1. Attendance, Opening Remarks, and Approval of Minutes

1.1 Attendance

Members

Present:  
Thomas Müller-Marqués Berger (Chair)  
Daniel Boutin  
Kathryn Cearns  
Anwaruddin Chowdhury  
Fabienne Colignon  
Paul Gisby  
Inge Grässle  
Chai Kim  
Neema Kiure-Mssusa  
Manfred Kraff  
Bill Matthews  
Kevin Page  
Karen Sanderson  
Frans van Schaik  
Luís Viana  
Samih Yousef

Apologies:  
Ahmed Idris  
Firmansyah Nazaroedin  
Bernard Ndungu  
Dorothy Perez  
Vivek Ramkumar  
Sunil Romooah

IPSASB Staff

Present:  
João Fonseca, IPSASB  
James Gunn, Managing Director, Professional Standards  
Gwenda Jensen, IPSASB  
Paul Mason, IPSASB  
Ross Smith, IPSASB  
Joanna Spencer, IPSASB  
John Stanford, IPSASB
The IPSASB CAG Chair, Mr. Müller-Marqués Berger welcomed the members of the IPSASB Consultative Advisory Group (CAG) to Luxembourg for the third meeting of the CAG.

The Chair extended thanks to Eurostat and the European Commission for providing the beautiful meeting space. The Chair welcomed the many observers to the CAG meeting, with specific thanks to Dr. Silke Stapel-Weber, Director of Directorate C: National Accounts, Prices and Key Indicators, Eurostat. The Chair thanked the IPSASB Chair, Ian Carruthers and the many IPSASB members and technical advisors for their attendance.

The minutes of the December 5, 2016 IPSASB CAG meeting were approved.

The CAG Chair welcomed for the first time to the CAG the new members providing the parliamentary perspective:

- Ms. Inge Grässle, Member of the European Parliament.
- Mr. Kevin Page, The Institute of Fiscal Studies and Democracy – an Independent Institute Affiliated with the University of Ottawa.

The CAG Chair thanked members for their input on topics for the June Agenda. Additionally the CAG Chair thanks those in attendance and highlighted the importance of regular attendance, noting that discussions are enriched by strong, consistent CAG member attendance. It was stressed that the Public Interest Committee at its March 2017 requested that it be provided with regular attendance reports as it sees attendance as a key CAG indicator.

2. Implementation Issues: Rationalising Government Fiscal Reporting: Lessons learned from Australia, Canada, France and the United Kingdom on how to better address users’ needs

Mr. Müller-Marqués Berger advised CAG members of a new standing agenda item for “Implementation issues”. This item responds to PIC recommendations provided at its March 2017 meeting. Delphine Moretti from the OECD started this item with a presentation on a study on “Rationalising Government Fiscal Reporting, Lessons learned from Australia, Canada, France and the United Kingdom on how to better address users’ needs”. Ms. Moretti’s presentation summarizing the report was followed by a CAG discussion.

The CAG members commented as follows:

- Mr. Matthews noted that this was a courageous OECD project. The volume of financial information produced leads to lack of clarity and other issues with timeliness. A further issue is that parliamentarians themselves do not know what they need; it is not clear if more concise financial information, or financial information integrated into broader reports will help parliamentarians. On the disclosure front, another challenge is that auditors of financial information tend to push for more disclosures, which does not help with the clarity problem. Even with the knowledge that the volume of information causes issues, there is a real challenge when deciding which information is critical and which reports should be discontinued as it can be perceived as a government trying to hide something when a particular report is discontinued.

- Ms. Cearns noted that timeliness is a key issue. It creates a need to consider what the unique problems are in the public sector that prevents timely reporting. Ms. Cearns noted that the volume of financial reporting is not unique to the public sector, as some multinationals are as large as governments. However, they manage and are required by regulation to prepare timely consolidated financial statements that require complex year end estimates and
challenging processes such as asset impairment testing. She noted that it may be an investment issue, where public sector entities have not appropriately invested in the IT systems, financial reporting processes and human resources required to prepare accrual financial statements. However, it is clear in both the private and public sector that financial reporting for both large and complex entities is possible in a timely manner.

- Ms. Colignon highlighted the tension between a need for comprehensive information and information that is concise and understandable. Further, consideration of information needs at the entity level and the consolidated (reporting entity) level may differ. Depending on the jurisdiction there may be local requirements that set out a hierarchy between the consolidated and individual entity financial reports. In France, a 4 page summary of key financial information from Central Government financial statements (produced using accrual financial information) is published. Therefore, considering providing information at various levels might be a solution to meet different users’ needs.

- Mr. Kraff noted that in Europe, there should not be complaints that no one is interested in accrual financial information. As there are requirements to provide accrual financial information to both the budget committee and the budget control committee. The European Commission has an integrated reporting package that includes accrual financial reports, management reports and performance reports among other documents (e.g., communications on the European Union budget). Timeliness can be an issue as the reporting packages are dependent on information provided from member states (80% of the spending of the European Union budget is carried out by member states). From the perspective of telling the financial story, the IPSASB’s Recommended Practice Guideline 2, Financial Discussion and Analysis, provides guidance on how to tell the financial story of a public sector entity. So it is not that frameworks to use accrual financial information do not exist, but that they are not always being used.

- Ms. Moretti commented that through OECD research the issue of scrutiny of forecasts was a key issue, especially related to those jurisdictions using performance reporting. Specifically the level of assurance provided from independent organizations, in relation to performance information, is a challenge. Parliamentarians are pushing auditors to provide views and opinions on such information, however, discussions are still ongoing. Issues noted in such discussions relate to the costs of verifying performance information, the ability to provide assurance over forward-looking information and the lack of benchmarks across jurisdictions. Ms. Moretti confirmed an earlier comment made in the discussion, that discontinuing reports was perceived to be a step back in transparency, and if changes are made to rationalize reporting, it is better to ensure that the information in reports becomes better organized or aggregated, so that a report is not discontinued, but merged or included with information in other reports.

- Ms. Grässle noted she is a member of the European Budget Control committee, which is responsible for reviewing a large volume of information. She noted that information is often used in a haphazard manner by parliamentarians for oversight purposes. Further, she noted it would be great to see citizens using the information, but at this time, this does not seem to be the case. Ms. Grässle noted that by integrating accrual financial information into benchmarks, it might make information more understandable and digestible, for example providing comparisons of key metrics against OECD average or European Union averages.

