

Agenda Item 8: Measurement

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IPSASB Consultative Advisory Group Meeting

Abu Dhabi, United Arab Emirates

December 9, 2019

Project Background

How Do You Calculate the Measurement Bases (Consultation Phase)

IPSAS, *Measurement*

Objective and Scope

Definitions

Measurements Bases

Applications Guidance

Fair Value

Fulfillment Cost

Historical Cost

Replacement Cost

Basis for Conclusions

What is the
measurement
basis?

How to
calculate the
measurement
basis?

Why apply the
measurement
bases?

Which Measurement Basis Do You Use (Exposure Draft Phase)

Other IPSAS

...

IPSAS 12, Inventories

...

IPSAS 16, Investment Property

...

IPSAS 19, Provisions,
Contingent Liabilities and
Contingent Assets

...

IPSAS 41, Financial Instruments

Which
measurement
bases should
be applied in
measuring the
economic
resource?

Illustrative Exposure Draft



Illustrative Exposure Draft - Question to the CAG

Question 1

- Staff are of the view this approach is beneficial for select projects going forward. Given the responses noted, does the CAG agree?

Borrowing Costs

| Borrowing Costs | Current IPSAS | Preliminary View |
|---|-----------------------|------------------|
| Directly attributable to acquisition, construction or production of qualifying asset | Expense or capitalize | Expense |
| Interest and other expenses incurred by an entity in connection with the borrowing of funds | Expense | Expense |

Borrowing Costs - Question to the CAG

Question 2

- Are there any public interest considerations the IPSASB should take into account when evaluating the two approaches?
- Is there another approach the IPSASB should consider?

Limited-Scope Review of the Conceptual Framework

Link between projects

- Market value
- Replacement cost
- Other measurement bases

Public Interest to run projects in parallel

- Consistent guidance
- Consistent analysis
- Address issue congruently

Limited-Scope Review of the Conceptual Framework - Question to the CAG

Question 3

- Do Members of the CAG believe the IPSASB has adequately addressed the public interest by operating the Limited-Scope Review of the Conceptual Framework project and the Measurement project in parallel?



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