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**Intergovernmental Working Group of Experts on  
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Standards of Accounting and Reporting  
(ISAR)**

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**Agenda Item 4. Review of current developments in  
international standards of accounting and reporting in the  
public and private sectors**

Presented by

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# Review of current developments in international standards of accounting and reporting in the public and private sectors

Trade and Development Board Investment, Enterprise and Development Commission Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting Thirty-sixth session  
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The ISAR logo, consisting of the letters 'ISAR' in a bold, white, sans-serif font on a blue background.

**ISAR**

Intergovernmental Working Group of Experts on

**International Standards  
of Accounting and Reporting**

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# Introduction

- A review of recent developments with respect to IFRS
- A review of IPSAS
  - Special considerations on the consolidation of public sector financial statements and preparation of whole-of-government accounts
- Both in private and public sector an increasing focus is placed on issues related to measurements and reporting on sustainability and Sustainable Development Goals (SDGs) and consideration on how they impact the financial reporting agenda.



## Review of current developments in International Financial Reporting Standards

An important development for the International Accounting Standards Board (IASB) in 2018 was the publication of a revised Conceptual Framework for Financial Reporting

Updates on practical implementation of recently issued International Financial Reporting Standards

- International Financial Reporting Standards 9, financial instrument
- International Financial Reporting Standards 15, revenue from contracts with customer
- International Financial Reporting Standards 16, leases
- International Financial Reporting Standards 13, fair value measurement



## International Financial Reporting Standards with a future effective date and other projects

- International Financial Reporting Standards 17, insurance contracts
- International Financial Reporting Standards 3, business combinations
- Interest rate benchmark reform
- Cost of fulfilling a contract
- Financial instruments with characteristics of equity
- Disclosure Initiative: Principles of Disclosure



The 2030 Agenda and Sustainable Development Goal reporting increasingly impact developments in financial reporting.

- Directive 2014/95/EU of the European Union lays down the rules on disclosure of non-financial and diversity information by large companies.
- The Task Force on Climate-related Financial Disclosures of the Financial Stability Board issued a report on climate-related financial risk disclosure, which indicates climate-related risk as a non-diversifiable risk that affects nearly all industries
- Corporate Reporting Dialogue platform addresses the Sustainable Development Goals and the future of corporate reporting



# Review of current developments on International Public Sector Accounting Standards

## Updates on recently issued International Public Sector Accounting Standards

- IPSAS 41, financial instruments
- IPSAS 42, social benefits

## Current development process of International Public Sector Accounting Standards

- Exposure Draft: Collective and Individual Services and Emergency Relief
- Consultation paper on measurement



## Consolidation of financial statements in the public sector

Consolidation makes sense once high-quality financial statements are available for entities in the public sector. Consolidation will thus often be the last phase of accounting reform in the public sector

- Determination of the level at which consolidated financial statements should be prepared
- Determination of the scope of consolidation
- The cost and complexity linked to the preparation of consolidated financial statements, an issue which is organizational in nature





## Issues for consideration

### IFRS

- What are some of the key lessons learned in implementing recently issued IFRS?
- Are there any particular challenges that countries and enterprises are encountering in implementing the new IFRSs?
- What are some of the global mechanisms available for ensuring comparable and consistent implementation of IFRSs that came into effect in recent years?
- What are some of the main benefits derived from implementing recently issued IFRSs?
- There are still many countries around the world that have not yet implemented IFRS. What is the likely trend in the coming years?



## Issues for consideration

### **IPSAS**

- What are some good practices in implementing IPSAS worldwide?
- What can be done to facilitate timely preparation of public sector financial reports?
- How can member States build the necessary human capacity to successfully implement IPSAS?
- What are some key challenges and benefits of whole-of-government accounts?