical Application of Materiality in the Public Sector—December 2025 Report Back</a>	<a href="#">4.2.2</a>

*Prepared by:* Ross Smith (May 2026)

The 'International Public Sector Accounting Standards Board', 'International Public Sector Accounting Standards', 'Recommended Practice Guidelines', 'International Federation of Accountants', 'IPSASB', 'IPSAS', 'RPG', 'IPSASB SRS', 'IFAC', the IPSASB logo, and IFAC logo are trademarks of IFAC, or registered trademarks and service marks of IFAC in the US and other countries.

## **Update on IPSASB Work Program**

### **Purpose**

1. To receive the Program and Technical Director's report on the work program and other activities, including updates on key changes since the last IPSASB CAG (CAG) meeting in December 2025.

### **Program and Technical Director's Report**

#### *Due Process – CAG's Role*

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

#### *Work Program Updates*

5. For CAG member information and context, the following IPSASB project developments since December 2025 are highlighted:

##### **New Pronouncements**

- (a) [IPSASB SRS 1, \*Climate-related Disclosures\*](#), the IPSASB's first sustainability reporting standard, was approved at the December 2025 IPSASB meeting and published in January 2026. Throughout its development, the CAG provided substantial input on IPSASB's sustainability reporting work, including advice on:
  - (i) The May 2022 Consultation Paper, *Advancing Public Sector Sustainability Reporting*;
  - (ii) IPSASB SRS ED 1, *Climate-related Disclosures*; and
  - (iii) The refinements made in response to constituent feedback to inform the final IPSASB SRS 1 pronouncement.

The CAG's contributions were invaluable throughout the development of IPSASB SRS 1 and will remain important as the IPSASB's sustainability standard work continues, including work on guidance for the project related to *Climate-related Disclosures: Public Policy Outcomes* to be discussed in Agenda Item 6 by the CAG.

- (b) The new financial reporting pronouncement, [IPSAS 51, \*Tangible Natural Resources Held for Conservation\*](#), was approved in December 2025 and was published in January 2026. The CAG provided input throughout the development of IPSAS 51, including advice on:

## Agenda Item 4.1

- (i) The initial scope of the project and information on the project scope and objective as set out in the project brief in June 2019;
- (ii) The development of the comprehensive Consultation Paper, *Natural Resources*, approved by IPSASB in March 2022;
- (iii) The development of the proposals for the final standard included in ED 92, *Tangible Natural Resources*, approved by the IPSASB in 2024; and
- (iv) The refinements made in response to constituent feedback to inform the final IPSAS 51, *Tangible Natural Resources Held for Conservation*.

The CAG's contributions were very important throughout this long-running, important major financial reporting project and have helped shape this important public sector-specific financial reporting guidance.

### Recent Consultations

- (c) The [IPSASB 2025 Work Program Consultation](#) was published in October 2025 and was open for consultation until May 4, 2026. The CAG reviewed a draft of the Consultation at the June 2025 CAG meeting. The IPSASB is seeking CAG member input and advice on the feedback received in response to this consultation (see Agenda Item 5).
- (d) [Exposure Draft 94, Linkages Between IPSAS Standards and the Government Finance Statistics Manual 2014 \(Amendments to IPSAS 22\)](#) was published on February 17, 2026 and will be open for comment until June 22, 2026. The CAG provided input on this project in December 2025, which shaped the development of this project. A report back on the December 2025 CAG session is included with this report (see Agenda Item 4.2.1).
- (e) [Consultation Paper, Presentation of Financial Statements](#), was published on April 27, 2026 and will be open for comment until September 14, 2026. The CAG has been providing helpful input to the Presentation of Financial Statements project since the project commenced in 2022. The CAG discussed this project several times during the development of the Consultation Paper (CP), which shaped the final consultation document approved by the IPSASB at the March 2026 meeting.
- (f) [Exposure Draft 97, IPSAS Practice Statement, Making Materiality Judgments](#), was published on April 28, 2026, and will be open for comment until August 28, 2026. The CAG was consulted in the development of ED 97 and on the broader topic of materiality, with the most recent discussions at the December 2025 meeting. A report back on the December 2025 CAG session is included with this report (see Agenda Item 4.2.2).
- (g) The IPSASB approved two EDs at the March 2026 meeting related to improvements to IPSAS Standards, and minor amendments to IPSAS Standards as follows:
  - (i) [Exposure Draft 95, Improvements to IPSAS Accounting Standards - Volume 10](#), was published on April 23, 2026, and will be open for comment until June 30, 2026; and
  - (ii) [Exposure Draft 96, Definition of an Operation and Recognition of Acquired Liabilities and Contingent Liabilities \(Amendments to IPSAS 40\)](#), was published on April 23, 2026, and will be open for comment until June 30, 2026.

## Agenda Item 4.1

The improvements project and the related EDs introduce minor consequential amendments to IPSAS Standards, which are not significant in terms of changes to principles and, therefore, are not brought to the CAG for advice and input.

