

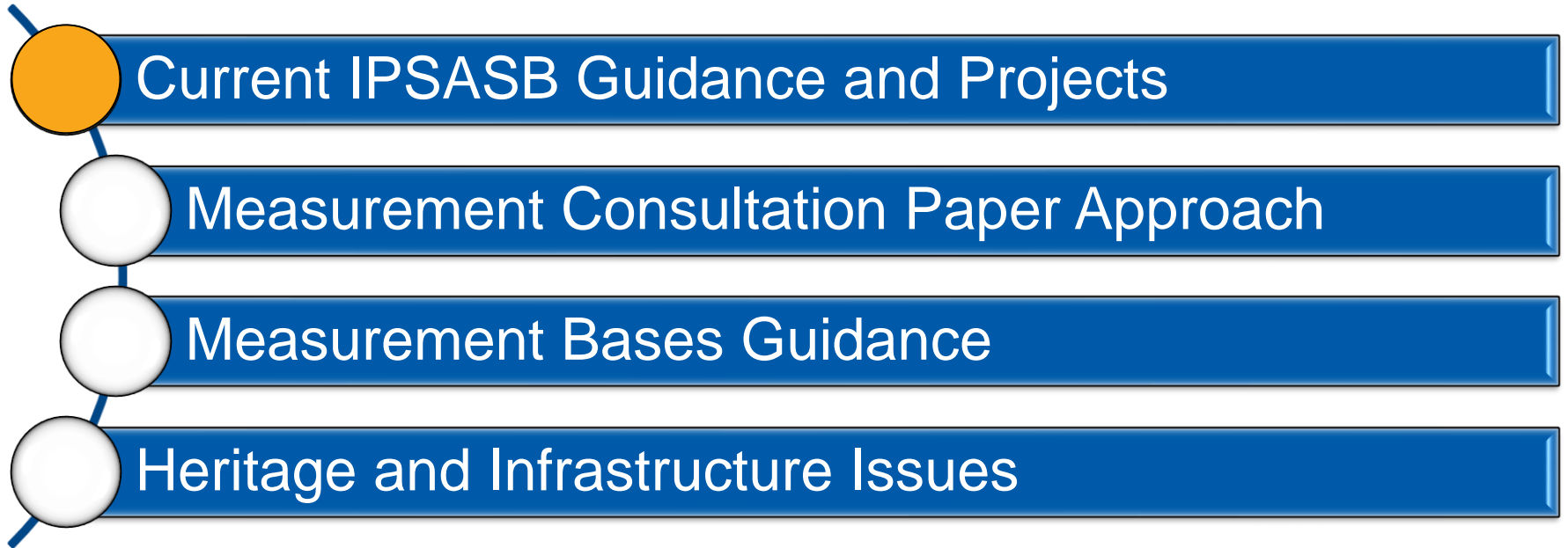


# Integrating Financial Reporting and Fixed Asset Management

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PULSAR  
Financial Reporting Community of Practice  
Vienna, Austria  
21<sup>st</sup> November 2019

# Session Outline

- 
- Current IPSASB Guidance and Projects
  - Measurement Consultation Paper Approach
  - Measurement Bases Guidance
  - Heritage and Infrastructure Issues

# IPSAS 17: Property Plant and Equipment

Section	Sub-sections
Objective / Scope	Heritage Assets – permits recognition
Recognition	Infrastructure Assets Initial Costs Subsequent Costs
Measurement at Recognition	Elements of Cost Measurement of Cost
Measurement after Recognition	Cost Model Revaluation Model Depreciation Impairment / Compensation for Impairment
Derecognition	-
Disclosure	-

# IPSASB Work Program

Planned position at December 2019

Project	Public sector specific	IFRS alignment
Revenue - Revenue With Performance Obligations (IFRS 15 aligned) - Revenue Without Performance Obligations (IPSAS 23 update)	ED 70 ED 71	✓
Non-Exchange Expenses - Transfer Expenses - Collective and Individual Services (IPSAS 19 amends)	ED 72 IPSAS	✓
Measurement	CP/[ED]	✓
Heritage	✓	
Infrastructure Assets	✓	
Leases	??	??
Financial Instruments (Public Sector Specific)	ED 69	IPSAS 41

