

**INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)  
THE PUBLIC SECTOR COMMITTEE'S STANDARDS PROJECT**

**Ronald J. Points**

PSC Member – United States

**NOTE: All International Public Sector Accounting Standards (IPSASs) and Public Sector Exposure Drafts currently on issue can be downloaded free of charge from the IFAC Website. [www.ifac.org](http://www.ifac.org)**

**(The views in this paper are those of the author. They do not necessarily reflect the views of the Committee or of individual members.)**

## SUMMARY

The Public Sector Committee (PSC) is a standing committee of the Council of the International Federation of Accountants (IFAC). IFAC is the international organisation of accountancy bodies.

The PSC is progressing a Standards Project directed at developing International Public Sector Accounting Standards (IPSASs) for financial reporting by public sector entities at the local, state and national government levels. It is intended that that these Standards will act as a minimum benchmark for financial reporting by governments and their agencies. As a first step in the Standards Project the PSC issued Study 11 *Governmental Financial Reporting: Accounting Issues and Practices* which identifies issues to be resolved in preparing financial reports under differing bases of accounting and includes examples of financial statements prepared by governments under a wide range of bases.

The PSC supports the adoption of the accrual basis of accounting because it generates better quality financial information than other bases of accounting and this information is necessary for the discharge of accountability and supports better decision making by internal management. However, the PSC is aware that a form of cash basis accounting, or modified cash basis accounting, is widely adopted for financial reporting at various levels of government, and that the process of moving from a cash to an accrual basis is not cost free and involves the resolution of a number of practical and other issues. Consequently, the first stage of the Standards Project is directed at developing a set of accrual accounting IPSASs and a cash basis IPSAS. The accrual IPSASs are, to the extent appropriate, based on International Accounting Standards (IASs) on issue in August 1997.

The current status of the Project is as follows:

- Eight IPSASs dealing with the accrual basis have been published, an additional four IPSASs will be published in late June/early July 2001 and an additional IPSAS has been approved for publication in the last quarter of 2001. In addition, responses to a further five exposure drafts and an Invitation to Comment are being considered, and the Committee is developing IPSASs based on the comments received on the exposure drafts. The Committee has also approved two exposure drafts for issue in late June/early July 2001.
- A single comprehensive Exposure Draft on the cash basis, ED 9 *Financial Reporting Under The Cash Basis of Accounting*, has been issued for comment. The PSC has commenced the process of reviewing submissions received on that exposure draft and intends to communicate further with constituents and to “field

test” the proposed requirements before the IPSAS is formally approved and issued.

The Standards Project also includes the development of guidance to assist an entity in transitioning from the basis of accounting it currently adopts (whether cash, modified cash or modified accrual) to the accrual basis. This guidance will identify key components that must be addressed in the transition and will note that the transitional path adopted may differ from jurisdiction to jurisdiction. The PSC has actioned a task-force to facilitate the development of this guidance by the end of 2001. As the transitional guidance is developed, it is intended to also undertake a study of three or four countries to draw out transitional issues.

INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)  
**THE PUBLIC SECTOR COMMITTEE (PSC)**  
**THE STANDARDS PROJECT**

**Introduction**

1. On behalf of the Public Sector Committee (PSC) of the International Federation of Accountants I would like to thank you for the invitation to attend this most important conference, and to provide you with an update on the progress of the PSC's Standards Project.
2. The Standards Project is directed at developing International Public Sector Accounting Standards (IPSASs) for application in the preparation of the financial reports of local, state and national governments and their agencies. Many of you in this audience have already made a significant contribution to this Project in the form of detailed submissions on many of the exposure drafts and Invitations to Comment. I would like to take this opportunity to thank those of you involved in preparing those submissions for your valuable input. I hope that involvement will continue. During the course of this presentation I will update you on the PSC's consideration of potential revisions to its operating processes which will provide you with further opportunities for direct involvement in the project.

**IFAC and the Public Sector Committee**

3. The PSC is a standing committee of the Council of IFAC. IFAC is a non-profit, non-governmental, non-political, international organisation of accountancy bodies. At present, IFAC has representation from 153 member bodies in 113 countries. The mission of IFAC is the development and enhancement of the profession to enable it to provide services of consistently high quality in the public interest.
4. The PSC was established in late 1986 to address, on a coordinated worldwide basis, the needs of those involved in public sector financial management, reporting, accounting and auditing. The PSC members are drawn from the member professional bodies. They are appointed to the PSC because of their knowledge of and experience in public sector financial reporting, financial

management or audit. Members of the multilateral lending agencies and certain other regional and international organisations are observers on the PSC with full rights of the floor (see Appendix 1 for PSC membership).