6. The following updates are provided for CAG members' information on other IPSASB projects and initiatives:
  - (a) **Maintenance Activities/Implementation Support.** The IPSASB continues to expand its support for the maintenance of IPSAS Standards and for improving implementation support. The maintenance activities include establishing the IPSASB Application Group (IAG)- (<https://www.ipsasb.org/submit-issue-ipsasb-application-group>), creating an avenue for stakeholders to submit queries for consideration, and formalizing a Post-Implementation Review (PIR) process to seek feedback on the existing IPSAS Standards. CAG members are asked to continue informing interested stakeholders in their jurisdictions about the IAG. Further, in Q2 2026, the IPSASB established and held the inaugural meeting of the Financial Reporting Implementation Forum (FRIF). The FRIF is a new global initiative that brings together practitioners involved in applying IPSAS-inspired standards and provides a space for implementation leaders to share practical challenges, learn from one another's experiences, and discuss emerging issues in public sector financial reporting. Insights from these discussions will help inform the IPSASB's future standard-setting and maintenance activities.
  - (b) **Strategic Evolution of the IPSASB.** As the IPSASB progresses its standard-setting work, implementing its current strategy, and adjusting its activities in response to constituent needs, it has become apparent that the evolution of IPSASB's work is a catalyst to start developing its future strategy. Agenda Item 7 will provide an opportunity for a first discussion and input to the IPSASB on this evolution and advice to consider in developing the future strategy, including planning for the required outreach and engagement with key stakeholders, including the CAG.
  - (c) **Implementation Session.** The IPSASB CAG will be discussing two Case Studies on Current Uses of Artificial Intelligence in the Public Sector to support the IPSASB's commitment to monitoring and understanding the impact of emerging issues. During this session, members will hear two presentations and be asked to consider the potential implications of AI on the IPSASB's work. Each presentation relates to a different use case, from Brazil and South Africa, and is presented by the respective jurisdiction's IPSASB members. Agenda Item 3 provides additional details regarding this session.

## IPSASB WORK PROGRAM: JUNE 2026

Project	Meetings						
	Jun 2026	Sep 2026	Dec 2026	Mar 2027	Jun 2027	Sep 2027	Dec 2027
Standard Setting Projects							
<a href="#">Climate-related Disclosures: Public Policy Outcomes</a>	RR/DI	DI/IP	IP				
<a href="#">Presentation of Financial Statements</a>			RR/DI	RR/DI	RR/DI	ED	
<a href="#">Strengthening Linkages Between IPSAS Standards and the GFSM</a>		RR/DI	IP				
<a href="#">Measurement – Application Phase: COV in IPSAS 31 – Narrow Scope Amendments</a>	RR/DI	IP					
<a href="#">Improvements</a>		RR/IP		DI/ED		RR/IP	
<a href="#">Making Materiality Judgments—IPSAS Financial Reporting Practice Statement</a>			RR/IP				
<a href="#">Work Program Consultation–2025</a>	RR/DI	WP					
Strategy Consultation	IG/DI						
Maintenance & Research Activities							
<a href="#">International Application Group</a>	DI	DI	DI	DI	DI	DI	DI
Financial Reporting Implementation Forum	DI	DI	DI	DI	DI	DI	DI
<a href="#">Academic Advisory Group – Public Sector Research</a>	IG/DI	IG/DI	IG/DI	IG/DI	IG/DI	IG/DI	IG/DI
Other Initiatives							
Advancing Public Sector Sustainability Reporting: I) General Requirements for Disclosure of Sustainability-related Information II) Natural Resources: Non-Financial Disclosures	IG	IG	IG	IG	IG	IG	IG
IPSASB Handbook	Publish				Publish		

## Legend:

DI = Discussion of Issues; RR = Review of Responses

**PB** = Approval of Project Brief

**CP** = Approval of Consultation Paper

**ED** = Approval of Exposure Draft

**RFI** = Approval of Request for Information

**IP** = Approval of Final Standard or Amendments to IPSAS

**SWP** = Approval of Strategy and Work Program

**PCP** = Planned Consultation Period

**RES** = Research and Scoping Activities

**IG** = Information Gathering

## Project Management—Outputs:

### Recent Pronouncements:

[IPSASB SRS 1, \*Climate-related Disclosures\*](#), was published in January 2026.

[IPSAS 51, \*Tangible Natural Resources Held for Conservation\*](#), was published in January 2026.

### Recent Consultations and Exposure Drafts:

[Work Program Consultation](#) was published on October 16, 2025 and will be open for comment until May 4, 2026.

[Exposure Draft 94, \*Linkages Between IPSAS Standards and the Government Finance Statistics Manual 2014 \(Amendments to IPSAS 22\)\*](#) was published on 17 February 2026 and will be open for comment until June 22, 2026.

[Exposure Draft 95, \*Improvements to IPSAS Accounting Standards - Volume 10\*](#), was published on 23 April 2026 and will be open for comment until June 30, 2026.

