

IPSASB

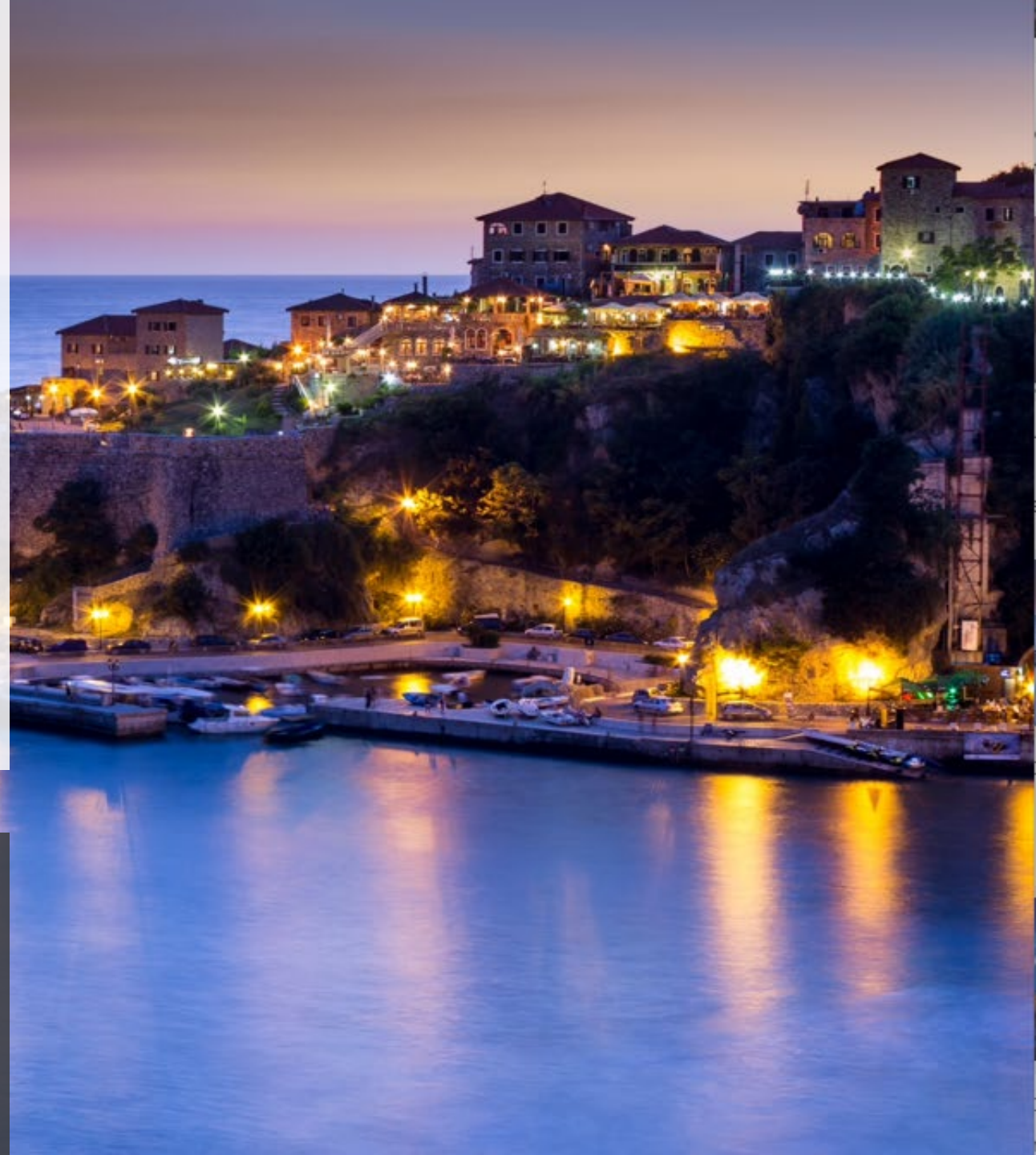
International Public
Sector Accounting
Standards Board®

