

Agenda Item 7: Heritage

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IPSASB Consultative Advisory Group Meeting

Toronto, Canada

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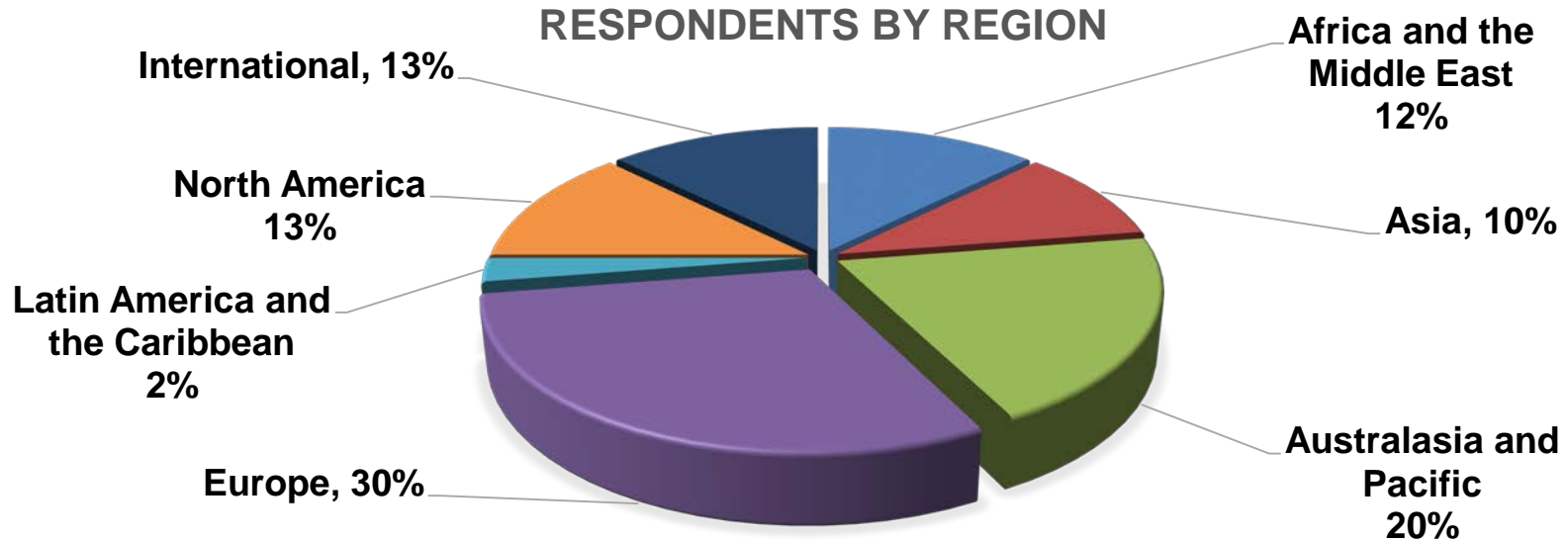
Overview

1. Introduction: Responses to Heritage Consultation Paper (CP)
2. Meaning of heritage
3. Presentation of heritage-related information
4. Responses on other issues

