

Meeting: International Public Sector Accounting Standards Board

Meeting Location: Toronto, Canada

Meeting Date: December 6—9, 2022

Agenda Item 2

For:

Approval

Discussion

Information

PROGRAM AND TECHNICAL DIRECTOR’S REPORT

Project summary	The purpose of this session is to receive updates on changes to the work program and approve those changes.	
Meeting objectives Project management	Topic	Agenda Item
	Instructions up to Previous Meeting	2.1.1
	Decisions up to Previous Meeting	2.1.2
Decisions required at this meeting	Program Management—IPSASB Work Program Update	2.2.1
Other supporting items	IPSASB Work Program: December 2022	2.3.1
	Summary of 2023 Meeting Dates	2.3.2

INSTRUCTIONS UP TO SEPTEMBER 2022

Meeting	Instruction	Actioned
September 2022	1. No unresolved instructions at the end of September 2022.	1. N/A

DECISIONS UP TO SEPTEMBER 2022

Meeting	Decision	BC Reference
September 2022		1. N/A

Program Management—IPSASB Work Program Update

Purpose

1. To obtain IPSASB agreement on the identified program management items outlined in the report.

Recommendation

2. Staff recommends that the IPSASB:
 - (a) Note the updates related to work program developments highlighted in paragraphs 9–14;
 - (b) Agree to review the work program during the Friday December 9th Board session based on progress at the meeting; and
 - (c) Note the activities and information highlighted in paragraphs 15–17.

Background

3. All updates following the September 2022 meeting are reflected in [Agenda Item 2.3.1](#).
4. During the December 9th Board session, a work program update will be provided to the IPSASB, reflecting on progress during the meeting.
5. The analysis below highlights a number of key items relevant to program management and work program delivery for IPSASB consideration and information.

Analysis

Ongoing COVID-19 Impacts

6. COVID continues to impact the operations of the IPSASB. Positively, the IPSASB's December meeting in Toronto, will be its fourth hybrid meeting of 2022, with in-person attendance in September 2022 reaching 17 of 18 members. As of the writing of this report, there is an expectation of 15 of 18 members joining the December meeting in-person. IPSASB staff thank Members and Technical Advisors, and their supporting organizations for their efforts to travel to meetings in 2022. We know that travel has not been easy, and it is resource intensive. However, without the hybrid quarterly meetings, the projects on the work program would not have advanced to the extent they have in 2022.
7. IPSASB staff note that planning and operating hybrid meetings with a virtual attendance option is complicated in terms of agenda development, timings for discussions, and ensuring adequate technology to support such meetings. There are likely to be some challenges encountered during this on-going transition period, however, members should feel assured that staff are meticulously planning and organizing each meeting to try and ensure the smoothest meeting experience possible whether in-person or virtual. Thank you in advance for your patience and support.
8. IPSASB staff plan to continue to offer a virtual attendance option for each quarterly meeting in 2023, and will continue to stream meetings on YouTube. Further, the IPSASB will continue hold virtual

meetings for the quarterly 3-hour check-in sessions as needed for key items on the IPSASB's work program¹.

Management of Upcoming Approvals

9. Several long running projects are approaching final approval. This creates a program management issue related to the following:
 - (a) The amount of agenda time available at the December 2022 and March 2023 meetings;
 - (b) The number of approvals the IPSASB can reasonably be expected to consider during a single meeting;
 - (c) The ability for staff to action IPSASB decisions and instructions and work through the drafting; and
 - (d) Integration of ongoing projects and management of cross-cutting issues.

IPSASB staff have sequenced proposed approvals across the December 2022 and March 2023 meetings by balancing the above factors and evaluating which projects are likely to be ready for approval by IPSASB. Projects ready for approval have been prioritized for December.

10. The following items are planned for final approval at the December 2022 meeting:
 - (a) Conceptual Framework–Limited Scope Update–Measurement.
 - (b) Property, Plant, and Equipment.

All significant issues of principle have been discussed and agreed by IPSASB and the full draft pronouncements for both projects have been reviewed. Staff believe there is an appropriate amount of agenda time for IPSASB to review and finalize the remaining issues and vote on approval at the December 2022 meeting.