[Exposure Draft 96, \*Definition of an Operation and Recognition of Acquired Liabilities and Contingent Liabilities \(Amendments to IPSAS 40\)\*](#), was published on 23 April 2026 and will be open for comment until June 30, 2026.

[Exposure Draft 97, IPSAS Practice Statement, \*Making Materiality Judgments\*](#), was published on 28 April 2026 and will be open for comment until August 28, 2026

[Consultation Paper, \*Presentation of Financial Statements\*](#), was published on 27 April 2026 and will be open for comment until September 14, 2026.

June 2026

## PROJECTS COMPLETED AND/OR PUBLISHED DURING 2024-2028 STRATEGY AND WORK PROGRAM PERIOD

Project	Date Issued	Effective Date
IPSASB SRS 1, <i>Climate-related Disclosures</i>	January 2026	January 1, 2028
IPSAS 51, <i>Tangible Natural Resources Held for Conservation</i>	January 2026	January 1, 2028
IPSAS 33, <i>First-time Adoption of Accrual Basis IPSAS Standards</i>	November 2025	January 1, 2028
<i>Definition of Material</i> (Amendments to IPSAS 1, IPSAS 3 and the Conceptual Framework)	October 2025	January 1, 2027
<i>Amendments to IPSAS Standards as a Result of the Application of IPSAS 46, Measurement</i>	August 2025	January 1, 2028
<i>Amendments to IPSAS Standards: Specific IFRIC Interpretations</i>	January 2025	January 1, 2026
<i>Stripping Costs in the Production Phase of a Surface Mine</i> (Amendments to IPSAS 12)	November 2024	January 1, 2027
IPSAS 50, <i>Exploration for and Evaluation of Mineral Resources</i>	November 2024	January 1, 2027
<i>2024–2028 Strategy and Work Program</i>	October 2024	N/A
<i>Concessionary Leases and Other Arrangements Conveying Rights over Assets</i> (Amendments to IPSAS 43, IPSAS 47, and IPSAS 48)	October 2024	January 1, 2027
<i>Improvements to IPSAS, 2023</i>	April 2024	Various <sup>1</sup>

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

## Status of Application of Due Process – June 2026

## 4.1-A: APPENDIX A

PROJECT	DUE PROCESS ELEMENTS (✓= ELEMENT COMPLETE)						ANTICIPATED FINAL APPROVAL
	A. PROJECT COMMENCEMENT	B. DEVELOPMENT OF STANDARD		C. PUBLIC EXPOSURE	D. CONSIDERATION OF EXPOSURE COMMENTS	E. APPROVAL	
		CP PHASE (IF APPLICABLE)	ED PHASE				
<a href="#">Measurement—Application Phase</a> : Narrow Scope Amendment: Application of Current Operational Value to IPSAS 31, <i>Intangible Assets</i>	✓	✓	✓	✓	ONGOING		September 2026
<a href="#">IPSAS 51, Tangible Natural Resources Held for Conservation</a>	✓	✓	✓	✓	✓	✓	December 2025
<a href="#">Presentation of Financial Statements</a>	✓	ONGOING					December 2028
<a href="#">Climate-related Disclosures</a> —IPSASB SRS 1, <i>Climate- related Disclosures</i>	✓	N/A	✓	✓	✓	✓	December 2025
<a href="#">Climate-related Disclosures</a> —Public Policy Outcomes	✓	N/A	✓	✓	ONGOING		December 2026
<a href="#">Making Materiality Judgments—IPSAS Practice Statement</a>	✓	N/A	✓	ONGOING			March 2027
<a href="#">Strengthening Linkages Between IPSAS Standards and the GFSM</a>	✓	N/A	✓	ONGOING			December 2026
<a href="#">Improvements to IPSAS Accounting Standards - Volume 10</a>	N/A	N/A	✓	ONGOING			September 2026
<i>Definition of an Operation and Recognition of Acquired Liabilities and Contingent Liabilities</i> (Amendments to IPSAS 40)	N/A	N/A	✓	ONGOING			September 2026

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

### Overview of Due Process steps:

- A. Project Commencement**—due process step complete when the project proposal (project brief) is approved.
- B. Development of Standard**—due process step complete when exposure draft approved for public exposure.
- C. Public Exposure**—due process step complete when exposure draft comment period ends and comments received publicly posted on IPSASB website.
- D. Consideration of Exposure Comments**—due process step complete when significant issues raised on exposure have been deliberated by IPSASB.
- E. Approval**—due process step complete after board approval of final standard, considered the need for re-exposure, agreed the basis for conclusions and set an effective date for the standard.

## Strengthening Linkages Between IPSAS Standards and the GFSM—December 2025 Report Back

### December 2025 CAG Discussions

1. Extracts from the draft minutes of the December 2025 CAG and how the IPSASB has responded to the Representatives' and Observers' comments are included in the table below.