# Project Background – Objective



Measurement requirements in IPSAS should be amended to better align them with the Conceptual Framework's measurement concepts

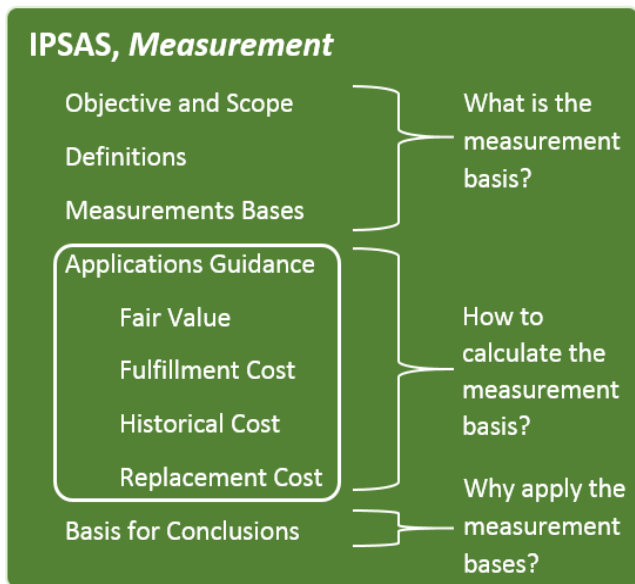
Provide more detailed guidance on the implementation of commonly used measurement bases, and the circumstances under which these measurement bases will be used

Address transaction costs and borrowing costs

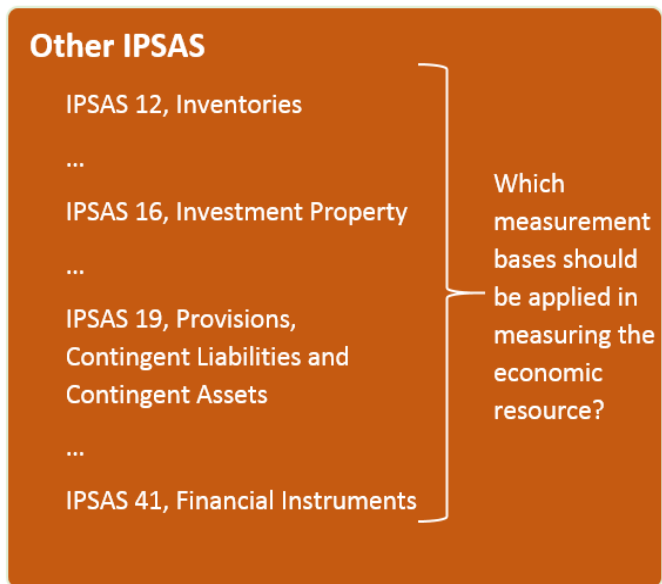
Where necessary, issue amended IPSAS with revised requirements for measurement at initial recognition, subsequent measurement, and measurement-related disclosure

