



Agenda Item 10: IPSASB Strategy & Work Plan 2019-2023

Ross Smith, Deputy Director

IPSASB Meeting

September 18 – 21, 2018

Toronto, Canada

Roadmap

September IPSASB Meeting

September 26 – CAG Teleconference

October 17 – PIC Video Conference

Task Force Meetings as Needed – October/November 2018

Approval by IPSASB – December 2018

Summary and Analysis of Consultation Feedback (Agenda Item 10.2.1)

Roundtables

- Consultation process a success
- Broad attendance and use of voting forms
- Partner support critical – link with broader PFM events useful

Comment Letters

- 61% increase in responses received vs. 2014
- Broadening of respondents by functional background
- 130% increase of responses from non-English speakers; significant increases from Latin America, Africa and Asia

Summary

- Strong consultation results and feedback legitimize the strategy and work plan
- Shows the importance of being inclusive in the development of the CP (engagement with the NSSs, PIC and CAG in CP Development)
- Benefits demonstrated on the use of roundtables and working with partners for important consultations

SMC 1 – Strategic Objective (Agenda Item 10.2.2)

1/3

Strongly Supported

- Roundtables – 94% agreed
- Comment Letters – 91% either agreed or partially agreed

Inclusive development process of strategy

- Wording changes proposed – IPSASB had considered different formulations
- Small edit proposed by Task Force

SMC 1 – Strategic Objective (Agenda Item 10.2.2)

2/3

Strategic Objective

Strengthening Public Financial Management (PFM) globally through increasing adoption of accrual-based IPSAS.

Delivered through two main areas of activity, both of which have a public interest focus:

- Developing and maintaining IPSAS and other high-quality financial reporting guidance for the public sector; and*
- Raising awareness of IPSAS and the benefits of accrual adoption.*

SMC 1 – Strategic Objective (Agenda Item 10.2.2)

3/3

Does the IPSASB agree with the Task Force recommendation and approve the revised Strategic Objective?

SMC 2 – Strategic Themes (Agenda Item 10.2.3) 1/2

Strongly Supported

- Roundtables – 92% agreed
- Comment Letters – 76% agreed (100% either agreed or partially agreed)

Feedback

- Suggested changes:
 - Wording edits
 - Different orders
 - Hierarchy
- IFRS “Alignment” to replace IFRS “convergence”

Does the IPSASB agree with the Task Force recommendations:

- The Strategic Themes
- Theme B – IFRS “Alignment”

SMC 3 – Project Prioritization Criteria (Agenda Item 10.2.4) 1/3

Strongly Supported

- Roundtables – 83% agreed
- Comment Letters – 64% agreed (100% either agreed or partially agreed)

Feedback

- Proposal to add weights or hierarchy
- Editorials

SMC 3 – Project Prioritization Criteria (Agenda Item 10.2.4) 2/3

Task Force discussed the proposed editorials and agreed to:

- Add 'globally' to the description of *prevalence*
- Add 'prominence' to replace significance in the description of *urgency*
- No Changes – *Consequences / Technical and Resource Considerations*

Task Force recommends that the criteria be used for the project selection for the mid-period work plan consultation in 2020.

SMC 3 – Project Prioritization Criteria (Agenda Item 10.2.4) 3/3

Does the IPSASB agree with the Task Force recommendations to:

- Edit prevalence and urgency descriptions
- Use the criteria for mid-period work plan review in 2020

SMC 4 – Theme A – Setting Standards on Public Sector Specific Issues (Agenda Item 10.2.5) 1/7

Strong Support

- Roundtables – 80% agreed
- Comment Letters – 51% agreed (86% either agreed or partially agreed)

Issues

- Concern with the number of new projects
- Support for Specific Proposed Projects

SMC 4 – Theme A – Setting Standards on Public Sector Specific Issues (Agenda Item 10.2.5) 2/7

Concern with the number of new projects

- Roundtable discussion and comment letters highlighted constituent concerns and recommended the IPSASB to not add too many new projects

SMC 4 – Theme A – Setting Standards on Public Sector Specific Issues (Agenda Item 10.2.5) 3/7

To determine a realistic number of new projects staff considered:

- Expected timing of work on new projects
- Availability of IPSASB agenda time
- Current work plan
- Timing of the mid-period 2020 work plan consultation

Staff view, agreed by the Task Force is that:

- 2 projects can be added

SMC 4 – Theme A – Setting Standards on Public Sector Specific Issues (Agenda Item 10.2.5) 4/7