- Mr. Viana noted that consistency between forward-looking and backward-looking statements is important. Further, he noted that there is a need for accrual budgets when reporting on accrual financial information. Without both accrual budgeting and accrual reporting,
consistency is impaired. When accrual budget information is not available, government budget appropriations cannot be linked with spending and the financial information reported, impairing the usability of accrual reporting. So accrual financial accounting information often is not used because of the lack of accrual budgeting (accrual budgeting does not necessarily mean that appropriations are done on an accrual basis).

- Mr. van Schaik noted that the reference in the OECD report to fiscal reporting to him was confusing, as it could be mistakenly thought to refer to Government Finance Statistics (GFS), which often are also referred to as fiscal reporting. His view is that fiscal reporting as discussed in the report is different from GFS fiscal reporting and a different term should be used to ensure clarity.

- Mr. Gisby noted that similar discussions currently ongoing in the private sector. The discussions focus on what is considered core financial information and what could be considered supplementary information. Technology supporting financial reporting may help with the volume issue in the near future.

- Mr. Page noted that parliamentarians and the media do not understand the information that accrual financial reports provide. This leads to a lack of understanding, as well as lack of transparency in that you cannot easily follow the money from an appropriation to the budget through to the financial statements. Giving politicians’ information that is accountability related, will be transformational. However, a key challenge is many politicians do not want accountability.

- Ms. Sanderson noted that use of accrual accounting is still relatively new in much of the public sector. It is important to consider what information is needed and wanted and to continue to add to this. Guidance on alternative types of information would be helpful. For example, performance reporting is becoming increasingly important in Australia. However, it has been introduced through a phased implementation. This allows the users, preparers and auditors to work together to develop, use and audit performance information. Further, she noted that performance information can lead to real improved outcomes. She also noted that the timeliness issue requires a collaborative approach with audit bodies. She noted that working together with auditors on issues before they arise in a collaborative manner is helpful in ensuring issues do not emerge late in the reporting process. Additionally, there is always a trade-off between quality of information and timeliness that should be acknowledged.

- Ms. Cearns noted that there is a lack of consensus in the private sector as well on this issue. Further, different approaches give rise to varying IT and legal issues. If more data is made available there is a need to decide how it will be structured and made available to users. She noted that providing unstructured data will not help users understand financial reporting in the public sector. From her perspective, she believes it is a communication issue. Ms. Cearns noted that the cost argument is not valid, as public sector financial reporting requirements are not more onerous than requirements for the private sector – so the requirements for public sector entities are completely reasonable.

- Mr. Matthews noted that one particular issue related to timeliness that is experienced relates to governments’ tax estimates. The financial statements, and consequently the tax revenue estimates, generally occur prior to the deadline for personal and corporate tax returns to be filed. These complex tax estimates are challenging and often contested by auditors.

- Mike Blake, an IPSASB member observing the CAG discussions noted that in his work as the Auditor General of Tasmania they were tasked with auditing Key Performance Indicators (KPIs). He noted that they took a phased approach. First, they made sure the indicators were
the key ones. Following that, they ensured that the data collection systems were robust. The biggest challenge was getting parliamentarians to pay attention to the information. The KPIs provide an answer to the question of whether the government’s resources have been well spent, rather than reporting on budget spending.

3. IPSASB Strategy and Work Plan Consultation

The IPSASB Chair, Mr. Carruthers, began the session with a presentation to CAG members. The presentation highlighted the proposed Strategic Objective and five Strategic Themes being considered by the IPSASB, and the potential approaches to consultation and outreach to support the consultation.

The CAG members commented as follows:

- Mr. Müller-Marqués Berger asked if CAG members were willing to review the draft of the IPSASB strategy consultation between meetings and have a short teleconference call in October to provide advice to the IPSASB. The CAG members in attendance noted agreement to review and join the conference call.

- Mr. Page stressed that if the IPSASB is looking to increase impact, there are a number of key policy issues of current relevance which the Board’s work could be linked to, such as government debt and deficits, public sector infrastructure, income and equality, and environmental sustainability (e.g., carbon taxes).

- Ms. Colignon would move “Improving financial reporting communication” before “maintaining IFRS convergence”, as the latter resonates more as a process issue than as a strategic theme in itself. She also noted that some projects might be resource intensive even after the project is completed, such as IPSAS Lite/Differential Reporting. If an IPSAS Lite/Differential Reporting model is developed, more work will be needed to ensure that consistency is maintained between full IPSAS and the IPSAS Lite standards when new IPSAS are introduced or amendments are made.

- Ms. Cearns noted that all of the streams are important. However, in her view the stream related to promoting accrual accounting is vital, and one which may bring additional resources, such as new CAG members. On the issue of GFS differences, she noted that governments tend to play the different standards off each other and to use figures they like best. A key question is why ratings agencies are not asking for more and better accrual financial reporting?

- Ms. Sanderson noted that in Australia, information is demanded by rating agencies, and provided for their consideration. As adoption and implementation of IPSAS increases, there might be an increasing need for an interpretations capacity. IPSAS Lite is an important project that should be prioritized as it might help prevent jurisdictions developing special purpose financial reporting.

- Mr. Boutin noted that INTOSAI has a group focused on accounting standards. However, that group needs a better awareness of current IPSAS and the ongoing development of IPSAS projects. So from his point of view, outreach is very important for strategy. He noted there are no issues with IFRS convergence and that maintaining convergence should remain a priority. He did note that some members of the INTOSAI Financial Audit and Accounting Subcommittee (FAAS) have expressed concerns with the volume of IFRS disclosures.

- Ms. Kiure-Mssusa supported the theme related to the promotion of the use of accrual information. She noted that parliaments are not interested in accrual information if it is not
timely. She stressed that accrual information needs to be timely to be relevant. She also noted that for those considering a move to accrual accounting, the IPSASB’s Study 14 is quite helpful. However, it is outdated and in need of an update.

- Mr. van Schaik noted that Mr. Carruthers had commented that his aim was focused on central governments. However, the need may be greater at other levels of governments, specifically local governments. For example, recently some prominent and large cities, such as Detroit, had experienced defaults. It is possible that if they had had better financial information, they might have been able to better manage their financial situation.

- Mr. Carruthers noted there is a lack of data on accrual adoption. He informed CAG members that CIPFA is working with the IFAC Accountability.Now. initiative to create an index which can be used to better capture this important information.

- Mr. Viana noted a need to develop a standard on budgets. He sees a strong need to address the wider issues, such as cost accounting and performance budget accounting, to help make accrual information more useful. Mr. Carruthers, the IPSASB Chair, noted that there is a need to consider the remit of IPSASB and what can be delivered by the Board with the current resources. He noted that the IPSASB could possibly become involved in the projects of others related to these wider topics/activities. However, it is questionable if these are activities the IPSASB should lead on given the current remit and resources.