11. The IPSASB will also review the draft IPSAS for Measurement, Transfer Expenses and Revenue at the December 2022 meeting. The IPSASB staff view on the readiness for approval of each of these final pronouncements is as follows:
 - (a) Measurement. All issues of principle have been reviewed and decided by IPSASB. Drafting changes resulting from the reordering of the Current Operational Value (COV) definition and related to material changes to the text have been reviewed by the Drafting Group. There are some final issues which members have flagged for further consideration and drafting of important principles (including related to the definition of COV) that the board will consider and finalize in December. Staff considered seriously whether Measurement should be put up for approval in December, but ultimately decided not to do so because of the additional issues flagged by members for further consideration and because of the volume of drafting considered by the Drafting Group, but not yet by IPSASB. IPSASB staff note that while the Measurement IPSAS could still be approved if members are content with the amendments made, its approval in March 2023 need not delay the approval of the Property, Plant, and Equipment or the Conceptual Framework–Limited Scope Update–Measurement projects at this meeting. Given

¹ However, when the virtual check-in meeting sessions are not needed to keep items on the work program progressing, they will be cancelled, as with the July 2022 check-in, which was cancelled because it was not needed at that time.

that all three of these projects are inter-related, the plan is that all pronouncements will be published as a package upon approval of IPSAS, *Measurement*, and that the proposed approvals of the Conceptual Framework–Limited Scope Update–Measurement, and Property, Plant and Equipment should be subject to any consistency changes required as a result of the final approval of Measurement, as well as the normal final editorial process.

- (b) **Transfer Expenses.** The IPSASB has reviewed all of the main authoritative guidance (core text and application guidance) and confirmed that its key decisions on accounting principles have been appropriately reflected. At the December meeting, IPSASB will be reviewing recommendations from staff and the Drafting Group on the non-authoritative guidance (Basis for Conclusions, Implementation Guidance, and Illustrative Example). Staff considered whether Transfer Expenses should be put forward for approval in December 2022 but ultimately decided that approval should be planned for March 2023. This allows time for the finalization of the Amendments to Other IPSAS (including finalization changes related to other preceding approvals such as the new IPSAS on Property, Plant and Equipment) and provides additional time to consider the volume of new drafting before approving it.
 - (c) **Revenue.** The IPSASB has reviewed all of the main authoritative guidance (core text and application guidance) and confirmed that its key decisions on accounting principles have been appropriately reflected. At the December meeting, IPSASB will be reviewing recommendations from staff and the Drafting Group on the non-authoritative guidance (Basis for Conclusions, Implementation Guidance, and Illustrative Example). Staff considered whether Revenue should be put forward for approval in December 2022 but ultimately decided that approval should be planned for March 2023. This allows time for the finalization of the Amendments to Other IPSAS (including finalization changes related to other preceding approvals such as the new IPSAS on Property, Plant and Equipment) and provides additional time to consider the volume of new drafting before approving it.
12. There will also be several other important sessions during the December 2022 meeting where key decisions and approvals are planned, those are:
- (a) **Other Lease-Type Arrangements.** The IPSASB has reviewed all of the proposed authoritative guidance and non-authoritative guidance proposed in the Exposure Draft. Therefore, staff and the Task Force recommend that the IPSASB finalize and approve the Exposure Draft in December 2022 so it can be exposed to stakeholders in early 2023.
 - (b) **Sustainability Reporting.** The IPSASB decided when it published its Consultation Paper, *Advancing Public Sector Sustainability Reporting* that it would review the feedback received and decide on next steps and the way forward on this topic by end of 2022. This is a very important strategic decision for IPSASB, and it is important that time was allocated at the December 2022 meeting to consider the feedback received and to take a decision on how to proceed.

