

## Strategy and Work Plan 2019 - 2023

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IPSASB Consultative Advisory Group Meeting

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# 2023: The Vision

## Majority of central governments on accrual

- IPSASB as key advocate and facilitator
- Strong global and regional adoption coordination

## Accrual information seen as essential for strong PFM

- International organisations promoting IPSAS – guidance on usage
- Ratings agencies increasingly demanding IPSAS-based information

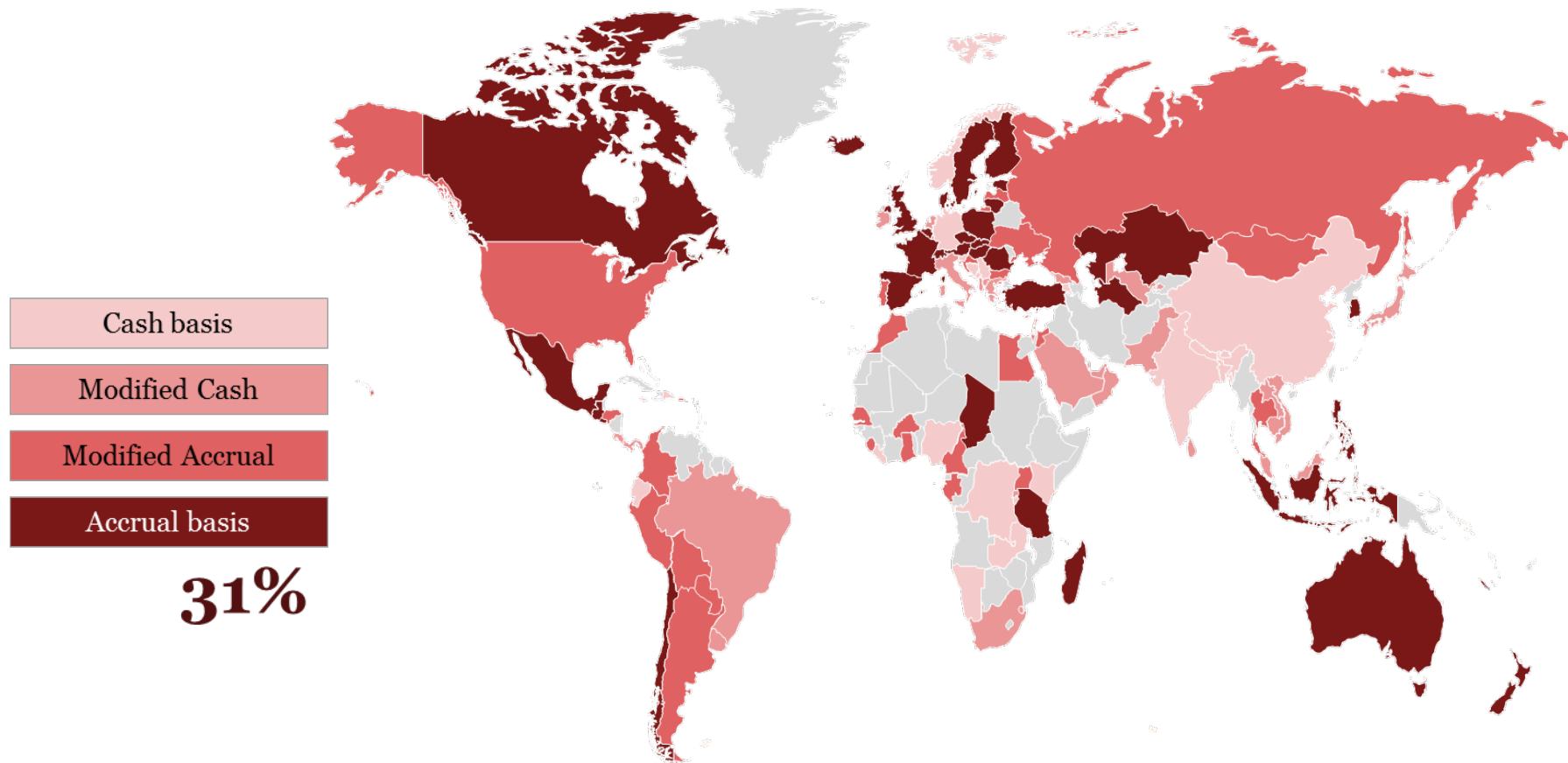
## ‘Complete’, up-to-date and relevant IPSASs suite