### *The Standards Project*

5. The PSC's current activities are focussed on the development of International Public Sector Accounting Standards (IPSASs) for financial reporting by governments and other public sector entities. The PSC actioned the Standards Project in late 1996. The first stage of the Project, has been funded by IFAC, the World Bank, the Asian Development Bank, the United Nations Development Project and the International Monetary Fund. Prior to that date the PSC had issued a number of Studies and other documents dealing with public sector financial reporting, auditing and accounting issues.
6. The Standards Project was established in response to concerns about the variability in the quality of financial reporting by many governments and their agencies. The quality of government financial information reported to external users and to managers is, in many cases, poor. Poor-quality financial information is often associated with poor standards of financial management, economic decision making and accountability. Such an environment contributes to a low standard of financial discipline and often leads to corruption and mismanagement.
7. The relationship between good governance and better economic outcomes is also increasingly being acknowledged. Holding governments and their agencies accountable is a key element to good governance in the public sector and fiscal transparency is one (though by no means the only) necessary condition for the discharge of accountability. Important components of any governance system are:
  - (a) the preparation of financial reports in accordance with well understood and generally accepted accounting standards developed in the interests of the users of financial statements of public sector entities; and
  - (b) an audit that provides assurance that those standards have been complied with.
8. For users of financial statements of governments and their agencies and those concerned about financial transparency, the benefits flowing from the development and maintenance of IPSASs will include:

- (a) the establishment of appropriate financial reporting practices;
- (b) consistency in application of those practices (both between countries, as well as within a country from period to period); and
- (c) the potential harmonization of financial reporting between economic and accounting bases.

Given the poor quality of financial information currently made available to public sector managers in many jurisdictions, it is likely that internal users will also benefit from the development and application of IPSASs.

- 9. The adoption of IPSASs will also provide for greater efficiency and effectiveness in the audit and analysis of governmental financial reports as common rules are adopted around the world for the financial reporting of similar transactions and events. It will also mean that financial reporting expertise, so often a scarce resource in the public sector, will become more mobile across national boundaries, with the expectation that, for example, developing economies will be able to access this resource at lower cost.

### ***An International Public Sector Standard Setter***

- 10. In the private sector, the International Accounting Standards Board (IASB) issues International Financial Reporting Standards (IFRSs) for application by business enterprises. These Standards support the efficiency of both international and domestic capital markets. The IFRSs are a necessary component of recent initiatives to strengthen financial transparency and enhance corporate governance. (The IASB has recently been established and replaces the former International Accounting Standards Committee (IASC) which issued International Accounting Standards (IASs). The IASs issued by the IASC continue in force until they are amended or withdrawn by the IASB.) The PSC has issued Guideline 1 *Financial Reporting by Government Business Enterprises* (July 1989), which explains that Government Business Enterprises should apply the same International Accounting Standards as private sector enterprises.
- 11. The development and maintenance of IPSASs will likewise enhance the quality and consistency of financial reporting by public sector entities. Such Standards will provide governments with a cost efficient means of ensuring that the financial

reports of public sector entities in their jurisdiction include financial information of sufficient quality to discharge accountability obligations to users and to support informed decision making by a wide range of external users. The IPSASs are as equally an important component of initiatives to strengthen government financial transparency and governance as their private sector counterparts are to the private economy. However, an ongoing public sector standards setting facility reflecting that of the IASC has not yet been fully established.

12. The PSC is well credentialed to perform the role of International Public Sector Standard Setter. This is because it:
- has been established to operate in the interest of users, and is independent from control by those that would seek to influence the outcomes generated other than in the interests of users;
  - possesses appropriate technical expertise, knowledge of institutional arrangements encompassed by its constituency and a membership mix that encompasses technical proficiencies of users, preparers and auditors and a broad geographical spread;
  - adopts a formal due process, which provides stakeholders with the opportunity to contribute to the development process; and
  - as a Committee of IFAC, possess sufficient authority for the development and implementation of pronouncements.

### ***Background And Current Status of Stage 1 (1996 – May 2001)***

13. As noted above, the PSC actioned the Standards Project in late 1996. The objectives of the initial stage of the Standards Project are extremely ambitious. They are to develop by the end of 2001:
- (a) a Background Paper which provides guidance on issues to be confronted in financial reporting by public sector entities and approaches to their resolution. Work on this paper was commenced in 1996; and
  - (b) a set of IPSASs based on International Accounting Standards (IASs) promulgated by the IASC and on issue in August 1997, to the extent that

the requirements of the IASs were appropriate for public sector entities. Work on the development of Standards was commenced in late 1997.

**(a) *The Background Paper (Study 11, issued May 2000)***

14. The Background paper:

- (a) considers users of general purpose financial reports (GPFs) of public sector entities and their likely information needs;
- (b) identifies the likely objectives of financial reporting by public sector entities; and
- (c) outlines common bases of accounting currently used by governments - being cash accounting (including modified cash accounting) and accrual accounting (including modified accrual accounting).

An Exposure Draft of the Paper was issued in March 1998 and the finalised Paper, Study 11 *Governmental Financial Reporting: Accounting Issues and Practices*, was issued in May 2000.

