

**Approved Minutes of the Meeting of the  
INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD  
Held on March 21-25, 2022 in New York, USA**

**A. Administrative Items****Attendance**

	<b>Voting Members</b>	<b>Technical Advisors</b>
Present:	Ian Carruthers (Chair) Lindy Bodewig (Deputy Chair) Abdullah Al-Menthil Todd Beardsworth Claudia Beier Luzvi Chatto Maik Esser-Müllenbach Neema Kiure-Mssusa Mari Kobayashi Hervé-Adrien Metzger Chris Nyong Lynn Pamment Renée Pichard Ajith Ratnayake Kamira Sanchez Nicosia Scott Showalter (March 21) Patrícia Siqueira Varela (March 21 – 24) Liang Yang	Iheanyi Anyahara (Mr. Nyong) (March 21 and 24-25) Henning Diederichs (Ms. Pamment) Takeo Fukiya (Ms. Kobayashi) Baudouin Griton (Mr. Metzger) Giuseppe Grossi (Mr. Ratnayake) Anthony Heffernan (Mr. Beardsworth) Zhao Jie (Ms. Yang) (March 21 and 23) Williard Kalulu (Ms. Kiure-Mssusa) Timm Klare (Mr. Esser-Müllenbach) Fabrizio Mocavini (Ms. Sanchez Nicosia) (March 21 and 24-25) Ayres Moura (Ms. Varela) (March 21-24) Andrew van der Burgh (Ms. Bodewig) David Watkins (Mr. Carruthers) Marc Wermuth (Ms. Beier) <b>Technical Advisors apologies:</b> Sayja Barton (Ms. Pichard)

	<b>Non-Voting Observers</b>
Present:	<p>Edith Akorfa Akua Lumor (African Union) (March 21 and 24-25)</p> <p>Jón Blöndal (OECD) (March 21-22)</p> <p>Fabienne Colignon (IPSASB CAG)</p> <p>Jerry Gutu (United Nations)</p> <p>Thomas Müller-Marqués Berger (CAG Chair) (March 22-25)</p> <p>Angela Peasah (IFAC Nominating Committee)</p> <p>Lars Ruberg (European Commission) (March 21 and 24)</p> <p>John Verrinder (Eurostat)</p>
Apologies:	<p>David Bailey (IMF)</p> <p>Adnan Chughtai (United Nations)</p> <p>Azeb Gebremedhin Tesemma (African Union)</p> <p>Guohua Huang (IMF)</p> <p>Chai Kim (ADB)</p> <p>Fily Sissoko (World Bank Group)</p>
	<b>IPSASB/IFAC Staff</b>
Present:	<p>Tashriq Allie, IPSASB</p> <p>João Fonseca, IPSASB</p> <p>James Gunn, Managing Director, Professional Standards (March 21-22 and 25)</p> <p>Agustina Llambi, IPSASB</p> <p>Edwin Ng, IPSASB</p> <p>Ross Smith, IPSASB</p> <p>Joanna Spencer, IPSASB</p> <p>John Stanford, IPSASB</p> <p>Dave Warren, IPSASB</p> <p>Eileen Zhou, IPSASB</p> <p>Paul Mason, Senior Advisor (March 23)</p>

- A.1 The Chair welcomed members, technical advisors, and observers to the March 2022 meeting held in New York, USA. The Chair thanked those members, technical advisors and staff that could attend in person for their efforts in doing so. The Chair emphasized the transition back to normal in-person quarterly board meetings is an important step in delivering on the significant and challenging projects on the work program. The Chair noted that the June 2022 meeting is also planned as an in-person meeting to be held in the IFAC NY offices and expressed the hope that even more members and technical advisors might be able to join in person.

## **1. Minutes and Communications Activities (Agenda Item 1)**

- 1.1 Members approved the minutes of the December 2021 meeting and the February 2022 check-in meeting.

## **2. Governance (Agenda Item 2)**

- 2.1. Public Interest Committee (PIC) Co-Chair Jón Blöndal, from the OECD, provided the Board with a summary of the March 14, 2022, PIC meeting. Mr. Blöndal highlighted the oversight activities of the PIC and noted a particular focus on ensuring that the IPSASB's rigorous due process is adhered to, that member appointments continue to emphasize qualification for the role while being inclusive and that the IPSASB's work program focus on the development of timely and relevant standards for the public sector.

