



Financial Audit and Accounting Subcommittee of INTOSAI (FAAS)

Dear colleagues,

On behalf of the Financial Audit and Accounting Subcommittee of INTOSAI (FAAS), we would like to begin by thanking you for the opportunity to provide input to IPSASB's strategy and work plan for the period 2019-2023.

As the INTOSAI group responsible for addressing the subject matter of public sector financial accounting on behalf of our community, FAAS is very pleased to have an opportunity to share with you some observations we have made that may be useful to your efforts to properly focus IPSASB during this next period.

Overall, we have observed that there is significant interest in the activities of IPSASB within the INTOSAI community. Many jurisdictions have decided to apply the accounting standards developed by IPSASB and many others are continuing their efforts to gain an understanding of the solutions that IPSASB has developed. Most implementations we have observed are for the Accrual Basis IPSAS solution but with varying levels of compliance as these international solutions are developed into local solutions.

We are very pleased with the recent revisions made to the Cash Basis IPSAS that have helped eliminate some of the main barriers to the effective implementation of these standards. We consider Cash Basis IPSAS to be a very important solution that helps public sector entities embark on their journey to improve the quality of the financial statements they are producing. FAAS appreciates that this product is continuing to be developed and maintained by IPSASB.

FAAS supports the continued development of Accrual Basis IPSAS as the solution that produces the most informative accrual-basis public sector financial statements and we offer information on the following pages to assist IPSASB with the prioritization of its future development activities.

Sincerely,

Khalid Hamid
Executive Director
State Audit Institution of the United Arab Emirates

On behalf of:

Dr. Harib Alamimi
President of the State Audit Institution of the United Arab Emirates
Chairman of INTOSAI
Chairman of the Financial Audit and Accounting Subcommittee of INTOSAI



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Specific Matters for Comment

Specific Matter for Comment 1

We agree with the IPSASB's proposed Strategic Objective 2019–2023.

Specific Matter for Comment 2

We agree with the IPSASB's five proposed Strategic Themes for the 2019–2023 period.

Specific Matter for Comment 3

We agree with the criteria the IPSASB has used in deciding the proposed issues to add to its Work Plan 2019–2023.

Specific Matter for Comment 4

We 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).

We are very pleased that IPSASB is exploring the idea of developing an accrual-basis differential reporting solution. We are presently observing inconsistencies in the implementation of Accrual Basis IPSAS due to the varying levels of compliance and we believe there is a need to perform a detailed analysis to determine why this is occurring. FAAS strongly believes in the benefits of accrual-basis accounting but also recognizes that full implementation of Accrual Basis IPSAS may not be feasible in all environments.

Specific Matter for Comment 5

We 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).

FAAS supports the strategic priority to converge with IFRS when it is not necessary to deviate from the private sector accounting treatment for common economic activities with common financial statement user needs. Establishing this strategic priority sets an expectation for preparers and interested users of IPSAS financial statements that IFRS and IPSAS will remain aligned when appropriate. For this reason, we believe it is very important to effectively meet this expectation by minimizing convergence delays when new IFRSs are issued and become effective.



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Specific Matter for Comment 6

FAAS has not identified any projects in Appendix A that should be added to the Work Plan 2019–2023 in place of a currently proposed project.

Specific Matter for Comment 7

FAAS members greatly appreciated the presence of the Deputy Director of IPSASB at FAAS' 2018 annual meeting. This created a very useful dialogue at the meeting that allowed FAAS members to explain the accounting needs in their respective environments and that helped improve FAAS members' understanding of IPSAS.

FAAS, as a group of public sector financial auditing and accounting specialists representing the various regions of the world, is very well positioned to help IPSASB understand the public sector accounting needs of various types of environments including developing environments.

We look forward to our future interactions as we continue to pursue our mutual objective of improving public financial management.