15. The PSC had previously considered some of these matters in publications such as Study 1 *Financial Reporting by National Governments (1991)*, Study 2 *Elements of Financial Statements (1993)* and Study 8 *The Government Financial Reporting Entity (1996)*. Study 11 builds on the work previously undertaken by the PSC. It identifies issues to be resolved in preparing financial reports under the differing bases and considers the extent to which financial reports prepared under each basis satisfy the objectives of financial reporting. The Study focuses on the cash and accrual bases. However, it is intended to assist governments in the preparation of their financial reports whichever basis is adopted. To this end it includes examples of financial statements prepared by governments under a wide range of bases.

16. The Study also considers the objectives of the *System of National Accounts (SNA)* and the International Monetary Fund's *Government Finance Statistics (GFS)*. It notes that while the frameworks adopted for SNA, GFS and GPFs are similar, they focus on different reporting entities and their objectives differ.

***(b): Development of International Public Sector Accounting Standards***

17. This stage of the Standards Project includes the development of a comprehensive standard for financial reporting under the cash basis of accounting, and a core set of IPSASs for financial reporting under the accrual basis of accounting. Initially, this stage of the Project also encompassed the development of Standards for the modified cash and modified accrual basis. However, many PSC constituents argued strongly, and convincingly, that it was not appropriate to develop Standards for the modified cash and modified accrual bases. After issuing an Invitation to Comment on this matter in 1999 and receiving an overwhelming response in support of developing Standards for only the cash and accrual bases, the PSC refocused the Project on developing Standards for only the cash and accrual bases.

*The Cash Basis*

18. A single comprehensive IPSAS dealing with the cash basis of accounting is being developed by the PSC. Exposure Draft 9 *Financial Reporting Under The Cash Basis of Accounting* was issued in May 2000 for comment by 30 November 2000.
19. The ED prescribes the manner in which the general purpose financial statement prepared under the cash basis of accounting should be presented. It includes requirements relating to the structure and content of the financial statement, the identification of the reporting entity and proposes the separate disclosure of movements in cash and cash equivalents from operating, investing and financing activities. The ED also:
- (a) deals with accounting for foreign currency cash flows, reporting in hyperinflationary economies and the presentation of a consolidated financial statement; and
  - (b) requires disclosure of key information including the accounting policies adopted for significant transactions, the major classes of operating cash flows, and interest and dividends received.
20. It is intended that application of the requirements of the IPSAS that is developed from ED 9 will ensure that cash basis financial reports issued by governments and other public sector entities are prepared on a consistent, appropriate and well

understood basis. This will enhance comparability with the entity's own financial statements of previous periods and with the financial statements of other entities. The application of an IPSAS on the cash basis will facilitate a better understanding of the cash position of governments, changes in that position and the major sources and uses of cash.

21. The PSC has now commenced the process of reviewing the 41 responses to that Exposure Draft. A number of respondents noted that ED 9 adopts a broader notion of the reporting entity than is currently adopted by most countries that report on a cash basis. Some respondents also expressed concern about the ability of some of these countries to adopt an IPSAS based on ED 9. Consequently, the PSC has decided to extend its due process by including a further period of targeted consultation. This will include, in co-operation with the World Bank, approaching a number of developing countries to consider their views on the proposals in the ED and to gain a better appreciation of the practical difficulties that may be encountered in complying with the proposals in the ED. The period of extended consultation is expected to be complete by the end of 2001 and, depending on the outcome of the consultation, a Standard will be finalized early in 2002. This approach provides the PSC and its constituents with the opportunity to better understand:

- (a) the requirements of any proposed IPSAS on *Financial Reporting Under The Cash Basis of Accounting*; and
- (b) the issues that will be faced by differing jurisdictions in implementing that IPSAS.

While this approach will slow down the Standard development process, it provides the potential for a better implementation process in the short term and more consistent application of the Standard in the long term.

#### *The Accrual Basis*

22. A core set of IPSASs for application in the preparation of accrual based financial reports is being developed. They will, where appropriate, be based on IASs promulgated by the IASC as at 31 August 1997 or their subsequently revised versions. August 1997 is the date at which the Standards development stage of the Standards Project became active. At that date, 22 IASs had been issued. The PSC

determined to defer consideration of the two of those IASs, dealing with business combinations and employee entitlements, until the other IASs had been dealt with.

