

International Federation of Accountants

**International Public Sector Accounting Standards
Board**

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IPSASB Strategy

**FEE PSC & CNDCEC Public Sector Seminar
Challenges of Accrual Accounting in Public
Sector**

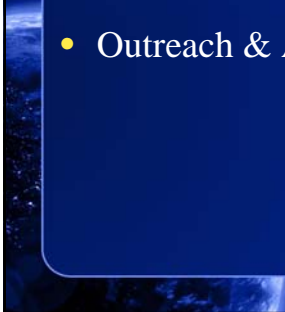
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January 11 2011



IPSASB Strategic Themes 2010-2012

- Conceptual Framework
- Governance
- Outreach & Adoption



Conceptual Framework (1): The Main Points

- Key project providing concepts and principles underpinning public sector standard setting
- Global significance: first project to develop specifically public sector Conceptual Framework
- Not an interpretation of IASB Framework
- Aim to publish completed Framework in 2013
- Will underpin standard setting for many years
- Not an academic exercise



Conceptual Framework (2): The Development Phases

- Phase One: Users, Objectives, Scope, Qualitative Characteristics Reporting Entity
- Phase Two: Elements & Recognition
- Phase Three: Measurement
- Phase Four: Presentation and Disclosure



Conceptual Framework (3): Some Fundamental Questions

- What are the objectives of financial reporting in public sector:
 - Accountability as well as decision-making?
- Should the scope of financial reporting in public sector be broader than in private sector, e.g.,
 - Prospective information on sustainability of public finances
 - Compliance with budget
 - Service performance?
- Who are the primary users of public sector financial statements?
- What are the essential characteristics of assets and liabilities?
 - Do obligations need to be enforceable at reporting date to meet liability definition?
- What measurement approaches are appropriate in the public sector?



Conceptual Framework (4) : The Publications and Response Dates

- Exposure Draft on Phase 1: *Role, Authority and Scope; Objectives and Users; Qualitative Characteristics; Reporting Entity*
- Consultation Paper on Phase 2: *Elements and Recognition in Financial Statements*
- Consultation Paper on Phase 3: *Measurement of Assets and Liabilities in Financial Statements*
- Issued on December 15th 2010
- Consultation period expires June 15th, 2011
- At a Glance' summaries for Consultation Papers



Governance

- Need to address as more jurisdictions adopt or incorporate IPSASs into standard-setting processes
- IPSASB not currently subject to oversight of Public Interest Oversight Board (PIOB) like other IFAC Standard-setting Boards - IAASB, Ethics, Education
- Consultation in 2011 on two models:
 - Moving under remit of modified PIOB
 - Creation of public sector specific oversight board
- Creation of Consultative Advisory Group with Chair attending IPSASB meetings
- Aim for new oversight model to be in place in late 2012



Outreach and Adoption

- Active support of adoption and assisting implementation of international standards: key IFAC strategic aim for 2011-2014
- Resource constraints an impediment for many years
- World Bank support
- Two important initiatives in 2011
 - Enhanced and updated Study 14: our key tool
 - ‘Train the Trainers’ package



Questions Discussion & Further Information



- Visit our webpage <http://www.ifac.org/PublicSector/>
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