

April 2016

Amendments to Preface to International Public Sector Accounting Standards

IPSASB

International Public
Sector Accounting
Standards Board®

This document was developed and approved by the International Public Sector Accounting Standards Board® (IPSASB®).

The objective of the IPSASB is to serve the public interest by setting high-quality public sector accounting standards and by facilitating the adoption and implementation of these, thereby enhancing the quality and consistency of practice throughout the world and strengthening the transparency and accountability of public sector finances.

In meeting this objective the IPSASB sets IPSAS™ and Recommended Practice Guidelines (RPGs) for use by public sector entities, including national, regional, and local governments, and related governmental agencies.

IPSAS relate to the general purpose financial statements (financial statements) and are authoritative. RPGs are pronouncements that provide guidance on good practice in preparing general purpose financial reports (GPFRs) that are not financial statements. Unlike IPSAS RPGs do not establish requirements. Currently all pronouncements relating to GPFRs that are not financial statements are RPGs. RPGs do not provide guidance on the level of assurance (if any) to which information should be subjected.

The structures and processes that support the operations of the IPSASB are facilitated by the International Federation of Accountants® (IFAC®).

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**AMENDMENTS TO PREFACE TO INTERNATIONAL PUBLIC SECTOR
ACCOUNTING STANDARDS**

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Amendments to *Preface to International Public Sector Accounting Standards*

Introduction

Paragraph 3 is amended. New text is underlined and deleted text is struck through.

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3. The IPSASB serves the public interest by developing and issuing, under its own authority, accounting standards and other publications for use by public sector entities ~~other than Government Business Enterprises (GBEs)~~ as described in paragraph 10 below.

...

Objective of the IPSASB

Paragraph 7 is amended. Deleted text is struck through.

...

7. In fulfilling its objective, the IPSASB develops and issues the following publications:
 - IPSASs as the standards to be applied in the preparation of general purpose financial reports of public sector entities ~~other than GBEs.~~
 - Recommended Practice Guidelines (RPGs) to provide guidance on good practice that public sector entities are encouraged to follow.
 - Studies to provide advice on financial reporting issues in the public sector. They are based on study of the good practices and most effective methods for dealing with the issues being addressed.
 - Other papers and research reports to provide information that contributes to the body of knowledge about public sector financial reporting issues and developments. They are aimed at providing new information or fresh insights and generally result from research activities such as: literature searches, questionnaire surveys, interviews, experiments, case studies and analysis.

Scope and Authority of International Public Sector Accounting Standards

Scope of the Standards

Paragraph 10 is amended. New text is underlined and deleted text is struck through.

...

10. The IPSASs are designed to apply to ~~the general purpose financial reports of all public sector entities~~ that meet all the following criteria: other than GBEs. Public sector entities include national governments, regional (e.g., state, provincial, territorial) governments, local (e.g., city, town) governments and related governmental entities (e.g., agencies, boards, commissions and enterprises), unless otherwise stated. International organizations also apply IPSASs. The IPSASs do not apply to GBEs. GBEs apply International Financial Reporting Standards (IFRSs) which are issued by the International Accounting Standards Board (IASB). IPSASs include a definition of GBEs.

¹ Paragraph 1.8 of *The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities* identifies a wide range of public sector entities for which IPSASs are designed.

- (a) Are responsible for the delivery of services² to benefit the public and/or to redistribute income and wealth;
- (b) Mainly finance their activities, directly or indirectly, by means of taxes and/or transfers from other levels of government, social contributions, debt or fees; and
- (c) Do not have a primary objective to make profits.

² Services encompasses goods, services and policy advice, including to other public sector entities.

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