

**Approved Minutes of the Meeting of the
INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD**

Held on September 24–27, 2019 in Lisbon, Portugal

1. Attendance, Opening Remarks, and Approval of Minutes

Attendance

	Voting Members	Technical Advisors
Present:	Ian Carruthers (Chair) Mike Blake (Deputy Chair) Stuart Barr Todd Beardsworth Lindy Bodewig Michel Camoin Francesco Capalbo Luzvi Chatto Adrienne Cheasty Neema Kiure-Mssusa Rod Monette Leonardo Nascimento Chris Nyong Lynn Pamment Bernhard Schatz Marc Wermuth Member Apologies: Do-Jin Jung Aracelly Méndez	Clark Anstis (Mr. Blake) Claudia Beier (Mr. Wermuth) Amanda Botha (Ms. Bodewig) Henning Diederichs (Ms. Pamment) Takeo Fukiya (Mr. Jung) Baudouin Griton (Mr. Camoin) Anthony Heffernan (Mr. Beardsworth) Williard Kalulu (Ms. Kiure-Mssusa) Leona Melamed (Mr. Monette) Fabrizio Mocavini (Mr. Capalbo) Ayres Moura (Mr. Nascimento) Renée Pichard (Mr. Barr) David Watkins (Mr. Carruthers) Technical Advisor Apologies: Samuel Agbevem (Mr. Nyong) Juan Moreno Real (Ms. Méndez) Annabelle Puserio (Ms. Luzvi) Jakob Prammer (Mr. Schatz)

	Non-Voting Observers
Present:	Biodun Adeyemo (African Union) Jon Blondal (OECD) (Tuesday) Sagé de Clerck (IMF) Pedro Guazo (UNDP) Jerry Gutu (United Nations) Godson Kumah (African Union) Thomas Müller-Marqués Berger (CAG Chair) Adam Phillion (United Nations) (Tuesday-Thursday) Nicole Smith (European Commission) John Verrinder (Eurostat)
Apologies:	Guohua Huang (IMF) Chai Kim (ADB) Delphine Moretti (OECD) Martin Koehler (European Commission) Fily Sissoko (World Bank Group)
	IPSASB/IFAC Staff/Advisor
Present:	Amon Dhliwayo, IPSASB João Fonseca, IPSASB Gwenda Jensen, IPSASB Edwin Ng, IPSASB Ross Smith, IPSASB Joanna Spencer, IPSASB John Stanford, IPSASB Dave Warren, IPSASB James Gunn, Managing Director, Professional Standards (Tuesday) Paul Mason, Senior Advisor

- 1.1 The Chair introduced the Minister of Finance of Portugal, Mr. Mario Centeno, and thanked the Finance Ministry for hosting the meeting. Mr Centeno welcomed Members, Technical Advisors and Observers to Lisbon. He outlined Portugal's recovery from the Global Financial Crisis and the importance of IPSAS in Portugal's public reform program, and globally, thanking the Board for its work. The Chair acknowledged the very significant achievements of the Ministry and thanked the Minister.
- 1.2 Aracelly Méndez and Do-Jin Jung had given apologies.
- 1.3 The Chair informed members of the reappointments of Lindy Bodewig and Chris Nyong as members for the 2020–2022 period. He congratulated Lindy and Chris. He also informed members that Mike Blake had been appointed Deputy Chair for 2020 and congratulated Mike. He informed Board members that Kamira Sanchez Nicosia (Panama), Ajith Ratnayake (Sri Lanka), Scott Showalter (USA) and Patricia Varela (Brazil) had been appointed to the IPSASB for three-year terms commencing on January 1, 2020.
- 1.4 James Gunn reported that following a rigorous selection process Ross Smith, the current Deputy Director, had been appointed to the post of Program and Technical Director. Ross will take up his post in the first quarter of 2020 and will replace John Stanford, who will step down as Technical Director. Arrangements for the transition were being formulated. John would continue on the IPSASB staff in a part-time capacity. James also said that, in order to maintain staff capacity, recruitment of a further post of Manager, Standards Development and Technical Projects would be initiated.
- 1.5 Members approved the minutes of the June 2019 meeting.
- 1.6 John Verrinder, the Eurostat observer, updated members on developments in the European Public Sector Accounting Standards (EPSAS) project. There had been no meetings of the EPSAS Working Group since the IPSASB's June meeting. The next meeting of the EPSAS Working Group will be in November in Luxembourg. Work would be initiated on screening a small number of individual IPSAS against the EPSAS Conceptual Framework, the European System of Accounts and other European frameworks. There will also be a reassessment of the accounting maturity of member states, updating a previous analysis. John reminded members that a new European Commission and a new Commissioner for Economic and Financial Affairs, with responsibility for the work of Eurostat, will take office in autumn 2019.
- 1.7 Members noted the IPSAS-IFRS Alignment Dashboard. The Chair highlighted that more than a third of IPSASB pronouncements are wholly or mainly public sector specific.
- 1.8 Members noted the IPSAS-GFS Alignment Tracking Table. The Chair noted that development of a dashboard-type report is underway. A workshop with the International Monetary Fund to consider alignment between IPSAS and Government Finance Statistics is envisaged for 2020. The Dashboard would be a very useful tool in identifying specific issues that might be addressed in the forthcoming update of the System of National Accounts or considered in IPSASB's Mid-Period Work Program Review.