Representatives' and Observers' Comments	IPSASB Staff Response
<b>December 2025 CAG Meeting Comments</b>	
<p>IPSASB Principal, João Fonseca, introduced this session by providing CAG members with a project overview, highlighting its link to the IPSASB's 2024-2028 Strategy and Work Program, and the phased approach for the project. He noted several important considerations for the project, including: accounting data based on IPSAS Standards helps improve the data for statistical purposes where recognition and measurement alignment exists, and any presentation differences (where recognition and measurement requirements are aligned) does not prevent using the underlying accounting data for statistical reporting purposes.</p> <p>Mr. Fonseca asked CAG members to consider the following question:</p> <ul style="list-style-type: none"> <li>• What aspects of the Project does the CAG believe need to be focused on in communicating the Project benefits to the accounting and statistical communities?</li> </ul>	
The CAG members commented as follows:	
<ol style="list-style-type: none"> <li>1. Ms. Colignon asked about the expected differences between the upcoming 2027 Government Finance Statistics Manual (GFSM) and the System of National Accounts (SNA), and whether the differences are primarily in recognition or presentation requirements, for consideration in the next phase of this project.</li> </ol>	<p>Mr. Fonseca responded that the IMF set up two different sets of research projects: the first set focuses on consequential amendments to maintain alignment between GFSM and SNA, while the second set may entail some recognition and measurement differences that may impact our assessed alignment with the IPSAS Standards. For example, the IMF may consider bringing provisions guidance consistent with the requirements on provisions in IPSAS Standards into GFSM, resulting in differences from SNA 2025, which currently has limited guidance on provisions. However, the proposals on changes to GFSM are not yet agreed, and require a consultation process before changes to the GFSM.</p>

## Agenda Item 4.2.1

<p>2. Ms. Stachniak highlighted that clearer guidance on where the statistical framework differs from IPSAS Standards would greatly assist jurisdictions' planning reforms, particularly in designing integrated data-gathering systems that support financial, statistical, and budgetary reporting from a single reliable source. She recommended that the project's communications underline the value of designing automated and coordinated data systems, based on accounting principles, to ensure reliable, consistent data supports efficient reporting needs.</p>	<p>Noted. The <a href="#">At-a-Glance</a> and <a href="#">Webcast</a> on <a href="#">Exposure Draft 94, <i>Linkages Between IPSAS Standards and the Government Finance Statistics Manual 2014 (Amendments to IPSAS 22)</i></a> highlight Ms. Stachniak's recommendations.</p>
--	---

## Agenda Item 4.2.1

<p>3. Ms. Attia noted that this project is central to the IPSASB's future vision, supporting the growing need for integrated statistical dashboards and improved transparency, and enabling governments to use IPSAS-based financial information for macroeconomic analysis and performance monitoring, and reduce duplication across reporting frameworks. She suggested the IPSASB communicate the benefits in relation to the entity's accounting:</p> <ul style="list-style-type: none"> <li>(a) Entities that have fully adopted IPSAS Standards and also prepare GFSM-based reports, and have therefore already mapped and configured their data systems for both requirements, can benefit immediately from the proposed comparison tables and IPSAS 22, <i>Disclosure of Financial Information about the General Government Sector</i> for performance-based budgeting and integrated financial–performance reporting; and</li> <li>(b) Entities that have not, or only partially, adopted IPSAS Standards and GFSM requirements can use the proposed guidance as a structured roadmap to improve data quality, align presentation, and map IPSAS Standards classifications to GFSM categories.</li> </ul>	<p>Noted. The <a href="#">At-a-Glance</a> on <a href="#">Exposure Draft 94, <i>Linkages Between IPSAS Standards and the Government Finance Statistics Manual 2014 (Amendments to IPSAS 22)</i></a>, highlight Ms. Attia's recommendation.</p>
<p>4. Ms. Attia also encouraged the IPSASB to stress the importance of ensuring financial systems can generate outputs in both IPSAS Standards and GFSM formats to facilitate smoother reform and broader adoption.</p>	<p>Noted. The <a href="#">At-a-Glance</a> on <a href="#">Exposure Draft 94, <i>Linkages Between IPSAS Standards and the Government Finance Statistics Manual 2014 (Amendments to IPSAS 22)</i></a> highlight Ms. Attia recommendation.</p>

