



Memorandum

To:	AASB Members	Date:	26 November 2013
From:	Joanna Spencer	Agenda Item:	14.1
Subject:	IPSAS ED 53 <i>First-Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs)</i>		

Action

To decide whether to make a submission to the IPSASB on its Exposure Draft 53 *First-Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs)* and, if so, the issues and broad nature of the comments to be made.

Attachments

- 14.2 AASB Staff Issues Paper – IPSAS ED 53 *First-Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs)*
- 14.3 IPSAS ED 53 *First-Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs)*
- 14.4 IPSAS ED 53 *First-Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs)* - At a Glance

Overview

The due date for comment on IPSAS ED 53 is 15 February 2014. Therefore at this meeting staff are asking the AASB to decide whether to make a submission to the IPSASB and, if so, the broad content of the submission and the process for finalising it subsequent to this AASB meeting.

Background

Currently there is no International Public Sector Accounting Standard (IPSAS) that addresses transition to the accrual basis suite of IPSASs. Although the IPSASB considered the requirements in IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IPSAS ED 53 is not considered to be a convergence project.

The objective of the proposals is to provide a comprehensive set of principles that provide relief to entities that adopt the accrual basis IPSASs for the first time. IPSAS ED 53 proposes a three-year transitional relief exemption period for entities that wish to adopt accrual basis IPSASs.

The majority of exemptions concern the relief from the recognition and/or measurement of certain assets and liabilities for a three-year period as well as a including the form of consolidated financial statements and from preparing comparative information in its transitional financial statements number of other exemptions. The argument for these exemptions is that some entities that have been using either cash accounting or a modified accruals model may not have the information necessary to recognise all assets and liabilities that are required under IPSASs.

Staff Recommendations

Staff recommend that the AASB prepare a submission on IPSAS ED 53.

Questions for the Board

Q1 Does the Board agree with the staff recommendation to make a submission to the IPSASB?

If the Board wishes to make a submission, members should decide how the wording of the submission will be finalised. The three usual choices are:

- (a) circulate a draft submission to all members for comment;
- (b) circulate a draft submission to a sub-committee of members appointed for the purpose; and
- (c) leave finalisation of the submission to the Chairman.

Staff recommend that the submission be finalised by the Chairman out-of-session.

Questions for the Board

Q2 Does the Board agree with the staff recommendation that Chairman should finalise the submission out-of-session?