2. Report on Activities/Communication Activities (Agenda Item 2)

- 2.1 The Chair reported on the very successful regional roundtable in Brasilia in August and thanked Leonardo Nascimento and his colleagues at the National Treasury and the Brazilian member body,

Conselho Federal de Contabilidade, for their hosting and organization. He noted that further regional roundtables would be held in Manila and Addis Ababa in October in conjunction with the Asian Development Bank and African Union Commission.

- 2.2 Francesco Capalbo, reported on the first IPSASB Academic Forum, which had been held at the University of Parthenope in Naples on September 17th. The event had been co-chaired by Francesco and David Watkins and had been supported by the Universities of Molise and Parthenope and the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili, the Italian member body. The event had been highly successful in fostering linkages with the academic community. The Chair thanked Francesco for his lead role on the Academic Forum.
- 2.3 Thiago Melo of the Portuguese Ministry of Finance gave a presentation on the public reform program in Portugal and discussed the benefits and challenges of IPSAS adoption at the central government level. Since 2015 IPSAS adoption and implementation had been recognized as a legal requirement. The Chair acknowledged the great strides made in Portugal in recent years and thanked Thiago for his presentation.

3. Governance (Agenda Item 3)

- 3.1 Jon Blondal, Head of Budgeting and Public Expenditures, Organisation for Economic Cooperation and Development (OECD), and Co-Chair of the Public Interest Committee (PIC), gave a brief presentation on the background to the PIC and its mandate in relation to IFAC and IPSASB. He reported that the PIC is very supportive of the IPSASB's focus on public sector specific issues, with the consultation approach in the development of the Strategy and Work Plan 2019–23; with the progress being made on gender and regional diversity in member composition; and with the Board's due process in developing standards. Jon also reminded members of the 2020 Review of Governance Arrangements. James Gunn, Managing Director: Professional Standards, expressed a view that the Review should be targeted and efficient. Members will be kept up-to-date on developments.
- 3.2 James Gunn reported that Michelle Colon had been appointed as Chief of Operations for the three Standard-setting Boards with the aim of reducing the administrative burden on technical staff and enhancing technical resources.
- 3.3 John Stanford updated the Board on recent and anticipated funding developments, noting that the Treasury Board of Canada had recently confirmed funding for the 2020–2025 period.

4. Technical Director's Report on Work Program (Agenda Item 4)

Initial Review of Work Program on Day One

- 4.1 The Technical Director introduced the current work program, noting that it would be reviewed on the last day of the meeting. He highlighted several changes instructed at the June meeting. Following comments on the sufficiency of some of the indicative time allocations for the December agenda, especially for Revenue, the Technical Director agreed that these would need to be reviewed.
- 4.2 In the context of the revised work delivery process diagram and accompanying narrative members instructed that the narrative be amended to reflect:
 - Board papers are posted a minimum of two weeks before meetings;

- Board papers are reviewed by Task Force Chairs; and
- Task Force meetings should not be held in the period between the posting of agenda items and the IPSASB meeting itself if the Task Force's discussions would impact on the Board's own discussions at that meeting.