23. Significant progress on the development of the initial set of IPSASs has been made. The PSC issued the first eight IPSASs in May 2000. They are:

- IPSAS 1 *Presentation of Financial Statements*
- IPSAS 2 *Cash Flow Statements*
- IPSAS 3 *Net Surplus or Deficit for the Period, Fundamental Errors and Changes in Accounting Policies*
- IPSAS 4 *The Effect of Changes in Foreign Exchange Rates*
- IPSAS 5 *Borrowing Costs*
- IPSAS 6 *Consolidated Financial Statements and Accounting for Controlled Entities*
- IPSAS 7 *Accounting for Investments in Associates*
- IPSAS 8 *Financial Reporting of Interests in Joint Ventures*

24. At its meeting in May 2001, the PSC approved an additional four IPSASs for publication in late June and July 2001:

- IPSAS 9 *Revenue from Exchange Transactions*
- IPSAS 10 *Financial Reporting in Hyperinflationary Economies*
- IPSAS 11 *Construction Contracts*
- IPSAS 12 *Inventories*

At its May 2001 meeting the PSC also approved IPSAS 13 *Leases*, for publication in the last quarter of 2001.

25. The PSC has also issued a further 5 Exposure Drafts (EDs) of proposed IPSASs dealing with specific issues under the accruals basis of accounting. They are:

- ED 14 *Property, Plant and Equipment*
- ED 16 *Events After Reporting Date*
- ED 17 *Segment Reporting*

- ED 18 *Financial Instruments: Disclosure and Presentation*
- ED 19 *Investment Property*

The comment period for ED 14 ended on 30 January 2000 and the PSC is currently developing an IPSAS based on the ED. The comment period for EDs 16 – 19 closed on 31 May 2001, and the PSC will consider the responses to those exposure drafts at its meetings later this year.

34. The PSC will issue two more Exposure Drafts of proposed IPSASs in June 2001, for comment by 31 November 2001. These Exposure Drafts are:
- ED 20 *Related Party Disclosures*
  - ED 21 *Provisions, Contingent Liabilities and Contingent Assets*
35. The PSC issued an Invitation To Comment in July 2000: ITC *Impairment of Assets*. The comment period for this ITC closed on 30 January 2001, at its last meeting the PSC considered the responses to the ITC and the PSC is now in the process of preparing an exposure draft on *Impairment of Assets*.

#### ***Transitional Guidance – Cash Basis to the Accrual Basis***

36. Many of the PSC's constituents, including some currently reporting on a cash basis have expressed support for application of the accrual basis of accounting for governmental financial reporting. This support is based on the view that the accrual information includes, supplements and enhances the cash information currently provided and would provide benefits to both internal and external users. Many of those constituents also sought guidance from the PSC on the process of transition from a cash to the accrual basis. The preparation of transitional guidance was also advocated by many constituents as a necessary adjunct to the proposal to establish Standards for only the cash and accrual bases of accounting. While not originally factored into the Project work program, the PSC is of the view that it is important and is proceeding to develop a document which will provide transitional guidance. It intends to have finished this guidance by the end of 2001.

### ***PSC Standards Project - Projected Achievements 2001***

37. It is anticipated that by the end of 2001 the PSC will have issued, or finalised ready for issue during the first quarter of 2002:
- IPSASs dealing with 18 of the 22 IASs identified as the basis of the core IPSASs;
  - exposure drafts of another two of the 22 IPSASs (EDs 20 and 21, see above);
  - the proposed IPSAS on the cash basis of accounting. It is also anticipated that the field testing of this proposed Standard will have been substantially completed by the end of 2001; and
  - transitional guidance to assist governments in making the transition from a cash basis to the accrual basis.
38. Progress will also have been made on the development of an Exposure Draft on Impairment of Assets for application by public sector entities. While outside the initial set of “core” Standards, guidance on accounting for an impairment of public sector assets is central to the ongoing application of the accrual basis of accounting for governments and many public sector entities, and a key transitional issue for those moving to the accrual basis. Detailed authoritative guidance on this issue has not been promulgated by national or international standards setters. The PSC is of the view that the matter is of such significance that it needs to provide some leadership.

### ***The Future Standard-Setting Work Program For The PSC***

- 39 The initial stage of the Standards Project was established with specific limited objectives to be achieved within a limited timeframe. As part of the Standards development process, the PSC has identified a number of specific public sector issues not addressed, or not adequately addressed, by the IASs. In addition, the PSC and many of its constituents have recognised the need to develop a framework for financial reporting by public sector entities to explicitly identify the underlying concepts adopted in the standards setting process. Such a framework will also provide broad guidance to preparers and auditors on the resolution of specific issues not yet the subject of specific Standards. The PSC believes it should deal with conceptual issues on a case by case basis as they relate to its ongoing work program. However, it is also aware that development work on frameworks is occurring in a number of jurisdictions and is exploring

whether it can play a useful role as a conduit to coordinate the development of a public sector framework.

40. To be effective over the long term, Accounting Standards cannot be static documents – they need to respond to the economic, institutional and management environments within which governments, whether at the local, state or national level, and other public sector entities operate. Frequently, as members of the financial reporting community gain experience with the application/operation of any Standard, areas for modification or improvement are identified. In addition, circumstances and transactions not contemplated by the existing body of Standards often arise. The “care and maintenance” of the existing body of Standards, and the need to develop new Standards to deal with additional issues not addressed by the existing body of authoritative literature, shape the long term work program of national and international standards setters.

