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	<b>CHAPTER 7: MEASUREMENT OF ASSETS AND LIABILITIES IN FINANCIAL STATEMENTS</b>	
<p>Paragraph 7.1 is Framework paragraph 7.1</p>	<p><b>Introduction</b></p> <p>7.1 This Chapter identifies the measurement concepts that guide the IPSASB in the selection of measurement bases for IPSAS and by preparers of financial statements in selecting measurement bases for assets and liabilities where there are no requirements in IPSAS.</p>	<p><i>The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities (henceforth Framework)</i></p>
<p>Paragraph 7.2 is Framework paragraph 7.2. Unchanged following September decision to retain current wording</p>	<p><b>The Objective of Measurement</b></p> <p>7.2 The objective of measurement is:</p> <p><i>To select those measurement bases that most fairly reflect the cost of services, operational capacity and financial capacity of the entity in a manner that is useful in holding the entity to account, and for decision-making purposes.</i></p>	<p><i>Framework Chapter 7</i></p>
<p>Paragraph 7.3 is Framework paragraph 7.3. Unchanged apart from minor change at end of second bullet following September decision to retain current wording</p>	<p>7.3 The selection of a measurement basis for assets and liabilities contributes to meeting the objectives of financial reporting in the public sector by providing information that enables users to assess:</p> <ul style="list-style-type: none"> <li>• The cost of services provided in the period in historical or current terms;</li> <li>• Operational capacity—the capacity of the entity to support the provision of services in future periods through physical and other resources; <del>and/or</del></li> <li>• Financial capacity—the capacity of the entity to fund its activities</li> </ul>	<p><i>Framework Chapter 7</i></p>
<p>Paragraph 7.4 is Framework paragraph 7.4</p>	<p>7.4 The selection of a measurement basis also includes an evaluation of the extent to which the information provided achieves the qualitative characteristics while taking into account the constraints on information in financial reports.</p>	<p><i>Framework Chapter 7</i></p>
<p>Paragraphs 7.5 to 7.10 are added to reflect Board Decision in June 2020 (Agenda Item 6.2.2)</p>	<p><b>The Measurement Hierarchy</b></p> <p>7.5 There are three levels of measurement:</p> <ul style="list-style-type: none"> <li>• Measurement Models</li> <li>• Measurement Bases</li> <li>• Measurement Techniques</li> </ul>	































































