INVESTMENT AND ASSET MANAGEMENT: AN IPSAS OVERVIEW

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Director

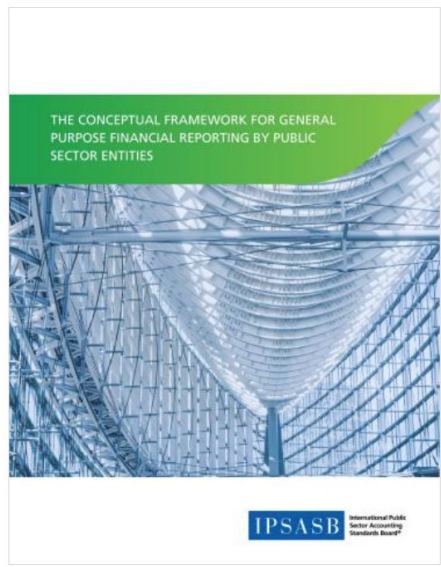
9th Joint Education & Financial Reporting
Communities of Practice Workshop: *The Link
Between PAM, PIM and PSA*

June 5th, 2024



IPSAS, RPGs and Conceptual Framework

- 39 Accrual-based applicable IPSAS
- 3 Recommended Practice Guidelines



- Issued in 2014
- Updated in 2023
- Establishes the concepts to be applied in IPSAS & RPG development

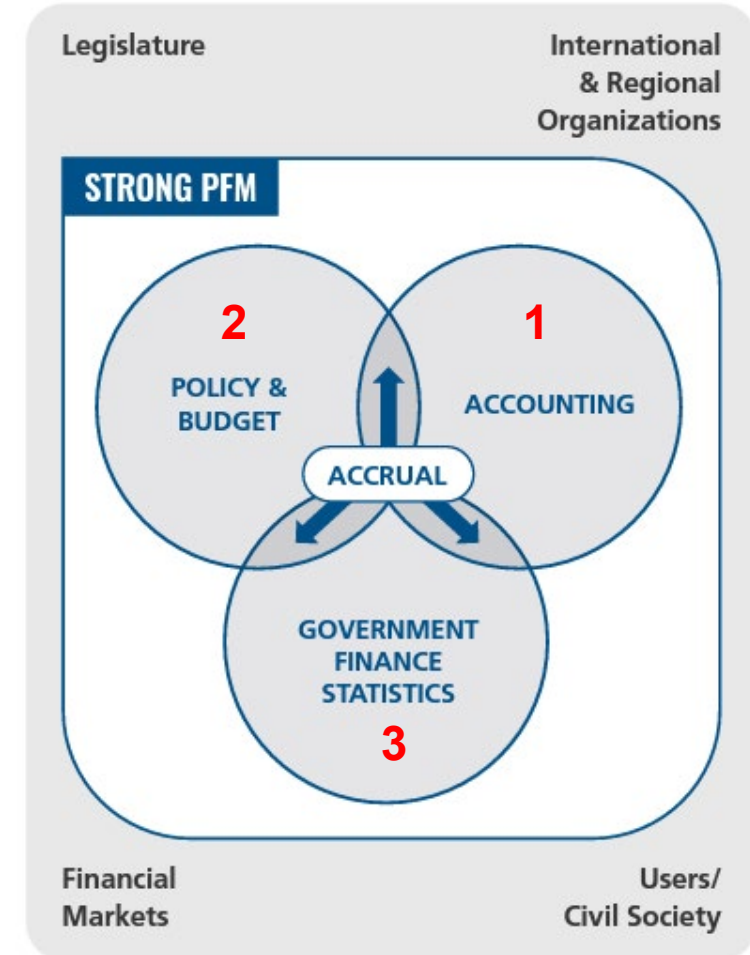
IPSAS for Investment and Asset Management

IPSAS faithfully represent public sector transactions:

- Reporting on IPSAS enhances **transparency** which better facilitates **accountability** and provides useful information for **decision-making**

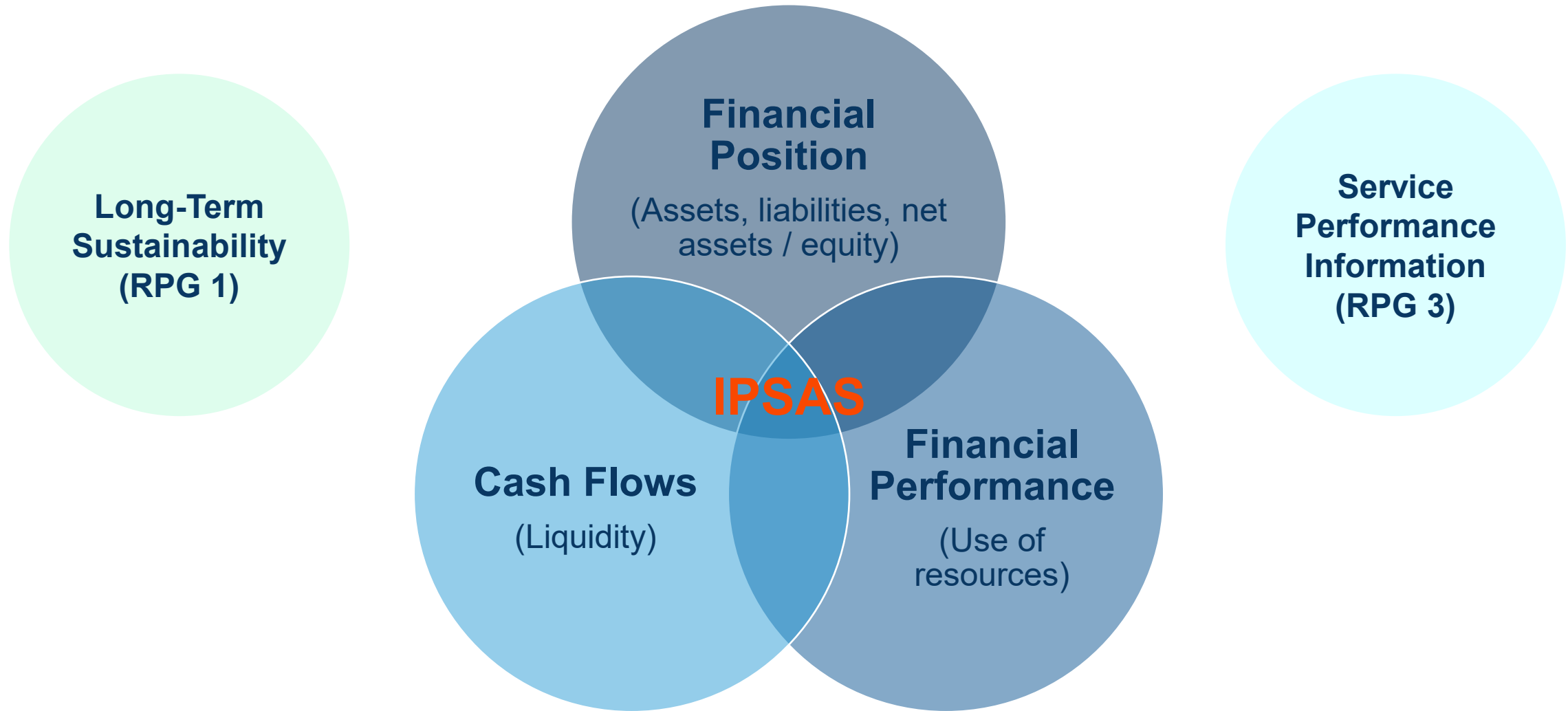
Using accrual data to strengthen PFM

- Accrual-based financial accounting information (1) is useful for more than just financial reporting
- In particular, accrual-based information can be used as an input for (2) budgeting, and (3) GFS reporting purposes
- Consistency in information and reporting will support increased:
 - Data quality
 - Understanding
 - Use of information



