

The background of the slide is a scenic view of a coastal town. In the foreground, there's a harbor with a pier and some boats. The middle ground shows a dense cluster of white buildings with red-tiled roofs. In the background, a large stone castle with a red-tiled tower sits atop a hill overlooking the sea. The sky is a pale blue with some light clouds.

**IPSASB**

International Public  
Sector Accounting  
Standards Board®

# IPSASB UPDATE

Ross Smith, IPSASB Program and Technical  
Director

9<sup>th</sup> Joint Education & Financial Reporting  
Communities of Practice Workshop

June 5, 2024



# AGENDA

- 1. Work Program Update**
- 2. 2024-2028 Strategy**
- 3. Public Sector Sustainability Reporting**

# IPSAS: Now and for the future

## Recent Approvals

### Conceptual Framework Updates

- *Chapter 3, Qualitative Characteristics*
- *Chapter 5, Elements in Financial Statements*
- *Chapter 7, Measurement of Assets & Liabilities in FS*

### Recommended Practice Guidelines Updates

- *Reporting Sustainability Program Information: RPGs 1 and 3: Additional Guidance*

### New IPSAS

- *IPSAS 45, Property, Plant & Equipment*
- *IPSAS 46, Measurement*
- *IPSAS 47, Revenue*
- *IPSAS 48, Transfer Expenses*
- *IPSAS 49, Retirement Benefit Plans*

## Recent Consultations

- *ED 86, Exploration for and Evaluation of Mineral Resources*
- *ED 87, Stripping Costs in the Production Phase of a Surface Mine*
- *ED 88, Arrangements Conveying Rights over Assets*
- *ED 89, Amendments to Consider IFRICs*

# IPSASB Work Program

## Projects

## Public Sector Specific

## International Alignment

Measurement - Application of COV



Other Lease-type Arrangements



Natural Resources



Natural Resources – IFRS 6 / IFRIC 20 alignment



IFRS

Presentation of Financial Statements



IFRS & GFS

IPSAS 33-Limited Scope update



COV = Current Operational Value

GFS = Government Finance Statistics

# Presentation of Financial Statements

## The public sector **NEED**

- Better **communicate** financial information
- Present financial information in a **decision useful way**
- **Align performance reporting** with other frameworks, importance of budgets and GFS

## The current **ENVIRONMENT**

- **Evolution of global reporting landscape** not reflected in IPSAS (e.g. IFRS 18)
- **Updated IPSASB Conceptual Framework**
- **Increased focus** on government spending

## The project **OBJECTIVE**

- **Help public sector entities communicate their financial narrative better** for accountability and the decision-making purposes
- **Revise the overall requirements in IPSAS 1**, including structure, formats, and minimum content requirements

# Natural Resources

## The project **OBJECTIVE**

Provide accounting guidance relating to the potential recognition and measurement, and disclosure of natural resources and expenditures on natural resource-related activities.

## The proposed **GUIDANCE**

Guidance on the recognition and measurement of natural resources.  
Will include guidance related to:

- Accounting for assets held for conservation purposes
- Accounting for expenditures on natural resource-related activities
- ED 86 and ED 87 proposals to add guidance aligned with IFRS – particularly relevant for resource-rich jurisdictions

## The projected **TIMELINE**

IPSASB Exposure Draft Approval Planned for September 2024.

Expect new IPSAS on Natural Resources expected in 2025.

New IPSAS aligned and additional guidance aligned with IFRS expected by end of 2024.

# IPSAS 33 Update

## The project **OBJECTIVE**

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To address challenges experienced by first-time adopters

To enhance guidance

To clarify the role of IPSAS 33

## The proposed **AMENDMENTS**

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Restructuring of the authoritative material between core text and Application Guidance.

Streamlining guidance for usability and effectiveness.

Adding Implementation Guidance and Illustrative Examples.

## The projected **TIMELINE**

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IPSASB Exposure Draft Approval Planned for June 2024.

IPSAS 33 amendments planned for final approval in 2025.

