

**Meeting:** IPSASB Consultative Advisory Group

**Meeting Location:** Toronto, Canada

**Meeting Date:** June 17, 2019

## Agenda Item 3

For:

- ☐ Approval  
☒ Discussion  
☒ Information

**From:** Dave Warren

### IMPLEMENTATION ISSUES

<b>Project summary</b>	Reflection on implementation issues discussions: including views on areas for improvement and how to make discussions more relevant regarding practical implementation issues / challenges with IPSAS / Accrual Accounting.	
<b>Meeting objectives</b>	<b>Topic</b>	<b>Agenda Item</b>
<b>Discussion items</b>	<a href="#">Implementation Issues</a>	3.1

## Agenda item 3.1

### Implementation Issues

#### Background

1. The CAG provides advice to the IPSASB in several areas. One area of focus is IPSASB's projects, including views on matters that may impede the adoption or effective implementation of IPSAS.
2. The CAG has devoted significant agenda time to understanding implementation issues, which have been a standing item on its agenda since its 3<sup>rd</sup> meeting in June 2017. This item was introduced to allow a forum, where a member or an outside speaker presents on a specific implementation related topic, so the CAG can discuss and share their views and perspectives. The topics which have been discussed include:
  - (a) Implementation challenges encountered by jurisdictions which already have adopted accrual accounting standards (Australian state of New South Wales and the Canadian federal government);
  - (b) Implementation challenges encountered by jurisdictions which are currently on the journey to adopt and implement IPSAS (the federal government of Portugal and the government of Malaysia);
  - (c) The use of accrual financial information for decision-making purposes (presentation on an OECD report - Rationalizing Government Fiscal Reporting and a presentation on the process for development of sovereign credit ratings); and
  - (d) Emerging technology issues that impact the public sector accounting (presentation on blockchain and the impact on public financial management and accounting for public sector transactions).

#### Implementation issues going forward

##### *Strategy and Work Plan 2019–2023*

3. As the IPSASB begins implementation of its Strategy and Work Plan 2019–2023, the expertise of the CAG will be called on for support.
4. Theme D in the IPSASB's Strategy and Work Plan 2019–2023, commits the Board to promoting IPSAS adoption and implementation. The IPSASB has committed to supporting implementation by:
  - (a) Explicitly considering implementation challenges noted in the application of accrual-based IPSAS, when developing public sector specific application guidance, illustrative examples and implementation guidance for new standards and/or updating and revising existing standards;
  - (b) Producing implementation support webpages for all major new standards to facilitate their rollout so that preparers and users can understand their likely impact, and use educational material to support implementation;
  - (c) Creating a working group to advise on an appropriate process and structure to consider implementation and interpretations issues in a resource efficient manner;
  - (d) Developing 'At A Glance' summaries for all significant IPSAS publications and pronouncements;

- (e) Providing webinars on significant consultations and final pronouncements;
- (f) Publishing an annual Handbook, which is a one-stop-shop for all IPSASB pronouncements;
- (g) Issuing staff Questions and Answers (Q & A) publications highlighting aspects of IPSASB's suite of standards which are relevant to implementation, such as the recent Q & A on Materiality; and
- (h) Developing training materials as well as delivering limited training activities to support IPSAS understanding.

*Future Implementation Issues – Input from the CAG*

5. The CAG implementation sessions identify issues that may impede the adoption or effective implementation of IPSAS. Issues identified in these sessions will help the IPSASB achieve its commitments in paragraph 4(a) and 4(c) as issues identified can be discussed by the advisory group and explicitly considered by the IPSASB in the development of supplemental guidance. As such, continuing to devote a portion of its agenda to understanding these implementation issues allows the CAG to fulfill its objective of advising the IPSASB.
6. As these sessions help the CAG advise the IPSASB, maximizing the benefits to members of the CAG enables the identification of further issues. Staff will attempt to balance jurisdictional specific implementation issues with general operational challenges, however, input from members is welcomed in identifying topics to cover at future meetings and how these sessions can be improved.
7. Members are asked the following questions:

**Question to CAG Members**

Do you have any suggestions for presenters and topics that should be discussed at future Implementation Issues sessions?

What are areas the Implementation Issues sessions could be improved on for future sessions?