

1 November 2012

Ms Stephenie Fox
Technical Director
International Public Sector Accounting Standards Board
International Federation of Accountants
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Dear Stephenie

Consultation Paper IPSASB Work Program

Thank you for the opportunity to comment on the International Public Sector Accounting Standards Board (IPSASB) Consultation Paper IPSASB Work Program. CPA Australia and the Institute of Chartered Accountants in Australia (the Institute) have considered the Consultation Paper and our comments follow.

CPA Australia and the Institute represent over 210,000 professional accountants in Australia. Our members work in diverse roles across public practice, commerce, industry, government and academia throughout Australia and internationally.

We welcome the IPSASB's request to help shape its work program for 2013-2014. We make our general comments below with more specific detailed comments addressing the questions posed in Consultation Paper being set out in the Appendix.

We note the Consultation Paper does not address the strategic direction of the IPSASB and that the work program should be developed in conjunction with and to support the strategic direction. In addition:

- we would encourage the IPSASB to consider the implications of the memorandum of understanding with the International Accounting Standards Board (IASB) and how that relationship might be demonstrated in the future work program;
- we concur that the IPSASB policy position should only depart from the equivalent International Financial Reporting Standard (IFRS) when there is a specific public sector specific reason for doing so;
- we suggest the IPSASB adopt a policy of ongoing convergence with IFRS, in place of the current approach of convergence with IFRS at a particular point in time;
- we regard the completion of the conceptual framework as crucial to the future agenda of the IPSASB and we would like to see that work completed in conjunction with the IASB.

Representatives of the Australian Accounting Profession



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Institute of
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If you have any questions regarding this submission, please do not hesitate to contact either Mark Shying (CPA Australia) at mark.shying@cpaaustralia.com.au or Kerry Hicks (the Institute) at kerry.hicks@charteredaccountants.com.au

Yours sincerely



Alex Malley
Chief Executive Officer
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Lee White
Chief Executive Officer
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- 1. Considering the additional potential projects identified above and described in Appendix C, are there any other projects that you think need to be added to the list of potential projects?**

We would recommend the IPSASB work at ongoing convergence with IFRS as opposed to the current approach of convergence with IFRS at a particular point in time. Therefore, we encourage the IPSASB to examine the concepts of control and fair value measurement as articulated in IFRSs 10, 11, 12 and 13 in order to determine their suitability to the IPSAS.

- 2. Which projects do you think the IPSASB should prioritise for 2013-2014? In your response you could consider providing your assessment of the three most important projects or a ranking of all projects on the list. Please explain the reasons for your answers.**

We regard the completion of the conceptual framework as crucial to the future agenda of the IPSASB and we would like to see that work completed in conjunction with the IASB. Once complete, the IPSASB will be better placed to evaluate the need to progress stand-alone projects. Nevertheless, we would like for the IPSASB to work on the alignment of IPSAS with IFRS and Government Finance Statistics (GFS). We consider the requirement for some public sector entities to prepare multiple reports under two different frameworks - the GFS framework and an accrual based financial statement reporting framework not consistent with enhancing the transparency and accountability of those entities. Alignment with the GFS for the purpose of disclosure would be a valuable first step to addressing this problem.

- 3. Please provide any further comments you have on the IPSASB's Work Program for 2013-2014.**

We have no other comments.