4.3 One member highlighted the large number of exposure drafts (EDs) projected for publication in a six-month period in 2020 and suggested that consultation periods should be considered carefully. The Chair acknowledged this issue and noted that the annual in-depth review of the work program at the December meeting would take this into account.

Review of Work Program on Day Four

4.4 The Technical Director noted that the work program would be updated to reflect the approval of the application guidance on collective and individual services. He expressed a view that approval of a Leases pronouncement in March 2020 now seemed improbable. The timeline for Leases will be considered in the in-depth review of the work program in December.

5. Collective and Individual Services & Emergency Relief (Agenda Item 5)

5.1 On Day One of the meeting, staff presented a review of responses to ED 67, *Collective and Individual Services and Emergency Relief* (Amendments to IPSAS 19), and a draft final pronouncement incorporating amendments to ED 67 made in response to the comments received.

Decisions

5.2 The IPSASB **decided**:

Scope and Definitions

- To retain the separate definitions for collective services and individual services.
- To include application guidance that confirms that collective services and individual services exclude cash transfers.
- To include examples of goods provided through individual services.
- To retain the reference to society as a whole.
- Not to include eligibility criteria from the definition of individual services.
- That references to social risks in relation to collective and individual services are not required in the Basis for Conclusions.
- To include additional discussion in the Basis for Conclusions regarding the continuous nature of provision of collective services and individual services.
- To retain the reference to simultaneous provision in the definition of collective services.
- Not to include additional guidance regarding the simultaneous nature of provision of collective services, and the non-rivalrous nature, and non-excludability, of collective services.
- To redraft the additional paragraph 6A of IPSAS 19 to avoid referring to non-exchange expenses.

Collective Services

- Not to refer to the view that the obligations are not independent of the entity's future actions in the rationale for not recognizing a provision for collective services.

- To include the arguments regarding the objectives of financial reporting and the qualitative characteristics in the Basis for Conclusions.
- To include guidance that t no provision arises in respect of the obligation to provide collective services to the public (a non-exchange obligation) but might arise in respect of the exchange transactions that are involved in the actual delivery of those collective services.
- That eligibility criteria are not relevant for collective services.
- Not to include the executory contract analogy in the guidance on collective services.
- Not to include commitments in the guidance on collective services.

Individual Services

- Not to refer to the view that the obligations are not independent of the entity's future actions in the rationale for not recognizing a provision for individual services.
- The guidance on individual services should focus more on whether an entity has a present obligation.
- To include the arguments regarding the objectives of financial reporting and the qualitative characteristics in the Basis for Conclusions.
- To delete paragraph AG9 addressing vouchers.
- The guidance is not designed to address the question of when an expense should be recognized for the exchange transaction through which the government pays the service provider.
- To include an explanation that no provision arises in respect of the obligation to provide individual services to the public (a non-exchange obligation) but might arise in respect of the exchange transactions that are involved in the actual delivery of those individual services.
- Not to include the executory contract analogy in the guidance on individual services.
- Not to treat the enactment of legislation as a past event for individual services.
- Not to amend the guidance regarding purchased goods and services.
- Not to include commitments in the guidance on individual services.

Emergency Relief

- To remove the guidance on emergency relief and issue a final pronouncement addressing only collective services and individual services.
- To explain the reasons for removing the guidance on emergency relief in the Basis for Conclusions.
- To include further development of guidance on Emergency Relief on the long-list of potential projects for inclusion in the 2021 mid-period work program review.

Other Issues Raised

- Not to relocate the guidance from Application Guidance in IPSAS 19, *Provisions, Contingent Liabilities and Contingent Assets*.
- Not to include any additional presentation and disclosure guidance.