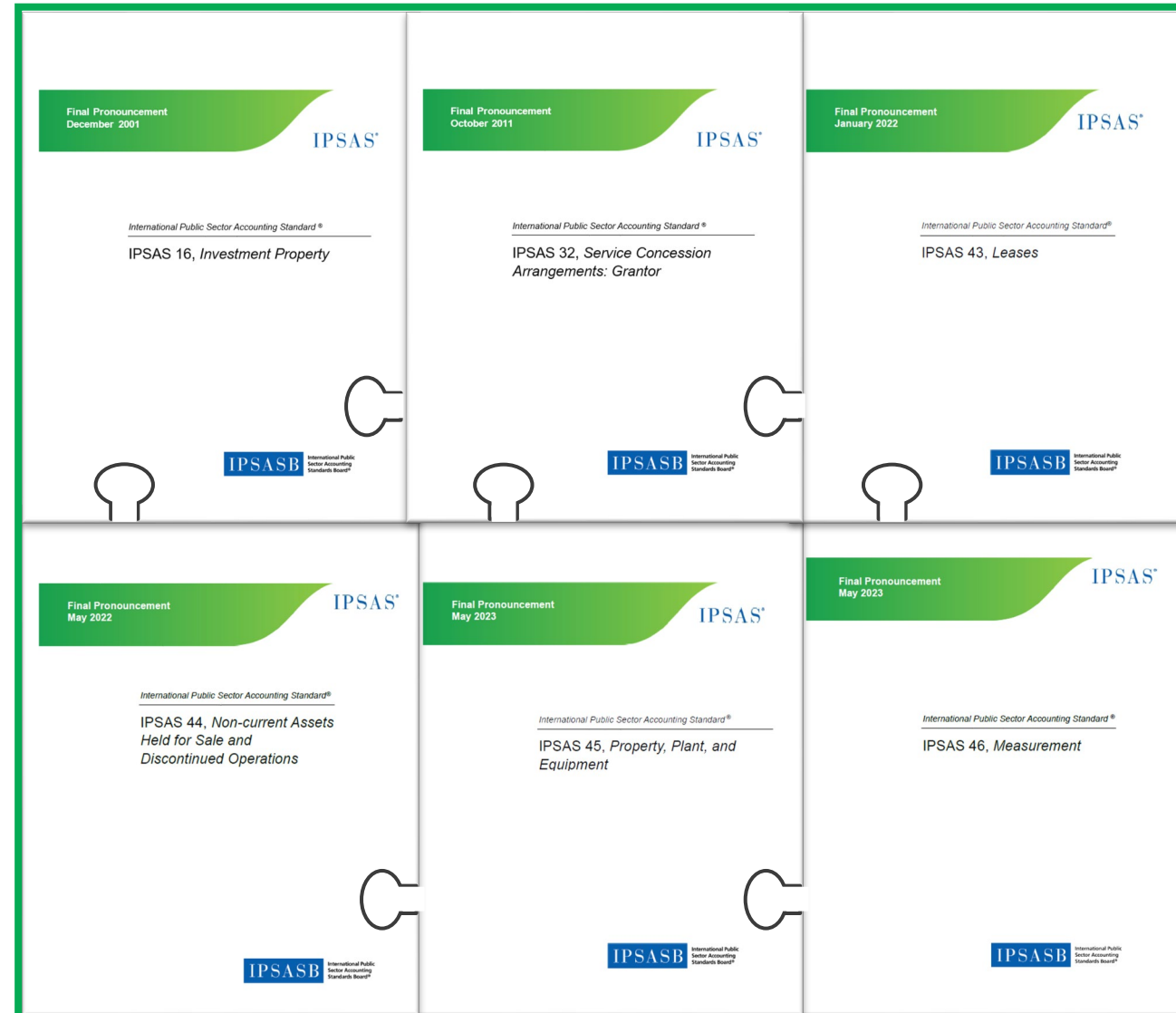
Potential to improve data quality by reducing differences