- Mr. Matthews noted support for the five themes. Promoting accruals will be helpful to ensure continued adoption of the standards. It is important to note that standard setting is never complete; even if all the current projects are complete and the gaps are filled, there will be a need to revise and update as issues emerge. Non-accountants may not be aware of the fact that standard setting is dynamic and needs to continue as issues evolve and emerge. That being said, Mr. Matthews noted that it makes sense to concentrate on standards for the major gaps. Further, he noted that financial statements only tell part of the financial story and should not be seen as the full story. They are only part of the solution, and this is an important message to communicate.

- Ms. Kim supported the outreach plan. She noted that many countries recognize that accrual accounting provides better information, but the adoption process is long and costly. Support from outside jurisdictions for adoption could be helpful and positive.

- Ms. Sanderson noted that IFRS convergence is important for those for-profit public sector entities. Given the break in the IASB’s work plan over the coming years, continuing to maintain convergence will require minimal resources.

- Ms. Cearns notes that she agrees that IFRS convergence is an important priority. Further, the IPSASB can focus more on public sector projects for the next few years, as the IASB enters a quiet period. Ms. Cearns notes that it is important for the IPSASB to consider the outputs of the IASB’s ongoing disclosure initiative project. This is a broader communications project which the IPSASB may benefit from, so should be prioritized in her view.

- Ms. Colignon and Mr. Gisby supported a focus on the public sector accounting gaps as a key priority.

- Mr. Viana noted that a focus on budgetary accounting requirements could be considered as a public sector specific issue to be addressed by the IPSASB.

- Mr. Page noted that there does not seem to be a conflict between prioritizing public sector issues on the work plan, while still working to maintain convergence. Further, he noted that
both are important and it appears both can be accommodated given the IASB’s break in their work plan.

- Ms. Cearns considered that promoting accrual based information usage is a key priority now and therefore she supported emphasizing that theme. However, supporting IPSAS adoption and implementation will become more important in the future.

- Mr. Kraff strongly supported IPSAS adoption and implementation because of the European Union position and the ongoing project to develop accrual accounting standards. He noted that when the European Commission adopted accrual IPSAS for its financial statements, support provided by chair of the IPSASB through a working group was very helpful to the adoption project in dealing with difficult issues.

- Ms. Cearns noted that she feels it is important to increase the coverage in the financial press, e.g., the Financial Times. This will help with getting a wider discussion and a greater demand for accrual accounting adoption.

- Mr. Matthews noted that in his jurisdiction there is not much coverage or focus on public sector accounting at universities. He sees this as an important area to promote accrual accounting in the public sector. Also a communication to parliamentarians – emphasizing the benefits of independently set global standards may be beneficial in his view.

- Mr. Carruthers noted that the IPSASB staff has engaged with a small number of universities in Canada and the US in relation to their academic programs related to public sector accounting. Further, there is engagement with academic groups in relation to public sector accounting. Mr. Stanford, Technical Director of the IPSASB, noted that at the staff level there has been limited interactions with academics, such as discussions and interactions with Rutgers University and Ryerson University about initiatives they are considering related to public sector accounting and their accounting programs.

- Mr. Gunn, Managing Director, Professional Standards, noted that the International Accounting Education Standards Board has identified accounting education in the public sector as a priority for them to consider in 2018. This may present an opportunity for the IPSASB to leverage the outreach and work undertaken by that Board in this space.

- Mr. van Schaik noted that in the academic world there is limited coverage on public sector accounting in undergraduate accounting programs. However, there are post-graduate programs with a greater focus and emphasis on public sector accounting. Mr. Müller-Marqués Berger noted that there is a European Union funded project which provides support and funding to five Universities to support public sector accounting programs and research.

- Mr. Page noted that important global issues such as income inequality and the environment are key to helping the IPSASB get its message out. If the IPSASB can show how standards can impact these important issues, then there will be interest from the media, as well as constituents.

- Mr. Müller-Marqués Berger asked CAG members if there were any specific projects noted beyond those already discussed which the IPSASB should consider. No further projects were identified by CAG members.

Mr. Carruthers thanked CAG members, noting that the discussion had provided very useful input into the IPSASB’s Strategy development process. He further noted that the project highlighted by the CAG on IPSAS Lite/Differential Reporting was one that the IPSASB had identified. He noted that the IPSASB would consider this project along with others. Mr. Carruthers noted that other projects
identified as key public interest issues in the public sector by constituents are accounting for natural resources and sovereign rights/intangible assets (which may be related to natural resources).


The CAG considered the Work Plan of the IPSASB. Mr. Stanford, IPSASB Technical Director, updated the CAG on the current projects in progress, and provided an overview of any significant changes since the December 2016 CAG meeting. Mr. Stanford noted that changes had been made for both technical and prioritization reasons.

Mr. Stanford highlighted the fact that the work plan now includes indicative agenda items for future CAG meetings, whilst emphasizing that these are indicative.

The CAG members commented as follows:

- Ms. Sanderson noted that the IPSASB had decided not to engage with the private sector in respect of leases, and asked about the rationale behind this decision.

- Mr. Carruthers (IPSASB Chair) commented that the IPSASB had considered this, and concluded that any external transactions with the private sector would be IFRS 16 based. The proposed lessor accounting would only be within the public sector. The IPSASB had therefore taken the view that it would not helpful to reopen all the debate that the IASB has had.

- Ms. Sanderson responded that the distinction between private and public sectors can be blurred, and wondered whether there will be problems with for-profit public sector entities.

- Mr. Page commented that lots of countries are increasing spending on infrastructure, and that consequently there will be lot of interest from parliaments around the world in the Infrastructure project. It will be important to provide better information for planning.

- Mr. Stanford commented that the Infrastructure project will expand on the current literature, for example by providing more specific guidance on componentization and depreciation. The project is intended to provide better information for decision making, but is not intended to drive decisions about level of investment. Mr. Carruthers added that the challenge is in determining where standard-setting ends and implementation guidance begins. The standard needs to set out the principles, but the IPSASB also needs to recognize the limits of a global standards setter. In each type of network (road, rail and power being examples) there is a lot of technical detail requiring the support of others. The standard should support good financial management, which in this context includes asset management plans.

- Mr. Müller-Marqués Berger asked about the role of financial statements in informing policy. He noted that the project is scheduled to start in September, and asked where the Public Sector Measurement project will be at that time.

