

30 November 2021

Mr Ian Carruthers  
Chairman  
International Public Sector Accounting Standards Board  
529 Fifth Avenue  
New York, NY 10017  
USA

Via website: <https://www.ipsasb.org/publications/ipsasb-mid-period-work-program-consultation>

Dear Ian

## **IPSASB Strategy and Work Program 2019–2023; Mid-Period Work Program Consultation**

As the representatives of over 300,000 professional accountants in Australia, New Zealand and around the world, Chartered Accountants Australia and New Zealand (CA ANZ) and CPA Australia thank you for the opportunity to provide feedback on the above consultation.

CA ANZ and CPA Australia support:

- A work program that is achievable and manageable so that projects can be completed on a timely basis. On this basis we would like to emphasise the importance of the IPSASB completing its current projects within an acceptable timeframe before commencing any new projects.
- The major and minor proposed additional work program projects. In determining the priorities and allocation of its resources, the overriding factor for the IPSASB should be to focus on the timely development and maintenance of a principles-based comprehensive set of high-quality financial reporting standards.

Consistent with the IPSASB's strategic theme B, which focuses on the alignment of IPSAS with the International Financial Reporting Standards (IFRSs), we urge the IPSASB to further collaborate with the International Accounting Standards Board (IASB). We believe the IASB will be able to contribute to many current and proposed projects. For example, the minor project on IPSAS 21 *Impairment of Non-Cash Generating Assets* could benefit from the IASB's ongoing project on goodwill and impairment.

'Mixed groups' are common in Australia and New Zealand and therefore having uniform accounting policies for the for-profit and public sectors for like transactions, and other events in similar circumstances, is important. Given the limited resources at the IPSASB's disposal, we believe it is important for the IPSASB to leverage existing accounting literature (e.g., the work of the IASB referred to above) and only commence new major projects where:

- there is a clear identified need for it across global public sector constituents,
- a feasibility exercise has been undertaken at the outset to identify potential challenges that may arise, and
- a cost/benefit exercise is undertaken.

**1. Do you agree with the major projects proposed by the IPSASB? If not, which major project(s) would you substitute for those proposed, and why?**

We agree with the major projects proposed by the IPSASB.

New Zealand has developed a set of [Public Benefit Entity \(PBE\) Standards](#), which are applicable to public sector and not-for-profit entities. The PBE Standards use IPSAS as their base, but they are modified for jurisdiction-specific matters. As part of these modifications, New Zealand has also developed a set of reduced disclosure requirements for PBEs that meet certain criteria. We encourage the IPSASB to leverage this existing work in its differential reporting project. This would be consistent with the IPSASB's strategic themes D and E to promote the adoption and implementation of IPSASB standards and accrual accounting.

**2. Do you agree with the minor projects proposed by the IPSASB? If not, which minor project(s) would you substitute for those proposed, and why?**

We agree with the minor projects proposed by the IPSASB.

Customisation costs relating to cloud computing/Software as a Service (SaaS) is a technical accounting issue that is also impacting the public sector. Many preparers and practitioners are of the view that the technically accepted accounting treatment, specifically the expensing of customisation costs relating to cloud computing, does not appear consistent with, or supportable by, accounting standards. We see an opportunity for the project on IPSAS 31 *Intangible Assets* to consider and prioritise emerging technology with no physical substance.

In addition, we recommend that the IPSASB closely monitors and seeks to foster the resourcing agility needed to be able to respond to evolving impacts of COVID-19 and other mega-trends including climate change.

If you have any questions about our submission, please contact either Amir Ghandar (CA ANZ) at [amir.ghandar@charteredaccountantsanz.com](mailto:amir.ghandar@charteredaccountantsanz.com) or Ram Subramanian (CPA Australia) at [ram.subramanian@cpaaustralia.com.au](mailto:ram.subramanian@cpaaustralia.com.au).

Yours sincerely

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