## Agenda Item 4.2.1

<p>5. Mr. Winrow advised the IPSASB to highlight the importance and value of having high-quality information subject to external audit. Financial data that are prepared consistently in accordance with IPSAS Standards and subject to external audit provide the most reliable and clear information for statistical purposes. He referenced a recent example from the UK, where the whole-of-government accounts received a disclaimer of opinion due to audit issues in local entities, to illustrate the consequences of unreliable underlying information.</p>	<p>Noted. The <a href="#">At-a-Glance</a> on <a href="#">Exposure Draft 94, Linkages Between IPSAS Standards and the Government Finance Statistics Manual 2014 (Amendments to IPSAS 22)</a> and the history of the project in the Request for Comments page of <a href="#">Exposure Draft 94, Linkages Between IPSAS Standards and the Government Finance Statistics Manual 2014 (Amendments to IPSAS 22)</a> highlight Mr. Winrow recommendation.</p>
<p>6. Mr. Braham encouraged continued dialogue in this area, and advised the IPSASB to communicate the benefits of this project in relation to the reporting community:</p> <ul style="list-style-type: none"> <li>(a) For the statistical community, greater alignment between IPSAS Standards and statistical standards would enable statisticians to access real-time and disaggregated information, enhancing the quality and timeliness of their analyses. This would be useful for the reporting of transfers, where transfers are recognized when they are created or transformed rather than when paid under the statistical reporting framework.</li> <li>(b) For preparers, improved alignment would reduce the need for dual tracking and reconciliations and alleviate some of the operational challenges preparers presently face. In current practice, many preparers are required to maintain reconciliations between accounting and statistical systems, a process that is both burdensome and complex.</li> </ul>	<p>Noted. At the May 2026 meeting of the Government Finance Statistics Advisory Committee Mr. Fonseca presented <a href="#">Exposure Draft 94, Linkages Between IPSAS Standards and the Government Finance Statistics Manual 2014 (Amendments to IPSAS 22)</a> highlighting Mr. Braham recommendation in (a).</p> <p>The <a href="#">At-a-Glance</a> on <a href="#">Exposure Draft 94, Linkages Between IPSAS Standards and the Government Finance Statistics Manual 2014 (Amendments to IPSAS 22)</a> and the history of the project in the Request for Comments page of <a href="#">Exposure Draft 94, Linkages Between IPSAS Standards and the Government Finance Statistics Manual 2014 (Amendments to IPSAS 22)</a> highlight Mr. Braham recommendation in (b).</p>

## Agenda Item 4.2.1

<p>7. Ms. Raboy noted that the proposed comparison tables are incredibly valuable and will benefit both the accounting and statistical communities. She encouraged the IPSASB to highlight the information in financial statements that is audited and prepared on an accrual basis are reliable for statistical reporting purposes. Using the same set of high-quality underlying data for multiple reporting purposes enhances transparency and completeness, and provides potential operational benefits (such as efficiency gains, reduced duplication) and a common reference for improved dialogue across the accounting, statistical, and economic communities. Beyond the benefits, Ms. Raboy also urged the IPSASB to clearly articulate differences in the reporting boundaries between IPSAS Standards and GFSM frameworks, as some transactions are reported under one framework but not the other.</p>	<p>Noted. The proposed non-authoritative guidance in <a href="#"><i>Exposure Draft 94, Linkages Between IPSAS Standards and the Government Finance Statistics Manual 2014 (Amendments to IPSAS 22)</i></a> highlight the differences between IPSAS Standards and GFSM frameworks recommended by Ms. Raboy.</p> <p>The history of the project in the Request for Comments page of <a href="#"><i>Exposure Draft 94, Linkages Between IPSAS Standards and the Government Finance Statistics Manual 2014 (Amendments to IPSAS 22)</i></a> highlight Ms. Raboy recommendation related to the information in financial statements that is audited and prepared on an accrual basis are reliable for statistical reporting purposes.</p>
---	--

## Agenda Item 4.2.1

<p>8. Mr. Williamson welcomed the project and emphasized that, in practice, alignment challenges often arise at the chart of accounts level, which forms the foundation of both accounting and statistical reporting systems. The IMF and World Bank frequently encourages entities to develop a "GFSM-compliant" chart of accounts. Mr. Williamson asked for clarity on the IPSASB's perspective on chart-of-accounts design.</p>	<p>Mr. Smith responded that this project supports the broader public financial reform agenda, which is an important part of our Strategy and Work program, by helping jurisdictions unlock the full value of accrual information and by encouraging closer collaboration across communities. He reflected that the project builds on more than a decade of collaboration between the statistical community and the IPSASB, including early mapping of similarities and differences and a Consultation Paper in 2012. Furthermore, the IPSASB is engaged with the SNA update process to reflect the broader landscape of statistical classifications. Mr. Smith noted that each jurisdiction can determine how to set up their own chart of accounts, what to map to, and at what level of detail, to address their specific reporting needs. Some practical tools already exist, such as the PULSAR program's example chart of accounts, which demonstrate how IPSAS Standards and statistical reporting requirements can be mapped within a unified chart of accounts structure.</p>
<p>9. Mr. Johri acknowledged that full reconciliation between IPSAS Standards and GFSM have notable benefits and give credibility of both frameworks, but is difficult to achieve because the capture of data is driven by its intended use for decision-making, which differs between accounting and statistical reporting. Furthermore, their underlying recognition and measurement requirements also differ. He emphasized that the first and most important step is to identify and clearly explain why differences exist, to show why both are credible information sources. Once these differences are well articulated, jurisdictions can then consider how to build toward closer alignment over time.</p>	<p>Mr. Smith responded that the project does not aim for full reconciliation between IPSAS Standards and GFSM. The Task Force decided to focus on areas of alignment between the two frameworks, where IPSAS Standards-based accounting data can directly strengthen statistical reporting. He noted that IPSASB continues to maintain and regularly publish an IPSAS Standards-GFSM Alignment Dashboard, and the new or updated comparison tables proposed in this project will further highlight similarities and differences arising from the different nature of the two reporting frameworks. While complete alignment is not achievable, significant IPSAS Standards-based accounting data is already useful for statistical purposes, and better use and integration of this data will support an entity's robust and efficient GFSM reporting.</p>