- Mr. Stanford responded that the aim is to align the projects, and that one option will be to deal with the measurement of infrastructure assets (and possibly heritage assets) in the measurement project. He acknowledged that the development of the Public Sector Measurement project will not be sufficiently advanced by September that decisions could be made.

- Ms. Cearns returned to the discussion about leases, and commented that there may be both public sector to public sector and public sector to private sector leases. With different accounting requirements, it was possible that opportunities for arbitrage might arise, and Ms. Cearns recommended monitoring to see whether any behavioural impacts arose. Mr. Stanford commented that this might be possible in some jurisdictions.
• Mr. van Schaik commented that lessor accounting is complex, and questioned whether the timetable (for completion by the end of 2018) was over ambitious. Mr. Stanford accepted that the timetable is challenging. He commented that much would depend on whether stakeholders supported the approach being developed in the ED or not.

• Mr. Müller-Marqués Berger asked whether the IPSASB had considered proceeding with the Emissions Trading Schemes project without the IASB. Mr. Stanford commended that administrator accounting is intrinsically linked to participant (emitter) accounting, and that for this reason the IPSASB had agreed not to proceed without the IASB moving forward. There was also concern that the IPSASB developing principles for participants ahead of the IASB could cause confusion. The IPSASB did not consider that moving forward alone would be a good use of resources.

Mr. Stanford also highlighted the high level feedback to the CAG on how members’ comments had been taken into account, and noted that the Agenda papers included more detailed report back documents. Ross Smith, IPSASB Deputy Director, summarized the feedback process and that the reports include CAG members’ comments, with staff responses. Mr. Smith emphasized that the comments are individual comments, and do not reflect a consensus view. The IPSASB gives serious consideration to the comments made, but cannot take up every comment.

• Mr. Kraff commented that he appreciated the feedback, and found it very transparent. He commented that the feedback shows the added value of the CAG. He added that providing the reasons why the IPSASB didn’t take up a comment is also valuable.

• Mr. Page commented that, as someone reading the feedback report for the first time, he supported Mr. Kraff’s comments and that the reports were very helpful.

• Mr. Stanford noted that IPSAS 40, Public Sector Combinations, was approved at the December 2016 meeting. As the feedback report shows, the IPSASB did respond to the CAG comments in finalizing the standard. Mr. Müller-Marqués Berger confirmed that, from his perspective, this was very much the case.

• Mr. Carruthers reflected from the IPSASB perspective how valuable the CAG input is. The IPSASB can get locked into technical issues, and the outside view provided by CAG is very valuable.

5. Public Sector Measurement

Introduction

IPSASB Principal, Gwenda Jensen, introduced the agenda item and outlined the history of the public sector measurement project and the status of the project so far. Ms. Jensen highlighted the role of the Conceptual Framework in the project, and noted that the expected initial output of the project was a Consultation Paper.

CAG members noted strong support for the project and identified some overarching challenges for the IPSASB to consider as follows:

• Clarity on terminology;
• Alignment with GFS should be considered, and where alignment is not possible, differences should be tracked; and
• Convergence with IFRS as much as possible, with consideration of IFRS 13, Fair Value Measurement, needed.
The initial discussions were focused on consideration of the final output of the project and identifying the most challenging areas of measurement, where additional guidance would be most helpful.

The CAG members commented as follows:

- Mr. Müller-Marqués Berger highlighted the need to understand why this project is important for the public interest, and what measurement issues have been identified, as the starting point for CAG members to discuss.

- Ms. Cearns was very supportive of the project. She noted that the relationship between measurement and presentation is important. She noted that IPSAS does not have the concept of Other Comprehensive Income (OCI), and commented that some of the measurement issues in IFRS relate to where changes in measurements are presented. Ms. Cearns noted that she is not keen on the use of OCI. However, she did note that it is important to understand what the flows mean. What has changed from one year to the next, and how do you present those changes? Ms. Cearns noted it is important for the measurement project to address the impact on the statement of financial performance as well as on the statement of financial position. She also highlighted the importance of considering whether changes in measurement should be presented gross or net as a key issue for the project. The debate on the importance of the statement of financial performance, and what is the important information on financial performance should be considered in the measurement project.

- Mr. Müller-Marqués Berger agreed that it is important to clarify the measurement objective in this project. There may be more than one measurement objective dependent on the transaction, meaning that for some transactions, measurement information related to the statement of financial position is the main objective whereas for other transactions information related to the statement of financial performance may be the key objective. This project should consider these issues conceptually.

- Ms. Colignon highlighted that some guidance would apply measurement bases in a consistent way, building on what is currently in the Conceptual Framework. Her view is that the measurement objective in the private sector is different from that of activities specific to the public sector in most cases. Her view is that a decision tree mapping out which measurement basis relates to entry values and which to exit values would be helpful in working through the process to determine the appropriate measurement basis. This might be an important task to consider, as there may be some overlap between the measurement techniques.

- Mr. Stanford noted that the IPSASB had considered OCI during the development of the Conceptual Framework, and made an explicit decision not to include it. From a practical perspective, the issue has been partly resolved in convergence projects, where IFRS items recognized in OCI are included in the statement of net assets/equity in IPSAS.

- Ms. Jensen agreed it is important to consider the statement of financial position and statement of financial performance simultaneously. She questioned whether the presentation aspects are outside the scope of this project, but acknowledged the link to measurement and the need to consider the issue.

- Mr. Matthews noted that clarity is important and a good aim for the project. He also noted the focus of reducing unnecessary differences between IPSAS, IFRS and GFS are good goals for the project. However, he noted that changing individual standards (which would include dealing with how changes in measurement are presented) and the scope of this project may be challenging. He further raised that the issues of treatment of transaction costs and
borrowing costs are important issues to consider. Some consideration in the project on how to manage and appropriately consider the many emerging issues will be important for its success.

- Mr. Page noted his support for this important project. He raised another consideration for the project, that being how to deal with the situation when there is incomplete measurement information.

- Ms. Sanderson noted her support for the project. She noted that the objective of measurement is an important issue. Reliable measurement of assets is crucial, especially when for subsequent measurement. Remeasurements are important for GFS convergence and this project would be a good opportunity to consider this.

- Mr. van Schaik noted that accounting for land, and sub soil minerals is a big issue in some countries where there is no record of cost, and therefore the items are unrecognized. Revisions to the IPSASB’s Study 14, *Transition to the Accrual Basis of Accounting: Guidance for Governments and Government Entities*, might help with these issues.