# Project Background – Project Output

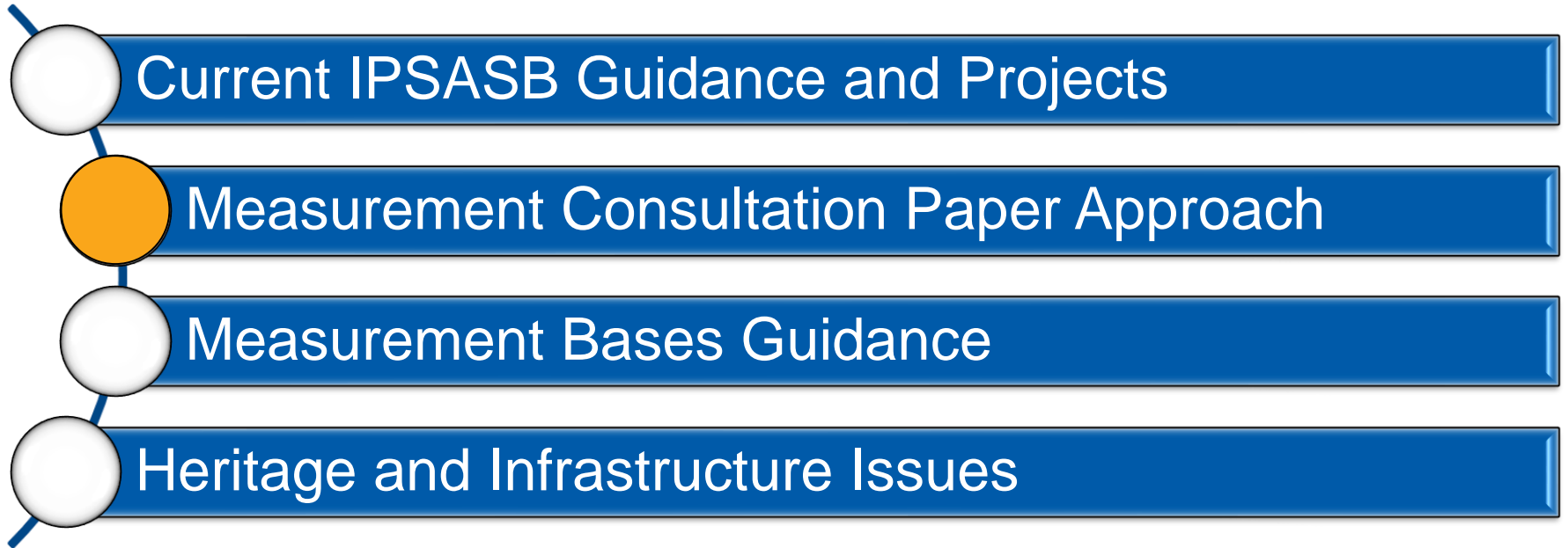
## How Do You Calculate the Measurement Bases (Consultation Phase)



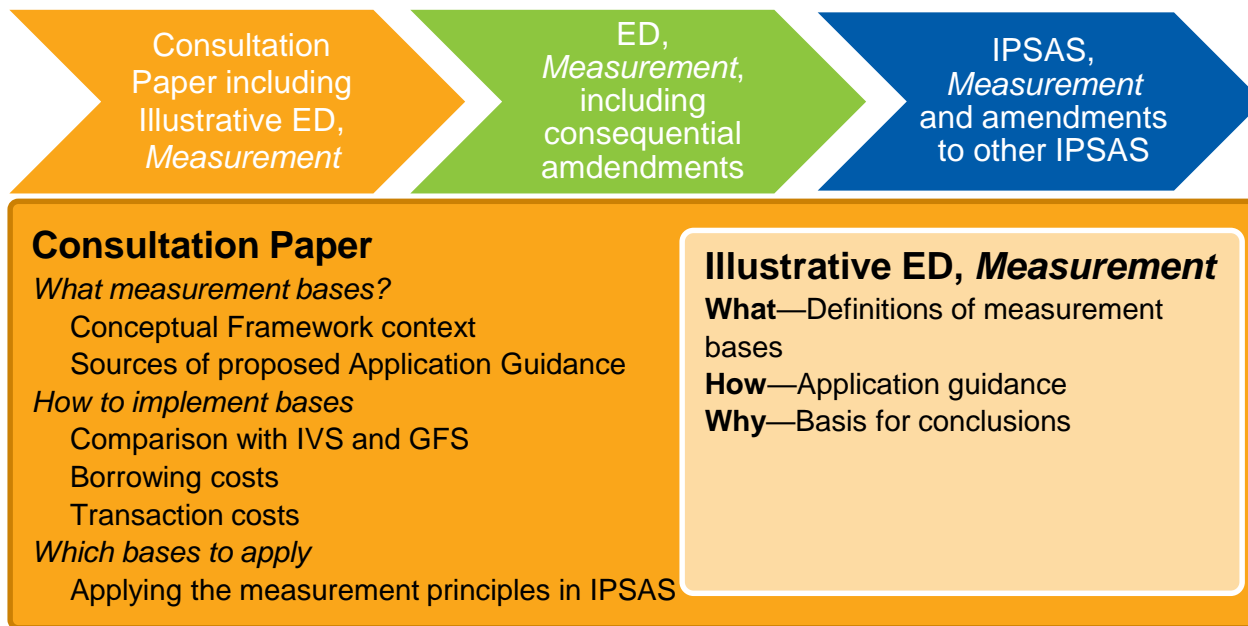
## Which Measurement Basis Do You Use (Exposure Draft Phase)



