IPSASB

Integrating Financial Reporting and Fixed Asset Management

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Measurement Consultation Paper Approach

Measurement Bases Guidance



IPSAS 17: Property Plant and Equipment

Section	Sub-sections
Objective / Scope	Heritage Assets – permits recognition
Recognition	Infrastructure Assets Initial Costs Subsequent Costs
Measurement at Recognition	Elements of Cost Measurement of Cost
Measurement after Recognition	Cost Model Revaluation Model Depreciation Impairment / Compensation for Impairment
Derecognition	-
Disclosure	-



IPSASB Work Program

Planned position at December 2019

Project	Public sector specific	IFRS alignment
Revenue - Revenue With Performance Obligations (IFRS 15 aligned) - Revenue Without Performance Obligations (IPSAS 23 update)	ED 70 ED 71	✓
Non-Exchange Expenses - Transfer Expenses - Collective and Individual Services (IPSAS 19 amends)	ED 72 IPSAS	✓
Measurement	CP/[ED]	✓
Heritage	✓	
Infrastructure Assets	✓	
Leases	??	??
Financial Instruments (Public Sector Specific)	ED 69	IPSAS 41



Project Background – Objective

Provide more detailed guidance on the implementation of commonly used measurement bases, and the circumstances Measurement under which these measurement bases will requirements in be used IPSAS should be amended to better Address transaction costs and borrowing align them with the costs Conceptual Framework's measurement Where necessary, issue amended IPSAS with revised requirements for measurement concepts at initial recognition, subsequent measurement, and measurement-related disclosure

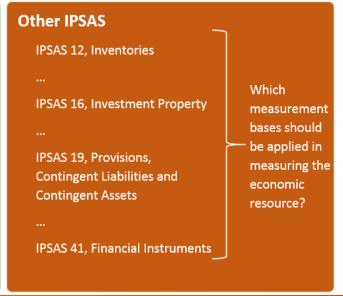


Project Background – Project Output

How Do You Calculate the Measurement Bases (Consultation Phase)

IPSAS, *Measurement* Objective and Scope What is the measurement Definitions basis? Measurements Bases Applications Guidance Fair Value How to calculate the **Fulfillment Cost** measurement Historical Cost basis? Replacement Cost Why apply the measurement **Basis for Conclusions** bases?

Which Measurement Basis Do You Use (Exposure Draft Phase)







Measurement Consultation Paper Approach

Measurement Bases Guidance



Consultation Paper / Exposure Draft

Consultation
Paper including
Illustrative ED,
Measurement

ED,
Measurement,
including
consequential
amdendments

IPSAS,

Measurement
and amendments
to other IPSAS

Consultation Paper

What measurement bases?

Conceptual Framework context

Sources of proposed Application Guidance

How to implement bases

Comparison with IVS and GFS

Borrowing costs

Transaction costs

Which bases to apply

Applying the measurement principles in IPSAS

Illustrative ED, Measurement

What—Definitions of measurement bases

How—Application guidance

Why—Basis for conclusions



Consultation Paper / Exposure Draft

Consultation
Paper including
Illustrative ED,
Measurement

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ED, Measurement

Incorporating changes to Illustrative ED, *Measurement*, to address, as appropriate, matters raised as a result of the CP phase of the project

Consequential Amendments

Amendments to other IPSAS, as follows:

Existing measurement guidance removed (transferred to IPSAS, *Measurement*)

Revision to measurement based terms. (To align with Conceptual Framework and reflect public sector needs)

Transitional Provisions

How entities should transition to requirements proposed in ED, Measurement



Consultation Paper / Exposure Draft

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IPSAS, Measurement

Issued as final Standard

Amendments to other IPSAS

Consequential amendments to other IPSAS approved. Other IPSAS are amended accordingly