- Ms. Kiure-Mssusa noted her support for the project. She raised an important issue from her perspective which related to the confusion between fair value and market value. She noted that in many cases the terms could mean the same thing from a measurement perspective while in others they could be different. It is important that the project not introduce terminology changes for the sake of being different.

- Mr. Kraff noted his full support of this very important and useful project. However, he did stress that this is a very challenging and ambitious project. The scale of the undertaking is large, however, it should go ahead as it deals with such important issues. His view is that given the scale and challenges this project brings, it should be managed in a very pragmatic manner. For example, he believes that the project should bring in IFRS 13 in some way, because those principles are well thought out and understood and also applicable in a public sector context. Further, his view is that the output of the project should be to have sound, strong principles. The project should not try to provide too much specific guidance, or go into too much depth with details.

- Mr. Viana noted the importance of this project. From his perspective, the measurement of assets where there is not an active market is important. He also supported the link with GFS as important.

- Mr. Boutin noted that there are both differences and similarities with the private sector. His view is that IFRS 13 is a good standard, and it is very important to build off that good work and converge with IFRS as much as possible.

- Ms. Grässle noted that different information can lead to different decisions and behaviors, especially from the perspective of parliamentarians.

- Ms. Jensen noted that depreciation of tangible assets is important to good management about cost and replacement, as an example of how measurement information impacts decisions and behavior.

- Mr. Müller-Marqués Berger noted that it is important for politicians to make use financial information.

- Mr. Blake, an IPSASB member attending the CAG meeting as an observer, noted that it is also quite important that the liability aspect of measurement be considered.
• Mr. Yousef noted that IFRS 13, should be applicable to all types of cash generating assets, with any specific IPSAS guidance focused only on assets held for their service potential or those unique to the public sector.

• Ms. Cearns noted that in her jurisdiction there is a constant debate on appropriate discount rates. Although there has been no final conclusion on the discussion, this is an opportunity for the IPSASB to add to the discussion. She also noted that there are differences between assets and liabilities and these should be considered separately.

• Mr. van Schaik noted that measurement of assets in the statement of financial position is very important for the parliament to take decisions.

• Ms. Jensen noted that there is the concern that fair value being an exit value does not work in the public sector and she highlighted two potential options, one being to replace fair value with market value, the second option to continue using fair value where it is appropriate in the public sector.

• Mr. Yousef shared his view that he was not happy with either option, as fair value does not include service potential in his view.

• Ms. Cearns noted that clarity as well as consistency in terminology is important. If fair value is used, it should be used in a consistent manner as used in IFRS. For other terms meant to convey different concepts than fair value, other terms should be used, such as current value. She further emphasized that IFRS 13 fair value can also be applicable to public sector in certain circumstances. For example if a public sector entity plans to sell assets it is important to know the fair value (exit value) of these assets.

• Ms. Sanderson agreed with the need for clarity and consistency with terminology. She clarified that IFRS 13 is effectively being used in the public sector (notably, the UK and Australia). The IPSASB project should look to learn and understand from the experiences of those jurisdictions that are using IFRS 13 in the public sector.

• Mr. Gisby also agreed on the need for clarity and consistency on terminology. He emphasized the need for a full discussion on the measurement bases. Some measurement bases and techniques are equally applicable in both the public and private sectors.

• Ms. Colignon noted agreement with the need for clarity and consistency on terminology. Her view is that fair value and market value reflect different economic realities and choosing to use one term over the other may provide useful information in itself; they should be clearly defined, and guidance on when they are applicable in the public sector provided.

• Ms. Kim agreed that it is important to align public and private sector where possible. Her view is that the term fair value is broader than market value. Her view is that fair value is preferred with additional guidance on how to apply fair value can be measured in the individual standards for public sector specific assets.

• Mr. Matthews noted that clarify is important. For example, crown corporations/government business enterprises often use IFRS, however, it might make sense in some jurisdictions for them to consider IPSAS. However, if IPSAS is inconsistent with IFRS 13, it could become confusing for preparers as well as users.

• Mr. Carruthers acknowledged the clear steer from the CAG that clarity and consistency of terminology is essential, and that the use of fair value may be appropriate in some cases. Consistency with GFS is also an important consideration. Further, it was noted that discussions with the valuation community on the different measurement bases and
techniques is important. Mr. Carruthers also noted that what is meant by current value and depreciated replacement cost must be clear.

- Mr. Stanford further elaborated that fair value is important for measuring financial instruments. The IPSASB has already agreed to this in its project to develop ED 62, *Financial Instruments*. The Conceptual Framework discussion on measurement views depreciated replacement cost as a measurement basis in its own right, rather than as a technique to measure fair value.

### 6. Public Sector Specific Financial Instruments

IPSASB Deputy Director, Ross Smith, introduced the agenda item and outlined the history of the public sector specific financial instrument project and provided a high level overview of the responses to the Consultation Paper issued in July 2016. The overview of responses focused on the scope of the potential next steps the IPSASB might consider in moving the project forward, informed by the range of potential options shared by respondents. Mr. Smith introduced the potential options available for the next phase of the project, and discussed the links with the other financial instrument project (ED 62, *Financial Instruments*). He then explained the IPSASB’s decision to delay the full review of responses until the responses to ED 62, *Financial Instruments*, are reviewed by the Board in early 2018.

The CAG members commented as follows:

- Mr. Matthews noted that there is no such thing as a small project and highlighted that there are more pressing issues than those covered in the public sector specific financial instruments project. He commented that appropriate guidance already exists in his opinion. However, his view is that if guidance is developed, the IPSASB is right body to address the issue.

- Ms. Colignon noted that there is little appetite to deal with the issue by other standard setters. She acknowledged that the IPSASB may be right body to address the issue, but also that there is already guidance from other organizations available (System of National Accounts, International Investment Position and Balance of Payments Manual, Government Finance Statistics, etc.).

- Ms. Cearns agreed that the IPSASB is the right body to develop the guidance contemplated in the project. She noted that other guidance may be available, however, that guidance may not be coming from the same perspective and may present results differently. Her view is that the CP scope should be followed, but should be integrated into the IPSASB’s existing financial instruments guidance. She also noted that only the IPSASB has a user focus in mind when developing guidance.

- Ms. Cearns noted it is important to articulate the similarities and differences between the issues covered in the public sector specific financial instrument projects, and more common financial instruments. This could help with developing accounting guidance for these very specific transactions, by developing accounting requirements by analogy to more common financial instruments.