Instructions

- 5.3 The IPSASB **instructed** staff to:
- Include a reference to goods in the definition of collective services and explain the rationale in the Basis for Conclusions (the IPSASB reconsidered this issue on Day 4).
 - Develop additional guidance on society as a whole for inclusion in the final pronouncement.
 - Develop additional guidance that individual services may or may not have eligibility criteria.
 - Develop additional guidance relating to the continuous provision of collective and individual services to emphasize the fact that there is no past event until services have been delivered.
 - Review the wording in the Basis for Conclusions in IPSAS 42, *Social Benefits*, regarding the objective of financial reporting, and to ensure that the drafting of the equivalent paragraph is consistent.
 - Revise the rationale for not including guidance on vouchers in the Basis for Conclusions.
 - Develop the Basis for Conclusions paragraphs to explain the reasons for not including guidance on emergency relief in the final pronouncement.
- 5.4 On Day Four of the meeting, staff presented a revised draft final pronouncement incorporating the changes the IPSASB had instructed staff to make. Staff recommended not including the words “goods and” from the definition of collective services.
- 5.5 The IPSASB supported the staff recommendation and agreed a number of other changes to the text.

Approval of *Collective and Individual Services* (Amendments to IPSAS 19)

- 5.6 The Technical Director expressed a view that due process had been followed. The IPSASB **agreed** with this view.

Decisions

- 5.6 The IPSASB **decided** to:
- Approve *Collective and Individual Services* (Amendments to IPSAS 19) (14 in favor, one against, one abstention, two absentees).
 - Set an effective date for *Collective and Individual Services* (Amendment to IPSAS 19) of January 1, 2022.
- 5.7 The Technical Director expressed a view that re-exposure was not required. The IPSASB **agreed** with this view.
- 5.8 Todd Beardsworth voted against approving the final pronouncement because, although comfortable with the accounting outcomes proposed for the recognition of collective and individual services, he was not comfortable that the rationale for the decisions reached by the Board had been fully explained.
- 5.9 It was agreed that an Editorial Group would be formed.

6. Infrastructure Assets (Agenda Item 6)

- 6.1 Staff and the Infrastructure Task Force Chair, Marc Wermuth, presented the comprehensive list and categorization of issues identified by stakeholders for accounting for infrastructure assets and the flowchart used to analyze infrastructure asset issues for approval by the IPSASB.

Decisions

- 6.2 The IPSASB **decided** to:
- Approve the comprehensive list and categorization of the issues identified by stakeholders for accounting of infrastructure assets; and
 - Approve the flowchart approach because it is helpful to analyze infrastructure assets issues, but that the flowchart should be amended to reflect the IPSASB's input.

Instructions

- 6.3 The IPSASB **instructed** staff to:
- Amend the flowchart as follows:
 - Change the question in Decision 3 from “*Does the issue impair the ability of financial statements to provide useful information?*” to “*Is this issue related to general purpose financial statements?*”;
 - Change the question in Decision 4 from “*Would additional non-authoritative guidance help constituents with the identified issue?*” to “*Is additional non-authoritative guidance necessary to enhance consistency of application?*”;
 - Incorporate the development of the Basis for Conclusions in “No further guidance necessary” boxes;
 - Add Decision 5 which evaluates whether the issue identified is relevant to other projects; and
 - Specify the type of guidance to be developed as either authoritative or non-authoritative.
 - Reperform the analysis of the following issues presented using the amended flowchart:
 - Accounting for land under infrastructure assets;
 - Application of control requirements to complex infrastructure assets; and
 - Disclosure requirements of infrastructure assets.
 - Where appropriate, prepare draft guidance for the issues analyzed for the IPSASB's consideration at the December 2019 meeting.
 - Consider the optimal location of additional guidance in its development. These discussions should be coordinated with the Measurement and Heritage projects and the revision/re-presentation of Study 14 material.

7. Revenue with Performance Obligations (ED 70) (Agenda Item 7)

- 7.1 Staff presented their proposed amendments on the disclosure requirements of ED 70, *Revenue with Performance Obligations*, for approval by the IPSASB. These amendments consisted of additional guidance on materiality and the aggregation of disclosures, as well as additional disclosure requirements for non-voluntary transactions where the collection of consideration is not probable.
- 7.2 Staff and the Revenue Task Force Chair, Todd Beardsworth also provided the IPSASB with an update on the work performed by the Revenue Task Force since the June 2019 IPSASB Meeting, on modifications to the illustrative examples, minor amendments to the core text and application guidance in the exposure draft, and the proposed amendments to disclosures noted above. The changes in the illustrative examples, core text, and application guidance will be presented to the IPSASB at the December 2019 meeting.