## Agenda Item 4.2.1

<p>10. Ms. Zhou, on behalf of Ms. Sanz Redrado, underscored the importance of this alignment project, for both the accounting and statistical communities. Maintaining the link to GFSM is particularly important in Europe, where GFSM figures drive fiscal policy and countries are increasingly using IPSAS-based accounting standards. Ms. Sanz Redrado emphasized that this work is particularly useful for preparers of public accounts, who regularly support statisticians' data needs, and for the statistical community, which often faces challenges in sourcing and interpreting accounting data. She highlighted the need for strong and clear communication for both communities and recommends the IPSASB use its existing outreach channels, alongside potential partners such as the World Bank, OECD, the IMF's GFS Advisory Group, and the EU's EPSAS network. Lastly, Ms. Sanz Redrado suggested producing a joint explanatory video featuring both a public accountant and a statistician could help with the narrative across communities.</p>	<p>Noted. At the May 2026 meeting of the Government Finance Statistics Advisory Committee Mr. Fonseca presented <a href="#">Exposure Draft 94, Linkages Between IPSAS Standards and the Government Finance Statistics Manual 2014 (Amendments to IPSAS 22)</a> highlighting Ms. Redrado recommendation related to collaboration with partners.</p> <p>The <a href="#">Webcast</a> on <a href="#">Exposure Draft 94, Linkages Between IPSAS Standards and the Government Finance Statistics Manual 2014 (Amendments to IPSAS 22)</a> highlight Ms. Redrado recommendation related to the joint explanatory video featuring both a public accountant and a statistician.</p>
<p>11. Ms. Zhou, on behalf of Mr. Simpson, shared similar views to those expressed by Ms. Sanz Redrado and other CAG members. He commended the IPSASB for its good work promoting the benefits from the perspective of the accounting community but noted that the messaging is less visible or strong from the statistical community. He encouraged opportunities to create stronger two-way communication and recommended bringing the IMF more prominently into the dialogue to help reinforce and broaden the narrative around the project's value.</p>	<p>Noted. At the May 2026 meeting of the Government Finance Statistics Advisory Committee Mr. Fonseca presented <a href="#">Exposure Draft 94, Linkages Between IPSAS Standards and the Government Finance Statistics Manual 2014 (Amendments to IPSAS 22)</a> highlighting Mr. Simpson recommendation related to bringing the IMF more prominently into the dialogue with IPSASB.</p>

## Agenda Item 4.2.1

12. Ms. Colignon advised the IPSASB to consider developing other supporting guidance, such as a staff document, that could help statisticians easily identify what is different from IPSAS Standards (versus not different), so they can focus their work on investigating and sourcing relevant data for the differences.	Noted. In February 2026, it was published an <a href="#">IPSASB Staff Q&amp;A on Accounting for Contingencies and Financial Guarantees</a> highlighting Ms. Colignon recommendation related to differences between IPSAS Standards and GFSM 2014 on this specific topic.
--	--

### Matters for CAG Consideration

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

## Helping Practical Application of Materiality in the Public Sector—December 2025 Report Back

### December 2025 CAG Discussions

1. Extracts from the draft minutes of the December 2025 CAG and how the IPSASB has responded to the Representatives' and Observers' comments are included in the table below.

Representatives' and Observers' Comments	IPSASB Staff Response
<b>December 2025 CAG Meeting Comments</b>	
<p>IPSASB Principal, Agustina Llambi, and IPSASB Manager, Karen Leung, presented a summary of the IPSASB's <i>Making Materiality Judgments</i> narrow-scope project, with an overview of the non-authoritative guidance that will be adapted for the public sector (IFRS® <i>Practice Statement 2: Making Materiality Judgements</i> (Practice Statement 2) and ISSB education material, <i>Sustainability-related risks and opportunities, and the disclosure of material information</i>).</p> <p>Ms. Llambi and Ms. Leung asked CAG members to consider the following questions:</p> <ul style="list-style-type: none"> <li>• Question 1 (Financial Reporting) – From your perspective/the perspective of your jurisdiction, please share examples of specific IPSAS Standards principles where entities have difficulty applying the concept of materiality when preparing financial statements, such as the identification of primary users; primary users' information needs; and recognition and measurement requirements in IPSAS Standards.</li> <li>• Question 2 (Sustainability Reporting) – Drawing on your experience/experience in your jurisdiction, do CAG members have examples of how materiality is currently applied in the context of sustainability-related financial disclosures? From your perspective, what insights could help inform the IPSASB in developing guidance for the public sector?</li> </ul>	
The CAG members commented on Question 1 as follows:	
Mr. Smith Mansilla supported the development of public-sector guidance aligned with Practice Statement 2 and recommended adding an example to help jurisdictions assess when budget over-execution becomes material, drawing on both quantitative and qualitative factors.	Noted by the IPSASB staff. The application of how to make materiality judgements in the context of budgeting is outside the scope of the project which is limited to the development of guidance on making materiality judgments when preparing financial statements in accordance with IPSAS Accounting Standards.

