

## PROJECT HISTORY

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### June 2015

The IPSASB considered an Issues Paper about the performance obligation approach to accounting for revenue. The Issues Paper explained why a performance obligation approach was a reasonable basis for accounting for some (but not all) revenue transactions in the public sector. The Paper looked at the work of other standard setters that had considered the performance obligation approach to revenue in the public sector. It also looked at whether a performance obligation approach would be consistent with the IPSASB's *Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities*.

The IPSASB agreed that the performance obligation approach should be further explored for accounting for some public sector revenue.

The IPSASB also agreed that IPSAS 23, *Revenue from Non-Exchange Transactions (Taxes and Transfers)* was likely to be a useful starting point for revenue transactions, for which there were no performance obligations. However, the IPSASB noted that there are a number of issues with IPSAS 23 that would need to be considered as part of that process.

The IPSASB discussed the examples in the Issues Paper, noting that certain examples did not contain sufficient detail to come to a view about the accounting. The examples did not elaborate sufficiently on the performance obligations, nor explore the consequences of non-performance. They all assumed that the performance obligation had been carried out.

The IPSASB asked the revenue project staff to work closely with the non-exchange expenses project staff, where the projects intersect. This will be the case for those revenue transactions where the other side of the transaction is a non-exchange expense within the scope of the non-exchange expenses project. The IPSASB is interested to understand whether or not there would be symmetry of the transactions, and if not why not. The IPSASB encouraged staff on both projects to use common examples.

A further Issues Paper about the performance obligation approach to accounting for some public sector revenue will be presented at the September meeting.

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### March 2015

The IPSASB reviewed the project brief on revenue. The IPSASB agreed this is not a convergence project with IFRS 15, *Revenue from Contracts with Customers* for exchange revenue. However, IFRS 15 will be used as a significant reference point. The scope of the project is expected to deal with the recognition and initial measurement of statutory receivables, which is not part of the scope of the public sector financial instruments project.

The IPSASB approved the project brief.