



**The Chairperson  
International Public Sector Accounting Standards Board**

Presented below are the Institute of Chartered Accountants of Zimbabwe (ICAZ) response to the specific matters raised in the IPSASB Strategic Plan 2019 – 2023 issued by the International Public Sector Accounting Standards Board (IPSASB).

ICAZ is a Professional Accountancy Organisation based in Zimbabwe. It is the home of more than 2000 members and part of ICAZ's mission is to contribute to the standard setting process for the improvement of Reporting Standards. The responses detailed below, have been prepared in consultation with our members.

**Comments to the IPSASB Strategic Plan 2019 – 2023**

**1 June 2018**

**(a) Proposed Strategic Objective 2019-2023 (SMC 1);**

*Do you agree with the IPSASB's proposed Strategic Objective 2019–2023? If you agree please provide any additional reasoning not already discussed in the document. If you do not agree please explain your reasoning and your proposed alternative.*

ICAZ agrees with the Strategic Objective proposed under the Strategic Plan as Strengthening PFM is at the heart of implementation of Fiscal policy across countries. Focusing on accruals based IPSAS is the ultimate goal of IPSAS standards and countries should focus on transitioning from cash-based IPSAS to Accruals based in the interest of fiscal transparency and accountability.

**(b) Proposed five Strategic Themes (SMC 2);**

*Do you agree with the IPSASB's five proposed Strategic Themes for the 2019–2023 period? If you agree please provide any additional reasoning not already discussed in the document. If you do not agree please explain your reasoning, including any proposed alternatives.*

ICAZ agrees with the proposed themes under the proposed IPSASB strategy as these are the most to the public sector. The issue of convergence with IFRS is particularly important where applicable to ensure that accounting standards are universally applicable while addressing the peculiarities of the Public Sector.

**(c) Proposed project prioritization criteria (SMC 3);**

*Do you agree with the criteria the IPSASB has used in deciding the proposed issues to add to its Work Plan 2019–2023? If you agree please provide any additional reasoning not already discussed in the document. If you do not agree please explain why, including any proposed alternatives.*

The proposed criteria of Prevalence, Consequences, Urgency and Technical resources are all important in making decisions on prioritisation of projects to be focused on by the IPSASB.

However ICAZ proposes that it would be important to consider **Convergence** as another criteria given the importance of convergence to IFRS.

**(d) Proposed new projects under Theme A (SMC 4);**

*Do you agree with the projects that the IPSASB proposes to prioritize for addition to the Work Plan 2019–2023 on Theme A: Setting standards on public sector specific issues (Natural Resources, Discount Rates, Differential Reporting and Conceptual Framework limited-scope Review)? If not please explain your reasoning, and any proposed alternatives.*

The proposed projects are pertinent particularly **differential reporting**. The IFRS accounting standards already have IFRS for SMEs and differential reporting will improve the pace of adoption of IPSASB across the world.

**(e) Proposed new projects under Theme B (SMC 5);**

*Do you agree with the project that the IPSASB proposes to prioritize for addition to the Work Plan 2019–2023 on Theme B: Maintaining IFRS convergence (IPSAS 18, Segment Reporting)? If not please explain your reasoning and any proposed alternatives.*

ICAZ agrees with the focus on Segment reporting as a priority project. Segment reporting will further improve transparency and accountability in the public sector as it will be aligned to IFRS 8.

**(f) Request for views on projects not prioritized (SMC 6); and**

*Are there any projects in Appendix A that you believe should be added to the Work Plan 2019–2023 in place of a currently proposed project? If you believe that any Appendix A projects should be added, please explain your views on why the project should be included, which proposed project should not then be started and your reasoning.*

The developments on Integrated Reporting <IR> and Sustainability Reporting are important in the public sector in further deepening accountability, fiscal discipline and transparency. This will be important for investors and the public in making investment decisions and appraising government investments particularly in public sector enterprises.

IPSASB should consider how <IR> and/or sustainability should be covered. The non-inclusion of the Project on Military assets talks to the need to consider Coverage in the public sector as Military assets may be significant in some countries.

IPSASB should mobilise additional resources to deliver on the priorities under this strategy noting the limited staffing resources it currently has. This will ensure that it is able to deliver particularly on “catching up” with IFRS developments.

**(g) Request for feedback on Themes D and E, including information on the initiatives of others that the IPSASB should monitor and/or engage with (SMC 7).**

*The IPSASB views building relationships with those working in the PFM space and engaging in their work as critical to furthering the use of IPSAS in PFM reform projects. Therefore, under Themes D and E, the IPSASB will actively monitor the work of others and look for appropriate opportunities to engage and support that work.*

*– Do you agree with the IPSASB’s proposed approach under these Themes? If so, are you aware of any ongoing initiatives which the IPSASB should monitor and look to engage with (please provide details).*

*– If you do not agree, please explain your reasoning along with any proposed alternatives, and how those might be resourced.*

These themes focus on the advocacy role of IPSASB and ICAZ agrees with the need to advocate for further adoption of IPSAS and accruals accounting in PFM across countries as these 2 are mutually reinforcing. Accruals based IPSAS ensures transparency and accountability particularly in relation to debt management and assets which are critical areas for governments in most developing countries.