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# IPSASB PROPOSED WORK PROGRAM

## CONSULTATION RESPONSE



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Manj has over 30 years' experience working in public sector, focusing on implementation of accrual accounting across UK central Govt departments and the Whole of Government Accounts consolidation. She has advised several jurisdictions on implementing accrual accounting.

Manj has particular interest in supporting governments to address the practicalities of implementing IPSASs.



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International Public Sector Accounting Standards Board

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Dear IPSASB secretariat

### **Response to IPSASB Proposed Work Program**

Thank you for the opportunity to comment on the International Public Sector Accounting Standards Board Work Program.

I am writing to express my strong support for the IPSASB proposed work programme. The outlined projects represent a significant step forward in strengthening public sector financial reporting, particularly for jurisdictions transitioning to IPSAS accruals. The programme's focus on developing standards tailored to the public sector is both timely and essential, ensuring that the unique needs and challenges faced by governments are adequately addressed.

### **Detailed Commentary on Proposed Projects**

Each project in the work programme has the potential to deliver substantial benefits. The review and update of revenue and expense standards will provide clearer guidance for recognising and measuring transactions, supporting jurisdictions as they move from cash to accrual accounting. By making these easier to understand it will drive faster adoption.

The development of new standards on sustainability reporting will help public sector entities demonstrate their commitment to environmental and social responsibility, enhancing transparency and accountability. Furthermore, the project addressing public sector combinations will clarify the treatment of mergers and acquisitions, which is particularly relevant for government restructuring and service integration.

These initiatives are invaluable for transitioning jurisdictions as they offer practical frameworks and examples grounded in public sector realities. By focusing on sector-specific guidance, the IPSASB ensures that standards are not only technically robust but also operationally relevant, facilitating smoother adoption and implementation.



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## Importance of Public Sector-Specific Standards

The rationale for public sector-specific standards cannot be overstated. International accounting frameworks often fail to capture the complexities inherent in government operations, such as multi-year funding, policy-driven transactions, and stewardship of public assets. Their positive impact extends to improved decision-making and enhanced public confidence in financial reporting.

## Value of Post-Implementation Reviews

Post-implementation reviews are a critical component of the IPSASB's approach. They offer a structured mechanism for evaluating the effectiveness of standards once applied in practice. By identifying areas where guidance may be unclear or where emerging issues arise, these reviews facilitate continuous improvement and ensure that standards remain fit for purpose. They also provide valuable feedback from practitioners, contributing to more responsive and adaptive standard-setting.

## Enhancing Disclosure Requirements

Greater transparency in financial reporting is essential for public sector accountability. Enhanced disclosure regarding taxes foregone, such as tax exemptions and incentives, will allow stakeholders to better assess the fiscal impact and policy effectiveness of these measures. For instance the UK Treasury Committee report on the tax reliefs highlight the structural and non-structural reliefs and quantify the impact of taxes foregone.<sup>1</sup>

The inclusion of more detailed reporting on intangible assets—particularly digital assets—reflects the growing importance of technology in public sector operations. Accurate disclosure of digital assets, including software, data, and intellectual property, is vital for recognising their value and safeguarding public resources. Public Sector are investing significant sums in developing intangible assets but these do not fit within the current recognition requirement which does not reflect the economic reality. As identified in analysis undertaken by UK Treasury, there is significant untapped value in public sector intangible assets<sup>2</sup> - the first step is recognising these assets. All efforts to do so are to be encouraged.

## Sustainability Reporting Standards and Guidance

IPSASB has focused its sustainability reporting work program on developing public sector-specific standards that align with international frameworks (ISSB/TCFD) while

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<sup>1</sup> <https://publications.parliament.uk/pa/cm5803/cmselect/cmtreasy/723/report.html>

<sup>2</sup> <https://gott.blog.gov.uk/2021/03/24/the-untapped-value-of-intangible-assets-in-the-public-sector/>



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addressing the unique role of governments, with a phased approach to climate reporting. This was marked with the publication of SRS 1, climate related disclosures.