- Major public sector gaps filled
  - Fully converged with latest relevant IFRSs
  - Effective stakeholder communication tool



# Accrual implementation – Position in 2015

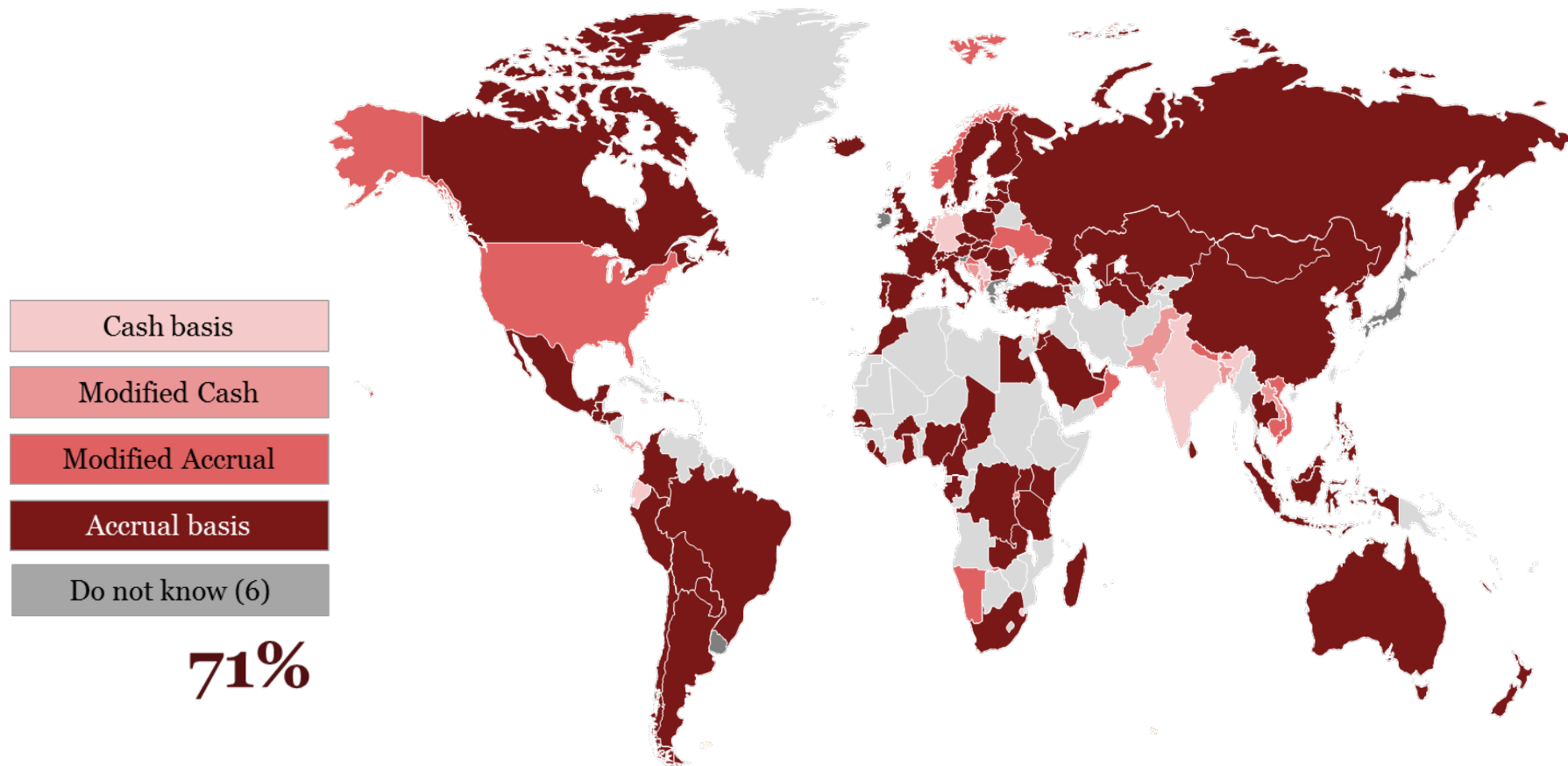
Still great diversity in current central government accounting landscape



Source: PWC Global Survey on Accounting and Reporting by Central Governments (2<sup>nd</sup> edition)

# Accrual implementation - Future plans

But the 5-year trend toward accrual accounting is clear.....