IPSAS: A Multi-Dimensional Perspective



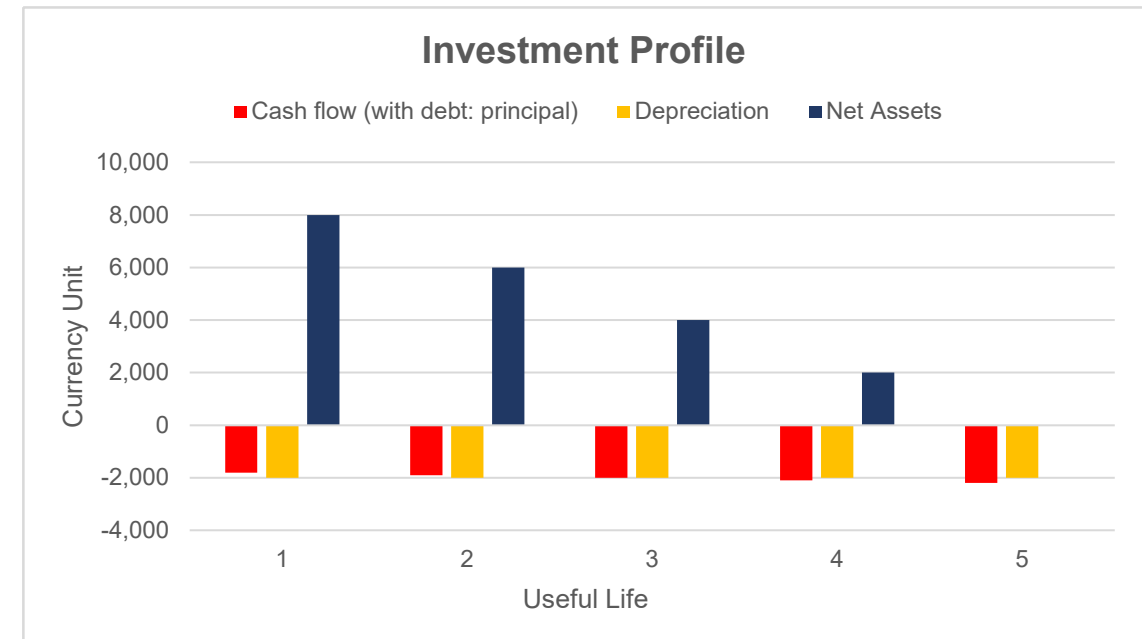
IPSAS Standards

- IPSASB complete suite
 - Can provide information useful for investment and asset management
- Aligned with IFRS and GFSM 2014, where appropriate
- Relevant guidance for asset & investment management
 - IPSAS 16, *Investment Property*
 - IPSAS 32, *Service Concession Arrangements: Grantor*
 - IPSAS 43, *Leases*
 - IPSAS 44, *Non-current Assets Held for Sale and Discontinued Operations*
 - IPSAS 45, *Property, Plant, and Equipment*
 - IPSAS 46, *Measurement*



Public Investment Management: Infrastructure

- **Cash basis:**
 - **No debt:** Cost recognized in a single year -> Cash Flow Statement
 - **With debt:** Annual mismatch between payments or principal and real depreciation
- **Accrual basis:**
 - Allocates cost over useful life -> Statement of Financial Performance
 - Net worth and service capacity transparency -> Statement of Financial Position



Public Asset Management: **Sale of Assets**

- **Cash basis:**
 - Shows proceeds only -> Cash Flow Statement
 - Does not show loss of assets
- **Accrual basis:**
 - Shows proceeds -> Cash Flow Statement
 - Shows loss of assets:
 - Surplus or deficit on sale -> Statement of Financial Performance
 - Less service capacity -> Statement of Financial Position



