

IPSASB

International Public Sector Accounting Standards Board

IPSASB Conceptual Framework

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IFRS Advisory Council – agenda paper 5b
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IFRS Advisory Council

IPSASB: Brief Background

- Independent standard setting board supported by IFAC
- Develops International Public Sector Accounting Standards (IPSAS) and other guidance
- Majority of IPSASs drawn from IFRS
- Public sector specific standards and projects
- 18 volunteer unpaid members
- Meets 4 times a year
- 32 accrual-based IPSASs

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IPSASB interaction with IASB on Framework

- Triannual liaison member meetings: Chairs, Vice-Chair (IASB), Deputy Chair (IPSASB)
- Draft of IASB Discussion Paper components reviewed by IPSASB Senior Adviser and Project Coordinator
- Standing item on IASB project at IPSASB meetings
- Staff liaison meetings
- Coordinator updates on progress after IPSASB meetings
- IASB Observer status
- Vice-Chair presentation on Discussion Paper at IPSASB December 2013 meeting

IASB Discussion Paper: Reference to IPSASB (para 1.15(a))

- Consideration of IPSASB work on Framework
- Role of IPSASB as standard setter for public sector entities
- IFRS focus on profit-orientated entities
- Acknowledgement that difference between two Frameworks might arise

Background to Framework Project

- Purpose:
 1. Establishes concepts to be applied in developing International Public Sector Accounting Standards (IPSASs) and Recommended Practice Guidelines (RPGs)
 - IPSAS: requirements for financial statements
 - RPGs: guidance for financial reports other than financial statements
 2. Provides guidance for preparers of general purpose financial reports (GPFRs) of public sector entities where no IPSAS
- Project initiated in late 2006 and accelerated in late 2009
- Completion: June 2014

Approach to Framework Project

- Not an interpretation of existing or developing IASB Framework
- Phased approach
 1. Role & authority; objectives and users; qualitative characteristics and constraints; reporting entity
 2. Elements and recognition
 3. Measurement
 4. Presentation
- Consultation Papers
- Exposure Drafts

Authority, Objectives and Users

- Does not establish authoritative requirements nor override the requirements of IPSASs or RPGs
- Information useful for accountability and decision-making purposes
- Primary users of GPFRs: service recipients and their representatives and resource providers and their representatives

Prudence

- Not identified as one of six qualitative characteristics
 - Mirror those in IASB Chapter 3 but
 - No hierarchy (fundamental and enhancing QCs)
- Addressed in Basis for Conclusions
- Reflected in explanation of neutrality as component of faithful representation

Why Differences may Arise: Characteristics of Public Sector with Potential Impact on Financial Reporting

- Involuntary Transfers and Non-Exchange Transactions
- Importance of Approved Budget
- Nature and Purpose of Assets in Public Sector
- Longevity of the Public Sector and the Nature of Public Sector Programs
- Regulatory Role of Public Sector Entities
- Importance of Statistical Bases of Accounting

Issues

- Sustaining and enhancing cooperation on Framework
- Reducing differences not attributable to public sector circumstances

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