Decisions

- 7.3 The IPSASB **agreed** with the following staff recommendations on disclosures:
- There is no public sector reason to remove any IFRS 15 disclosure requirements;
 - The addition of the paragraph regarding materiality and aggregation; and
 - The addition of the disclosure requirements for compelled transactions where collectability is not probable.

Instruction

- 7.4 The IPSASB **instructed** staff to remove the proposed footnote on the definition of Fair Value in the exposure draft.

8. Revenue without Performance Obligations (ED 71) (Agenda Item 8)

- 8.1 Staff presented issues papers on, past event, outflow of resources, appropriations, capital grants, and initial and subsequent of non-contractual receivables. Staff also presented a draft ED based on IPSAS 23, *Revenue from Non-exchange Transactions (Taxes and Transfers)* text. These papers were provided to progress the decisions required to update IPSAS 23 which will form the basis for ED 71, *Revenue without Performance Obligations*.

Decisions

- 8.2 The IPSASB **decided**:
- That all the necessary authoritative text had been brought across from IPSAS 23;
 - The past event for a revenue transaction that arises from a binding arrangement is when the parties enter into that arrangement;
 - That using resources provided via a binding arrangement to complete enforceable activities, incur eligible expenditure or make repayments in the event of a breach of the arrangement are all considered to be outflows of resources;
 - For binding arrangements, revenue is recognized as enforceable activities are completed or eligible expenditure is incurred;
 - Text on control of an asset should discuss appropriations as one possible indicator of control but the assessment of control may be jurisdictionally specific; and
 - Capital transfers are to be accounted for in the same manner as other transfers and revenue recognition will be dependent on whether the arrangement is binding or not.

Instructions

- 8.3 The IPSASB **instructed** staff to:

Agenda Item 8.2.1 (draft ED)

- Ensure text agreed in September 2018 regarding compulsory contributions is included;
- Develop a staff paper (to be completed in advance of the December 2019 meeting) which discusses the overall approach to revenue and expenses and the linkages between EDs 70, 71 and 72. This includes reviewing:
 - The scope of all 3 ED's to ensure that there are no 'gaps';
 - Consistency of the definitions used;
 - Consistency of terminology used;
 - Consistency of disclosures (as required); and
 - Consistency of illustrative examples (as required).

- Ensure that the additional guidance in paragraph 30 regarding hybrid transactions is consistent with the guidance in ED 70.
- Review paragraphs 34–35 (recognition of revenue from transactions without performance obligations)
- Review the text in paragraph 36 that ‘revenue is recognized as the research is conducted and certain milestones are achieved’ – reconsider the use of the word ‘milestones’.
- Review the comment at the end of paragraph 53 regarding whether that paragraph needs to be amended for enforceable activities and eligible expenditure.
- Revise paragraphs 3(b) and 66 (re types of transfers) to ensure consistency of wording (e.g., use of words such as ‘certain’).
- Consider the diagram presented at the June 2019 meeting regarding the transfers in each ED.
- Review paragraph 71 regarding the use of the term ‘transfer agreement’.
- Map disclosures across EDs 70 and 71 considering their consistency.
- The relevant Basis for Conclusion paragraphs should be brought over from IPSAS 23.
- Consider the appropriateness of the presentation requirements of IPSAS 1, *Presentation of Financial Statements* relating to the exchange/non-exchange distinction.
- A table of concordance identifying all text brought over from IPSAS 23 (both authoritative and non-authoritative), and identifying new text should be prepared and included in the ED.
- The material in paragraphs 25–29, is to be condensed to be in line with ED 70.
- Where revenue recognition patterns are similar to those in ED 70 ensure the rationale for the pattern of recognition is similar.
- Review all IPSAS to identify consequential amendments.
- Review paragraph 18 (Control of an asset) and revise in light of a performance obligation.

Agenda Item 8.2.3 (Outflow of Resources)

- Consider the discussion about ‘through who’s eyes is there a breach of an agreement’ and the consequences of a breach subsequent to the ‘completion’ of the binding arrangement.
- Include a discussion on binding arrangements that may lead to an onerous contract.

Agenda Item 8.2.5 (Capital Grants)

- Use the term transfer not grant.
- Include in the Basis for Conclusions the difference between the accounting in ED 71 and IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*.
- Include examples, including when the asset is to be used for a particular purpose subsequent to its acquisition/construction.
- Include a Specific Matter for Comment (SMC) communicating the difference between the approach in IAS 20 and the approach proposed in ED 71 (note other SMCs will be included where required).
- Articulate clearly why these transactions are not in ED 70.