- Mr. Carruthers, noted that if the responses are reviewed together with the responses to ED 62, *Financial Instruments*, it would present an opportunity to consider the question of what the real problem is and how guidance can address the problem.

- Mr. Kraff noted that the IPSASB could choose to do nothing, as existing IPSAS cover financial instruments transactions adequately. However, his view is that developing additional guidance following the scope of the CP, would help to provide more useful guidance to those dealing with these transactions.
Ms. Cearns shared her view that a comprehensive Central Bank accounting framework would not be something the IPSASB should undertake. She noted that the dividend payment issue (the central government in most cases receives dividends from the central bank, which can lead to capitalization issues), is no different than any parent and subsidiary dividend issue, so the justification for changes in the Central Bank accounting requirements for dividends based on accounting profit does not seem justifiable.

Mr. Matthews questioned if there are any audit disputes, or variance in accounting treatments, related to issues covered in the CP that are known by the IPSASB. Mr. Smith noted that there are differences in the measurement of monetary gold (historical cost, fair value, and statutory rates). There are also differences related to the recognition of a liability for coins in circulation, with some jurisdictions not recognizing a liability while others do.

Mr. Gisby noted that if there are divergences in accounting treatments, then there is definitely a role for IPSASB. His view is that the current scope of the CP should be followed.

Ms. Cearns noted that in her view these instruments are not all that unique, or public sector specific. Therefore, her view is that following the guidance set out in the core financial instruments standards should be appropriate.

Mr. van Schaik noted that the IMF is the body primarily responsible for central banks and that the IMF recommends IFRS. He also noted that central banks and local regulators are responsible for determining which standards should be followed. For example, the European Central Bank (ECB) regulates the national central banks for the members of the European Union. In his view the ECB accounting framework required to be followed by central banks is not a good option, from the user perspective.

Mr. Page noted that a public interest issue to consider is the significant growth of central bank balance sheets as a result of the current monetary policy decisions. This growth in balance sheets is an important issue that financial instruments standards help to highlight.

Mr. Stanford commented on the likelihood of the IASB doing work in this space, given that many central banks follow IFRS or national standards based on IFRS. He noted that IPSASB staff have discussed this project with the IASB, and that one or two members of the IASB had interest in this space. However, there appeared to be very little support for the IASB to take this onto their agenda at this time.

Mr. Smith thanked the CAG for the useful feedback. In particular, it was noted that the IPSASB should look to develop guidance in this space, but should look to minimize the resources expended by linking the requirements to the current financial instruments standards. He noted that a pragmatic approach, analyzing the issues and developing guidance by analogy to more common financial instruments was advocated by CAG members as being in the public interest.

7. Social Benefits

IPSASB Principal Paul Mason introduced the agenda item, noting that this was the second time the CAG had discussed this project. Mr. Mason outlined the two areas where the IPSASB was seeking feedback from the CAG – concerns which might affect recognition under the obligating event approach; and the approach the IPSASB was proposing to take with the insurance approach.
Obligating event approach

Concerns 1 and 2: Reporting Long-term Liabilities but not the Related Revenue does not produce Useful Information; and Disclosure in the Notes or a Fiscal Sustainability Report is More Appropriate than Recognizing Liabilities in the Statement of Financial Position

Mr. Mason introduced the discussion on the obligating event approach, noting that concerns 1 and 2 were linked.

The CAG members commented as follows:

- Mr. Gisby commented that for him, the fact that benefits are not funded is the public interest issue. How these will be funded in the future is the key question for the users. Relegation to disclosure in the notes will not meet users’ needs, and therefore benefits should be recognized in the balance sheet.

- Ms. Cearns commented that the reason some people don’t think an entity should recognize a liability is because they don’t think there is an obligation. If there is a present obligation, it should be recognized.

- Ms. Cearns also commented that a separate fiscal sustainability report would provide helpful information in those cases where a government has a commitment but not an obligation.

- Ms. Colignon commented that the public interest issue is that there is a tension between the accounting framework and the information that is useful for users. There might be a difference between the two. If there is an obligation, it should be reported on the balance sheet. Whether there is an obligation will depend on the structure and organization of the public sector in the different jurisdictions. However, if no obligation is recognized, there may still be a need for providing information.

- Ms. Colignon noted that the Conceptual Framework does not link assets and liabilities, and that any liability should be recognized independently of any funding considerations.

- Mr. Matthews commented that there was a risk of being too intellectually pure, and losing understandability. There is also the practicality issue to consider. Where there is an obligation, it should be recognized even if the funding is not set up. Note disclosure does not take the place of recognition.

- Mr. Matthews also commented that disclosure cannot take the place of good fiscal sustainability reporting. Financial statements can never provide some of the information that a good sustainability report will.

- Ms. Sanderson commented that if something is a liability, it is a liability and should be on the balance sheet.

- Ms. Sanderson also commented that the main question is “what is the meaning of the number produced and what will it tell the reader?” The place for this is in fiscal sustainability reporting, as social benefits are a policy position amongst a number of policy positions which are best looked at holistically.

- Mr. Yousef said that the issue was how you ask the question. Clearly a liability needs to be booked, but the question is whether this is an actual liability. If an entity doesn’t have the funding, then benefits will be changed if they aren’t affordable. It is better to report these items in the notes, as benefits can be changed. It is not meaningful to have all the commitments on the balance sheet when these cannot be funded. Mr. Yousef considered benefits to be similar to contingent liabilities.
• Ms. Kiure-Mssusa agreed with Mr. Yousef. She commented that it is an obligation to the extent that an outflow is probable. In many cases this is only for the amount that is in the budget for the year, and therefore the rest should be treated as a contingent liability.

• Ms. Cearns commented that funding is a red herring because things get changed for a number of reasons politically. There needs to be a principle that tells preparers when to recognize a benefit. The ability of governments to change their minds should not be a consideration when determining where to draw the line.

• Mr. Page questioned whether we want accounting standards to incentivize behavior. He considered that fiscal sustainability reporting is more important and that fiscal sustainability analysis would lead to better decision making by governments.

• Mr. Kraff noted that this is a political discussion, and drew the parallel with the introduction of employee benefits accounting in the European Commission. This led to negative net assets, with notes explaining that the payments would be funded from future budgets. The Commission did not relegate the benefits to the notes, and Mr. Kraff noted that the Conceptual Framework states that disclosure is not an adequate substitute for recognition.

• Mr. Kraff discussed the issue of political decisions and sovereign power, noting that the Conceptual Framework states that sovereign power is not a reason for not recognizing an obligation that meets the definition of a liability. He noted that there is a process before a political commitment becomes an obligation or liability, and that if that process hasn’t happened, then the commitment should be disclosed in the notes.