Program Management

13. The IPSASB work program has been updated following the September 2022 meeting, and in the light of the discussion above on the proposed management of upcoming approvals, for the following:
- (a) **Retirement Benefit Plans.** An initial review of responses to ED 82, *Retirement Benefit Plans*, was planned for December 2022. However, as a result of lack of agenda time available in

December, and the number of ongoing technical projects at critical stages, the first review of responses has been deferred until March 2023. This adjustment has been reflected on the work program.

- (b) Natural Resources. The initial review of responses to the CP, *Natural Resources* (comment period closed October 17, 2022) was put back to March 2023 because of lack of agenda time in December, as well as not having staff resources available to start the response analysis. The first review of responses has been deferred until March 2023. This adjustment has been reflected on the work program.
 - (c) Measurement. As explained in paragraph 11(a) above, the final approval of Measurement has been deferred until March 2023, and the work program has been updated to reflect this.
 - (d) Transfer Expenses. As explained in paragraph 11(b) above, the approval of Transfer Expenses has been deferred until March 2023, and the work program has been updated to reflect this.
 - (e) Revenue. As explained in paragraph 11(c) above, the final review of Revenue has been deferred until March 2023, and the work program has been updated to reflect this.
14. IPSASB staff highlight that progress at the December 2022 and March 2023 meeting will determine the speed at which staff and board resources can be deployed to begin the new major projects added to the work program in 2022 (Differential Reporting and Presentation of Financial Statements) as well as the ability and capacity to start any activities of substance related to Sustainability Reporting. Therefore, staff ask members to keep in mind the following important factors related to the upcoming approvals:
- (a) The planned final approvals are all for projects that have been ongoing for several years and been through several stages of consultation with stakeholders (Consultation Papers and Exposure Drafts) in accordance with the Board's due process requirements. The feedback from stakeholders has shaped the draft final pronouncements.
 - (b) The draft final pronouncements have been developed through several Board meetings and the documents reflect all the decisions taken by IPSASB. Final approval sessions are therefore intended to pick up any fatal flaws that would prevent approval rather than as an opportunity to re-open previous IPSASB decisions. Any final minor changes of an editorial nature can be passed to staff rather than raised in the session, as each final approval will have an editorial group to review final drafting changes to ensure they are purely of an editorial nature.
 - (c) Members that disagree with key concepts previously agreed by IPSASB should consider whether their views cause them to either or abstain during a vote or vote against approval, with their dissenting view noted in the minutes. Staff are available to discuss these options further if that will help Members in finalizing their views.

Sustainability

15. The IPSASB chair, staff, members and technical advisors continue to engage in outreach with a range of stakeholders related to the important ongoing sustainability initiative, as noted in Agenda Item 1.7—IPSASB Representation Liaison Activities. These activities have become increasingly important as a number of new stakeholders begin to take interest in and engage in the IPSASB's work.

16. IPSASB updates related to sustainability are available on the IPSASB [sustainability reporting webpage](#), including links to the IPSASB CP, [Advancing Public Sector Sustainability Reporting](#). This webpage includes useful sustainability related information and updates.

Outreach

17. **IPSASB / IMF Outreach Event Monday March 13th**. The IPSASB March 2023 meeting will be hosted by the IMF in Washington DC from March 14th-17th. This offers an opportunity for a joint outreach event with the IMF and other Washington based organizations that is being planned for Monday March 13th. The IPSASB is currently working with IMF staff to plan the agenda for the event and asks that IPSASB members and technical advisors consider planning their travel arrangements to be able to join and participate in the event.

