Working Group I Report
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February 6-7, 2004 Meeting
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