Further work in this area to develop supporting implementation guidance will be crucial to ensure consistent successful adoption of the standard.

## Conclusion and Recommendations

In summary, the IPSASB's work programme is commendable for its comprehensive approach and focus on public sector needs. I encourage continued emphasis on sector-specific standards, robust post-implementation reviews, and enhanced disclosure requirements, particularly in the areas of taxes foregone and intangible assets. These efforts will further strengthen public sector financial reporting and facilitate successful transitions to IPSAS accruals.

Thank you once again for the opportunity to comment on the work program.

Please do not hesitate to contact me for further information.

Yours sincerely,

Manj Kalar

Principal consultant

Kalar Consulting Ltd

4 May 2026



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## Annex 1: Detailed comments

The [2025 Work Programme Consultation](#) has set out proposed projects for its 2024–2028 strategy. The consultation categorises potential projects into three main groups:

- **Financial Reporting,**
- **Post-Implementation Reviews (PIRs),** and
- **Sustainability Reporting.**

### 1. Financial Reporting Projects

These projects focus on filling remaining gaps in public sector accounting or maintaining alignment with international commercial standards (IFRS).

#### **Disclosure of Tax Expenditures**

This Developing specific requirements for governments to report on "tax expenditures" (revenue foregone through tax exemptions or credits). This project would significantly increase fiscal transparency by revealing the "hidden" cost of policy decisions made via the tax system.

However, this may result in implementation complexity for many governments; To be successful, it would require close coordination between tax authorities and central finance departments.

#### **IFRS 17, Insurance Contracts (Adaptation)**

Adapting the private sector insurance standard for the public sector. This project would ensure consistency for public sector entities that issue insurance-like contracts (e.g., social security or export credit guarantees).

#### **Maintenance & Improvement Projects**

Updating RPG 2, Financial Statement Discussion and Analysis and projects affected by ongoing IASB work, such as Intangible Assets and Provisions.

These proposed projects would ensure IPSASB maintain the quality and relevance of existing standards; keeps IPSAS aligned with global best practices (IFRS) which has been a core objective of the IPSASB over the recent years. This is particularly helpful where jurisdictions prepare consolidated financial statements including State Owned Enterprises (SOEs) that follow IFRSs. Greater alignment reduces consolidation issues and adjustments needed.



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Also, the current project to align IPSAS with statistical reporting framework (GSFM) is most welcome. By reducing the differences between the different reporting frameworks reduces the burden on jurisdictions preparing the financial reports. Whilst differences will always remain as these reporting frameworks are designed for different purposes, all efforts to reduce the differences are supported.

## **2. Post-Implementation Reviews (PIRs)**

The proposal to formalise the process to review how standards perform after they have been in use for several years is another welcome proposal. Evaluating whether specific standards are achieving their objectives and identifying application challenges will help other jurisdictions in the process of transitioning to IPSAS. The advantage of this formalised approach is that it provides "real-world" feedback to the Board and improves standard credibility and transparency.

## **3. Sustainability Reporting Projects**

This is a major new workstream aimed at helping governments report on their impact on the climate and environment. The development and publication of SRS 1: Climate Related Disclosures is the first step.

Given the public sector impact on climate change, developing standards for Climate-Related Disclosures, particularly public policy and General Requirements for Sustainability Information are crucial to ensure urgent global needs for climate transparency. It will help governments track progress against goals like the UN SDGs.

Initially I had some reservations as to whether IPSASB should lead this work as it would require the IPSASB to build entirely new expertise and secure additional funding. Focusing on global sustainability standard-setting could take resources away from developing financial reporting standards. I am pleased to see that us these fears were unfounded with the successful publication of SRS1. Practical guidance to aid the adoption of the sustainability standards are essential to encourage greater adoption of these standards.