## **3. Program and Technical Director's Report (Agenda Item 3)**

- 3.1. Ross Smith, IPSASB Program and Technical Director, discussed the key items identified in Agenda Item 3.
- 3.2. The IPSASB agreed the following changes to the work program:
- (a) The next improvements Exposure Draft should be delayed from June 2022 until March 2023 to provide additional plenary time and resources to address more pressing projects in 2022.
  - (b) The Revenue, Transfer Expenses and Measurement related project timelines should all be extended by one quarter as a result of a need for additional time to address the complex technical issues in each project;
  - (c) The Revenue and Transfer Expenses projects should be updated to visually indicate the potential for re-exposure and the consequent impacts on the overall project timelines;
  - (d) The earlier than planned approval of IPSAS 44, *Non-current Assets Held for Sale and Discontinued Operations* in March 2022 should be reflected on the work program; and
  - (e) The development of the next strategy and work program should be added to the work program.

## **4. Natural Resources (Agenda Item 4)**

- 4.1. Staff presented agenda papers for Agenda Item 4 and walked through the clarifications and other changes to the Natural Resources Consultation Paper (CP), as well as the steps for approval of the CP.

## Decisions

- 4.2. The IPSASB decided that:

### *Agenda Item 4.2.3*

- (a) Subject to the instructions below regarding editorial changes and review, all significant issues raised by board members had been addressed;
- (b) The CP be approved for consultation; and
- (c) The CP should have an extended comment period ending in October 2022.

## Instructions

- 4.3. The IPSASB instructed staff to:

### *Agenda Item 4.2.1*

- (a) Relocate the discussion on human intervention and control to chapter 2 of the CP;

### *Agenda Item 4.2.2*

- (b) Clarify the linkages between the natural resources project and sustainability reporting. Consider including a Specific Matter for Comment on this linkage; and

### *Agenda Item 4.2.3*

- (c) Perform a final review of the CP with an editorial group, paying particular attention to the conciseness and clarity of the Preliminary Views and Specific Matters for Comment.

## 5. Mid-Period Work Program Consultation (Agenda Item 5)

- 5.1. Staff presented agenda papers for Agenda Item 5, summarized the detailed responses submitted by respondents to the Mid-Period Work Program Consultation. Overall, the IPSASB received positive feedback from constituents on all the proposed major and minor / limited scope projects.

## Decisions

- 5.2. The IPSASB decided that:

- (a) Four projects should be added to its work program with work expected to commence on each of the following in 2022:
  - *Presentation of Financial Statements;*
  - *Differential Reporting;*
  - *Reporting Sustainability Program Information;* and
  - *CP, Advancing Public Sector Sustainability Reporting.*
- (b) The four minor / limited scope projects should be designated as pre-commitments by the IPSASB, so that in 2023 as current projects are completed and resources become available the IPSASB will consider commencing work on the following projects, with priorities determined in the light of prevailing circumstances:
  - *IPSAS 21, Impairment of Non-Cash Generating Assets;*

- IPSAS 31, *Intangible Assets*;
- IPSAS 33, *First Time Adoption of Accrual Basis IPSASs*; and
- Practice Statement: *Making Materiality Judgements*.

## **6. Advancing Public Sector Sustainability Reporting (Agenda Item 6)**

- 6.1. The IPSASB held a private session to finalize its sustainability reporting strategy. The IPSASB discussed the urgent need for reporting guidance and the expected growing demands from IPSASB stakeholders for global sustainability reporting guidance for the public sector to contribute to delivery of the UN Sustainable Development Goals and addressing climate change.
- 6.2. The IPSASB reviewed its draft CP which aims to evaluate the demand from stakeholders for such guidance, as well as the degree of support for the IPSASB's involvement in the process, the priority areas for guidance, and how this might be approached.

### **Decisions**

- 6.3. The IPSASB decided that:
- (a) The CP, *Advancing Public Sector Sustainability Reporting*, be approved for consultation; and
  - (b) The CP have a 4-month consultation period.

