2019-23 Strategy and Work Plan development Headline

Ian Carruthers

IPSASB Chair

IPSASB Meeting
Washington D.C., USA
March 7, 2017
IPSASB Strategic Objective - 2015 onwards

Strengthening Public Financial Management and knowledge globally through increasing adoption of accrual-based IPSASs by:

- Developing high-quality financial reporting standards
- Developing other publications for the public sector
- Raising awareness of the IPSASs and the benefits of their adoption
Current IPSASB work programme:
Key projects 2016 - 2018

<table>
<thead>
<tr>
<th>Project</th>
<th>Public sector specific</th>
<th>IFRS convergence</th>
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<tbody>
<tr>
<td>Social Benefits</td>
<td>✓</td>
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<tr>
<td>Revenue &amp; Non-Exchange Expenditure</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Heritage</td>
<td>✓</td>
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<tr>
<td>Financial Instruments</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Leases</td>
<td></td>
<td>✓</td>
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<tr>
<td>Public Sector Measurement (starting March 2017)</td>
<td>✓</td>
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<tr>
<td>Infrastructure Assets (starting June 2017)</td>
<td>✓</td>
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<tr>
<td>Cash Basis IPSAS (limited-scope update)</td>
<td>✓</td>
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IPSASs implementation – Position in 2015

Still great diversity in current central government accounting landscape

Source: PWC Global Survey on Accounting and Reporting by Central Governments (2nd edition)
IPSASs implementation - Future plans

But the 5-year trend toward accrual accounting is clear…….

Source: PWC Global Survey on Accounting and Reporting by Central Governments (2nd edition)
PFM - a definition

‘The system by which the financial resources are planned, directed and controlled to enable and influence the efficient and effective delivery of public service goals’
Delivering Excellent Public Finance: Whole System Approach to PFM
Delivering Excellent Public Finance: 
Elements all interact

- Accrual-based information as foundation
- External Elements:
  - Legislation
  - Standards
  - Transparency
  - Scrutiny
- Internal Elements:
  - Strategy and planning
  - Budget execution
  - Performance monitoring
  - Stakeholder reporting
- Need for improvement across the system – no one initiative on its own is sufficient
- Key is to act together to make PFM effective
• Development work during 2017 (all 4 IPSASB meetings)
• Task-based group
• Input from other key stakeholders
  – PIC and CAG
  – IMF/ WB 6th March event
  – Public Sector Standard Setters Forum – 3rd/4th July
• Public consultation H1 2018 – outreach
• Finalise H2 2018
• Propose draft Strategic Objective and specific list of projects
• Proposals under Strategic Themes
1) Addressing public sector specific issues:
   - Gaps in IPSASB literature
   - 2014 topics not on Plan e.g. Natural resources, Sovereign powers
   - 2016 PSSSF suggestions e.g. IPSAS-lite
   - Other Board and stakeholder suggestions

2) Maintaining (increasing?) IFRS convergence:
   - Outstanding areas where no specific public sector issues
   - SoE / ‘mixed group’ consolidation issues
   - Opportunity for catch-up created by new IASB work plan
   - Limited review of Conceptual Framework for changes in IASB CF
   - Split into minor, limited scope and major projects
   - Potential to work with other standard setters
3) Increasing IPSAS-based information usage for GFS:
   – Opportunities to address key areas of divergence?
   – Impact of future IPSASB projects?

4) Improving communication of financial information:
   – General challenge – IASB theme
   – PFM context and links (e.g. Service performance)
   – Links with other initiatives - <IR>, Corporate Reporting Dialogue?

5) Supporting IPSASs adoption and implementation:
   – IPSASB role, and roles of other key players in supplementing this
   – Role / adequacy of IPSASs Application and Implementation guidance?
   – Need for interpretations capability?
   – Update or replacement of Study 14?
Proposed consultation document coverage

- Context / environmental factors
  - PFM landscape and challenges
  - Momentum in adoption
  - IPSASB developments (governance / oversight, work plan)

- Proposed Strategic Objective
- Meeting the Strategic Objective
  - Inputs, Outputs, Outcomes
  - Strategic Themes

- Proposed Work Plan components / projects
  - Decision criteria for inclusion
  - Project outlines
<table>
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<tr>
<th>IPSASB meeting</th>
<th>Approach</th>
<th>External inputs</th>
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<tbody>
<tr>
<td>March 2017</td>
<td>Discussion of high level presentation</td>
<td>6th March joint seminar PIC discussion</td>
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<tr>
<td>June 2017</td>
<td>Detailed discussions – presentation - based</td>
<td>CAG discussion</td>
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<tr>
<td>September 2017</td>
<td>Consider initial draft document</td>
<td>PSSSF discussions</td>
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<tr>
<td>December 2017</td>
<td>Approve final document</td>
<td>PIC and CAG discussions</td>
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Strategy and Work Plan roadmap: 2018 activities

<table>
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<tr>
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<th>Approach</th>
<th>External input</th>
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<tr>
<td>January 2018</td>
<td>Publication / media launch</td>
<td>IFAC media team</td>
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<td>January to June 2018</td>
<td>Outreach programme</td>
<td>Public Sector Standard Setters / other key stakeholders</td>
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<tr>
<td>June 2018?</td>
<td>Initial review of responses?</td>
<td>Stakeholder submissions CAG discussion?</td>
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<tr>
<td>September 2018</td>
<td>Further review of responses</td>
<td>PIC comments?</td>
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