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## PUBLIC INTEREST COMMITTEE

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### SURVEY ON IPSASB OVERSIGHT ARRANGEMENTS

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The Public Interest Committee is undertaking a review of the current oversight arrangements for the International Public Sector Accounting Standards Board (IPSASB). This is in line with the 2015 Recommendations of the International Public Sector Accounting Standards Board Governance Review Group.

As part of the review, the Committee is launching this public consultation through the Survey on IPSASB Oversight Arrangements. We invite you to complete this Survey. The Survey consists of six concise questions. Your responses will be an important source of input for the Committee in carrying out the review and the Committee is seeking input from a wide range of stakeholders.

We ask you to submit your responses by **24 February 2020** to:

[PublicInterestCommittee@oecd.org](mailto:PublicInterestCommittee@oecd.org)

Please select only one checkbox for each question. Each question allows for additional comments and explanations as necessary.

For further assistance in completing this questionnaire please contact:

[PublicInterestCommittee@oecd.org](mailto:PublicInterestCommittee@oecd.org)

**Thank you for your cooperation!**

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## RESPONDENT'S CONTACT INFORMATION

**Contact:** Please provide the contact information for the principal person responsible for responding to this Survey.

**\* Obligatory entry fields**

\* Title (Ms/Mr)

Mr

\* Last Name

Gisby

\* First Name

Anthony Paul

\* Respondent's full institution name

Accountancy Europe

\* Respondent's institution website

<https://www.accountancyeurope.eu/>

\* Country (institution based in)

Belgium

\* Position / Job Title:

Senior Manager

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## QUESTIONNAIRE

### Question 1

Following the Recommendations of the [IPSASB Governance Review Group](#), the [Public Interest Committee](#) was formed in 2015 “to ensure that the public interest is served by the standard-setting activities of the International Public Sector Accounting Standards Board ([IPSASB](#)).”

All the [Recommendations](#) of the IPSASB Governance Review Group have now been implemented.

**How familiar are you with the Public Interest Committee, its mandate and activities?**

Please select one.

No, Not Familiar	Somewhat Familiar	Yes, Highly Familiar		
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input checked="" type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

Elaborate below as necessary.

Due to a high level of involvement with the IPSASB, Accountancy Europe is familiar with the PIC and its remit. However, even among our stakeholders active in public sector accounting, we are conscious that awareness of the PIC, its mandate and its activities is not universal.

For example, the actions and outcomes of the PIC meetings are only available in the public domain through the minutes. Additionally, the minutes themselves lack clear action points or recommendations and it does not appear that feedback of these outcomes is formally relayed back to IPSASB and IPSASB CAG meetings.

Consequently, we consider that efforts should be made to further publicise the role and activities of the PIC and inform stakeholders of the import function it plays within the standard setting process and, in particular, the role it plays in monitoring the due process. Additionally, in order that it is easier to familiarise oneself with the PIC's activities, we believe that the PIC should produce a more formal document stating its recommendations, which should be available on the IPSASB's website.

### Question 2

The mandate of the Public Interest Committee is to promote the public interest in the standard setting activities of the IPSASB, through the review of the IPSASB terms of reference and the policies and procedures of the IPSASB and the International Federation of Accountants (IFAC) and to advise them of any proposed changes. The Public Interest Committee is focused on:

- The development of the IPSASB strategy and work plan
- The appointment process for members of IPSASB by IFAC
- The due process for setting International Public Sector Accounting Standards (IPSAS)

The Public Interest Committee is also focused on reviewing and providing advice on the activities of the [Consultative Advisory Group of the IPSASB](#).

The Public Interest Committee does not intervene in specific standard-setting decisions nor individual appointments.

The [minutes](#) of each meeting of the Public Interest Committee contain the Committee's recommendations and advice to the IPSASB, the IPSASB CAG, and IFAC.

Do you believe the activities and recommendations of the Public Interest Committee in the following areas are consistent with its mandate?

a) Development of the IPSASB strategy and work programme:

Please select one.

No, Not Consistent	Somewhat Consistent		Yes, Highly Consistent	
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input checked="" type="checkbox"/> 4	<input type="checkbox"/> 5

b) The appointment process for members of IPSASB by IFAC:

Please select one

No, Not Consistent	Somewhat Consistent		Yes, Highly Consistent	
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input checked="" type="checkbox"/> 5

c) Due process for IPSASB standard-setting:

Please select one

No, Not Consistent	Somewhat Consistent		Yes, Highly Consistent	
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input checked="" type="checkbox"/> 4	<input type="checkbox"/> 5

Elaborate below as necessary.

The PIC has been active in all three areas of its mandate and particularly so in the case of promoting greater diversity amongst IPSASB board members.

Our only concern lies in the infrequent nature of the meetings and we would question whether one or, at most, two meetings a year is sufficient to give an adequate perception that the PIC's mandate is being fulfilled.

### Question 3

Do you believe the mandate of the Public Interest Committee is appropriate?

Please select one.

No, Not Appropriate	Somewhat Appropriate		Yes, Highly Appropriate	
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input checked="" type="checkbox"/> 5

Elaborate below as necessary.