## **7. Other Lease-Type Arrangements (Agenda Item 7)**

- 7.1. Staff introduced the agenda papers for Agenda Item 7, with a project management proposal, the list of specific cases raised by respondents to the Request for Information, and the framework to analyze other-lease type arrangements issues by themes. The IPSASB also had an education session on the linkages with IPSASB's current and developing literature.

### **Decisions**

- 7.2. The IPSASB decided that:

#### *Agenda Item 7.2.1*

- (a) The next planned publication for this project should be an Exposure Draft (ED);
- (b) The Task Force was delegated the responsibility to develop the non-authoritative guidance section of the ED and to make recommendations to the IPSASB related to this work;
- (c) The project roadmap in Agenda Item 7.1.1 was approved;

#### *Agenda Item 7.2.3*

- (d) The issues raised in Appendix A categorized as themes should be addressed;

#### *Agenda Item 7.2.4*

- (e) The flowchart identified in Appendix A should be applied as a starting point to analyze the themes identified; and
- (f) The arrangements should be analyzed from the perspectives of both:
  - (i) Parties to the arrangements; and
  - (ii) The consolidated financial statements and separate financial statements.

### **Instructions**

- 7.3. The IPSASB instructed staff to:

*Agenda Item 7.2.4*

- (a) Bring a summary of the analysis of the themes and the respective recommendations, rather than the detailed analysis itself; and
- (b) Adjust the framework of analysis as needed when analyzing each theme.

## **8. Revenue and Transfer Expenses (Agenda Item 8)**

- 8.1. Staff introduced the agenda papers for Agenda Item 8.

### **Decisions**

- 8.2. The IPSASB decided that:

*Agenda Item 8.2.3*

- (a) The term 'compliance obligation' should be used for the single concept of an entity's legally binding obligation arising from a revenue transaction with a binding arrangement;
- (b) After approval of the new Revenue and Transfer Expenses pronouncements, if the IPSASB votes to re-expose, the new Exposure Draft should include a Specific Matter for Comment related to the new term for the single concept of an entity's legally binding obligation in a revenue transaction with binding arrangements; and

*Agenda Item 8.2.4*

- (c) An entity should consider whether changes in external factors indicate a change in the substance of its binding arrangement, or collectively with internal factors (such as intention to enforce) inform subsequent measurement considerations.

### **Instructions**

- 8.3. The IPSASB instructed staff to:

*Agenda Item 8.2.2*

- (a) Relocate the proposed guidance to the Basis for Conclusions and review the text to ensure that this does not remove necessary guidance;

*Agenda Item 8.2.3*

- (b) Incorporate a diagram into the existing Basis for Conclusions to clarify the relationship between the new term 'compliance obligation' and present obligations and performance obligations;
- (c) Work with the Drafting Group to revise the definition of 'compliance obligation' and ensure the guidance clarifies that compliance is in relation to the terms of the binding arrangement;

*Agenda Item 8.2.4*

- (d) Incorporate proposed non-authoritative guidance, with revisions to clarify the implications of internal and external factors on accounting for a binding arrangement;

*Agenda Item 8.2.5*

- (e) Revise the drafting to enhance the clarity of the text and ensure consistency with the principles in the draft Revenue IPSAS, where appropriate;
- (f) Consider appropriate disclosure requirements in light of the revised drafting;

*Agenda Item 8.2.6*

- (g) Revise the drafting for consistency and clarity, ensuring the text matches the principle outlined in the presentation; and
- (h) Consider whether Implementation Guidance may be helpful, based on clarity of principles in authoritative text, to reduce the complexity of the drafting.

**9. Measurement (Agenda Item 9)**

- 9.1. Staff introduced the agenda papers for Agenda Item 9 and provided an overview of the detailed analysis performed during the quarter. Respondents strongly supported the proposals in ED 77, except where support was mixed for current operational value.

