Working Group I Report
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Task Force on Harmonization

Of Public Sector Accounting

Background

Accounting standard setters

A. International

- ❑ International Accounting Standards Board - release International Accounting Standards (IASs)

- ❑ International Federation of Accountants Public Sector Committee – release International Public Sector Accounting Standards (IPSASs)

B. National

Background (2)

- IASs – for private corporations
- IPSASs – for the total public sector
- National – scope varies, e.g., private corporations, public sector, general government, government agencies, local government

Matrix 1

❑ A list of all differences identified to date between the IPSASs and *GFSM 2001*

❑ Reviewed in detail by the meeting

❑ Convergence process identified for each difference:

➢ Action by the IFAC PSC

➢ Action by Working Group II

➢ Action by Canberra II Group

➢ Reconciliation

Action by IFAC PSC

❑ Sector reporting

For general government sector as defined in *GFSM 2001*

❑ Performance reporting

Two column approach:
- ➢ Revenue and expense before remeasurements
- ➢ Remeasurements

❑ Current value of assets and liabilities

Action by Working Group II

- ❑ Public sector definition
- ❑ Control definition and guidance
- ❑ Distributions to owners
- ❑ Distributions receivable from controlled entities
- ❑ Nonperforming loans
- ❑ Low interest and interest free loans

Action by Canberra II

- Research and development
- Intangible assets
- Mineral exploration
- Computer software
- Defense weapons platforms
- BOOT schemes
- Extractive industries
- Subsoil assets

Reconciliation

❑ Fundamental differences, e.g., ownership relations, emphasis on time series, and counterparty symmetry

❑ In interim, differences that are subject to convergence work

Future directions

- ❑ Matrix I to be amended to reflect meeting discussions
- ❑ Referral of differences to the TFHPSA and to IFAC PSC
- ❑ Monitor work of ISWGNA, Canberra II, and IFAC PSC
- ❑ Longer term
  - ➢ Align definitions and terminology
  - ➢ Limit differences emerging in the future