# Navigating IPSAS

PRACTICAL SUPPORT MATERIAL FOR

# NAVIGATING IPSAS

Revised approach to former  
'Differential Reporting' project:

- Importance of public accountability
- Public sector bodies have many different sizes and functions
- One size doesn't fit all – 'IPSAS for SMOs' wouldn't address needs
- Practical alternative to standard setting solution
- Working to set up joint A&I project with IFAC and other partners



# Proposed Strategy



**Strengthening Public Financial Management and sustainable development globally through increasing adoption and implementation of accrual IPSAS and International Public Sector Sustainability Reporting Standards.**

## DELIVERING GLOBAL STANDARDS

- Addressing Constituents' Needs
- Collaborating Internationally
- Clarifying Principles

## INSPIRING IMPLEMENTATION

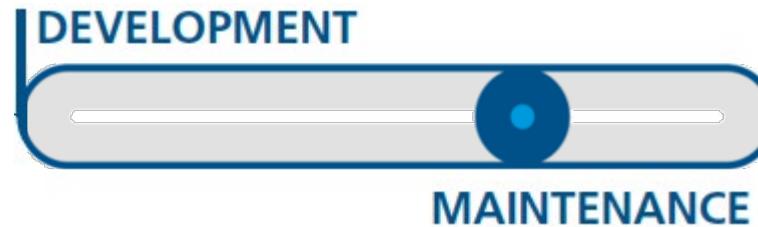
- Raising Awareness
- Building Alliances
- Supporting Jurisdictional, Regional & International Initiatives



# Greater Focus on Maintenance

## DEVELOPMENT

- Setting standards on public specific issues
- Maintaining alignment with IFRS
- Guidance to meet broader needs