**Decisions**

- 9.2. The IPSASB decided that:

*Agenda Item 9.2.3*

- (a) The fair value principles proposed in ED 77 are appropriate in developing [draft] IPSAS [X], *Measurement*;

*Agenda Item 9.2.4*

- (b) The cost of fulfillment principles proposed in ED 77 are appropriate in developing [draft] IPSAS [X], *Measurement*;

*Agenda Item 9.2.5*

- (c) The location of the disclosure requirements proposed in ED 77 is appropriate in developing [draft] IPSAS [X], *Measurement*;
- (d) The current value disclosure application table should be inserted in the applicable IPSAS as part of the amendments to other IPSAS;

*Agenda Item 9.2.6*

- (e) The Board is content with the guidance provided in ED 77 and is not recommending any amendments thereto. A BC should be added to note the Board's comments;
- (f) A BC should be added to IPSAS 33 to clarify "deemed cost" guidance in [draft] IPSAS [X], *Measurement* applies to IPSAS 33; and
- (g) The development of any non-authoritative guidance should be delegated to the Task Force;

*Agenda Item 9.2.7*

- (h) The Board supported the recommendation to insert Appendix A of Agenda Item 9.2.7 in the relevant IPSAS in which current value measurement disclosures are expected to be substantive for the preparers of the annual financial statements; and

*Agenda Item 9.2.8*

- (i) The Board supported the recommendations suggested in Agenda Item 9.2.8.

**Instructions**

- 9.3. The IPSASB instructed staff to:

*Agenda Item 9.2.3*

- (a) Clarify in the Basis for Conclusions the reason the cost approach is an appropriate measurement technique to estimate fair value;

*Agenda Item 9.2.4*

- (b) Clarify the income approach is the only technique available to estimate cost of fulfillment in paragraph D.22;
- (c) Work with members to address challenges with applying the income approach in the public sector;
- (d) Consider the application of Cost of Fulfillment in IPSAS 19;

*Agenda Item 9.2.5*

- (e) Develop an appropriate reference in [draft] IPSAS [X], *Measurement* to highlight the disclosure requirements are located in the relevant IPSAS;

*Agenda Item 9.2.6*

- (f) Update the model policy choice guidance as follows:
- Enhance consistency of principles with accounting policy choices guidance in IPSAS 3;
  - Remove the word “often” in paragraph BC.23.C;
  - Clarify the phrase “current economic consumption or not” in paragraph BC.23.D;
- (g) Update the historical cost guidance as follows:
- Clearly indicate whether reference to “historical cost” is to the model or the basis throughout [draft] IPSAS [X], *Measurement*;
  - Align the definition of “historical cost” in IPSAS Measurement and the Conceptual Framework as appropriate; and
  - Retain the “historical cost” definition proposed in ED 77.

**10. Conceptual Framework – Phase I (Agenda Item 10)**

- 10.1. Staff introduced the agenda papers for Agenda Item 10. The IPSASB reviewed responses to ED 76, *Conceptual Framework Update: Chapter 7, Measurement of Assets and Liabilities in Financial Statements*.



## Decisions

10.2. The IPSASB decided that:

### *Agenda Item 10.2.2*

- (a) The three-level classification should be retained, but the term 'Subsequent Measurement Framework' should be used rather than 'Measurement Hierarchy';

### *Agenda Item 10.2.3*

- (b) Fair value should be included in revised Chapter 7 with the definition proposed in ED 76;
- (c) As proposed in ED 76, market value should not be retained as a measurement basis;

### *Agenda Item 10.2.5*

- (d) The revised Chapter 7 should not include a discussion of fund accounting;
- (e) The selection of a measurement basis should not be influenced by economic impacts external to the reporting entity;
- (f) The classification of measurement bases as 'entity-specific' or 'non-entity-specific' should be retained; and
- (g) No further detail should be provided on orderly markets.

## Instructions

10.3. The IPSASB instructed staff to:

### *Agenda Item 10.2.2*

- (a) Consider terms other than 'Model' for the first level of measurement in the 'Subsequent Measurement Framework';

### *Agenda Item 10.2.4*

- (b) Analyze further the rationale for the retention or deletion of net selling price, cost of release and assumption price;

### *Agenda Item 10.2.5*

- (c) Make references in the Conceptual Framework to standards level generic guidance and not to refer to specific IPSAS or IPSAS under development;
- (d) Provide a high-level explanation in the Basis for Conclusions of how a measurement model might be selected;
- (e) Amend the definition of transaction price in a footnote to paragraph 7.5 and ensure consistent with [draft] IPSAS [X], *Measurement*;
- (f) Provide an explanation in the Basis for Conclusions that the Conceptual Framework does not provide detail on the nature of transaction costs. Such guidance is provided at the standards level;
- (g) Review the wording of paragraph 7.30 on the appropriateness of historical cost for assets held for financial capacity;

