

PROJECT HISTORY

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March 2015

The IPSASB approved Recommended Practice Guideline 3 (RPG 3), *Reporting Service Performance Information*. Approval followed discussion of three issues and a page-by-page review of the draft RPG, which identified final revisions necessary for approval. The IPSASB approved the RPG's revised structure and a revision to the definition of "service performance objective". The IPSASB agreed Basis of Conclusions paragraphs that explain the basis for the IPSASB's decision that "economy" not be included as a performance indicator in RPG 3. Revisions to improve the "implementation guidance" appendix, which includes examples for defined terms and examples of narrative discussion and analysis disclosures, were also identified.

The approved RPG 3 is expected to be issued towards the end March 2015

December 2014

The IPSASB considered four issues for development of the draft RPG, *Reporting Service Performance Information*, and carried out a page-by-page review of the draft RPG. Following IPSASB directions, staff will revise (a) the draft RPG's coverage of the economical use of resources, (b) the order in which the different presentation decisions are addressed, and (c) approach to identification of information for display and disclosure, including reverting to the ED's identification of information for display, which includes prior year and planned information for performance indicators.

A revised draft RPG will be submitted to the IPSASB's March 2015 meeting with a view to approval.

September 2014

The IPSASB discussed responses received on the Exposure Draft (ED) 54, Recommended Practice Guideline (RPG) *Reporting Service Performance Information*. Responses on all nine Specific Matters for Comments (SMCs) were reviewed along with staff recommendation. The IPSASB confirmed ED 54's general approach, noting the high level of support from respondents for that approach. The main IPSASB directions to staff were to

- (a) Provide a proposal to the December meeting on including the "assessment of economy" in the RPG's overall objective;
- (b) Develop revisions for the definitions of "effectiveness" and "outcomes";
- (c) Make clear in the RPG that controlling entities should report against their own objectives and at a high, summary level, rather than provide overly detailed information on what services provided by controlled entities; and
- (d) Not add to disclosures and instead ensure that the RPG takes a principled approach to information presented rather than a standardized "boiler plate" approach.

The IPSASB will review a draft RPG, developed from ED 54 at its December 2014 meeting.

December 2013

The IPSASB considered two issues related to a draft Recommended Practice Guideline (RPG) on reporting service performance information and then did a page-by-page review of the draft RPG. With respect to the first issue—revisions to the RPG’s definitions—the IPSASB identified revisions to the definitions of “effectiveness” and “service performance objective” and to the description of “services”. The second issue was whether the proposed additional disclosures, for when service performance information is in a separate report from the financial statements, were appropriate and sufficient. The IPSASB approved the proposed disclosures and identified further necessary disclosures.

The draft ED-RPG was revised during the meeting, reviewed by IPSASB members a second time, and approved. [ED 54, RPG Reporting Service Performance Information](#) will be issued with comments requested by May 31, 2014.

September 2013

The IPSASB considered two issues related to a draft Recommended Practice Guide (RPG) on reporting service performance information and then did a page-by-page review of the draft RPG. With respect to the first issue—whether there should be an encouragement in the RPG for Government Business Enterprises to apply the RPG—the IPSASB decided that the RPG’s wording should remain consistent with that used in other RPGs, where the RPG applies to entities *other than* GBEs. With respect to the second issue—performance indicator definitions—the IPSASB identified further revisions and one additional definition, “services”, for inclusion in the RPG.

The draft RPG will be revised and circulated to IPSASB members for an inter-meeting review, before being considered at the IPSASB’s December 2013 meeting with a view to approval.

June 2013

The IPSASB discussed issues related to development of a draft Recommended Practice Guide (RPG), *Reporting Service Performance Information*. With respect to the RPG’s overall approach the IPSASB directed that it should provide a mixture of guidance on decisions and identification of minimum characteristics for reporting service performance information. The RPG should acknowledge that some selection of services will always be necessary, and should establish guidance on how this should be done. The RPG’s guidance should focus on factors or criteria that apply to this decision. It should also provide guidance on which types of performance indicators are chosen—inputs, outputs, outcomes, efficiency indicators, and/or effectiveness indicators. The guidance should (a) tie the choice of indicators back to objectives, (b) encourage reporting that goes beyond outputs to outcomes, and (c) note that the circumstances within which an entity is reporting could be important. With respect to information organization the RPG should focus on principles rather than choices between particular information organization approaches. Information organization will need to be appropriate for the types of services reported, their outcomes and objectives.

March 2013

Service performance reporting was not specifically considered at this meeting. However, the IPSASB considered the general issue of when an RPG is appropriate for a reporting topic. Following that decision it was clear that an RPG should be developed for reporting service performance information, rather than an IPSAS.

December 2012

The IPSASB continued discussion of the responses received on the Consultation Paper (CP), *Reporting Service Performance Information*. It affirmed preliminary views 3 and 4. The components of service performance information to be reported are: (a) Information on the scope of the service performance information reported, (b) Information on the public sector entity's objectives, (c) Information on the achievement of objectives, and (d) Narrative discussion of the achievement of objectives. The Conceptual Framework's qualitative characteristics of information and pervasive constraints on information apply to service performance information.