#### ***Public Sector Specific Issues not dealt with in the IASs***

##### *Taxes and other non-reciprocal revenue*

41. The IAS which deals with accounting for revenue (IAS 18, *Revenue*) is restricted in scope to revenue generated through exchange transactions. However, taxes and other forms of non-reciprocal revenues represent the major form of revenues for most governments. There is a need to develop appropriate accounting treatments for tax revenues (by the recipient) and other non-reciprocal revenue (by both the recipient and the transferor).

##### *Provisions Arising from Social Policy Initiatives.*

42. IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* was issued in 1998, but represented an updating of parts of IAS 10 *Contingencies and Events After Reporting Date* which was on issue in August 1997. IAS 37 is therefore within the scope of the first stage of the PSC’s Standards Project.

The PSC is currently developing an Exposure Draft of an IPSAS based on IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. However, IAS 37 was developed in the context of an exchange environment and does not address issues related to whether a government’s commitment to social policy programs such as health, education and welfare gives rise to obligations that should be recognised in financial statements, and if so at what point should they be recognised and how

should they be measured. In developing its exposure draft on *Provisions, Contingent Liabilities and Contingent Assets*, the PSC has excluded obligations that arise from social policy initiatives where the government receives no or only nominal consideration directly in return from the recipient. This reflects the PSC's view that these public sector specific issues require more study before their recognition and measurement is prescribed by an IPSAS.

#### *Non-financial performance reporting*

43. IPSAS 1 *Presentation of Financial Statements*, IPSAS 2 *Cash Flow Statements* and Exposure Draft 9 *Financial Reporting Under The Cash Basis of Accounting* contain requirements for the presentation of financial information under the cash and accrual bases of accounting. However, there is little coverage in either Standard of semi-financial or non-financial performance reporting.
44. As noted in the introduction to this paper, financial information is only a subset of the information necessary to allow an adequate assessment of the performance of most public sector entities. Governments and their agencies are required to achieve service delivery and social and economic policy objectives. The performance of governments, and the financial information reported about that performance, needs to be assessed in the context of the achievement of those service delivery and policy objectives. As such, the disclosure of semi- or non-financial information as well as information about the financial characteristics of performance will be necessary for accountability and decision making purposes. In some jurisdictions, requirements/guidance on non-financial performance indicators is in place – disclosures about “service efforts and accomplishments” are encouraged by GASB Standards in the USA and “Statements of Service Performance” are published by public sector organisations in New Zealand. At the international level, there is a need to develop guidance to ensure that the linkages between financial information (for example costs) and non financial information (for example, nature, volume and quality of services) are recognised.

#### *Government Budgets*

45. Most Governments issue financial budgets usually, but not exclusively, prepared on a cash or near cash basis, at least annually. These budget financial statements are widely distributed and promoted and are used for analysis of the governments plans and their consequences for the economy. In many respects, and for many users, they are the most important financial statements issued by governments.

They are central to ensuring transparency of the government's financial intentions.

46. The core IPSASs are concerned with the presentation of general purpose financial information. However, they do not address the presentation of budgetary/forecast financial information, nor provide information that enables users to determine whether actual financial results are broadly consistent with previously issued budgets or forecasts. Given the widespread practice in the public sector of reporting budgetary information, a strong case can be made that there is a need for Standards on at least minimum requirements for budget reporting. Such requirements would be directed at enhancing the comparability of those reports over time, between governments and with historical financial reports encompassing the same period (or to identify the sources and effects of differences). If no IPSAS on budgets is developed, a case can be made that the PSC should provide guidance on what information should be included in the financial statements to explain the relationship between the budget figures and the financial statements for the same period.

#### *Public/Private Sector Arrangements*

47. Accounting for asset construction and financing arrangements between the private and public sectors has raised a number of controversial accounting issues in countries such as Australia, Canada and the United Kingdom. The PSC could usefully draw on the experiences in these jurisdictions and develop requirements for the accounting treatment of these arrangements. Whilst this project would draw heavily on a number of existing Standards such as IPSAS *Leases* and IPSAS *Financial Reporting of Interests in Joint Ventures*, it is of sufficient importance to warrant its own Standard.

#### *Harmonisation of IPSASs with GFS and SNA*

48. The International Monetary Fund (IMF) is redrafting its *Government Finance Statistics Manual* to harmonize with the *1993 System of National Accounts*. The PSC has provided input on drafts of the revised GFS Manual and is monitoring the progress of it. It should be recognized that these two systems of reporting support different uses, and whilst much of the information required for their different uses is the same, some of their information needs may differ. This project could usefully examine whether differences in the data generated by each

system are justified by the different objectives of those systems and identify a process to eliminate or reduce any unnecessary or unintended divergences.