• Mr. Matthews agreed that there needs to be a principle, but not just for social benefits. The principle should cover any promises a government makes. Mr. Matthews considered that accounting for expenses needs to be done in isolation, and he expressed concerns regarding arguments elsewhere that early intervention would give rise to future benefits, and so an asset should be recognized.

• Mr. Viana agreed that if eligibly criteria have been met, an entity should recognize the liability.

• Mr. Viana also commented that sovereign powers have limits, noting that in Portugal, the Constitutional Courts had prevented the government from reducing social benefit payments below a certain threshold.

Mr. Mason summarized the main points that staff would take away from these discussions. These were that a liability should always be recognized on the balance sheet, but that the question was when does the obligation arise; and the importance of fiscal sustainability reporting.

Concerns 3, 4 and 5: Inconsistency between the Costs of Services Recognized during the Year and the Services Provided during the Year; No Government can Bind its Successor, and any Social Benefit Obligation can be Changed by the Government in Power; and Measurement Uncertainty

Mr. Mason introduced the discussion on the remaining concerns under the obligating event approach.

The CAG members commented as follows:

• Ms. Cearns commented that IPSAS are accrual, not cash accounting, so the liabilities recognized and the benefits paid should be disclosed separately.

• Ms. Cearns commented that if there is an obligation, an entity should book it. Sovereign power is not enough to prevent recognition.
• Ms. Cearns did not agree that, in this case, measurement uncertainty provides sufficient reason not to book a liability. The measurement (estimation) of liabilities may be complex, and involve a lot of information, but the calculation is likely to be achievable.

• Mr. Carruthers (IPSASB Chair) asked what was meant by the inconsistency between the costs of services recognized during the year and the services provided during the year. Mr. Mason clarified that this issue had been raised by a respondent in the USA, and reflected the way the USA managed social benefits. Mr. Dacey, an IPSASB member attending the CAG meeting as an observer, confirmed that the USA provided sustainability information for social benefits as audited statements.

• Ms. Cearns commented that the question is whether you have an obligation or not, and how far an approach primarily designed for contractual situations can be applied to statutory obligations.

• Mr. Müller-Marqués Berger commented that this is not an either/or question. If there is a liability it needs to be recognized, but users may also be interested in how this developed over time, and this could also be disclosed.

• Ms. Sanderson commented that as a user, she was interested in what was paid during the year and what isn’t paid during the year. The key factor is the obligating event. Contractual situations are very clear. But for non-contractual situations, the question is when there is a present obligation. There is a difference between the two, and an obligation may arise later in non-contractual circumstances.

• Mr. Page commented that economists love sustainability work, and that they see it as a debt issue. Debt sustainability analysis allows long term views to be considered and allows sustainability analysis to be undertaken. This can address a number of issues such as demographic changes and intergenerational equity.

• Mr. Yousef asked what should happen if we agree that an obligation needs to be recognized, but there is a debt ceiling and recognizing the liability will breach that debt ceiling? Mr. Mason commented that this may depend on the jurisdiction. Mr. Stanford (IPSASB Technical Director) commented that there would be a question as to which information best meets users’ needs. He noted that this issue also applied to fiscal sustainability reporting more generally.

• Ms. Sanderson questioned whether consideration had been given to the annual appropriation and what has been approved?

• Ms. Sanderson also expressed concern that if threshold eligibility criteria was adopted, this could have implications for health and education services. Mr. Stanford commented that this was considered in developing the Conceptual Framework.

• Ms. Cearns commented that the issue is that it is not clear what the present obligation is.

• Ms. Cearns commented that in regard to the debt ceilings, similar issues arise in the private sector, for example with debt covenants. These are often addressed by defining what is covered more narrowly within the debt contract, rather than changing the accounting. The accounting should not be driving policy.

Mr. Mason commented that the key issue is again whether there is a present obligation.

*Insurance Approach*

Mr. Mason introduced the discussion on the insurance approach, noting that the IPSASB had specifically requested the views of CAG members on a number of issues.
The CAG members commented as follows:

- Mr. van Schaik questioned what was meant by “intended to be fully funded”, and commented that drawing a sensible line might be difficult.

- Ms. Cearns asked if the right test was being applied and whether all the criteria in IFRS 17 were being applied. If a scheme ceases to meet the criteria, then an entity should stop using insurance accounting. Ms. Cearns questioned whether the use of intention was appropriate.

- Mr. Page questioned whether there were social programs that operated as insurance schemes. Ms. Ryan, IPSASB Deputy Chair, attending the CAG meeting as an observer, outlined the position regarding accident insurance schemes in New Zealand, which are managed as insurance schemes. She responded to additional questions from CAG members on how the schemes operate.

Mr. Mason concluded the discussion on the insurance approach by commenting that the insurance approach was only intended to be used in appropriate circumstances, and that the IPSASB had decided not to deviate from IFRS 17.

8. Cash Basis IPSAS

IPSASB Technical Director, John Stanford and Manager, Standards Development & Technical Projects, Joanna Spencer introduced the agenda item and gave a presentation outlining some key public interest issues related to the project.

ED 61, Amendments to Financial Reporting under the Cash Basis of Accounting, was issued in February 2016. ED 61 proposed narrow scope amendments to move some portions of Part 1 (requirements) of the Cash Basis IPSAS to Part 2 (encouraged additional disclosures), as follows:

- Requirement to Prepare Consolidated Financial Statements for all Controlled Entities;
- Requirement to Disclose External Assistance Information; and
- Requirement to Disclose Third Party Payments Information.

The CAG was asked to:

- Consider a high-level analysis of ED 61 responses; and
- Provide CAG members’ views on the following public interest issues arising from ED 61 responses:
  - Is the public interest better served by the Cash Basis IPSAS having less requirements and more encouraged disclosures?
  - Is the public interest better served by the IPSASB focusing entirely on developing accrual IPSAS after this limited scope project?
  - Is the public interest better served by a Cash Basis IPSAS that is easier to adopt and implement to help constituents build capacity to allow progression towards accrual IPSAS?

Is the public interest better served by the Cash Basis IPSAS having less requirements and more encouraged disclosures?

The CAG members commented as follows:

- Ms. Cearns questioned whether lowering the mandatory requirements of the Cash Basis IPSAS was helpful in building capacity for the move to accrual IPSAS. She expressed concern that by making the Cash Basis IPSAS easier to adopt, it might create a disincentive
to take the step up to accrual IPSAS. Mr. Müller-Marqués Berger also agreed that lowering the requirements for the Cash Basis IPSAS may make them less useful for building capacity and moving to accrual IPSAS.

