

Date: May 03, 2026

Mr. Ross Smith  
Program and Technical Director,  
International Public Sector Accounting Standards Board  
International Federation of Accountants  
70 York Street, Suite 710  
Toronto, ON M5J 1S9  
Canada

RE: Comments on IPSASB 2025 Work Program Consultation

Dear Mr. Smith,

We appreciate the opportunity to provide comments on the IPSASB 2025 Work Program Consultation. We have consulted with our stakeholders on this matter and are pleased to attach our responses to the specific questions raised in the Consultation as Appendix 1.

Should you have any queries concerning the matters in this submission, or wish to discuss them in further detail, please contact Mr. Abdullah Alhomaïda via email at:

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Yours sincerely,

Abdullah Al Mehthil  
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## Appendix 1 – Comments on IPSASB 2025 Work Program Consultation

### *SMC 1: Which financial reporting projects should the IPSASB prioritize?*

#### **Administered (or Non-Departmental) Items**

Administered (or Non-Departmental) Items	
<p>The IPSASB’s literature provides guidance on recognition criteria and the concept of control for the purpose of reporting assets, liabilities, revenue, and expenses within an entity’s own financial statements, ensuring that reported information faithfully represents the reporting entity’s own resources and obligations. However, this framework does not extend to establishing requirements for the identification and reporting of administered/non-departmental items—i.e., resources managed by or held in custody by an entity on behalf of government or another entity, but not controlled by it. In practice, some jurisdictions have developed their own rules or conventions to address this gap, while others have not, leading to diversity in reporting practices and potential inconsistencies in transparency and accountability. Developing IPSASB guidance on administered/non-departmental items would enhance comparability and completeness of public sector reporting and would be consistent with the objectives of financial reporting in the Conceptual Framework, particularly in supporting accountability and decision-making by providing relevant information on all resources and obligations entrusted to public sector entities, whether controlled/incurred or administered.</p> <p>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).</p>	
Prioritization Criteria	Analysis
<b>Prevalence</b>	<p><b>High</b></p> <p>Administered/non-departmental items are common across public sector entities globally, particularly in service delivery, tax collection, social benefit distribution, and custodial arrangements. The absence of IPSAS guidance has resulted in diverse practices ranging from producing a second set of financial statements, to providing note disclosures/schedules in the entity’s own financial statements, to publishing no pertinent information at all.</p>
<b>Consequences</b>	<p><b>High</b></p> <p>The lack of consistent reporting impairs transparency and accountability, as significant resources and obligations managed by reporting entities may not be visible in own financial reports of</p>



	individual entities. This reduces the usefulness of financial reporting for users assessing stewardship and decision-making at the individual entity-level.
<b>Urgency</b>	<b>High</b> While not a newly emerging issue, increasing emphasis on transparency, governance, and alignment with conceptual reporting objectives has elevated its importance. Some jurisdictions have already addressed the issue, while many have not, creating a need for consistency across jurisdictions and entities.
<b>Feasibility</b>	<b>High</b> The project is achievable within a reasonable timeframe, as it can leverage the existing guidance in the Conceptual Framework and IPSAS Standards (especially control, reporting entity and financial statement element concepts and standard level guidance on control and principal vs agent), establish reporting requirements by reference to existing IPSAS Standards, and draw on established jurisdictional practices while ensuring consistency with IPSAS Standards.

### ***Common Control Transfers***

#### **Common Control Transfers**

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. In some jurisdictions, these assets are required to be carried at historical cost, and the transfers do not have economic substance from the perspective of the government as a whole, given that control over the assets remains within the same reporting boundary. However, IPSAS Standards generally require assets acquired through non-exchange transactions to be initially measured at current value, which if applied in these situations would raise questions about relevance, faithful representation, and cost-usefulness. The project would clarify whether carrying amount is appropriate in such circumstances, potentially by adding authoritative or non-authoritative guidance. The project would aim to ensure consistency with the Conceptual Framework and IPSAS Standards, particularly regarding measurement objectives and the substance of transactions under common control.

In addition, while IPSAS 1 establishes general presentation and disclosure requirements for the statement of changes in Net Assets/Equity, and IPSAS 40 addresses the accounting for amalgamations from the perspective of the resulting entity, IPSAS Standards currently do not offer specific guidance for reporting on transfers of operations by a transferor, which has led to



diversity in practice. Therefore, the project would also aim to fill this gap by introducing guidance into the relevant IPSAS Standard(s).