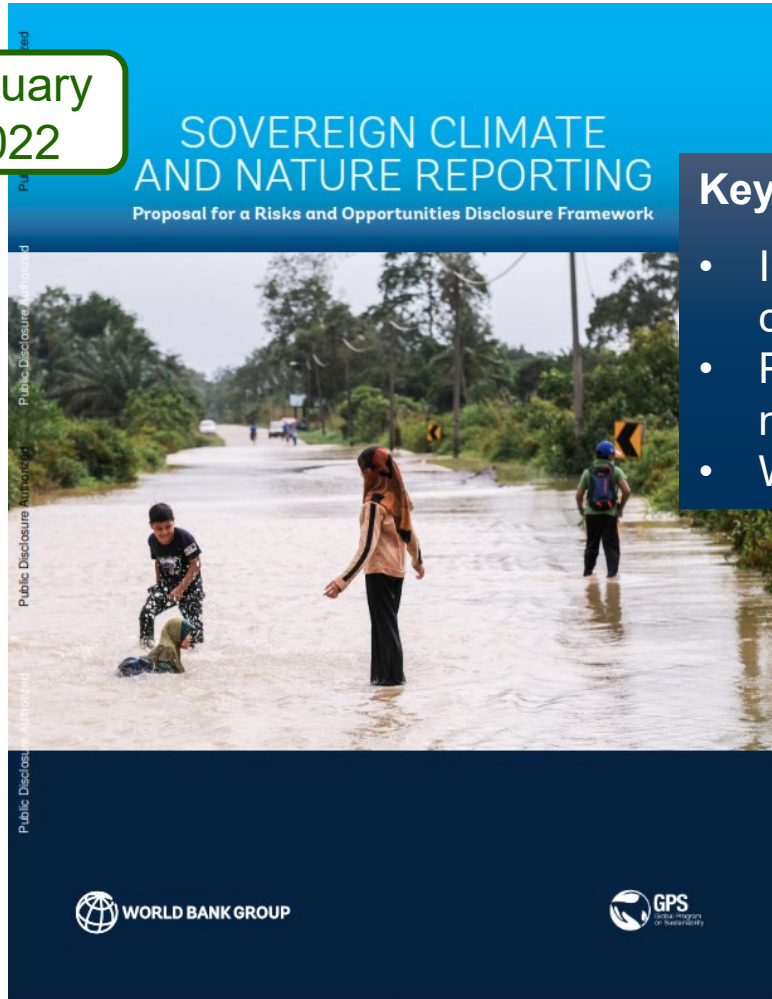


## MAINTENANCE

- Application panel
- Post implementation reviews
- Research

# Advancing Public Sector Sustainability Reporting

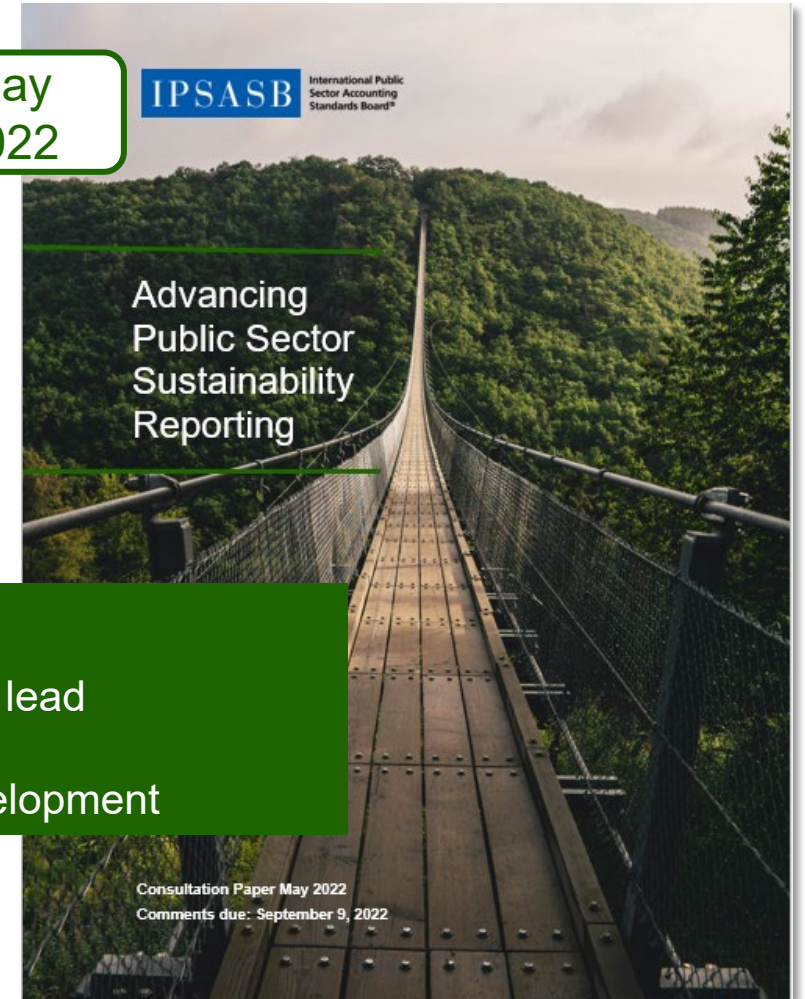
January  
2022



## Key messages

- Impacts of climate change are clear
- Public sector standards needed
- What is IPSASB's role