Agenda Item 8.2.6 (Initial Measurement of Non-Contractual Receivables)

- Bring back to the Board further analysis that considers discounting.
- Develop a diagram which considers the relationships between:
 - Nominal tax collected;
 - Tax expenditures (allowances); and

- Legally collectable taxes;
- What to show on the face of the financial statements and what to include in the notes.
- Develop a paper illustrating the linkages with IPSAS 41, *Financial Instruments*.

9. Transfer Expenses (ED 72) (Agenda Item 9)

- 9.1 Staff presented a draft of the authoritative sections of ED 72, *Transfer Expenses*, along with issues papers seeking the IPSASB's guidance on key issues.

Decisions

- 9.2 The IPSASB **decided**:

Objective, Scope and Definitions

- To support the objective of the ED.
- To retain the definitions of stand-alone purchase price, transaction consideration, transfer provider's binding arrangement asset and transfer provider's binding arrangement liability unchanged.
- To locate the definitions of transfer provider and transfer recipient in ED 71, *Revenue without Performance Obligations*, and to provide a cross-reference in ED 72.

Recognition and Measurement—Public Sector Performance Obligation Approach

- To retain the guidance on bill and hold arrangements.
- To replace the guidance on input methods; the practical expedient relating to the transfer recipient's performance to date; the estimated cost approach for determining the stand-alone purchase price; and the example in the guidance on ongoing activities that support or maintain the value of intellectual property with a cross-reference to the equivalent guidance in ED 70, noting that this can be relied on where the transfer provider has the appropriate information.
- To delete paragraph AG43 on when a transfer recipient's right to payment is sufficient to cover costs plus a reasonable margin.

Recognition and Measurement—Transfer Expenses without Performance Obligations

- To support the recognition principle included in ED 72 as drafted by staff, and, in particular, that binding arrangements that impose enforceable activities but not performance obligations on transfer recipients do not give rise to an asset for the transfer provider.
- Not to introduce the concept of 'other resources' in ED 72.
- To approve the proposals for debt forgiveness and transfer expenses provided as a series of transfers, subject to agreed minor amendments.
- To approve the proposals for taxes payable, subject to excluding payroll taxes within the scope of IPSAS 39, *Employee Benefits*, from the scope of the ED, and explaining the link with tax revenue in ED 71 in the Basis for Conclusions.
- To approve the measurement principle.
- To approve the proposals for subsequent measurement, subject to explaining in the Basis for Conclusions the reason for the inclusion of the subsequent measurement of non-contractual payables.

Presentation

- To remove the disclosures relating to the disaggregation of expenses and the detailed requirements relating to binding arrangements.

- Not to include the disclosure relating to service objectives.

Instructions

9.3 The IPSASB **instructed** staff to:

Objective, Scope and Definitions

- Review the scope exclusions in the draft ED to ensure all relevant transactions, for example leases, are excluded.
- Review the drafting of the definitions of transfer expense, transfer provider and transfer recipient with a view to improving the clarity of the definitions.
- Include guidance to clarify that agent/principal arrangements and arrangements where the transfer provider gains control of the transfer recipient's output are outside the scope of ED 72.

Recognition and Measurement–Public Sector Performance Obligation Approach

- Amend the references to a third-party beneficiary gaining control of a transferred good or service to include the transfer recipient losing control of the good or service where this is easier for the transfer provider to assess.

Recognition and Measurement–Transfer Expenses without Performance Obligations

- Review the terminology and revise to enhance clarity and the links with ED 71.
- Develop additional guidance on when control of a transferred asset is lost.
- Develop additional guidance linking transfer expense without performance obligations to enforceable obligations in ED 71.
- Include a sub-heading before the paragraph on debt forgiveness and include a cross-reference to IPSAS 41.
- Delete the word “separately” in paragraph 96 (series of transfers).
- Align the treatment of transfers subject to appropriations with the accounting being developed in ED 71.

Presentation

- Review the disclosures in the light of the developments in ED 70 and ED 71.
- Develop a cross-reference to link transfer expenses subject to appropriations with the contingent liability guidance in IPSAS 19.

