

PROPERTY, PLANT, AND EQUIPMENT

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IPSASB Meeting – June 2022



Overview and Next Steps

ED 78's objective is to develop enhanced guidance clarifying the recognition and measurement of infrastructure and heritage assets that are Property, Plant, and Equipment.

Next Steps

June 2022

- Review SMC Responses.
- Discuss Issues.



September 2022

- Develop Pronouncement.
- Approve Pronouncement.

SMC 1: Restructuring

Recommendation

Staff recommend retaining the structure of the standard as proposed in ED 78, *Property, Plant, and Equipment*.

- 87% of respondents support the proposed restructuring of ED 78.
- Staff noted that the responses received do not present information the IPSASB has not previously considered, nor do they identify a public sector-specific issue or challenges when applying the principles.

Does the IPSASB agree with this recommendation?

SMC 2: Choice of Measurement Basis and Accounting Policy Choice

Recommendation

Staff recommend retaining the accounting policy choice to select the current operational value or fair value basis when measuring property, plant, and equipment.

- 74% of respondents support the proposed restructuring of ED 78.
- Staff noted that the responses received do not present information the IPSASB has not previously considered, nor do they identify a public sector-specific issue or challenges when applying the principles.

Does the IPSASB agree with this recommendation?

SMC 3: Heritage Assets Characteristics

Recommendation

Staff recommend retaining the characteristics of heritage assets proposed in AG3 of ED 78, *Property, Plant, and Equipment*.

- Staff noted that the responses received do not present information the IPSASB has not previously considered, nor do they identify a public sector-specific issue or challenges when applying the principles in ED 78.

Does the IPSASB agree with this recommendation?

SMC 4: Infrastructure Assets Characteristics

Recommendation

Staff recommend retaining the characteristics of infrastructure assets as proposed in AG5 of ED 78, *Property, Plant, and Equipment*.

- Staff noted that the responses received do not present information the IPSASB has not previously considered, nor do they identify a public sector-specific issue or challenges when applying the principles in ED 78.

Does the IPSASB agree with this recommendation?

SMC 5: Disclosure for Unrecognized Heritage Assets

Recommendation

Staff recommend retaining the scope of the unrecognized heritage property, plant, and equipment disclosure requirements as proposed in ED 78, *Property, Plant, and Equipment*.

- 75% of respondents support the proposed scope disclosure for unrecognized heritage assets.
- Staff noted that the responses received did not present information the IPSASB had not previously considered, nor do they identify a public sector-specific issue or challenges to reliably measure non-heritage property, plant, and equipment.

Does the IPSASB agree with this recommendation?

SMC 6: Non-Authoritative Guidance for Heritage Assets

Recommendation

Staff recommend retaining the non-authoritative guidance for Heritage as proposed in ED 78, *Property, Plant, and Equipment*.

- 93% of respondents support the proposed non-authoritative guidance for heritage assets.
- Staff noted that the responses received do not present information the IPSASB has not previously considered, nor do they identify a public sector-specific issue or challenges when applying the principles.

Does the IPSASB agree with this recommendation?

SMC 7: Non-Authoritative Guidance for Infrastructure Assets

Recommendation

Staff recommend retaining the non-authoritative guidance for Infrastructure as proposed in ED 78, Property, Plant, and Equipment.

- 98% of respondents support the proposed non-authoritative guidance for infrastructure assets.
- Staff noted that the responses received do not present information the IPSASB has not previously considered, nor do they identify a public sector-specific issue or challenges when applying the principles.

Does the IPSASB agree with this recommendation?

Editorial Changes

Recommendation

Staff recommend editorial changes to ED 78, *Property, Plant, and Equipment* to address non-conceptual concerns identified by respondents spread across the SMCs.

Does the IPSASB agree with this recommendation?

IPSASB

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