May  
2022



- ## Proposals
- IPSASB should lead
  - Climate first
  - Accelerate development

# Addressing Stakeholder Priorities

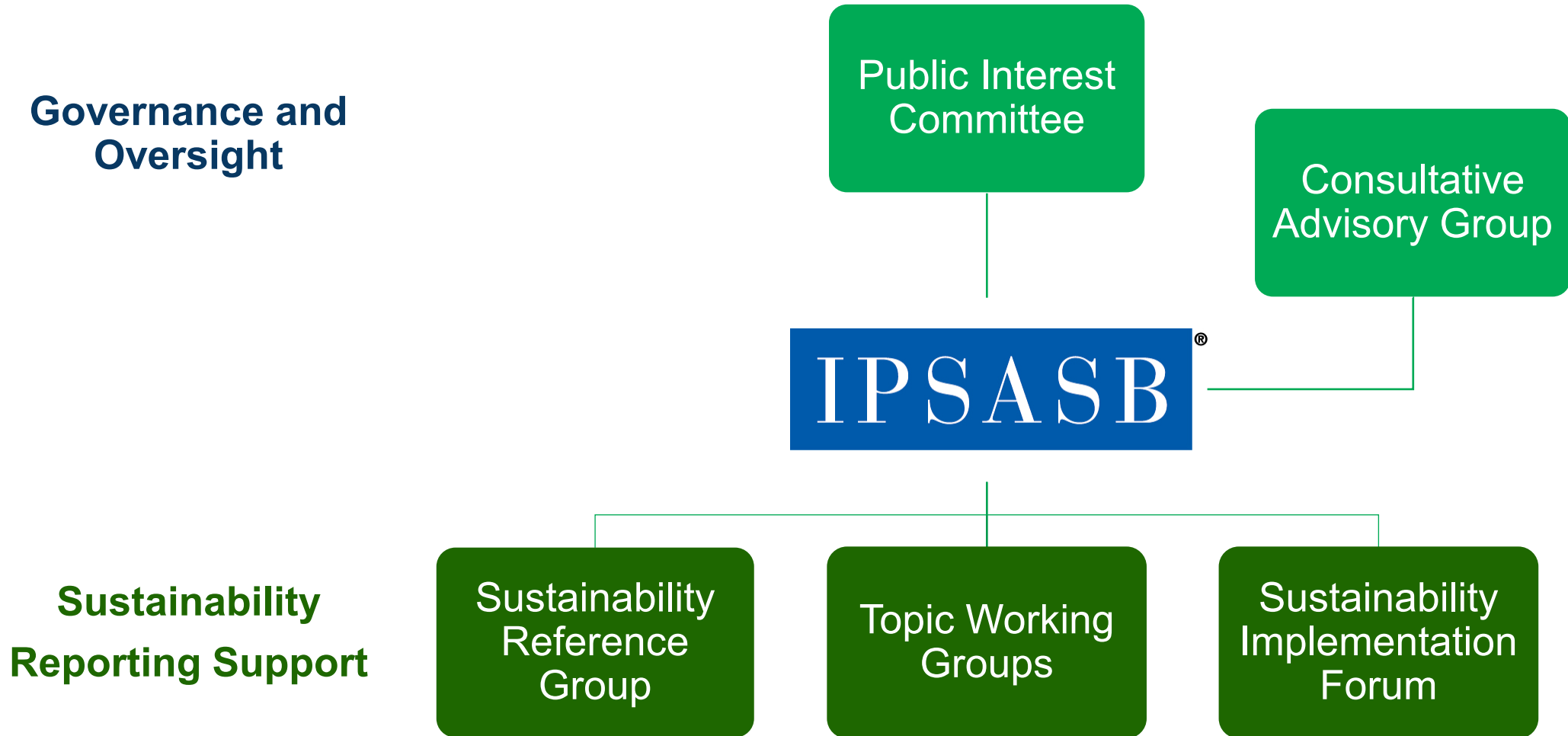
## 3 priority projects

- 1 ✓ Alignment with **ISSB IFRS S1** General disclosure for sustainability-related financial information
- 2 ✓ Alignment with **ISSB IFRS S2** Climate-related disclosures
- 3 ✓ **Natural resources** and biodiversity

**Climate #1 Priority**

- ✓ Launched in June 2023
- ✓ IFRS S1 key concepts
- ✓ Dual role of governments
- ✓ Timeline
  - ED September-2024
  - Final standard 2025
- ✓ New IPSAS Sustainability Reporting Standards

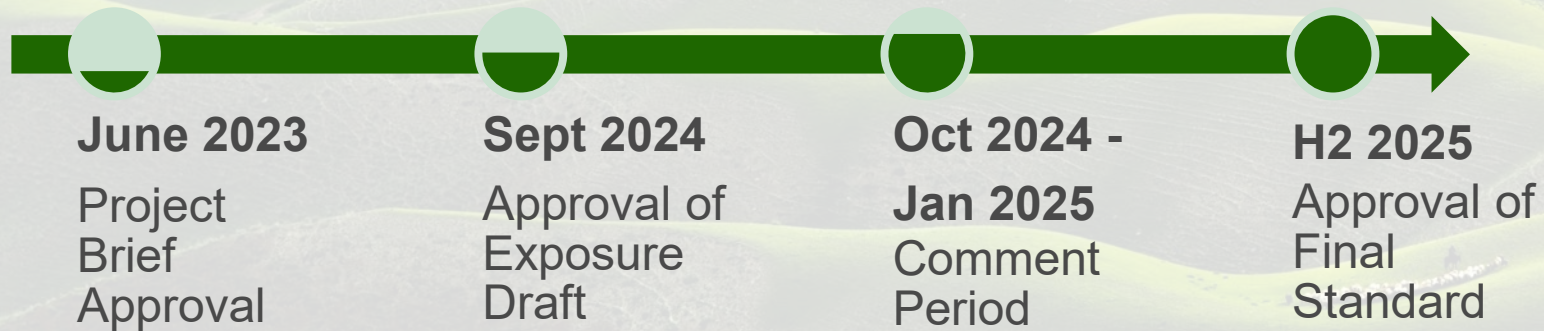
# IPSASB Governance and Sustainability Support



# Climate-Related Disclosures: Building Block Approach



# IPSASB Begins Development of a Public Sector Climate-related Disclosures standard



# 2023 Update – PULSAR Countries

## 2021 Results

Country	2020	2025	2030
Albania	Partial Accrual	Partial Accrual	Accrual
Armenia	Partial Accrual	Accrual	Accrual
Azerbaijan	Partial Accrual	Accrual	Accrual
Belarus	Partial Accrual	Accrual	Accrual
Bosnia & Herzegovina	Partial Accrual	Accrual	Accrual
Croatia	Partial Accrual	Partial Accrual	Partial Accrual
Georgia	Partial Accrual	Accrual	Accrual
Kosovo	-	-	-
Moldova	Accrual	Accrual	Accrual
Montenegro	Cash	Partial Accrual	Partial Accrual
North Macedonia	Cash	Partial Accrual	Partial Accrual
Serbia	Partial Accrual	Accrual	Accrual
Ukraine	Accrual	Accrual	Accrual

## 2021 Global Results



Please send email to [index-survey@ifac.org](mailto:index-survey@ifac.org) to ask for country code and password.





**Pitanja?**

