

Financial Reporting Council

MONTHLY UPDATES (December 2022) – IPSASB ENEWS

The International Public Sector Accounting Standards Board (IPSASB) held its fourth meeting of the year in Toronto, Canada on December 6-9, 2022.

The topics discussed at the meetings were on the following:

1. [Conceptual Framework - Limited Scope Update - Measurement](#)
2. [ED 78 - Property, Plant, and Equipment](#)
3. [Measurement](#)
4. [Other Lease - Type Arrangements](#)
5. [Transfer Expenses and Revenue](#)
6. [Conceptual Framework - Limited Scope Update - Next Stage](#)
7. [Presentation of Financial Statements](#)

1. Conceptual Framework – Limited Scope Update – Measurement

The Board approved an updated version of the IPSAS Conceptual Framework: Chapter 7, *Measurement of Assets and Liabilities in Financial Statements*. The IPSASB will use the updated version of Chapter 7 as part of its process of developing standards going forward.

The updated version of Chapter 7 will be published with the suite of measurement related guidance (IPSAS [X], *Measurement*, IPSAS [X], *Property, Plant, and Equipment*). The last piece of this suite of guidance, IPSAS [X], *Measurement* is planned for approval in March 2023.

2. ED 78 - Property, Plant, and Equipment

The IPSASB approved IPSAS [X], *Property, Plant, and Equipment*. IPSAS [X] replaces IPSAS 17, *Property, Plant, and Equipment* and adds public sector guidance on heritage and infrastructure assets and aligns with the new measurement principles.

To align effective dates, IPSAS [X], *Property, Plant, and Equipment* is expected to be issued in the first half of 2023 together with the suite of measurement related guidance under development.

3. Measurement

The IPSASB reviewed a final draft of IPSAS [X], *Measurement*. The IPSASB clarified the concept of deemed cost, including its applicability to property, plant, and equipment held for operational capacity. The IPSASB decided to add a second phase to the Measurement project where it will evaluate the application of current operational value, for specific IPSAS not yet explicitly considered in the first phase Measurement

project. The second phase will commence after the planned approval of IPSAS [X], *Measurement* in March 2023.

4. Other Lease - Type Arrangements

The IPSASB approved Exposure Draft (ED) 84, *Concessionary Leases and Right-of-Use Assets In-kind* (Amendments to IPSAS 43 and IPSAS 23). ED 84 will be published in January 2023 for a 4-month comment period, together with a Feedback Statement summarizing the IPSASB's decisions and thinking related to the feedback received to the January 2021 Request for Information, *Concessionary Leases and Other Arrangements Similar to Leases*.

5. Transfer Expenses and Revenue

The IPSASB completed a detailed review of the core text, application guidance, bases for conclusions, and implementation guidance sections in the draft Revenue IPSAS and draft Transfer Expenses IPSAS. In addition, the IPSASB agreed on the list of illustrative examples for both draft IPSAS, and confirmed the proposed approach to finalize amendments to other IPSAS in preparation for the expected approval of both draft standards at the March 2023 meeting.

6. Conceptual Framework – Limited Scope Update – Next Stage

The IPSASB reviewed four specific matters for comment related to assets and liabilities in ED 81, *Conceptual Framework Update, Chapter 3, Qualitative Characteristics and Chapter 5, Elements in Financial Statements*. The IPSASB decided, as proposed in ED 81, to:

- Adopt the revised definitions of a liability and an asset;
- Include restructured guidance that aligns with the components of the liability definition and new guidance on the transfer of resources; and
- Adopt the rights-based approach to the guidance on resources in the definition of an asset.

7. Presentation of Financial Statements

The IPSASB discussed research and scoping activities related to the project on Presentation of Financial Statements, added in 2022 as a result of the Mid-Period Work Program Consultation. The research activities included an update on the feedback received from attendees at the 4th International Public Sector Standards Setters Forum held in September 2022. Research and scoping activities will continue as part of the process to develop and approve a detailed project brief, which is expected to be approved in 2023.

For further information: <https://www.ipsasb.org/news-events/2022-12/ipsasb-ene ws-december-2022>