Prioritization Criteria	Analysis
<b>Prevalence</b>	<b>Medium–High</b> Transfers of assets within government is common. While not all jurisdictions mandate historical cost, the issue arises frequently enough to indicate a broadly relevant implementation challenge.
<b>Consequences</b>	<b>High</b> The lack of clarity leads to inconsistent application of IPSAS requirements, with some entities applying current value and others applying carrying amounts based on jurisdictional policies or interpretations of IPSAS requirements. This inconsistency affects comparability and may result in information that is not cost-beneficial and does not faithfully represent the economic substance of transactions, particularly where no real economic gain or loss arises at the whole-of-government level.
<b>Urgency</b>	<b>Medium</b> The issue is not new but remains unresolved and continues to create practical challenges in jurisdictions applying IPSAS. There is an elevated need for clarification, though it may not be very urgent compared to other issues, as IPSAS Standards can be interpreted under IPSAS 3 to allow using either approach, current value or carrying amount, whichever aligns best with measurement objectives, QCs and constraints on financial information.
<b>Feasibility</b>	<b>High</b> A solution is feasible within a reasonable timeframe, as the issue is relatively well-defined and could be addressed through targeted amendments or guidance. The IPSASB can leverage existing concepts such as economic substance/faithful representation, measurement objectives, measurement bases, QCs and constraints on financial information as well as analogies from IPSAS and IFRS literature on common control transactions.

### ***Interim Financial Reporting***

Interim Financial Reporting
This project would adapt the principles in IAS 34 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. More frequent reporting would provide users with better insight into financial performance and position throughout the year, strengthen fiscal monitoring, and reduce overreliance on budget execution reports, which may not fully reflect accrual-based outcomes. The project could consider current jurisdictional interim reporting practices and leverage existing IAS 34 principles while adapting them for the public sector.

Prioritization Criteria	Analysis
<p><b>Prevalence</b></p>	<p><b>Medium</b></p> <p>While annual reporting is globally required, interim financial reporting is not consistently mandated across public sector jurisdictions. However, several governments already produce interim reports, indicating a need for a global benchmark to guide consistent interim reporting in the public sector.</p>
<p><b>Consequences</b></p>	<p><b>Medium–High</b></p> <p>While interim financial statements are either required by regulation or produced by choice, the absence of standardized interim reporting guidance in IPSASB's literature could signal that interim reporting is not at all necessary and as such could result in public sector entities forgoing improving the timeliness of financial information available to users. This can weaken accountability and decision-making during the reporting period. Adapting IAS 34 into IPSAS Standards would on the other hand encourage more frequent reporting and improve comparability and the usefulness of interim information.</p>
<p><b>Urgency</b></p>	<p><b>Medium</b></p> <p>There is increasing demand for timely financial information, particularly considering international transparency frameworks, public accountability expectations, and digital reporting capabilities. However, this is more of a strategic improvement than a response to a critical gap, as in the meantime IAS 34 can be applied by analogy based on the framework for developing accounting policies in IPSAS 3.</p>
<p><b>Feasibility</b></p>	<p><b>High</b></p> <p>The project is highly feasible because it can leverage the established principles in IAS 34, reducing the need for developing entirely new principles. Adaptation to public sector specifics, including considering relevant jurisdictional adaptations and achieving coherence with IPSAS literature, would be required but manageable within a reasonable timeframe.</p>



### **Alignment with the current version of IAS 24, Related Party Disclosures**

#### Alignment with the current version of IAS 24, Related Party Disclosures

IPSAS 20 is based on an older version of IAS 24 *Related Party Disclosures*, which has since been amended. These amendments include enhancing the definition of “related party” and revising disclosure requirements. The current IAS 24’s definition of “related party” is more elaborate and adds the following as related parties compared to IPSAS 20, making it better aligned with later IPSAS Standards:

- A joint venture or joint venturer of the reporting entity
- An entity that is subject to common joint control with the reporting entity
- An entity providing key management personnel to the reporting entity
- A post-employment benefit plan for the benefit of the reporting entity’s employees
- Sponsoring employers if the reporting entity itself is a post-employment benefit plan

The disclosure requirements for amounts and balances of related party transactions are more specific in the current version of IAS 24. Related party transactions, outstanding balances, and related doubtful debt provisions and expenses must be disclosed as monetary amounts. Disclosures must be also presented by specified categories of related parties.

Also, constituents have highlighted issues indicating that IPSAS 20 is not being implemented as intended due to procedural gaps and/or established or perceived privacy and sensitivity norms. These could be addressed by adding implementation guidance outlining examples of the processes needed for identifying related parties and collecting information on related party transactions, and highlighting areas where legislative changes could be needed to support the proper implementation of the Standard.

This project would update IPSAS 20 to align with the current version of IAS 24, reflecting developments in the definition of related parties and strengthening disclosure requirements. This would expand the scope of related parties to include other relationships, thereby improving consistency with both IFRS Accounting Standards and other IPSAS Standards and enhancing conceptual coherence. In addition, the project would result in more structured and more specific disclosures. Overall, the update would improve transparency and comparability in the public sector reporting between the public and private sector by ensuring that material related party relationships and transactions are clearly and consistently disclosed. In addition, the project would address implementation challenges raised by constituents by developing non-authoritative guidance, potentially including examples of processes for identifying related parties and collecting relevant information, and highlighting where legislative changes may be needed to support compliance with the Standard.