<i>Project</i>	Natural Resources	Limited Review of the Conceptual Framework	Discount Rates	Differential Reporting
<i>Support</i>	27 – agreed 12 – partially agreed	22 – agreed 5 – partially agreed	19 – agreed 7 – partially agreed	17 – agreed 8 – partially agreed
<i>Issues</i>	<ul style="list-style-type: none"> - Technical - Wide range of issues - Links with other topics 	<ul style="list-style-type: none"> - No significant issues noted 	<ul style="list-style-type: none"> - Limited number of low/negative interest rate environments - Respondents noted less support over other projects because IPSAS currently address discount rates 	<ul style="list-style-type: none"> - International solution vs. jurisdictional approach - Lack of IPSAS adoption questions need for less complex standards - Lack of adoption for IFRS for SMEs

Staff view, agreed by the Task Force:

- The two projects proposed to add:
 - Natural Resources and
 - Limited Review of the Conceptual Framework

SMC 4 – Theme A – Setting Standards on Public Sector Specific Issues (Agenda Item 10.2.5) 6/7

Initial Research and Scoping on Selected Projects

- Discount Rates
- Differential Reporting
- Presentation of Financial Statements in the Public Sector
- Tax Expenditures

Proposal to allow National Standard Setters to undertake research on these topics

SMC 4 – Theme A – Setting Standards on Public Sector Specific Issues (Agenda Item 10.2.5) 7/7

Does the IPSASB agree with the Task Force recommendations to:

- Add two new projects to the work plan 2019–2023;
- To add Natural Resources and the Limited Scope Review of the Conceptual Framework as the two new projects; and
- To allow National Standard Setters to form working groups to complete work on initial research and scoping?

SMC 5 – Theme B – Maintaining IFRS Alignment (Agenda Item 10.2.6) 1/3

Strong Support

- Roundtables – 82% agreed
- Comment Letters – 61% agreed (78% either agreed or partially agreed)

Issues

- Strong support for maintaining IFRS alignment
- Less support for proposal to update of IPSAS 18, *Segment Reporting*

SMC 5 – Theme B – Maintaining IFRS Alignment (Agenda Item 10.2.6) 2/3

Task Force Recommendation

- Continue work to maintain IFRS Alignment
- Add no specific projects at this time

Work to reduce unnecessary differences by:

- Annual improvements
- Narrow Scope Amendments
- Larger projects when resources available

SMC 5 – Theme B – Maintaining IFRS Alignment (Agenda Item 10.2.6) 3/3

Does the IPSASB agree with the Task Force recommendations to:

- Not add a specific Theme B project to the work plan 2019-2023
- Agree a pipeline of projects that can be undertaken when resources are available
- Undertake improvements on an annual basis

SMC 6 – Appendix A Projects (Agenda Item 10.2.7)

1/2

Support for Appendix A projects:

- Presentation of Financial Statements in the Public Sector (broad communication project) – supported by 9 respondents
- Tax Expenditures – supported by 7 respondents
- Cost Accounting – supported by 6 respondents
- Public Sector Intangibles and Sovereign Powers – supported by 7 respondents

Task Force recommendation

- Make Presentation of Financial Statements and Tax Expenditures available for research by NSSs

SMC 6 – Appendix A Projects (Agenda Item 10.2.7) 2/2

Does the IPSASB agree with the Task Force recommendation to make Presentation of Financial Statements and Tax Expenditures available for research?

SMC 7 – Themes D & E (Agenda Item 10.2.8) 1/2

Strong Support

- Roundtables – 86% agreed
- Comment Letters – 85% and 84% agreed with Themes D and E respectively (93% and 90% either agreed or partially agreed with Themes D and E respectively)

A suggestion to improve Themes D and E was to develop a regional outreach engagement approach

The Task Force agreement and recommends additional text be included on the regional engagement strategy

Does the IPSASB agree with the Task Force recommendation to adopt the text in the Strategy related to Themes D and E?

Other Issues (Agenda Item 10.2.9) 1/2

Feedback Statement – similar to IASB feedback statements developed after its last Strategy Consultation

Enhancement of Implementation Support

- Update Study 14
- Implementation and interpretations Task Force
- Implementation Support Resources webpages

Overall Theme of Strategy

Does the IPSASB agree with the Task Force recommendations to:

- Develop a feedback statement on the Strategy Consultation?
- Enhance implementation support?
- Develop an overall theme for the Strategy?