



**Chief Executives Board  
for Coordination**

**Conseil des chefs de secrétariat  
des organismes des Nations Unies  
pour la coordination**

**Submission on the Consultation Paper: *Consultation on IPSASB Work Program 2013-2014***

14 November 2012

Ms Stephenie Fox  
Technical Director  
International Public Sector Accounting Standards Board  
International Federation of Accountants  
277 Wellington Street West  
Toronto Ontario Canada M5V 3H2

Dear Stephenie,

1 Thank you for the opportunity to comment on the proposed IPSASB Work Program 2013-2014.

**United Nations System Task Force on Accounting Standards**

2 The United Nations System Task Force on Accounting Standards (Task Force) appreciates the work that the IPSASB is carrying out in developing accounting standards for public sector entities, including international organizations such as those making up the United Nations system. The Task Force is an inter-agency group consisting of directors of accounting, chief accountants and chief financial officers from United Nations System organizations. The Task Force welcomes the IPSASB's initiative to seek input on its work plan and hopes that this first public consultation will lead to an ongoing active dialogue on the strategic direction of the IPSASB in the future.

The comments below were prepared based on feedback received from Members of the Task Force on the Consultation on IPSASB Work Program 2013-2014.

## **General Comments**

3 The Task Force has the following general comments on the Consultation Paper:

(a) It is noted that the IPSASB generally considers alignment of IPSAS standards with IFRS as one of its strategic priorities. The completion of the IFRS convergence project in late 2009 was a major milestone on the way to creating an initial comprehensive platform of IPSAS standards. IPSAS is becoming a more mature set of standards with many governments and international organizations applying the standards to produce IPSAS-compliant financial statements. As implementers face challenges in application of standards, it becomes evident that there is an increasing need to focus on public sector specific issues while developing new and/or improving existing standards. In addition, as more entities develop “first hand” experience with implementing the standards, they can better assist the Board in identifying areas not adequately covered by the standards. The Task Force is of the view that these areas should become strategic priorities for the IPSASB’s work program. Although convergence with IFRS remains an important element of maintaining quality of existing standards, its strategic role might need to be reconsidered in future, as improving quality of standards can only be achieved through prioritizing public sector specific projects.

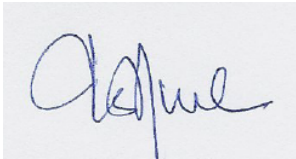
(b) The Consultation Paper recognizes that the work program should “balance the needs of stakeholders” while assessing priorities for 2013-2014 (para. 5, page 9 of the CP). The Task Force notes that the focus of additional potential projects, especially ‘new’ projects as opposed to ‘maintenance’ projects, appears to lean heavily towards needs and interests of large governments and hence may not take into consideration specific challenges of other public sector entities. The Task Force requests the IPSASB to take this issue into consideration when approving its work program for 2013-2014.

### **Specific Matters for Comments and Comments on Further Issues**

4 Our detailed comments on the IPSASB's additional potential projects for 2013-2014 included in the Consultation Paper as well as other suggestions are summarized in Appendix 1.

5 Should you have any queries on our comments, please contact Ms. Dinara Alieva, Financial Analyst, System-wide IPSAS Project Team at [alievad@un.org](mailto:alievad@un.org).

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Chandramouli Ramanathan', is displayed on a light gray rectangular background.

Chandramouli Ramanathan

Deputy Controller, United Nations &  
Chair, Task Force on Accounting Standards

[ramanathanc@un.org](mailto:ramanathanc@un.org)

## CONSULTATION ON IPSASB WORK PROGRAM 2013-2014

Please refer to the below table for Task Force's position on additional potential projects identified in the Consultation Paper.

Potential Project	Relevance	Comments
Improvements to IPSAS 23 – Non-Exchange Revenues <sup>1</sup>	High	There is clearly a need for greater precision in this standard. The existing standard supports a wide range of interpretations and results in multiple revenue recognition approaches used by IPSAS implementers. In addition, further guidance on recognition of multi-year contributions would be most useful.
Revenue Recognition (Exchange Transactions)	High	Principal vs. Agent treatment has not been covered completely by the standards to date.
Leases	High	It is important to maintain existing classification between financial and operating leases for their recognition, measurement and presentation in the financial statements.
Related Party Transactions	Moderate	Full convergence with IFRS would not be appropriate. This standard should maintain and reinforce its focus on specifics of relationships between public sector entities in determining related parties.
Segment Reporting	Moderate	Convergence with IFRS would not be appropriate. This standard should address the fundamental differences between private and public sector entities.
Presentation of Financial Statements	Low	No comment.
Non-current Assets Held for Sale and Discontinued Operations	Low	No comment.
Borrowing Costs	Low	No comment.
Heritage Assets	Low	No comment.
Insurance Contracts	Not relevant	No comment.
Small and Medium Enterprises	Not Relevant	No comment.

<sup>1</sup> Please refer to 'Other Suggestions' below for more comments on Improvements to IPSAS 23.

(SMEs)		
Social Benefits	Not Relevant	No comment.
Sovereign Powers and their Impact on Financial Reporting	Not Relevant	No comment.
Emissions Trading Schemes	Not Relevant	No comment.
Extractive Industries	Not Relevant	No comment.

Other suggestions: The issue of accounting and reporting of donated rights to use assets where nominal or no rent is paid, including cases where the asset is shared by multiple entities, is a common occurrence in the public sector which should not be overlooked. The Task Force encourages the IPSASB to consider this issue either as a potential new project or to add it to the scope of existing potential project (for example, within the 'Improvements to IPSAS 23 – Non-Exchange Revenues').