**Prioritization Criteria**

**Analysis**



<b>Prevalence</b>	<b>High</b> Related party relationships are pervasive in the public sector. The gap between IPSAS 20 and the current IAS 24, and impediments to disclosure arising from inadequate information gathering procedures and from established or perceived privacy and sensitivity norms, affect a wide range of entities applying IPSAS.
<b>Consequences</b>	<b>High</b> Outdated definitions and less specific disclosure requirements reduce the transparency of related party relationships and transactions as well as comparability across jurisdictions, reporting entities and between the public and private sectors. Also, impediments to disclosure result in partial or non-compliance with the Standard, particularly so in jurisdictions newly adopting IPSAS Standards.
<b>Urgency</b>	<b>High</b> There is increasing pressure to ensure consistency with modern reporting expectations, particularly regarding governance and transparency.
<b>Feasibility</b>	<b>High</b> The project is highly feasible, as it can leverage the updates in IAS 24 and good practices underpinning implementation in jurisdictions with high levels of compliance with their IAS 24/IPSAS 20 based Standard.

***SMC 2: Which IPSAS Standards do you think are the highest priority for the IPSASB to undertake a post implementation review (PIRs)?***

The following IPSAS Standards address important public sector-specific issues and should be prioritized for post-implementation reviews, particularly to explore whether the challenges identified indicate any areas for improvement in IPSAS literature:

***IPSAS 45, Property, Plant, and Equipment & IPSAS 46, Measurement***

Challenges in identifying the appropriate unit of account for and measuring specialized assets such as infrastructure assets and heritage assets

***IPSAS 19, Provisions, Contingent Liabilities, and Contingent Assets, IPSAS 42, Social Benefits, and IPSAS 48, Transfer Expenses***

- 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
- Challenges in determining which Standard is applicable—IPSAS 19, *Collective and Individual Services* or IPSAS 48, *Transfer Expenses*—in situations such as government subsidization of certain goods and services (e.g., private housing and energy-efficient appliances) for eligible households



### **IPSAS 32, *Service Concession Arrangements: Grantor***

- 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)

### **IPSAS 41, *Financial Instruments* & IPSAS 28, *Financial Instruments: Presentation***

- 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 (e.g., subordinated perpetual financing provided as bailout to companies in strategic industries, shares in non-profit companies and membership shares in international or multilateral organizations to support service delivery and/or development objectives), 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

### **IPSAS 18, *Segment Reporting***

This IPSAS is often overlooked in practice particularly in jurisdictions where public sector entities do not publish their financial statements. The IPSASB should consider (i) challenges in applying the segmentation principles in IPSAS 18 where internal management reporting is not aligned with those principles, (ii) other reasons discouraging entities from implementing the Standard, and (iii) whether these issues indicate any areas for improvement—including through alignment with IFRS 8, *Operating Segments*.

### **IPSAS 47, *Revenue***

- Challenges in determining the substance of revenue transactions arising from licensing activities under IPSAS Standards as several arrangements with different economic substances may take the form of a license or permit in the public sector. This contrasts with GFSM 2014 which provides specific guidance under the following tabs on how to classify and account for such transactions: Administrative fees (1422); Taxes on use of goods and on permission to use goods or perform activities (1145); Licenses and Permits to use a natural Resource; Permits to Undertake a Specific Activity
- Challenges in accounting for taxes, tax equivalents, and penalties

### **IPSAS 31, *Intangible Assets***

Pending the completion of the IASB's current intangible assets project, the IPSASB should consider challenges in the measurement of natural intangibles, cultural intangibles, and



internally generated intangibles held for service delivery such as software and information assets

**IPSAS 35, *Consolidated Financial Statements***

Challenges in applying the concept of control in the public sector as control relationships can be based on legislation, policy or funding rather than ownership, with several government departments overseeing government bodies and agencies closely linked to them in structure and purpose



**SMC 3: Which sustainability reporting projects should the IPSASB prioritize?**

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

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

The following outlines what a stand-alone sustainability reporting project based on RPG 3 could entail. 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.

Criteria	Analysis
<b>Prevalence</b>	<b>High</b> – 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</b>	<b>Medium</b> – 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.
<b>Urgency</b>	<b>Medium</b> – 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.



<b>Feasibility</b>	<p><b>High</b> – RPG 3 serves as a robust foundation for this potential project. The approval of the IPSASB Conceptual Framework since the development of the RPGs provides a framework to follow in development of standards for reporting in GPFRs that can be followed to guide and underpin the development of the RPG Guidelines into authoritative standards.</p> <p>Further, significant international progress has been made since the publication of RPG 3. In some jurisdictions, reporting on an entity's service performance has moved beyond early, premature stages, some of which drew from the RPG 3. For instance, New Zealand's publication of PBE FRS 48, <i>Service Performance Reporting</i>, in 2017, drew on the principles outlined in RPG 3, demonstrating the feasibility of an authoritative standard on the area.</p>
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