
PUBLIC INTEREST COMMITTEE

SURVEY ON IPSASB OVERSIGHT ARRANGEMENTS

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

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

Thank you for your cooperation!

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

Subramanian

* First Name

Ram

* Respondent's full institution name

CPA Australia

* Respondent's institution website

www.cpaaustralia.com.au

* Country (institution based in)

Australia

* Position / Job Title:

Policy Adviser, Reporting

* E-mail address:

ram.subramanian@cpaaustralia.com.au

* Telephone (including country code):

+61(0)396069755



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 type="checkbox"/> 3	<input type="checkbox"/> 4	<input checked="" type="checkbox"/> 5

Elaborate below as necessary.

CPA Australia is a member of IFAC representing the diverse interests of more than 164,000 members working in 150 countries and regions around the world. As a Professional Accounting Organisation (PAO) with a significant number of members involved in the Public Sector, we engage regularly with the IPSASB in its standard-setting and other activities through responding to consultations and other advocacy initiatives. We are very familiar with the governance arrangements of IPSASB and other standard-setters that operate under the auspices of IFAC.

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 checked="" type="checkbox"/> 4	<input 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.

In addition to the minutes of PIC meetings, we suggest the agenda and agenda papers for the meetings are also made publicly available, to ensure completeness of available information to stakeholders in relation to the activities and recommendations of the PIC.

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.

--

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 type="checkbox"/> 3	<input checked="" type="checkbox"/> 4	<input type="checkbox"/> 5

Elaborate below as necessary.

Governments around the world play a significant part in global capital markets as issuers of bonds and other instruments. IOSCO plays a crucial role globally as the peak body for regulators of capital markets and in this capacity, we believe IOSCO should be part of the PIC.

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.

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.

Yes, we agree that the current overall arrangement for promulgating IPSAS remains appropriate. However, we note that there are proposals for the IAASB and IESBA to be removed from under the IFAC umbrella. If this was to eventuate, we do not believe it would be beneficial for the IPSASB to operate as the only standard-setting body under the IFAC umbrella. In our response to the 2015 consultation on the IPSASB governance arrangements, we suggested that in the long term, the monitoring and oversight of the IPSASB by the IFRS Foundation's Monitoring Board and Trustees would be the best approach to enhancing the integrity of, and confidence in IPSAS. We believe consideration should be given to this suggestion if the IPSAS was to become the only standard-setting body under the IFAC umbrella.

Whilst not directly relevant to this consultation on IPSASB oversight arrangements, we offer the following additional comments that we believe are relevant to the promulgation of IPSAS globally:

- In our response to the 2018 consultation on the IPSASB 2019-2023 strategy and work plan, we expressed our concerns with the complexities associated with some of the proposed standard-setting projects, and the limited resources at the disposal of the IPSASB to progress and complete these projects in a timely and satisfactory manner. We continue to remain concerned in this regard. For example, the IFRS alignment project in relation to leasing has presented some very significant public-sector specific challenges that the IPSASB continues to grapple with. In addition, the IPSASB work program also includes public-sector specific standard-setting projects such as Heritage. We reiterate our previously expressed views that the IPSASB requires further resourcing to be able to progress and complete its projects in a satisfactory and timely manner. In this regard, we note from the 2018 IFAC financial statements that the total expenses allocated to and incurred by IPSASB at USD \$4m is the lowest amongst the three currently operational standard-setting Boards (excluding IAESB as this Board is no longer actively involved in standard-setting).
- Although the IPSASB is committed to alignment with IFRS, there remains a significant time-lag between the issue of new IFRS and the development and issue of equivalent IPSAS. We believe public-sector specific accounting challenges as evidenced in the revenue and leases projects, and limited resourcing are contributors to this time-lag. Our suggestion for the monitoring and oversight of the IPSASB by the IFRS Foundation may address this issue.
- The "International Public Sector Financial Accountability Index", a 2018 Status Report issued jointly by IFAC and The Chartered Institute of Public Finance & Accountancy predicts that the number of governments making use of IPSAS will increase from 19 to 72 governments by 2023. It is not clear from the IPSASB's current strategy and work plan how it will facilitate and cater to this nearly four-fold predicted increase in IPSAS adoption by 2023.
- Some governments currently adopting or in the process of adopting IPSAS are in developing economies. The IFRS Foundation has created an Emerging Economies Group (EEG) to address issues specific to developing economies when adopting and implementing IFRS. We suggest the IPSASB considers a similar approach for developing economies adopting/considering adopting IPSAS.
- We note that the IPSASB Technical Director who was on the IFRS Advisory Council until December 2018 has not been replaced by another IPSASB representative. Although there is IFAC representation on the IFRS Advisory Council, we believe it is important for IPSASB to be directly represented on the IFRS Advisory Council to ensure closer ties between the two standard-setting Boards.