

PROJECT HISTORY

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Staff presented the review of responses to the Preliminary Views and Specific Matters for Comment in the Consultation Paper, *Accounting for Revenue and Non-Exchange Expenses* that dealt with non-exchange expenses and measurement issues.

Collective and Universally Accessible Services

Staff reported that there was generally strong support for the IPSASB's Preliminary Views that because there is no obligating event related to non-exchange transactions for universally accessible services and collective services, resources applied for these types of non-exchange transactions should be expensed as services are delivered. Respondents did however raise concerns. The first was about ensuring consistency with the social benefits project. The second was whether, because of the tripartite nature of the transactions, universally accessible services and collective services should be accounted for as exchange transactions.

The IPSASB deferred any decisions until after it has reviewed the responses to ED 63, *Social Benefits*, so that these can be taken into account. It instructed staff to:

- Develop clear definitions of collective services and universally accessible services;
- Develop clear descriptions of how the three way relationships (resource provider, resource recipient and beneficiaries) give rise to assets, liabilities, revenue and expenses for collective services and universally accessible services; and
- Review the previous papers to draw on the IPSASB's previous work and examples dealing with these issues

Public Sector Performance Obligation Approach

Staff reported that respondents supported the use of the public sector performance obligation approach where grants, contributions and other transfers contain either performance obligations or stipulations. However, there was less support for the use of this approach for non-exchange expenses than for revenue. Staff reported the key issues raised by respondents:

- Respondents have different views as to the merits of aligning revenue and expense accounting;
- Respondents have different views about whether stipulations are performance obligations; and
- Some respondents support using the extended obligating event approach or an alternative approach for accounting for all non-exchange expenses.

Staff noted that similar issues had been discussed in the earlier session on the Revenue project where the IPSASB had agreed to review of some examples of revenue transactions. The IPSASB instructed staff to develop the non-exchange expenses side of the revenue examples, subject to staff having sufficient time to do so.

Staff to review the responses again once the IPSASB has agreed a future direction, to see whether this direction addresses some of the concerns raised.

Measurement

Staff reported respondents' views on measurement. The IPSASB noted these views, and will develop these areas once more progress has been made on the revenue, non-exchange expense and measurement projects.