## Agenda Item 4.2.2

<p>2. Ms. Attia noted that the updated materiality definition shifts focus from quantitative thresholds to considering user needs and the qualitative importance of information. She provided two examples in her jurisdiction that are quantitatively immaterial but are qualitatively material: small grants for social programs, and pilot infrastructure expenses for testing heat-resistant asphalt. She encouraged the IPSASB to incorporate such qualitative-focused examples to better guide public sector entities in applying materiality.</p>	<p>Noted by the IPSASB staff. (draft) ED XX, IPSAS Practice Statement: <i>Making Materiality Judgments</i> includes the examples which are qualitatively focused, such as:</p> <ul style="list-style-type: none"> <li>• Example B—Qualitative Materiality Judgments on the Application of Accounting Policies</li> <li>• Example E—Materiality Judgments on Presentation Specified by IPSAS Standards</li> </ul>
<p>3. Mr. Winrow suggested that the guidance discuss the types of decisions made by primary users, particularly the general public, in the public-sector. He advised the IPSASB to add an example that illustrates the potential information needs of different primary users, and that financial statement disclosure identifies the intended recipients. Additionally, he observed that public sector financial statements often contain extensive immaterial information on recognition and measurement, and advised that the guidance further address how entities should remove immaterial information to enhance understandability.</p>	<p>Noted by the IPSASB staff. (Draft) ED XX, IPSAS Practice Statement: <i>Making Materiality Judgments</i> includes:</p> <ul style="list-style-type: none"> <li>• Type of decisions primary users make based on financial statements;</li> <li>• Examples that illustrate primary users information needs; and</li> <li>• Guidance and examples, consistent with the definition of material, noting that material information should not be obscured by immaterial information. For example, it includes a Four-Step Materiality Process that offers an efficient and effective way to make materiality judgments.</li> </ul>

<p>4. Mr. Braham acknowledged that primary users in the public sector can include a broad range of users, which may result in excessive disclosures that reduce the overall relevance of information. He emphasized the need for preparers to explicitly consider the entities' governance structure, oversight bodies, and context at both the consolidated and local levels when identifying their primary users. He encouraged the IPSASB to develop guidance that promotes the exercise of judgment. In addition, Mr. Braham encouraged the IPSASB to explore the reverse perspective, clarifying what is <i>immaterial</i>, to help entities reduce unnecessary disclosures.</p>	<p>See response to comment 3 above.</p>
<p>5. Ms. Stachniak emphasized that primary users are not a homogeneous group, and identifying their common information needs can be difficult as their different interests may affect their relative materiality assessments. She noted that qualitative factors can be especially important in the public sector. For example, a small-value grant to a politically sensitive institution might need disclosure due to its public significance. She also encouraged the IPSASB to consider the following:</p> <p>Tensions exist between the "checkbox" compliance mentality and the obligation to provide faithfully representative information. For example, where entities act as agents in significant government programs, relevant disclosures can help primary users understand the entity's role even if these programs don't generate recognized assets.</p> <p>The assessment of materiality can be expected to differ at each level of government, posing challenges in consolidating and aggregating information.</p>	<p>See response to comment 3 above.</p>

<p>6. Mr. Close reaffirmed the aforementioned materiality challenges observed by fellow CAG members. Materiality assessments often diverge between levels: at the individual entity versus whole-of-government consolidated level, and at an individual asset versus asset class level. He concurred that public interest considerations may render financially immaterial items material. He encouraged the IPSASB to consider how to strike the right balance when developing this guidance to avoid over-disclosure and under-disclosure, and to leverage existing work to simplify the language and volume of disclosures.</p>	<p>See response to comment 3 above.</p>
<p>7. Ms. Buljubasic noted that because many public-sector entities do not clearly distinguish primary users from the general public, materiality assessments often focus on formal regulatory compliance rather than the information needs of primary users. Therefore, guidance to better help entities identify primary users and their information needs would be valuable. Ms. Buljubasic highlighted challenges in applying recognition and measurement requirements, and recommended the IPSASB include practical examples in its guidance illustrating how to apply judgment in making materiality assessments, as well as both good-practice and poor-practice examples to support consistent application.</p>	<p>Mr. Smith emphasized that although the IPSASB's materiality guidance is now aligned with the private sector, the project aims to adapt IFRS Practice Statement 2 for the public sector rather than removing the need for professional judgment. He highlighted that no guidance at the international level can fully address the complex, context-specific issues raised by some CAG members. He emphasized that entities must continue to exercise judgment in identifying their primary users, understanding their information needs, and applying both quantitative and qualitative considerations of materiality. This applies across reporting levels, whether preparing single-entity or consolidated financial statements, and may require entities to establish multiple materiality thresholds depending on the reporting boundary.</p>
<p>8. Mr. Araya Zúñiga noted that in Costa Rica, materiality is linked to service potential rather than the generation of economic benefits. As such, qualitative, rather than quantitative, factors are often more relevant when applying the concept of materiality.</p>	<p>See response to comment 3 above.</p>