# Session Outline

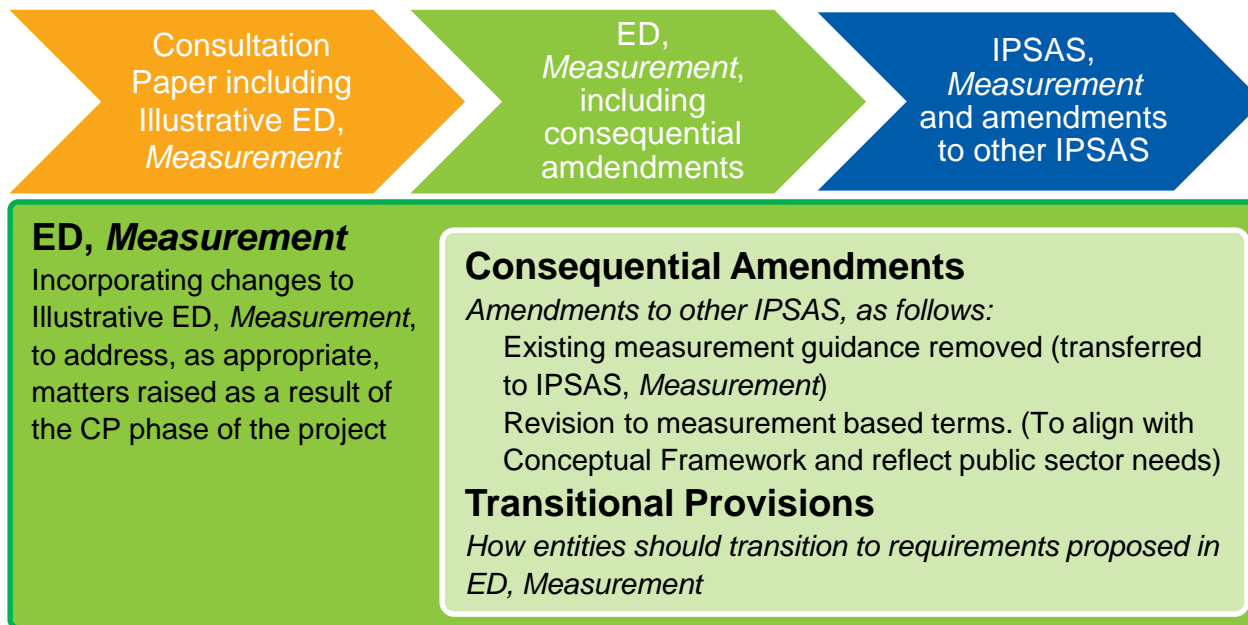
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# Consultation Paper / Exposure Draft