Decision Required

18. Does the IPSASB agree with the Staff recommendations in [paragraph 2](#)?

IPSASB Work Program: December 2022

IPSASB WORK PROGRAM THRU 2024: DECEMBER 2022

Project	Meetings								
	Dec 2022 (CAG)	Mar 2023	Jun 2023 (CAG)	Sep 2023	Dec 2023 (CAG)	Mar 2024	Jun 2024 (CAG)	Sep 2024	Dec 2024 (CAG)
I. Current Projects									
Revenue¹	DI/IP	[IP]			RR/IP				
Transfer Expenses¹	DI/IP	[IP]			RR/IP				
Conceptual Framework—Limited Scope Update-Measurement	CF								
Conceptual Framework—Limited Scope Update-Next Stage	RR/DI	DI/CF	CF CAG						
Measurement	IP	IP							
Property, Plant, and Equipment ² (i) Infrastructure Assets (additional guidance) (ii) Heritage Assets (additional guidance)	IP								
Other Lease-Type Arrangements [Public sector specific]	ED		RR/DI CAG	RR/DI	RR/IP	IP			
Natural Resources		RR/DI	RR/DI CAG	RR/ED	ED			RR/DI	RR/DI
Retirement Benefit Plans		RR/DI	RR/IP CAG	IP					
Improvements		ED		IP		ED		IP	
Strategy and Work Program 2024—2028	CAG	DI	DI/CP	CP			RR/DI CAG	SWP	
Advancing Public Sector Sustainability Reporting	RR/Way Forward Decision CAG								
IPSASB Handbook		Publish				Publish			
II. New 2022 Projects³									

¹ Due process requires the IPSASB to consider the need for re-exposure after it approves a new standard. Because of changes since the Revenue and Transfer Expense exposure drafts, there is the potential that IPSASB may vote to re-expose the final new pronouncements, and the work program indicates the impact if it decides to re-expose.

² The amendments arising from Infrastructure Assets and Heritage Assets are included in ED 78, *Property, Plant, and Equipment*, which will replace IPSAS 17, *Property, Plant, and Equipment*.

³ The IPSASB also added four limited-scope projects to its 2023 work program as pre-commitments with project work to commence as resources become available from 2023 onwards. The limited scope projects are: 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*.

Project	Meetings								
	Dec 2022 (CAG)	Mar 2023	Jun 2023 (CAG)	Sep 2023	Dec 2023 (CAG)	Mar 2024	Jun 2024 (CAG)	Sep 2024	Dec 2024 (CAG)
Reporting Sustainability Program Information (Theme C)		RR/DI/RP	RR/DI/RP						
Presentation of Financial Statements	RS	RS							
Differential Reporting	RS CAG	RS							

Legend:

DI = Discussion of Issues; RR = Review Responses; CAG = Discussion of Issue with CAG

PB = Approval of Project Brief

RP = Approval of Final Recommended Practice Guidance

CP = Approval of Consultation Paper

RWP = Approval of Revised Work Program

ED = Approval of Exposure Draft

ST = Approval of Strategy and Work Program

IP = Approval of Final Standard or Amendments to IPSAS

= Planned Consultation Period

CF = Approval of Amendments to Conceptual Framework

RS = Initial Project Research and Scoping Activities

Project Management—Outputs:

Consultation Papers:

Advancing Public Sector Sustainability Reporting

Natural Resources

Exposure Drafts:

ED 81, *Conceptual Framework Update: Chapter 3, Qualitative Characteristics and Chapter 5, Elements in Financial Statements*

ED 82, *Retirement Benefit Plans*

ED 83, *Reporting Sustainability Program Information—RPGs 1 and 3: Additional Non-Authoritative Guidance*

December 2022

PROJECTS COMPLETED AND/OR PUBLISHED DURING 2019-2023 STRATEGY AND WORK PROGRAM PERIOD

Project	Date Issued
<i>IPSAS 44, Non-current Assets Held for Sale and Discontinued Operations</i>	May 2022
<i>IPSAS 43, Leases</i>	January 2022
<i>Improvements to IPSAS, 2021</i>	January 2022
<i>Amendments to IPSAS 5, Borrowing Costs—Non-Authoritative Guidance</i>	November 2021
<i>Non-Authoritative Amendments to IPSAS 41, Financial Instruments</i>	December 2020
<i>COVID-19: Deferral of Effective Dates</i>	November 2020
<i>Collective and Individual Services, (Amendments to IPSAS 19)</i>	January 2020
<i>Improvements to IPSAS, 2019</i>	January 2020
<i>IPSAS 42, Social Benefits</i>	January 2019
<i>Amendments to IPSAS 36, Investments in Associates and Joint Ventures, and IPSAS 41, Financial Instruments</i>	January 2019