Source: PWC Global Survey on Accounting and Reporting by Central Governments (2<sup>nd</sup> edition)

# Delivery challenges (1): Range and complexity of projects

Project	Public sector specific	IFRS convergence
Social Benefits	✓	
Revenue & Non-Exchange Expenditure	✓	✓
Heritage	✓	
Leases		✓
Financial Instruments	✓	✓
Public Sector Measurement	✓	
Infrastructure Assets (starting September 2017)	✓	
Cash Basis IPSAS (limited-scope update)	✓	

## Delivery challenges (2): Planned outputs by end 2018 and beyond.....

Project	By end 2018	IPSAS post 2018
Social Benefits	IPSAS	
Non-Exchange Expenditure	ED	2020 H1
Exchange Revenue (IFRS15-based)	ED	2020 H1
Non-Exchange revenue (IPSAS 23-based)	ED	2020 H1
Financial Instruments (IPSAS 29 update)	IPSAS	
Public Sector Financial Instruments	ED	2020 H1
Leases	IPSAS	
Public Sector Measurement	CP	2020 H2
Heritage	ED	2020 H2
Infrastructure Assets	CP	2020 H2
Cash Basis IPSAS	IPSAS	

# 2019-23 Strategic challenges

Complexity of PFM landscape

Coordination with other stakeholders?

Relative balance between:

- Addressing public sector-specific issues
- Maintaining IFRS convergence
- Improving financial reporting communication
- Promoting accrual-based information usage

Board's role in relation to adoption and implementation?

How do these demands fit with available resources?

# IPSASB's Current Strategic Objective

Strengthening Public Financial Management and knowledge globally through increasing adoption of accrual-based IPSASs by:

- Developing high-quality financial reporting standards
- Developing other publications for the public sector
- Raising awareness of the IPSASs and the benefits of their adoption



# Proposed Strategic Themes (1)

## 1) Setting standards on public sector specific issues:

- 2014 consultation topics not on current Plan e.g. Natural resources
- Additional 2016 PSSSF suggestions e.g. Differential reporting ('IPSAS-lite')
- Further potential projects emerging from EPSAS topic papers
- Other Board and stakeholder suggestions

## 2) Maintaining IFRS convergence:

- 'Mixed group' consolidation inconsistencies due to outstanding IPSAS / IFRS differences where no public sector-specific reasons preventing convergence
- 'Catch-up' opportunity created by IASB 2017-2021 Work Plan focus on completion of remaining standard-setting projects
- Split into major standard-setting projects, narrow-scope maintenance projects, and minor improvements
- Work with national standard setters on narrow-scope projects / minor improvements?
- Conceptual Framework (CF) limited scope review to consider relevance of IASB CF changes since 2014

## Proposed Strategic Themes (2)

### 3) Improving financial reporting communication:

- Common challenge across sectors
- Consider applicability of IASB work e.g. Disclosure Initiative (materiality and disclosure)
- Potential links with other initiatives - <IR>, Corporate Reporting Dialogue?
- PFM context and links (e.g. Service performance)

### 4) Promoting accrual-based information usage:

- Opportunities to address key areas of GFS divergence?
- Participate in guidance development by IMF and WB e.g. use of balance sheets?
- Raising awareness among ratings agencies and civil society groups?

### 5) Supporting IPSASs adoption and implementation:

- IPSASB role limits, and roles of other key players in strengthening PFM
- Role / adequacy of IPSASs Application and Implementation guidance?
- Update or replacement of Study 14?
- Need for interpretations capability?

# Strategy and Work Plan roadmap: 2017 activities

IPSASB meeting	Approach	External inputs
March 2017	Discussion of high level presentation	6 <sup>th</sup> March joint seminar PIC discussion
June 2017	Detailed discussions – presentation - based	CAG discussion
September 2017	Consider initial draft document	PSSSF discussions
December 2017	Approve final document	PIC and CAG discussions

# Strategy and Work Plan roadmap: 2018 activities

Event	Approach	External input
January 2018	Publication / media launch	IFAC media team
January to [June] 2018	Outreach programme (including round table events)	Public Sector Standard Setters / other key stakeholders
June 2018?	Initial review of responses?	Stakeholder submissions CAG discussion?
September 2018	Further review of responses	PIC comments?
December 2018	Approve final document	PIC and CAG discussions

# Questions for CAG Discussion

What advice would the CAG give the IPSASB on:

- Public interest issues that should be considered in developing the Strategy and Work Plan?
- The five proposed strategic themes and the balance between these?
- Specific projects that should be considered for inclusion in the Strategy and Work Plan?
- Approach to consultation and outreach?



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