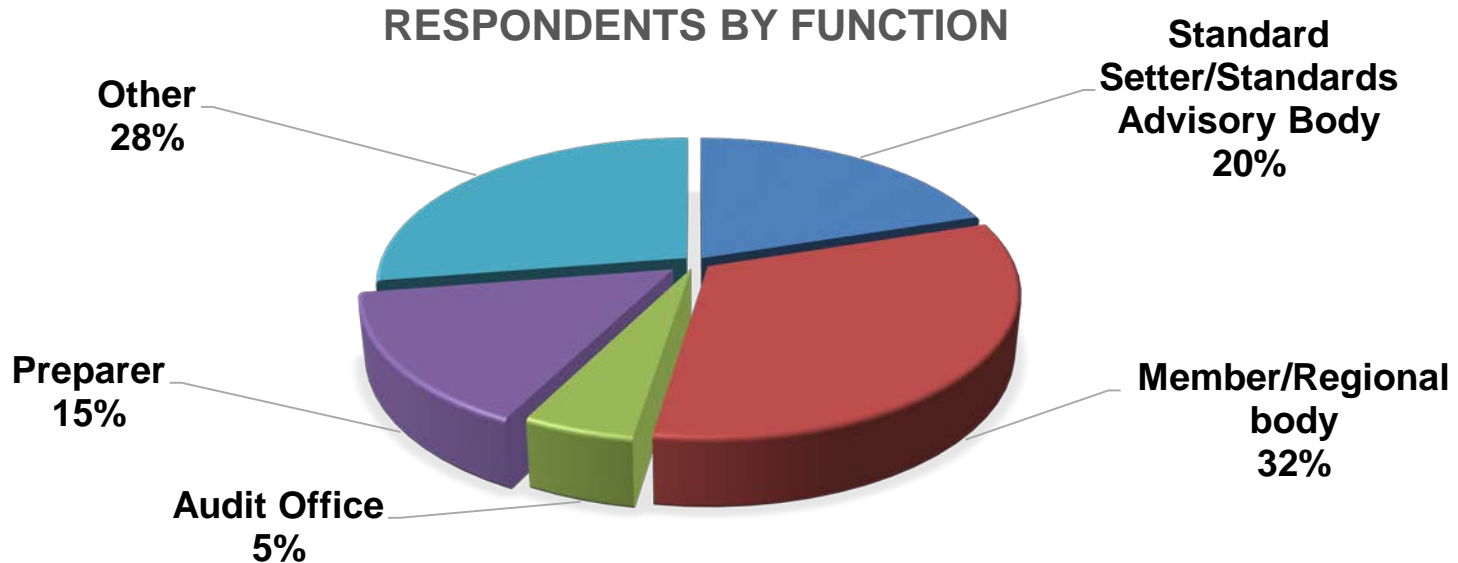
1. Introduction: Responses to Heritage CP

- Good number of responses:
 - 40 responses received (recent average is 30)
- Good mixture of responses, including from:
 - Heritage specialists, valuers, academics, international organizations
 - Those that apply IPSAS or IPSAS-similar accruals
 - Different recognition and measurement approaches

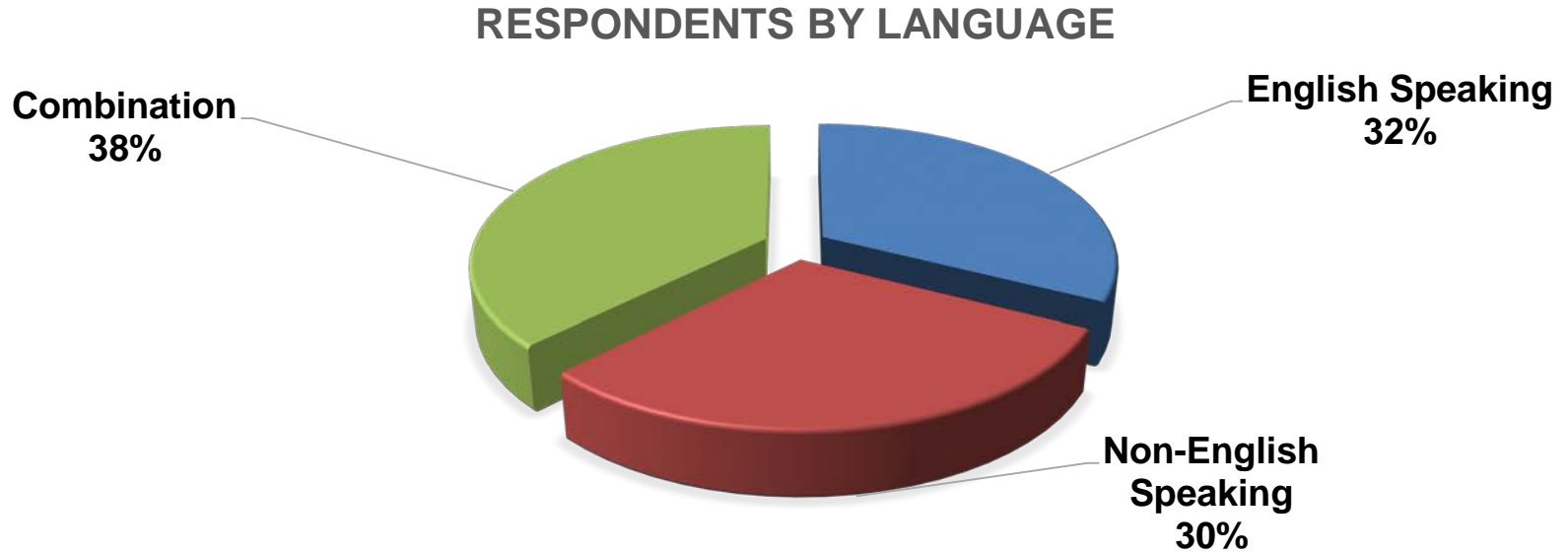
1. Responses received: Geographical Breakdown



