

# IPSASs at 20: Progress, Challenges and Opportunities

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# The IPSAS Board and its outputs

- Independent Standard Setting Board under auspices of IFAC
- Executive Chair (75% WTE)
- 17 other volunteer board members from around world
- Toronto-based – Secretariat of 8
- Independent governance (PIC) and advisory arrangements (CAG)
- 35 IPSASs (accrual basis) covering main areas of government activity, 1 cash basis standard as ‘stepping stone’ to accrual
- 3 Recommended Practice Guidelines (RPGs)
- Public Sector Conceptual Framework

# Public Sector Conceptual Framework

## Preface - Characteristics of the Public Sector that influence Public Sector Accounting



# IPSASs development - Phases to date

## 1997 - 2001

- IFAC PSC starts IPSAS development programme
- First 21 IPSASs based on IASB equivalents, interpreted as necessary

## 2002 - 2009

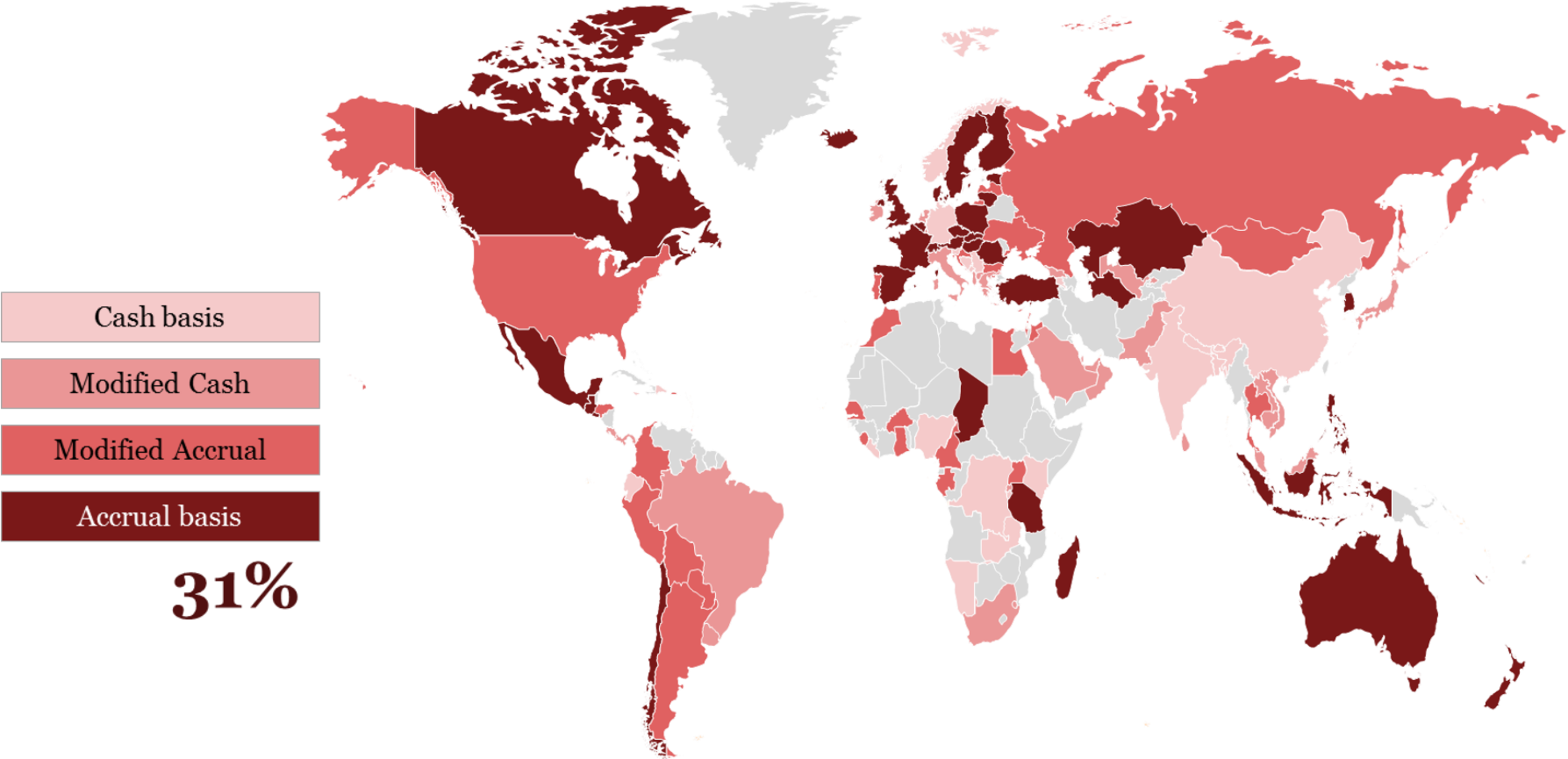
- Development of first public sector specific IPSASs (22 - 24)
- IFRS convergence (IPSASs 25 – 32)
- Start of Conceptual Framework project