*Measurement of Infrastructure and Heritage Assets*

49. In the process of developing ED 14 *Property, Plant and Equipment* the PSC acknowledged the difficulty public sector entities will face in reliably measuring certain types of heritage and cultural assets. Respondents to the ED also emphasised the practical difficulties inherent in recognising and reliably measuring heritage and cultural assets. The PSC currently holds the view that in principle all assets, including heritage and cultural assets, should be recognised in the financial statements. However, it acknowledges that more work may need to be undertaken in determining the relevant measurement basis for these assets. ED 14 proposed a five-year transitional period for application of its requirements to recognize all property, plant and equipment, during which the PSC could further explore the measurement issue.

*IASs that have been developed since 31 August 1997.*

50. The “core” set of Standards that is currently being developed by the PSC is based on IASs extant as at 31 August 1997. There are however a number of IASs that have been developed since then and which the PSC is not currently dealing with.

They include:

- IAS 34 *Interim Financial Reporting*
- IAS 35 *Discontinuing Operations*
- IAS 38 *Intangible Assets*
- IAS 39 *Financial Instruments: Recognition and Measurement*
- IAS 41 *Agriculture*

The PSC is assessing the priority it should give to developing IPSASs based on these IASs. In making that assessment the PSC will need to consider the following:

- (i) its constituents have identified several urgent public sector specific issues that the Committee needs to consider; and

- (ii) the new IASB may seek to review at least some of these standards in the short term.

### ***Implementation of International Public Sector Accounting Standards***

51. The PSC may develop guidance to assist preparers with the implementation of particular International Public Sector Accounting Standards. A number of standard-setters have developed implementation guides when introducing a new standard or to clarify the operation of an existing standard. Whilst implementation guidance may be very useful to constituents it is likely to place a considerable burden on the PSC's resources and activities. The PSC will consider whether implementation guidance is required on a case by case basis with its standards, and will develop guidance as the need arises and as resources allow.

**APPENDIX 1**  
**PUBLIC SECTOR COMMITTEE MEMBERSHIP**  
**(May 2001)**

**(A) PUBLIC SECTOR COMMITTEE MEMBERS**

**Australia - Mr. Ian Mackintosh (PSC Chairman) B Comm, FCA, FCPA, CMC**

Chief Accountant, Australian Securities and Investment Commission.

Formerly public sector financial management consultant - extensive public sector experience at National and State level in Australia, and Internationally, particularly in Thailand and Turkey. Prior to that partner of Coopers and Lybrand Australia - Partner in charge, Canberra office. 1981 – 1995, National Government partner for Australia 1994 – 1996 and Chair of International Government Committee 1994 – 1996. He retired from the partnership in 1996.

*Current Appointments:* Observer, Australian Accounting Standards Board.

*Former Appointments include:* Chair of Australian Public Sector Accounting Standards Board, Chair of Australian Urgent Issues Group, Deputy Chair of the Australian Accounting Standards Board.

**Canada - Mr. David Rattray B. Comm, FCGA, CIA, CFE, FCIS, Padm**

Assistant Auditor-General of Canada, responsible for National Defense, NATO, Public Works and Government Services, Foreign Affairs and International Trade. As Assistant Auditor-General member of the Report Steering Committee, Chair Practice Development Committee and Executive Committee.

*Current Appointments:* Chairman, Scouts Canada Foundation

*Former Appointments include:* Technical Adviser to the Canadian PSC Delegate (1997 – 2000); Voting Delegate to IFAC PSC (1995 – 1997); Chair CGA-Canada, Taskforce on the Future of the Profession.

**France – Mr. Philippe Adhémar Licence en droit (Sciences économiques), diplôme d'études supérieures de droit public, diplôme de l'Études Politiques de Paris (économie privée), Ecole Nationale d'Administration.**

Conseiller Maître à la Cour de Comptes. Formerly Member Ministère de l'Économie et de Finances, direction du Trésor as Financial attache to Latin America, Financial

***France - Mr. Philippe Adhémar (continued)***

Counsellor at the Ambassade de France au Brésil (1974-1979), Ambassade de France au Maroc (1979-1982), Représentation Permanente de la France auprès de Communautés (1982-1995). Ministre Plénipotentiaire; Conseiller Financier pour l'Amérique du Nord à Washington et Ottawa.

*Current Appointments:* Member of the board of Commission des Opération de Bourse.

*Former Appointments include:* Personnalité indépendante for the privatisation of CFNR (1996); Member of the selection committee for banks-counsel to the government for privatisations; Président of task force on venture capital (1999); Member of the Multilateral Audit Advisory Group of the World Bank (since 1999).

**Germany - Dr. Norbert Vogelpoth Diplom-Kaufmann, Dr. rer.oec, Tax Consultant (Steuerberater), German Certified Public Auditor (Wirtschaftsprüfer)**

Partner PwC Deutsche Revision AG.

*Current Appointments:* Member of the IDW Board and Working Group Accounting and Auditing in the Public Sector (Rechnungslegung und Prüfung in der öffentlichen Verwaltung).