1. Responses received: Functional Breakdown



1. Responses received: Linguistic Breakdown



2. Meaning of Heritage

Description: Heritage items are intended to be held indefinitely and preserved for the benefit of present and future generations because of their rarity and/or significance in relation, but not limited, to their archeological, architectural, agricultural, artistic, cultural, environmental, historical, natural, scientific or technological features.

Natural heritage: Natural heritage covers areas and features, but excludes living plants and organisms that occupy or visit those areas and features.

2. Meaning of Heritage

- Description of heritage items:
 - 55% of responses agreed, but
 - Issues for both agree and disagree (see agenda item 7.1)
- Natural heritage excludes living plants and organisms
 - 60% disagreed, only 28% agreed
 - Main reason to disagree: Living things can be heritage items

Question for CAG

What advice does the CAG have to address issues raised by respondents on:

- Description of heritage items; and
- Meaning of natural heritage?

3. Presentation of Heritage-related Information

- 57% agreed with the IPSASB's preliminary view that:
Information about heritage should be presented in line with existing IPSASB pronouncements
- But 61% of “agrees” identified additional, heritage-related information to present:
 - Additional disclosures
 - Heritage line item on face of the statement of financial position
 - Heritage-specific report or schedule

3. Presentation of Heritage-related Information

- Some respondents:
 - *Heritage information should not be viewed exclusively in terms of the financial statements*
 - *Non-financial information, outside of the financial statements, has a role to play in communicating the value of heritage, from the community's perspective*

Question for CAG

What are CAG members' views on issues raised by respondents with respect to presentation of heritage-related information?

4. Responses on other issues

- Heritage items as assets:
 - Preliminary view: *Special characteristics of heritage items do not prevent them being assets*
 - 80% agreed
- Heritage-related obligations:
 - Preliminary view: *Special characteristics of heritage items do not (of themselves) result in a present obligation*
 - 77% agreed

4. Responses on other issues: Recognition

- 77% agreed that heritage assets should be recognized, if meet recognition criteria, but
 - 35% of this support agreed that some or all heritage assets should be measured using 1 currency unit
 - 67% of all respondents state there are heritage-related situations where heritage assets should *not* be recognized and/or measured

4. Responses on other issues: Measurement

- Only 35% agreed that:
 - In many cases can assign monetary value to heritage assets, and
 - Appropriate measurement bases are historical cost, market value & replacement cost
- Only 37% agreed that subsequent measurement:
 - Will need to address value changes from subsequent expenditure, consumption, impairment and revaluation
 - Can be approached in broadly same way as for non-heritage assets

Question for CAG

What are CAG members' views on responses on:

- a) Heritage items as assets
- b) Heritage-related obligations
- c) Recognition and measurement of heritage assets

Next steps for Heritage Project

In 2018, Public Sector Measurement project will consider:

- Heritage measurement issues, including
- Application guidance for IPSAS 17, *Property, Plant and Equipment*



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