## 2010 - 2015

- Conceptual Framework completed 2014
- First Time Adoption & IFRS convergence maintained (IPSASs 33-38)
- First public work plan consultation

# IPSASs implementation – Position in 2015

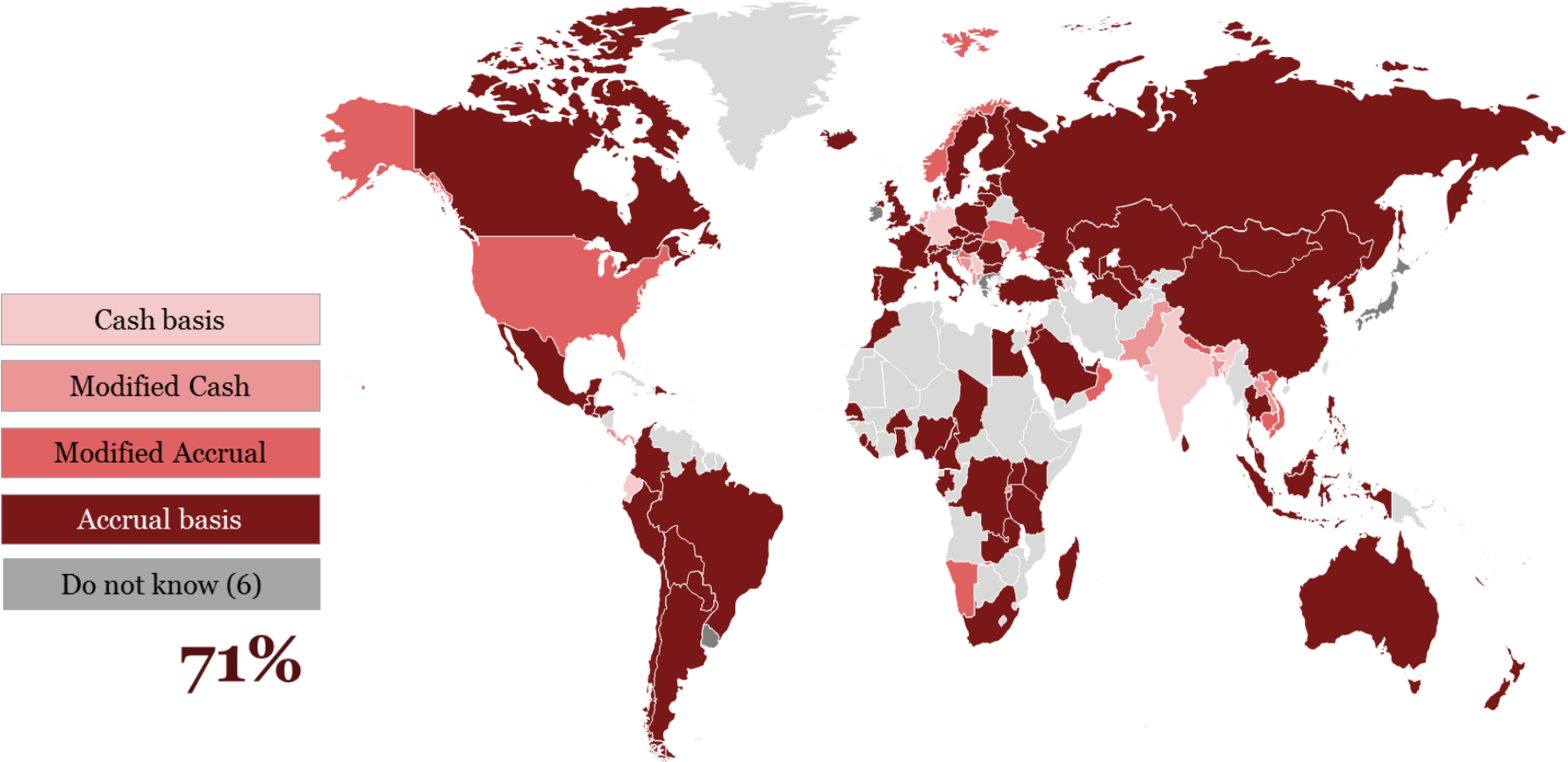
Still great diversity in current central government accounting landscape



