

# International Update

## IPSASB Consults on 2019-2023 Strategy and Work Plan

The International Public Sector Accounting Standards Board (IPSASB) has published a Consultation Document on its proposed Strategy and Work Plan for 2019-2023.

The draft Strategy emphasises the importance of International Public Sector Accounting Standards (IPSAS) to public financial management reforms and proposes the following strategic objective:

- Strengthening Public Financial Management (PFM) globally through increasing adoption of accrual-based IPSAS.
- Delivered through two main areas of activity, both of which have a public interest focus:
  - o Developing IPSAS and other high-quality financial reporting guidance for the public sector; and
  - o Raising awareness of IPSAS and the benefits of accrual adoption.

The IPSASB has proposed five themes that support the strategic objective and which will drive its work.

To develop standards on critical areas in public sector accounting, the IPSASB has proposed to take on three new major public sector specific projects – accounting for natural resources, discount rates and differential reporting – all of which will provide great public interest benefits to a wide range of constituents.

The IPSASB will also continue to maintain convergence with International Financial Reporting Standards, where appropriate, and to work with others to promote IPSAS adoption and emphasise the importance of accrual-based information for strengthening PFM.

This Consultation provides an opportunity for constituents to comment on the IPSASB's strategic objective, supporting themes and work plan priorities for the period 2019-2023.

IPSASB website [www.ipsasb.org](http://www.ipsasb.org) can be visited to access the Consultation and its summary At-a-Glance document, or to submit a comment latest by June 15, 2018.

## IPSASB Proposes New Lease Accounting Model for the Public Sector

The International Public Sector Accounting Standards Board (IPSASB) has released Exposure Draft (ED) 64, Leases for comment.

ED 64 proposes a single right-of-use model for lease accounting that will replace the risks and rewards incidental to ownership model in IPSAS 13, Leases. ED 64 also proposes new public sector specific accounting requirements for leases at below market terms (also

known as “concessionary leases”) for both lessors and lessees.

For lessees, ED 64 proposes accounting requirements that are converged with the International Accounting Standards Board's IFRS 16, Leases, by requiring the recognition of a right-of-use asset and a lease liability for all leases, except for short-term leases and leases of low-value assets.

For lessors, ED 64 proposes a right-of-use model specifically designed for public sector financial reporting that differs from the risks and rewards incidental to ownership model for lessors in IFRS 16 by:

- (a) Continuing to recognise and measure the leased asset according to the applicable IPSAS; and
- (b) Recognising a lease receivable and a liability (unearned revenue) as a result of the lease contract, except for short-term leases.

The proposals in ED 64 address common public sector lease contracts where a lessor and a lessee are part of the same economic entity. IPSASB website [www.ipsasb.org](http://www.ipsasb.org) can be visited to access the Exposure Draft and its summary At-a-Glance document, or to submit a comment latest by June 30, 2018.

## Experts Appointed to IAASB Project Advisory Panel

International Auditing and Assurance Standards Board (IAASB) Emerging Forms of External Reporting (EER) Task Force has announced the appointment of 23 individuals to the recently-established EER Assurance Project Advisory Panel.

The Advisory Panel appointees will make a significant contribution to further IAASB's work on EER assurance. Their involvement will include:

- o advising the EER Task Force on the application of ISAE 3000 (Revised) to EER engagements, and other matters within the scope of the approved Project Proposal, and providing insights into current practice across different jurisdictions and contexts;
- o providing input to the development of the non-authoritative guidance that the IAASB plans to issue; and
- o providing occasional research input on matters relating to EER assurance engagements.

## IFAC Named Anti-Corruption Network Partner to B20, Adds Three Leaders to B20 Taskforces

The B20 has tapped IFAC (International Federation of Accountants) as a Network Partner to its Compliance & Integrity taskforce focused on anti-corruption, and

has added three IFAC leaders to taskforces on Integrity & Compliance, Financing Growth & Infrastructure, and SME Development.

Corruption undermines sustainable development and corrodes growth on a regional and global scale. In partnership, the B20 and IFAC are committed to anti-corruption efforts and effective policy critical to safeguarding integrity in the financial system.

*“Grounded in a strong ethical code, accountants ensure the financial integrity of the organisations in which they work and are critical for the functioning of stable financial markets,” said IFAC CEO, Fayez Choudhury. “We are pleased to partner with the B20 to advance the global fight against corruption and to recognise the vital work being done every day by more than 3 million professional accountants that IFAC represents and supports.”*

The B20 has also added to its taskforces following three IFAC leaders to provide professional accountancy’s perspective on critical issues, including ICAI Past President, CA. Manoj Fadnis:

- o Carol Bellringer, IFAC Board Member – Integrity & Compliance
- o Dr. Richard Petty, IFAC Board Member – Financing Growth & Infrastructure
- o Manoj Fadnis, IFAC SMP Committee Member – SME Development

With prominent changes in its business environment in recent years, Argentina’s B20 Presidency provides an amplified stage to advocate for the private sector’s role in advancing public interest outcomes that support healthy economies and societies.

*“Tackling corruption is essential to gain and maintain the public’s trust in business and government. We are eager to play a role in the fight against corruption as part of our global profession, and in this important year of Argentina’s G20 Presidency,”* said Dr. José Luis Arnoletto, President of the Federación Argentina de Consejos Profesionales de Ciencias Económicas (FACPCE).

The B20 Argentina will focus on a variety of key challenges, including growth and infrastructure financing, promoting investment, ensuring food accessibility and addressing the challenges of the new industrial revolution.

## Transformative Leader Appointed as IFAC CEO-Designate

IFAC recently announced that, after an extensive global search, Mr. Kevin Dancy, FCPA, FCA—former

President and Chief Executive Officer of CPA Canada—has been selected as IFAC’s next Chief Executive Officer. He will succeed current IFAC Chief Executive Officer, Fayez Choudhury, whose term expires at the end of the year.

Kevin has a long history of leadership in both the accountancy profession and public service. He has led CPA Canada and the Canadian Institute of Chartered Accountants in the past. Beyond the profession, Kevin has served Canada’s citizens in a variety of public service roles. He currently chairs Finance Canada’s Departmental Audit Committee and is National Coordinator of the CPA Canada Martin Family Initiative, which mentors Canadian indigenous youth. Kevin holds a Bachelor of Arts (Hon.) in Mathematics & Economics from McMaster University.

*“To be selected as the next IFAC Chief Executive Officer is a singular honor—a career capstone,”* said IFAC Incoming Chief Executive Officer Kevin Dancy. *“Accountants positively influence the global economy in a multitude of ways. I’m looking forward to being a passionate advocate for the 3 million professional accountants represented by IFAC’s more than 175 member organisations in over 130 jurisdictions.”*

Mr. Dancy will join on May 14, 2018, and will work closely with Mr. Choudhury to ensure a seamless leadership transition.

## Focusing on Performance: Enhancing Governance

Globally there are 60 countries that do not have professional accountancy organisations (PAOs), and, there are an additional 93 PAOs that do not have sufficient capacity to function effectively at all levels. IFAC continues its work in providing effective guidance to PAOs for enhanced governance. Strong governance enriches PAOs’ mission and vision, resulting in improved quality of financial management systems in emerging economies.

IFAC has released a new publication, *‘Focusing on Performance’*, to build awareness within the PAO community to provide guidance and encourage best governance practices and principles within their current governance arrangements. The publication also features a self-assessment tool for PAOs to utilise when reviewing their governance framework.

IFAC continues to identify and share PAO’s governance experiences and success stories via the Global Knowledge Gateway. Members can visit the site for resources and thought leadership.