<p>9. Mr. Melo highlighted that materiality in the public sector must consider the diversity of primary users and the multiple levels at which materiality assessments happen: the entity level, the line-ministry level, and the whole-of-government level (with analogous layers for municipalities and regions). He highlighted that various users and contexts require different materiality approaches, making the development of guidance challenging.</p>	<p>See response to comment 7 above.</p>
<p>10. Mr. Johri stressed that materiality is a granular, entity-specific concept that cannot be uniformly generalized across sectors or industries; rather, it varies with organizational size, nature, and activities. He suggested that the guidance focus on broad principles rather than prescriptive rules, allowing entities appropriate flexibility to apply judgment. He noted that some disclosures are required irrespective of materiality due to legal, regulatory, or compliance obligations, and that non-compliance itself may become material.</p>	<p>See response to comment 7 above.</p>
<p>11. Ms. Zhou, on behalf of Ms. Sanz Redrado, conveyed a European Commission example involving IPSAS 43, <i>Leases</i>. When the Commission raised its general fixed-asset capitalization threshold, stakeholders questioned whether the low-value lease threshold still applied. She suggested clarifying that the low-value exemption does not override an entity's general capitalization threshold.</p>	<p>Noted by the IPSASB staff. (draft) ED XX, IPSAS Practice Statement: <i>Making Materiality Judgments</i> includes examples A and B on capitalization thresholds.</p>
<p>The CAG members commented on Question 2 as follows:</p>	
<p>12. Ms. Attia noted that confidentiality is a major concern in her jurisdiction and advised that materiality guidance should allow qualitative or aggregated disclosures to avoid revealing sensitive project or technology information.</p>	<p>This point was noted by IPSASB staff and will be considered in the development of Phase 3 of the Making Materiality Judgments project.</p>

<p>13. Ms. Stachniak observed that sustainability reporting materiality differs from financial reporting materiality because entities must first determine which ESG impacts, risks, and opportunities are material, particularly under the EU's double-materiality approach.</p>	<p>See response to Comment 12 above.</p>
<p>14. Mr. Araya Zúñiga explained that Costa Rica often supplements IFRS concepts with other frameworks, like Global Reporting Initiative (GRI), to capture public institutions' external impacts in its sustainability materiality assessments.</p>	<p>The IPSASB has developed its materiality guidance for sustainability based on existing guidance in its conceptual framework. As part of the development of materiality for sustainability reporting, the IPSASB did consider other guidance, including GRI. However, the IPSASB concluded its materiality concept was most appropriate for guidance that applies to information in General Purpose Financial Reports.</p>
<p>15. Mr. Melo reported that Portugal approaches sustainability materiality similarly to audit materiality, combining financial magnitude with climate or SDG impact. The assessment remains heavily influenced by auditors, with double-materiality assessments still emerging. Mr. Melo added that legal requirements for climate data in Portugal are prompting auditors to drive double-materiality assessments, underscoring the influence of the regulatory environment.</p>	<p>See response to Comment 14 above.</p>
<p>16. Mr. Winrow commented that sustainability reporting risks excessive detail driven by stakeholders beyond primary users and suggested that guidance should help entities narrow disclosures. He also questioned the sequencing of guidance for own operations versus public policy programs.</p>	<p>See response to Comment 12 above.</p>

17. Ms. Hall noted that through its materiality studies, the Asian Development Bank identified that the materiality assessment can become complex due to diverse stakeholder views and tend to focus narrowly on topics covered by current standards.	See response to Comment 12 above.
18. Ms. Colignon added that ISO-based criteria used in her jurisdiction, particularly for indirect emissions, may help inform materiality guidance, and stressed the need to clearly distinguish different uses of materiality, especially given European Sustainability Reporting Standards (ESRS) developments.	Mr. Smith clarified that IPSASB guidance will be based solely on the IPSASB's materiality concepts, as it cannot address all jurisdiction-specific legal frameworks, leaving that role to national standard setters. See also response to Comment 12 above.

**Matters for CAG Consideration**

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