

Proposed International Public Sector Accounting Standard and  
Recommended Practice Guideline *The Applicability of IPSAS*

# **response to exposure draft**

4 January 2016

CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance. Our 14,000 members work throughout the public services, in national audit agencies, in major accountancy firms, and in other bodies where public money needs to be effectively and efficiently managed.

As the world's only professional accountancy body to specialise in public services, CIPFA's portfolio of qualifications are the foundation for a career in public finance. They include the benchmark professional qualification for public sector accountants as well as a postgraduate diploma for people already working in leadership positions. They are taught by our in-house CIPFA Education and Training Centre as well as other places of learning around the world.

We also champion high performance in public services, translating our experience and insight into clear advice and practical services. They include information and guidance, courses and conferences, property and asset management solutions, consultancy and interim people for a range of public sector clients.

Globally, CIPFA shows the way in public finance by standing up for sound public financial management and good governance. We work with donors, partner governments, accountancy bodies and the public sector around the world to advance public finance and support better public services.

Our ref: Responses/ 160104 SC0221

International Public Sector Accounting Standards Board  
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CANADA  
Submitted electronically

January 2016

Dear IPSASB secretariat

**Proposed International Public Sector Accounting Standard and Recommended Practice Guideline *The Applicability of IPSAS***

CIPFA is pleased to present its comments on this Exposure Draft, which have been reviewed by CIPFA's Accounting and Auditing Standards Panel.

**General comment**

In successive responses, CIPFA has strongly supported IPSASB's development of high quality standards for public sector financial reporting, whether through the Board's project to develop and maintain IFRS converged IPSASs or through wholly public sector specific IPSASs.

In December 2014, CIPFA responded to the Consultation Paper *The Applicability of IPSASs to Government Business Enterprises and Other Public Sector Entities*. In that response we noted our view that applicability is dealt with adequately in the Conceptual Framework, but agreed that it was handled less well in IPSAS 1 and related IPSAS text on Government Business Entities. We therefore agreed with the approach proposed in that paper, explaining that we were 'more inclined to support a framing in which IPSASB explains the target for its standard setting activity, and leaves detailed questions of which standards to adopt for different entity types to the relevant decision making authorities.'

**Specific Matter for Comment**

*The IPSASB proposes deleting the defined term "Government Business Enterprise" and removing all references to the term from the IPSASB's pronouncements, so that the Preface to International Public Sector Accounting Standards will provide guidance on the applicability of IPSASs and RPGs.*

*In order to facilitate comments, a positive description of the characteristics of public sector entities for which IPSASs are intended is included in the Executive Summary of the ED. This description will be part of the Preface to International Public Sector Accounting Standards.*

*Do you agree with the changes to IPSASs and RPGs proposed in this ED? If not, please provide your reasons.*

In line with our comments on the 2014 Consultation Paper, we support the revised drafting, which more naturally focusses on those entities for which IPSASB has developed IPSAS and RPG pronouncements. It is also more consistent with the position described in the section of the Preface on the Authority of IPSAS, which clearly states

that neither IPSASB nor the accountancy profession are in a position to mandate the application of particular standards.

I hope this is a helpful contribution to the Board's standards development process. If you have any questions about this response, please contact Steven Cain (e: [steven.cain@cipfa.org](mailto:steven.cain@cipfa.org), t: +44(0)20 7543 5794).

Yours sincerely

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