For SMC 1, the IPSASB decided that criteria for the determination of the status of documents (e.g. IPSASs, Recommended Practice Guidelines (RPGs)) should be developed. The IPSASB will then apply those criteria to decide the most appropriate level of authority for service performance reporting.

For SMC 2, the IPSASB agreed that the project should not identify indicators of service performance. For SMC 3 it was confirmed that service performance information included in GPFRs should be prepared for the same reporting entity as for general purpose financial statements (GPFs). For SMC 4, the IPSASB confirmed that the four dimensions of service performance information in the CP are necessary to meet the needs of users. For SMC 5, the IPSASB tentatively agreed that where a public sector entity reports service performance information—in the financial statements GPFR or another separate GPFR— should not be prescribed. Service performance information could be reported in either the currently issued GPFR or in a separately issued GPFR.

The IPSASB thanked the Governmental Accounting Standards Board (GASB) in the United States for providing staff support on this project to this point and thanked the GASB staff member, Lisa Parker, for her significant contribution to the project. Project staff support now transitions to Gwenda Jensen, a member of the IPSASB's technical staff.

September 2012

The IPSASB began discussions of the responses received on the Consultation Paper (CP), *Reporting Service Performance Information*. The IPSASB confirmed Preliminary View 1, the reporting of service performance information is necessary to meet the objectives of financial reporting (accountability and decision-making) as proposed in the Conceptual Framework Exposure Draft 1, *Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Role, Authority and Scope; Objectives and Users; Qualitative Characteristics; and Reporting Entity*. The IPSASB tentatively agreed that any future due process document should define service performance reporting in a manner that incorporates both the objectives of accountability and decision-making. The IPSASB also tentatively agreed that service performance information is necessary for public sector entities to fulfill their duty to be publicly accountable for non-financial as well as financial resources and that this should be clarified in any future due process document.

The IPSASB confirmed Preliminary View 2, developing a standardized service performance information terminology for the reporting of service performance information is appropriate, and should include the seven terms included in Table A of the CP. The IPSASB tentatively agreed on the following definitions for the seven terms to be included in the standardized service performance information terminology, as follows:

- **Objective**—An objective is a statement of the results a reporting entity is aiming to achieve. (No change from the definitions proposed in the Consultation Paper.)
- **Performance Indicators**—Performance indicators are quantitative measures and/or qualitative discussions of the nature and extent to which a reporting entity is using resources, producing goods and services, and achieving its objective.
- **Inputs**—Inputs are the resources of a reporting entity used to produce outputs that are used in achieving its objectives.
- **Outputs**—Outputs are the goods and services, including transfers to others, provided by a reporting entity that are used in achieving its objectives.
- **Outcomes**—Outcomes are the impacts of outputs that are used in achieving the reporting entity's objectives.
- **Efficiency Indicators**—Efficiency indicators are measures of the relationship between inputs and outputs or inputs and outcomes.
- **Effectiveness Indicators**—Effectiveness indicators are measures of the relationship between outputs or actual outcomes and objectives.

The IPSASB also tentatively agreed not to include any additional terms in the standardized service performance information terminology.

The IPSASB will continue their discussion of the responses received to the CP at its December 2012 meeting.

September 2011

The IPSASB approved a Consultation Paper, [Reporting Service Performance Information](#). The CP sets out the IPSASB's preliminary views on a number of key areas, including standardized terminology, and proposed components of service performance information. The CP has a response date of March 15, 2012.

June 2011

The IPSASB deliberated the second draft of the Consultation Paper, *Service Performance Information*. Members provided the staff with specific feedback on the content and provided the project staff with direction for the preparation of the final Consultation Paper to be presented to the IPSASB for possible issuance at the September 2011 meeting.

March 2011

The IPSASB deliberated the first draft of the Consultation Paper, *Service Performance Information*. Members provided the project staff with feedback on the content and format of the Consultation Paper and

provided the project staff with direction for the preparation of the second draft of the Consultation Paper to be presented to the IPSASB at the June 2011 meeting.

November 2010

The IPSASB considered a number of issues on service performance reporting including:

- Whether a standardized service performance information terminology exists;
- Whether the qualitative characteristics of information included in general purpose financial reports (GPFRs) tentatively agreed upon by the IPSASB are applicable to service performance information; and
- Whether there are content elements of service performance information that should be considered for GPFRs.

The IPSASB agreed that a Consultation Paper should be developed for discussion at the March meeting.

June 2010

The IPSASB considered a number of issues on service performance reporting including:

- What are the objectives of reporting service performance information;
- Who the identified users of service performance information are;
- What the needs of these identified users are; and
- What type of service performance information is needed to meet those needs.

The IPSASB agreed that the project should be further developed with an emphasis on mapping the preliminary decisions reached on objectives, users and users needs in Phase 1 of the Conceptual Framework project to this project.

October 2008

The IPSASB approved a Project Brief on *Performance Reporting*. The IPSASB agreed that the project should be initiated only once responses to the Phase 1 Consultation Paper on its Conceptual Framework (which includes the scope of general purpose financial reporting (GPFR), the objectives, qualitative characteristics and the reporting entity) have been considered.