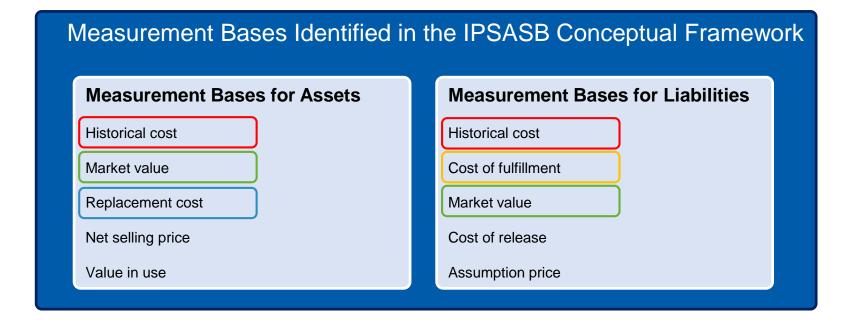


Measurement Consultation Paper Approach

Measurement Bases Guidance



Measurement Bases – Conceptual Framework





Measurement Bases – Developed Guidance

Fair Value

Price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date

Fulfillment Value**

Cost that an entity will incur in fulfilling the obligations represented by the liability

Historical Cost

Consideration given to acquire or develop an asset

Consideration received to assume an obligation

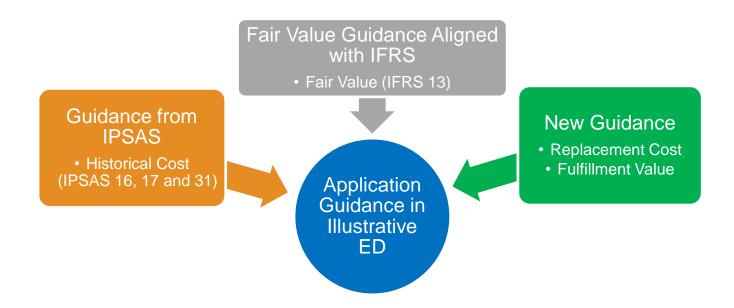
Replacement Cost

The most economic cost required for the entity to replace the service potential of an asset (including the amount that would be received from the asset's disposal)

** terminology updated from existing "cost of fulfillment" as noted in Conceptual Framework

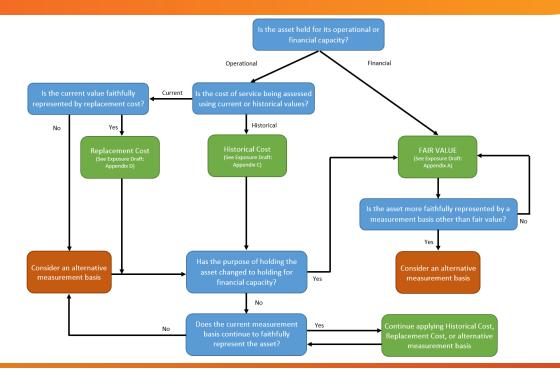


Measurement Bases – Source of Guidance





Measurement Bases – Assets Flow Chart







Measurement Consultation Paper Approach

Measurement Bases Guidance



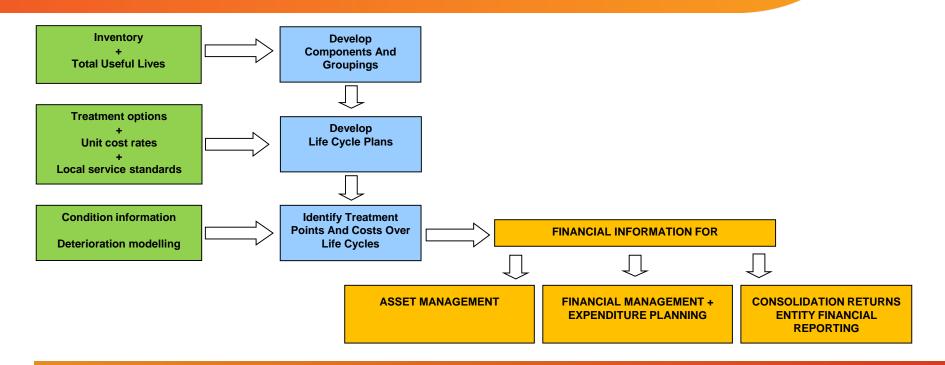
IPSAS 17: Potential additional guidance topics

Heritage	Infrastructure Assets
Heritage / non-heritage use	Scope and definition
Ownership vs stewardship	Recognition
Depreciation / impairment	Initial measurement
Subsequent expenditure	Subsequent measurement
Measurement basis	Depreciation
Natural heritage	Componentization
Valuation techniques	Impairment
Reliability / measurability	Derecognition
Presentation – display and disclosure	Presentation – display and disclosure



Infrastructure Assets: Roads

Asset management plan-based accounting approach





Further information



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