10. Leases (Agenda Item 10)

10.1 Staff and the Leases Task Force Chair, Mike Blake, presented an issues paper on the conceptual case for departing from IFRS 16, *Leases* for lessor accounting. Sarah Geisman of HM Treasury in the United Kingdom, and Isabelle Sapet of Mazars, France made presentations on the practical aspects of implementation of the lessor accounting requirements of IFRS 16. John Verrinder discussed the statistical accounting perspective.

Decisions

10.2 The IPSASB **decided** that a departure from IFRS 16 for lessor accounting is conceptually justified. The practical implications of departure would now be considered.

Instructions

10.3 The IPSASB **instructed** the Task Force and staff to:

- Reflect on the presentations and discussions of practical issues arising from the implementation of IFRS 16 (both lessor and lessee), review the material in Agenda Items 10.2.1 and 10.3.1, refine it to reflect the discussions at this meeting, and bring recommendations to the IPSASB December meeting.
- Compare the definitions of 'Asset', 'Liability' and 'Control' in the Conceptual Frameworks of IPSASB, IASB, Financial Accounting Standards Board and Governmental Accounting Standards Board.
- Develop a more detailed Basis for Conclusions presenting all the nuances in each issue.
- Merge criterion 'Consistency with IPSAS 32' with criterion 'Consistency with IPSAS'.
- Analyze practical issues on lessee accounting.
- Include practical issues on lessee accounting in the lessor accounting analysis.
- Assess the benefits of adopting the right-of-use model in the public sector for lessors and lessees.
- Assess in more detail property leases and other types of leases.
- Monitor the activity of the IASB and IFRS Interpretation Committee as it relates to IFRS 16. Correspond with counterparts as necessary.
- Assess the principles in ED 70 to lessor accounting (performance obligation satisfied over time or at a point in time?).

11. Heritage (Agenda Item 11)

11.1 Staff and the Heritage Task Force Chair, Bernhard Schatz, presented an issues paper on financial reporting for heritage assets.

Instructions

11.2 The IPSASB **instructed** staff to:

- Revise the order of issues as follows: (2) heritage usage; (1) ownership/stewardship; (4) depreciation/impairment; and (3) subsequent expenditure.
 - Provide an evaluation of the adequacy of the guidance in IPSAS 17, *Property, Plant and Equipment*, for each issue:
 - Be clear about what guidance is already available in IPSAS 17
 - Assess adequacy of existing guidance?
 - Consider whether existing guidance need to be strengthened to address heritage accounting issues?
 - Consider whether application or implementation guidance is needed?)
- Provide a recommendation with text drafted (e.g. possible application guidance);
- Draft Basis for Conclusions text; and
 - Provide a clear exposition for each issue from a heritage point of view (for example, is the issue specific for heritage? Provide a log of heritage-specific issues.)

12. Closing Remarks and Conclusion of the Meeting

- 12.1 The Chair noted the approval of the Application Guidance on Collective and Individual Services, the key decisions that had been made on Revenue and Transfer Expenses and the progress on other projects. He then closed the public part of the meeting.

Appendix 1: Vote – Approve *Collective and Individual Services* (Amendments to IPSAS 19)

Agenda Item 5	Minutes Item 5	Date Vote Taken	September 27, 2019		
Description	<i>Final Pronouncement</i>	<i>Collective and Individual Services</i>	Approved at meeting		
Final Standard ■	ED □	CP □	Other □	ABSENT	TOTAL
IPSASB MEMBER	FOR	AGAINST	ABSTAIN		
Ian Carruthers, Chair	√				
Mike Blake, Deputy Chair	√				
Stuart Barr	√				
Todd Beardsworth		√			
Lindy Bodewig			√		
Michel Camoin	√				
Francesco Capalbo	√				
Luzvi Chatto	√				
Adrienne Cheasty	√				
Do-Jin Jung				√	
Neema Kiure-Mssusa	√				
Aracelly Méndez				√	
Rod Monette	√				
Leonardo Nascimento	√				
Chris Nyong	√				
Lynn Pamment	√				
Bernhard Schatz	√				
Marc Wermuth	√				
TOTAL	14	1	1	2	18