**In our publication “Standard Setting in the 21st Century” ( <https://www.accountancyeurope.eu/wp-content/uploads/170609-Standard-setting-21st-century-June-2017.pdf> ) we suggest that the two key roles for a standard setter oversight body are to:**

**1. approve the due process but not intervene in the standard setting agenda or second guess decisions**

**2. approve the Board’s process for recruitment**

**We believe that in these respects the mandate of the Public Interest Committee is entirely appropriate.**

**The IPSASB PIC also feeds into the development of the IPSASB strategy and work plan. This isn’t foreseen in our above mentioned paper as a role of the standard setting oversight committee. However, in the context of the IPSASB, we believe that its inclusion is appropriate in the PIC’s mandate as it is important that topics of broader public interest are reflected at an early stage in the IPSASB’s strategy and workplan.**

#### Question 4

*The Public Interest Committee is composed of individuals with expertise in public sector or financial reporting and interest in promoting high-quality and internationally comparable financial information from the International Monetary Fund (IMF), the International Organisation of Supreme Audit Institutions (INTOSAI), the Organisation for Economic Co-operation and Development (OECD), and the World Bank.*

**Do you believe the present composition of the Public Interest Committee is credible in providing effective oversight for IPSASB?**

Please select one.

No, Not Credible	Somewhat Credible			Yes, Highly Credible
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input checked="" type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

Elaborate below as necessary.

**In our publication “Standard Setting in the 21st Century” we suggest that a public oversight board for standard setters should have a broad membership and be safe from undue influence.**

**We are not convinced that having only 4 permanent members of the PIC constitutes a broad representation of interested stakeholders – there are no direct representatives of national governments, or civil society, for example.**

**There is also a lack of geographical diversity in the current composition of the PIC, which we feel should be addressed.**

**Finally, membership of the PIC should be subject to fixed terms with a transparent (re) appointment process.**

#### Question 5

**Do you believe it is important to have independent oversight for IPSASB to ensure that the public interest is served in the promulgation of International Public Sector Accounting Standards?**

Please select one.

No, Not Important	Somewhat Important			Yes, Highly Important
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input checked="" type="checkbox"/> 5

Elaborate below as necessary.

As highlighted in our publication “Standard Setting in the 21st Century” we suggest that it is critical for standard setting bodies to be subject to public interest oversight.

We regard that the PIC has an essential role in the IPSASB standard setting process.

The paper also states such public interest oversight bodies should have clear objectives, be efficient and avoid complicated structures – including multiple level of public interest bodies. The current PIC fulfils all of these desirable characteristics.

The current structure is cost effective from the IPSASB’s point of view and may well be sufficiently robust for the current standard setting activity of the IPSASB. However, should the standards become more widely adopted it is likely that there would be political pressure to change the current oversight arrangements.

### Question 6

*In accordance with the recommendations of the IPSASB Governance Review Group, the IPSASB develops International Public Sector Accounting Standards, independently and under its own authority, in accordance with agreed due process. The IPSASB Consultative Advisory Group provides input to the development of the standards. IFAC is responsible for the nomination process for IPSASB and appointment decisions. The PIC oversees these activities in accordance with its mandate.*

*IFAC provides financial and operational support to the IPSASB (as well to the International Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants, which are similarly subject to independent public interest oversight), and monitors and supports global adoption and implementation of IPSAS. The IPSASB is funded by IFAC (which itself is funded by membership dues from national accountancy organization and international accounting firms) and by financial and in-kind contributions from other organizations including national governments.*

**Do you believe this overall arrangement for promulgating International Public Sector Accounting Standards remains appropriate?**

Please select one.

No, Not Appropriate

Somewhat Appropriate

Yes, Highly Appropriate

1

2

3

4

5

Elaborate below as necessary.



**We believe that the overall structure of the IPSASBs standard setting process is effective for promulgating IPSASs.**

**However, as mentioned above, we do think that the effectiveness of the PIC could be enhanced by a broader membership and a more formalised and transparent process for appointing members. We also believe that the activities of the PIC could be better promoted and that more frequent meetings could allow the PIC to be more obvious in the standard setting process, improving the perception of the process and enhancing the IPSASB's legitimacy as a standard setter.**

**Also, there is a question for us as to whether the IPSASB's current funding process - heavily dependent on IFAC and two national governments - is ideal for the public perception of the IPSASB as an independent standard setter. We fully appreciate that it is difficult to develop a suitable funding model for standard setters - especially international standard setters where it is difficult to formalise the funding model into national law. However, we do see this as a critical issue for the legitimacy of standard setters, particularly in respect to the perception of their independence.**

**We fully support the IPSASB in developing high-quality, international, public sector accounting standards. Legitimacy of a standard setter is arguably even more critical in the public sector, both to fulfil the needs of the wide variety of interested stakeholders but also to persuade national governments to use the standards. Consequently, a broader base of voluntary contributions from national governments should be sought, albeit we fully accept that this is difficult to achieve in practice.**

**It would also be beneficial for the IPSASB to receive more income from self-generated sources. However, we do realise that this may be difficult, especially when one of the primary goals of the IPSASB is to promote IPSAS in jurisdictions interested in applying them.**