- (h) Not discuss alternative measurement bases to cost of fulfillment, where an entity decides to settle a liability in other than the least costly manner;
- (i) Not discuss whether non-financial assets held for sale are held for financial capacity or operational capacity;
- (j) Not go into detail on the assets and liabilities covered by the proposals in Chapter 7 as these proposals apply to all items meeting the asset and liability definitions in Chapter 5, Elements of Financial Statements;
- (k) Not to provide guidance on cash flow projections in Chapter 7; and
- (l) Provide a high-level explanation of an onerous contract in a footnote, but not to refer to IPSAS 19, *Provisions, Contingent Liabilities and Contingent Assets*.

## **11. Non-Current Assets Held for Sale and Discontinued Operations (Agenda Item 11)**

- 11.1. Staff introduced the agenda papers for Agenda Item 11, which included a review of the responses to ED 79, *Non-current Assets Held for Sale and Discontinued Operations*. As a result of the strong support received in the comment letters to ED 79, and the lack of significant issues raised, the IPSASB Program and Technical Director advised the IPSASB that draft IPSAS 44, *Non-current Assets Held for Sale and Discontinued Operations* was ready for approval, and that due process had been effectively followed in its development.

### **Decisions**

- 11.2. The IPSASB decided that:

#### *Agenda Item 11.2.2*

- (a) The added disclosure in paragraph 52 should be retained;
- (b) The amendment to paragraph 24 regarding public sector amalgamations should be retained;
- (c) IPSAS 44 was approved by a vote;
- (d) There were no substantial changes from the exposure draft and therefore there was no need for a vote on re-exposure; and
- (e) The IPSAS 44 effective date was set as January 1, 2025;

### **Instructions**

- 11.3. The IPSASB instructed staff to:

#### *Agenda Item 11.2.2*

- (a) Delete paragraph 58, as it was considered too prescriptive, and may not distinguish between assets held at fair value and assets where the fair value was only disclosed;

#### *Agenda Item 11.3.1*

- (b) Update the comparison to IFRS to include the changes made for accounting for assets acquired in a public sector amalgamation; and

- (c) Replace the references to ED 77, *Measurement* with a reference to IFRS 13, *Fair Value*, as a placeholder, to ensure that this definition of fair value is applied. When the measurement project is complete and the IFRS 13 aligned guidance formally comes into the IPSAS literature in that standard, the references to IFRS 13 in IPSAS 44 will be replaced with a cross-reference to the new measurement IPSAS.

## 12. ISS Update (Agenda Item 12)

- 12.1. Staff introduced the agenda papers for Agenda Item 12 by presenting an overview of the International Statistical Standards (ISS) update, including the IPSASB's role, and introduced the IPSAS-ISS Alignment Dashboard as the standing Agenda Item for the IPSASB's meetings.
- 12.2. The IPSASB discussed the importance of IPSAS-ISS Alignment from both conceptual and practical perspectives. It was highlighted that the IPSASB already has a policy to reduce unnecessary differences between IPSAS and ISS ("*Process for Considering GFS Reporting Guidelines During Development of IPSAS*") and that this policy has been applied for several years in the work in developing guidance for all projects on the IPSASB work program.
- 12.3. The IPSASB also received an update from the IPSASB Technical Advisor from Switzerland, Marc Wermuth, on how IPSAS based accounting information is used in the process to compile statistical information in Switzerland. The new IPSAS-ISS Alignment Dashboard can be a useful tool available to support compilers of national statistics to understand the differences between IPSAS and statistical frameworks. It was further noted that sustaining efforts to reduce unnecessary differences is important, as demonstrated by the Swiss experience in using IPSAS accounting data for statistical purposes.