Source: PWC Global Survey on Accounting and Reporting by Central Governments (2<sup>nd</sup> edition)

# IPSASs implementation - Future plans

But the 5-year trend toward accrual accounting is clear.....



Source: PWC Global Survey on Accounting and Reporting by Central Governments (2<sup>nd</sup> edition)

## Strengthening Public Financial Management and knowledge globally through increasing adoption of accrual-based IPSASs by:

- Developing high-quality financial reporting standards
- Developing other publications for the public sector
- Raising awareness of the IPSASs and the benefits of their adoption

# Current IPSASB work programme: Key projects 2016 - 2018

Project	Public sector specific	IFRS convergence
Social Benefits	✓	
Revenue & Non-Exchange Expenditure	✓	✓
Heritage	✓	
Financial Instruments	✓	✓
Leases		✓
Public Sector Measurement (starting March 2017)	✓	
Infrastructure Assets (starting June 2017)	✓	
Cash Basis IPSAS (limited-scope update)	✓	



# IPSASB: Current challenges

- Delivering the work plan:
  - 6 important public sector projects being developed from scratch
  - Technically difficult  
e.g. first Social Benefits project put on hold after 6 years pending completion of Conceptual Framework
  - Longer timelines due to need for stakeholder engagement (CP, ED then IPSAS)
- Bedding down relationships with PIC and CAG
- Strengthening advocacy from key international institutions
  - IMF, World Bank, regional development banks
- Creating demand from other stakeholders:
  - Capital markets, politicians, civil society, politicians

# IPSASB Opportunities

- Increasingly complete set of standards
- Momentum in IPSASs adoption generally:
  - Developed world – e.g. New Zealand, Portugal, Canada?
  - Developing world: Latin America, SE Asia, Africa
- European Public Sector Accounting Standards (EPSASs)
  - Appear more likely to be based closely on IPSASs?
- 2017 = 20th Anniversary of starting IPSASs development:
  - World Bank / IMF event (Transparency & beyond) 6<sup>th</sup> March
  - Public Sector Standard Setters Forum (Zurich 2017)
- 2018 Strategy & Work Plan consultation
  - Bridging gaps / improving links between IPSASs and other PFM tools?

# IPSASB 2019-2023 Strategy / Work Plan: Future challenges

- Complexity of PFM landscape
- Increasing coordination with other stakeholders
- Relative balance between:
  - Addressing public sector-specific issues?
  - Maintaining (increasing?) IFRS convergence?
  - Increasing IPSAS-based information usage for GFS?
  - Improving communication of financial information?
- IPSASB's role in adoption and implementation?
- How do these demands fit with available resources?
- Develop consultation document during 2017
- Public consultation H1 2018 – Finalise H2 2018.

# Questions, discussion & further information



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