- Mr. van Schaik noted concern that some may only be looking to obtain the label of “IPSAS” adopter by adopting the Cash Basis IPSAS and have little motivation to move to accrual accounting. His view was that if the changes proposed in ED 61 move ahead, they should not be call “IPSAS”, but instead should be a set of transitional financial statement statements. A further concern was noted with the proposal, that making consolidation optional provides scope to manipulate the performance of governments. For example, if cash-based financial statements are not consolidated, governments could structure cash inflows and outflows in order to get a specific outcome in the cash-based statements. This raises a key public interest concern related to comparability and questions completeness of cash reporting.

- Mr. Müller-Marqués Berger noted that the Cash Basis IPSAS already use terminology to distinguish such statements from accrual IPSAS.

- Mr. Yousef noted that the purpose of cash basis IPSAS is to help move people to the accrual IPSAS. He noted that accruals are the end of the process, but questioned if there should be any express limitation on the amount of time an entity can remain on the Cash Basis IPSAS. For example, in his jurisdiction all entities are on accrual IPSAS except for one entity, the Treasury, which is on the Cash Basis IPSAS.

- Mr. Müller-Marqués Berger agreed that even if the IPSASB stresses that the Cash Basis IPSAS is a stepping stone to the accrual IPSAS, there should not be an explicit expiry period, or time limit to how long entities can stay on the Cash Basis IPSAS.

- Ms. Kiure-Mssuspa noted that the changes might make it more challenging for countries to migrate to accruals. She noted that many parts of the accrual IPSAS are challenging (disclosures, inter-entity eliminations in consolidation). She noted that reducing the Cash Basis IPSAS mandatory requirements might make that move to accrual more challenging in the long run.

- Mr. Boutin noted he understood that the proposed changes are based on analysis and previous feedback from those using the standards. In his view the proposed changes are appropriate and appear to be supported by respondents to ED 61. Mr. Boutin stressed that we need to keep in mind that some environments have considerable capacity constraints and that implementation of the Cash Basis IPSAS is an improvement for those jurisdiction and that complying with international independent accounting standards can be very beneficial. Further, it was noted that it is important to be realistic about the time line for developing economies to adopt and implement accrual IPSAS. If the Cash Basis IPSAS is a useful tool on that journey, it should be available and consideration should be given to different circumstances and different timelines. On the second issue (whether the public interest is better served by the IPSASB focusing entirely on developing accrual IPSAS), Mr. Boutin disagreed. He considered that preparers need confidence in standards and the standard setter, which would be lost if the IPSASB abandoned the Cash Basis IPSAS. Mr. Boutin also noted that there was a need to be realistic about time lines, which could be very long for some jurisdictions to reach full accrual accounting.

- Ms. Kim noted agreement with the points of Mr. Boutin. Her view is that those using the Cash Basis IPSAS have different needs and require different support than those considering accrual IPSAS adoption. She further noted that it is good to have governments considering the move to the Cash Basis as well as the move to accrual Basis IPSAS, so that the needs
and requirements are planned in advance. The Asian Development Bank completed a survey and noted that the journey usually involves adoption of cash standards, migration to modified cash standards and then finally to accruals. Therefore moving some of the barriers to the Cash Basis IPSAS adoption, from mandatory requirements to encouraged requirements, is useful, because it provides flexibility to adopters on their journey to accrual standards.

- Mr. Yousef noted that in his jurisdiction the Treasury prepare Cash Basis IPSAS, other information is compiled outside the financial statements, such as asset registers.

- Mr. Carruthers noted that there are many different paths to reach accrual IPSAS. The Cash Basis IPSAS can be seen as a starting point of that journey, but the IPSASB is clear the endpoint should be the accrual IPSAS. He noted that it was interesting that the debate so far had been only on the consolidation requirements, with no discussion on making the requirements on external assistance and third party payments optional.

- Mr. Müller-Marqués Berger asked CAG members if there are any views on external assistance and third party payments. Members supported the move of these items and had no points to raise.

- Mr. Müller-Marqués Berger asked for CAG views on the IPSASB proposal that there should be no further work planned for the Cash Basis IPSAS.

- Ms. Sanderson noted it is difficult to know what the future will bring at this time. However, with the IPSASB’s finite resources and the full work program for the next few years, it seems appropriate to limit the time and effort planned for the Cash Basis IPSAS at present. It might be appropriate to monitor whether more changes might be needed at a point in the future.

- Ms. Cearns agreed with Ms. Sanderson. However, she noted that there was no need to expend effort actively monitoring the Cash Basis IPSAS and issues related to it. If problems are identified or constituents share concerns, the IPSASB should consider at that point what was required. It is hard to envision what problems may emerge. Consequently, it is better to focus on accrual IPSAS and address future work on the Cash Basis IPSAS on an exception (problem identified) basis only.

- Mr. Yousef agreed with both Ms. Sanderson and Ms. Cearns, but noted that he would phrase the future monitoring of the need for amendments to the Cash Basis IPSAS in a more positive light.

- Mr. van Schaik would not put monitoring of the Cash Basis IPSAS completely on ice. He noted that there could be simple improvements which could be considered (improvements to the structure of the financial statements, adding requirements to report on public debt), which could be very useful and take a small amount of resources in his view.

- Ms. Kim agreed with the points made. However she cautioned against a broad statement that if something arises, the IPSASB would consider it, because in her view the IPSASB’s resources should go into continued development of accrual IPSAS standards. However, maybe in 3-5 years in the future further work on the Cash Basis IPSAS should be considered.

9. Closing Remarks

Mr. Müller-Marqués Berger found the discussions during the meeting to be to be highly engaging, focused at the right level and that they continued to develop and improve. Mr. Müller-Marqués Berger noted that this successful meeting can be attributed to the hard work of CAG members in preparing for the meeting and their strong engagement in the discussions during the sessions. Mr. Müller-Marqués Berger stressed a continued need for members to make their best endeavors to attend in
person each meeting. Mr. Müller-Marqués Berger noted that the new standing agenda item for “Implementation issues” was a useful first discussion and he thanked Ms. Moretti from the OECD for her presentation on the report *Rationalising Government Fiscal Reporting, Lessons learned from Australia, Canada, France and the United Kingdom on how to better address users’ needs*. Finally, Mr. Müller-Marqués Berger thanked once again Eurostat for the great facility and hosting arrangements provided.