## 13. Closing Remarks and Conclusion of the Meeting

- 13.1. The Chair highlighted that it had been a highly successful meeting, and emphasized the strong progress achieved at the first in-person meeting since March 2020. In particular, the in-person meeting facilitated the approval of four important outputs, the CPs on *Natural Resources*, and *Advancing Public Sector Sustainability Reporting*, the changes to the work program resulting from the Mid-Period Work Program Consultation and IPSAS 44, *Non-current Assets Held for Sale and Discontinued Operations*. Strong progress had also been made on other important on-going projects, including measurement, revenue and transfer expenses.
- 13.2. The Chair thanked members, technical advisors, observers, and staff for their contributions. In particular, thanking those members, technical advisors and staff that were able to join the meeting in-person after two years without physical meetings. The IPSASB plans for its next meeting to be in New York in June 2022.

## Appendix 1: Vote – Natural Resources

Agenda Item 4	Minutes Item 4	Date Vote Taken		March 21, 2022	
Description	<i>Consultation Paper</i>	<i>Natural Resources</i>	Approved at meeting		
Final Standard <input type="checkbox"/>	ED <input type="checkbox"/>	CP <input checked="" type="checkbox"/>	Other <input type="checkbox"/>	ABSENT	TOTAL
IPSASB MEMBER	FOR	AGAINST	ABSTAIN		
Ian Carruthers, Chair	√				
Lindy Bodewig, Deputy Chair	√				
Abdullah Al-Mehthil	√				
Todd Beardsworth	√				
Claudia Beier	√				
Luzvi Chatto	√				
Maik Esser-Müllenbach	√				
Neema Kiure-Mssusa	√				
Mari Kobayashi	√				
Hervé-Adrien Metzger	√				
Chris Nyong	√				
Lynn Pamment	√				
Renée Pichard	√				
Ajith Ratnayake	√				
Kamira Sanchez Nicosia	√				
Scott Showalter	√				
Patrícia Siqueira Varela	√				
Liang Yang	√				
<b>TOTAL</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18</b>

## Appendix 2: Vote – Advancing Public Sector Sustainability Reporting

Agenda Item 6 Description	Minutes Item 6 <i>Consultation Paper</i>	Date Vote Taken March 25, 2022 <i>Advancing Public Sector Sustainability Reporting</i>			Approved at meeting
Final Standard □	ED □	CP □	Other ■	ABSENT	TOTAL
IPSASB MEMBER	FOR	AGAINST	ABSTAIN		
Ian Carruthers, Chair	√				
Lindy Bodewig, Deputy Chair	√				
Abdullah Al-Mehthil	√				
Todd Beardsworth	√				
Claudia Beier	√				
Luzvi Chatto	√				
Maik Esser-Müllenbach	√				
Neema Kiure-Mssusa	√				
Mari Kobayashi	√				
Hervé-Adrien Metzger	√				
Chris Nyong	√				
Lynn Pamment	√				
Renée Pichard	√				
Ajith Ratnayake	√				
Kamira Sanchez Nicosia	√				
Scott Showalter				√	
Patrícia Siqueira Varela				√	
Liang Yang	√				
<b>TOTAL</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>18</b>

### Appendix 3: Vote – IPSAS 44, Non-current Assets Held for Sale and Discontinued Operations

Agenda Item 11	Minutes Item 11	Date Vote Taken	March 25, 2022		
Description	<i>Final Pronouncement</i>	<i>Non-current Assets Held for Sale and Discontinued Operations</i>	Approved at meeting		
Final Standard ■	ED □	CP □	Other □	ABSENT	TOTAL
IPSASB MEMBER	FOR	AGAINST	ABSTAIN		
Ian Carruthers, Chair	√				
Lindy Bodewig, Deputy Chair	√				
Abdullah Al-Mehthil	√				
Todd Beardsworth	√				
Claudia Beier	√				
Luzvi Chatto	√				
Maik Esser-Müllenbach	√				
Neema Kiure-Mssusa	√				
Mari Kobayashi	√				
Hervé-Adrien Metzger	√				
Chris Nyong	√				
Lynn Pamment	√				
Renée Pichard	√				
Ajith Ratnayake	√				
Kamira Sanchez Nicosia	√				
Scott Showalter				√	
Patrícia Siqueira Varela				√	
Liang Yang	√				
<b>TOTAL</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>18</b>