Status of Application of Due Process – December 2022

APPENDIX A

PROJECT	DUE PROCESS ELEMENTS (✓ = ELEMENT COMPLETE)					ANTICIPATED FINAL APPROVAL	
	A. PROJECT COMMENCEMENT	B. DEVELOPMENT OF STANDARD		C. PUBLIC EXPOSURE	D. EXPOSURE COMMENTS CONSIDERED		E. APPROVAL
		CP PHASE (IF APPLICABLE)	ED PHASE				
Revenue	✓	✓	✓	✓	ONGOING	March 2023 [December 2023]	
Transfer Expenses	✓	✓	✓	✓	ONGOING	March 2023 [December 2023]	
Conceptual Framework—Limited Scope Update- Measurement	✓	N/A	✓	✓	ONGOING	December 2022	
Conceptual Framework—Limited Scope Update-Next Stage	✓	N/A	✓	✓	ONGOING	June 2023	
Measurement	✓	✓	✓	✓	ONGOING	March 2023	
Property, Plant, and Equipment Update - Infrastructure Assets	✓	N/A	✓	✓	ONGOING	December 2022	

Status of Application of Due Process – December 2022

APPENDIX A

PROJECT	DUE PROCESS ELEMENTS (✓ = ELEMENT COMPLETE)					ANTICIPATED FINAL APPROVAL	
	A. PROJECT COMMENCEMENT	B. DEVELOPMENT OF STANDARD		C. PUBLIC EXPOSURE	D. EXPOSURE COMMENTS CONSIDERED		E. APPROVAL
		CP PHASE (IF APPLICABLE)	ED PHASE				
Property, Plant, and Equipment Update - Heritage Assets	✓	✓	✓	✓	ONGOING	December 2022	
Other Lease-type arrangements [Public sector specific]	✓	N/A	ONGOING			March 2024	
Natural Resources	✓	CP PUBLISHED MAY 2022				December 2024	
Retirement Benefit Plans	✓	N/A	✓	ED 82 PUBLISHED APRIL 2022		June 2023	

N/A – Consultation Paper (CP) phase is not a required due process element, IPSASB determines on a project-by-project basis whether a CP is needed.

Overview of Due Process steps:

A. Project Commencement—due process step complete when project proposal (project brief) approved.

B. Development of Standard—due process step complete when exposure draft approved for public exposure.

C. Public Exposure—due process step complete when exposure draft comment period ends and comments received publicly posted on IPSASB website.

D. Consideration of Exposure Comments—due process step complete when significant issues raised on exposure have been deliberated by IPSASB.

E. Approval—due process step complete after board approval of final standard, considered the need for re-exposure, agreed the basis for conclusions and set an effective date for the standard.

Summary of 2023 Meeting Dates

1. The below table summarizes the IPSASB quarterly and check-in meetings for 2023.

Table 1— IPSASB 2023 Meeting Dates

<p>March 2023 <i>Washington D.C. – Hosted by International Monetary Fund</i> IPSASB Meeting: March 14-17, 2023: (Hybrid in-person/virtual) Please note that the IPSASB is planning an outreach event with the IMF on Monday March 13, 2023.</p>
<p>June 2023 <i>Toronto, Canada (Hybrid in-person/virtual) – CPA Canada</i> CAG Meeting – June 12, 2023 (Hybrid in-person/virtual) IPSASB Meeting – June 13-16, 2023 (Hybrid in-person/virtual)</p>
<p>September 2023 <i>Zurich, Switzerland (Hybrid in-person/virtual) – Hosted by The Canton of Zurich</i> IPSASB Meeting – September 12–15, 2023 (Hybrid in-person/virtual)</p>
<p>December 2023 <i>Toronto, Canada (Hybrid in-person/virtual) – CPA Canada</i> CAG Meeting – December 4, 2023 (Hybrid in-person/virtual) IPSASB Meeting – December 5-8, 2023 (Hybrid in-person/virtual)</p>

Table 4—IPSASB 2023 Virtual Check-In Meetings

February 23, 2023
April 27, 2023
July 27, 2023
October 26, 2023