*Former Appointments include:* IDW Fachtagung Baden-Baden (1998); Leader of the Working Group: Accounting of consolidated Financial Statements (1999); Leader of the Working Group: Neuer Fragenkatalog nach § 53 HGrG: Risk Management in the Public Sector.

**Mexico – Mr. Javier Perez Saavedra C.P. (Instituto Mexicano de Contadores Públicos), member Colegio de Contadores Publico de Mexico, A.C.**

Independent consultant on business organisation, management, financing and auditing. Advisor to the General Director of Comisión Nacional del Agua (a federal entity responsible for water resources in Mexico). Formerly Subdirector General Comisión Nacional del Agua, Controller General of Comisión Federal de Electricidad, Director General of Governmental Auditing of the Secretaría de la Contralía General de la Federación. Director of Revision of CPA's Tax Reports of the Secretaría de Hacienda y Crédito Público, Executive Director Instituto Mexicano de Contadores Públicos.

***Mexico – Mr. Javier Perez Saavedra (continued)***

*Former Appointments include:* Member of Boards of Directors of the Colegio de Contadores Publico de Mexico, A.C, Instituto Mexicano de Contadores Publicos, National Institute of Public Accountants in Government and the Mexican Institute of Internal Auditors.

**The Netherlands - Mr. Peter Bartholomeus registeraccountant, member Royal NIVRA**

Director of the Government Audit Policy Department of the Ministry of Finance.  
Formerly Director Ministry Audit Staff of the Ministry of Foreign Affairs, Inland Revenue Services of the Ministry of Finance (1974-1987).

*Current Appointments:* Chairman of the Public Sector Committee of Royal NIVRA, Member for the Public Sector Committee of Fédération des Experts Comptables Européens (FEE), Member of the Editorial Committee of “De Accountant” (Royal NIVRA’s professional periodical).

**New Zealand - Mr. Kevin Simpkins B.Com, Dip Acc. (Natal), FCA(NZ), CA (SA), ACIS**

Assistant Auditor-General (Accounting and Auditing Policy) at the New Zealand Office of the Auditor-general. Formerly Technical Director of the (now) Institute of Chartered Accountants of New Zealand, National Director of Accounting at Ernst and Young.

*Current Appointments:* Deputy Chair Financial Reporting Standards Board; Chair Publications Committee of the Institute of Chartered Accountants of New Zealand.

*Former Appointments include:* Technical Adviser to the former IFAC PSC Chairman, Member Institute Company and Securities Law Committee.

**Pakistan - Mr. Muhammad Rafi B.Sc, DAIBP, FCMA, FTA, ACIS**

Manager (Financial Planning and Management Information System) Oil and Gas Development Corp (a public sector entity). Formerly Manager (Finance and Accounts) at Wah Industries Limited (a public sector entity). Dy. Manager (Cost) at Quaid Abad Woollen Mills Limited (a state enterprise).

***Pakistan - Mr. Muhammad Rafi (continued)***

*Former Appointments include:* Hon. Treasurer/Member National Council of the Institute of Cost and Management Accountants of Pakistan (ICMAP), Member of Executive Committee and the Education Committee of the ICMAP; Member of the Board of Governors of the Pakistan Institute of Public Finance Accountants.

**Thailand - Mr. Nontaphon Nimsonboon B.Com (hons), B. Accounting, MBA (Iowa), C.P.A, FCCAF**

Auditor-General of Thailand. Formerly Deputy Auditor-General, Assistant Auditor General and various other positions at the Auditor-General's Office of Thailand. Lecturer at Faculty of Commerce and Accountancy Thammasart University.

*Current Appointments:* President of the Institute of Certified Accountants and Auditors of Thailand; Council member of ASEAN Federation of Accountants (AFA); Executive Committee member of Confederation of Asian and Pacific Accountants (CAPA).

**United Kingdom - Mr. Mike Hathorn CA CPFA**

Managing Partner, Moore Stephens Scotland, Chairman, Moore Stephens UK.

*Current Appointments:* Institute of Chartered Accountants in Scotland (ICAS) – Chairman of Public Sector Committee, member of Council, Chartered Institute of Public Finance and Accountancy – Chairman of the Accounting and Auditing Standards Panel, member Technical Committee, Member of the Accounting Standards Board (UK) – Public Sector Not-for-Profit Committee.

*Former Appointments include:* Chairman of the Member Services Liaison Committee (ICAS), Chairman of a Task Force for the APB to develop guidelines on the “Independence of Auditors” (ICAS), Chairman of the Local Authority (Scotland) Accounts Advisory Committee (ICAS).

**United States - Mr. Ron Points M.A., Management, B.S., Accounting, CPA, CGFM.**

Regional Financial Management Advisor, Central Operational Services Unit, East Asia and Pacific Region, World Bank. Formerly Managing Director of International Financial Management at PricewaterhouseCoopers. Prior to that, Associate Director of Accounting and Financial Auditing Group at the U.S. General Accounting Office.

**United States - Mr. Ron Points (continued)**

*Current Appointments:* Member of the Board of Directors of the International Consortium on Governmental Financial Management (ICGFM); AICPA International Strategy Committee.

*Former Appointments include:* Member of the National Council on Government Accounting. Member of the Council of State Governments Accounting Project on Preferred Accounting Practices for State Governments; AICPA Internal Control Committee; AICPA Governmental Technical Standards Committee; AICPA Government Accounting and Auditing Committee.

**(Please note one additional member is yet to be confirmed)**

**IFAC - PUBLIC SECTOR COMMITTEE STAFF**

***IFAC Secretariat who provide broad technical and other support to the PSC***

Jim Sylph – IFAC Technical Director

Simon Lee – IFAC Technical Manager

***Standards Project Staff -***

Paul Sutcliffe – Director, PSC Standards Project

Matthew Bohun – Project Manager, PSC Standards Project

Evelyn Su Yen Yeoh – Graduate Intern, PSC Standards Project (*Part Time*)

***Primary Contacts - PSC Standards Project Staff***

Standards Project Director, Paul Sutcliffe ([psutcliffe@ifac.org](mailto:psutcliffe@ifac.org))

IFAC Secretariat, Technical Manager, Simon Lee ([simonlee@ifac.org](mailto:simonlee@ifac.org))

***Primary Contacts – IFAC Technical Issues***

IFAC Technical Director, Jim Sylph ([jimsylph@ifac.org](mailto:jimsylph@ifac.org))

**Appendix 1 (B) PUBLIC SECTOR COMMITTEE - OBSERVERS**

*Asian Development Bank*

**Ping-Yung. Chiu**, Controller

*International Accounting Standards Committee – PSC Liaison Member*

**Warren J McGregor**, M.Ec, FCPA, FCA, IASB Board Member

*International Monetary Fund*

**Bert Keuppens MA (econ) MBA, CPA**, Assistant Treasurer

*International Organisation of Supreme Audit Institutions Committee on Accounting Standards*

**John Fretwell CPA, CGFM**, Assistant Director - US General Accounting Office

*Organisation for Economic Co-operation and Development*

**Jon Blondal**, Principal Administrator - Public Management Service

*United Nations Development Program*

**Fred Schenkelaars**, Special Adviser – Programme for Accountability and Transparency

*World Bank*

**Simon Bradbury B.Sc (Econ), FCA (UK), ACA(NZ)**, Senior Financial Management - Specialist Loan Department

## **Appendix 1 (C)**

### **PUBLIC SECTOR COMMITTEE – Member’s Technical Support**

#### ***AUSTRALIA –***

**Mr. Robert Keys Bcom (Hons), DipEd, CA**, Senior Project Manager, Australian Accounting Standards Board

#### ***CANADA –***

**Mr Erik Peters FCA**, Provincial Auditor of Ontario. Member of the Standards Committee and Past Chair of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants

**Doreen Wilson FCMA**, Vice President Corporate Services, CMA Canada

#### ***FRANCE –***

**Jean-Luc Dumont, Doctor in Law, MBA, CPA (France and USA) Member Ordre des Experts-Comptables & Compagnie Nationale des Commissaires aux Comptes**, Management Consultant

**Mr. Christophe Patrier**, Direction de relations internationales, Conseil Supérieur de l’Ordre des Experts-Comptables

#### ***GERMANY –***

**Mr. Andreas Doeischell StB**, Manager IDW

#### ***MEXICO –***

**Mr Conrado Villalobos Diaz, C.P.**, Coordinator of Financial Operations and Control Comision Federal de Electricidad

#### ***THE NETHERLANDS –***

**Mr. Aad Bac**, Professor of Accounting, Katholic University of Brabant

#### ***NEW ZEALAND –***

**Ms. April Mackenzie M Com(hons), CA (NZ), CA (Scot)**, Divisional Director – Policy, Institute of Chartered Accountants of New Zealand

**Mr Stephen Walker BCA, CA**, Consultant - Public Sector Performance (NZ)

#### ***PAKISTAN –***

**Mr. M Abdullah Yusuf**, Secretary Ministry of Petroleum and Natural Resources

**Mr. Mohammed H. Asif**, Sr. General Manager Commercial, Sui Siuthern Gas Company Ltd

***UNITED KINGDOM –***

**Mr. John Stanford CPFA**, Technical Director, Chartered Institute of Public Finance and Accountancy(CIPFA)

***UNITED STATES –***

**Mr. David Bean CPA**, Director of Research, Governmental Accounting Standards Board (GASB)

**Ms. Mary Foelster CPA, BSc (Accounting – Maryland)**, Technical Manager, Professional Standards and Services - American Institute of Certified Public Accountants (AICPA)