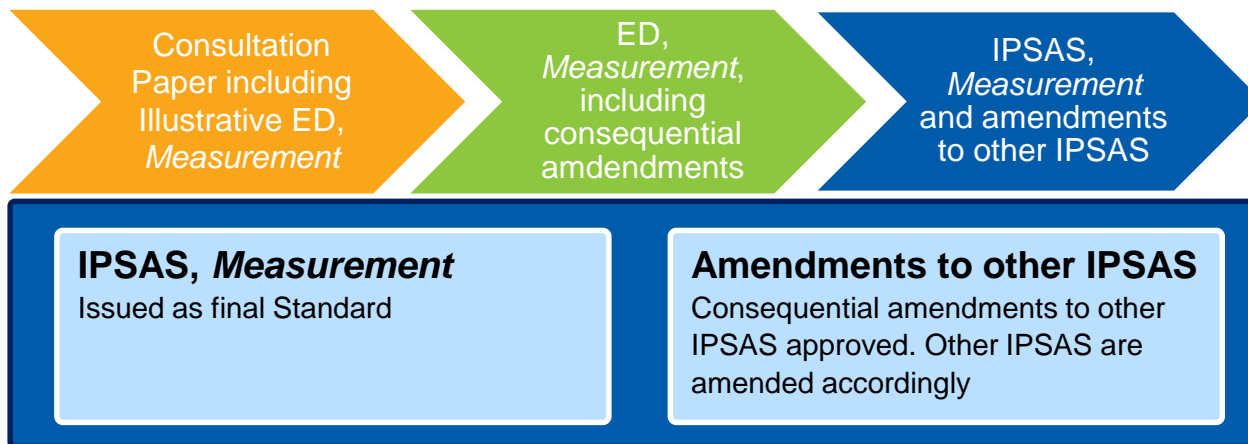




# Consultation Paper / Exposure Draft



# Consultation Paper / Exposure Draft



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# Measurement Bases – Conceptual Framework

## Measurement Bases Identified in the IPSASB Conceptual Framework

### Measurement Bases for Assets

Historical cost

Market value

Replacement cost

Net selling price

Value in use

### Measurement Bases for Liabilities

Historical cost

Cost of fulfillment

Market value

Cost of release

Assumption price

# Measurement Bases – Developed Guidance

## Fair Value

Price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date

## Fulfillment Value\*\*

Cost that an entity will incur in fulfilling the obligations represented by the liability

## Historical Cost

Consideration given to acquire or develop an asset

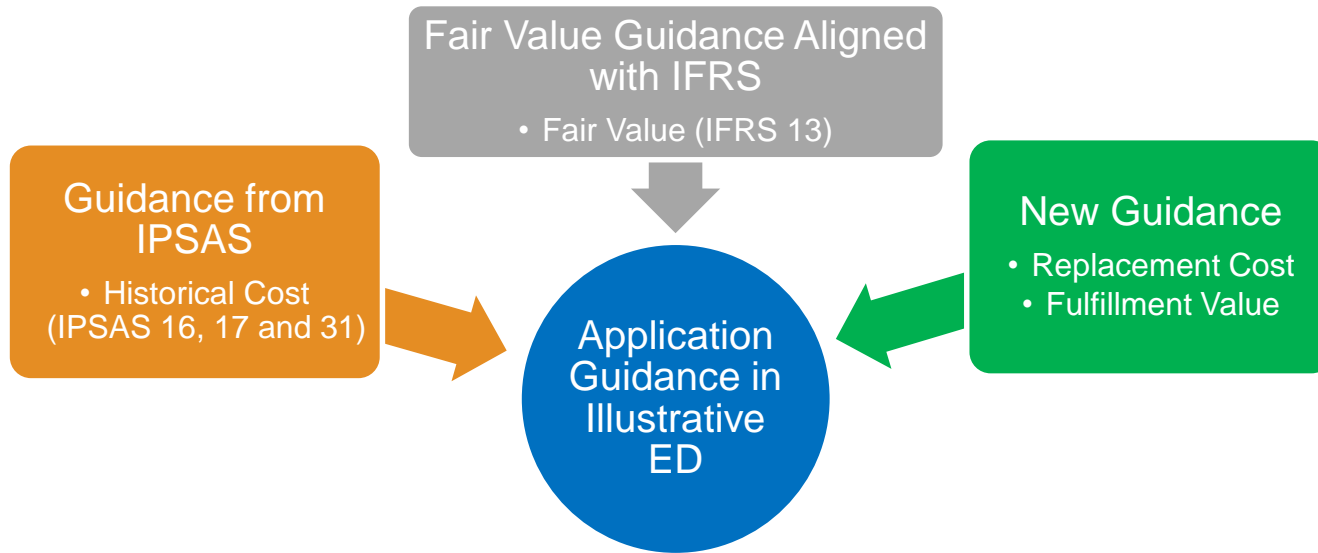
Consideration received to assume an obligation

## Replacement Cost

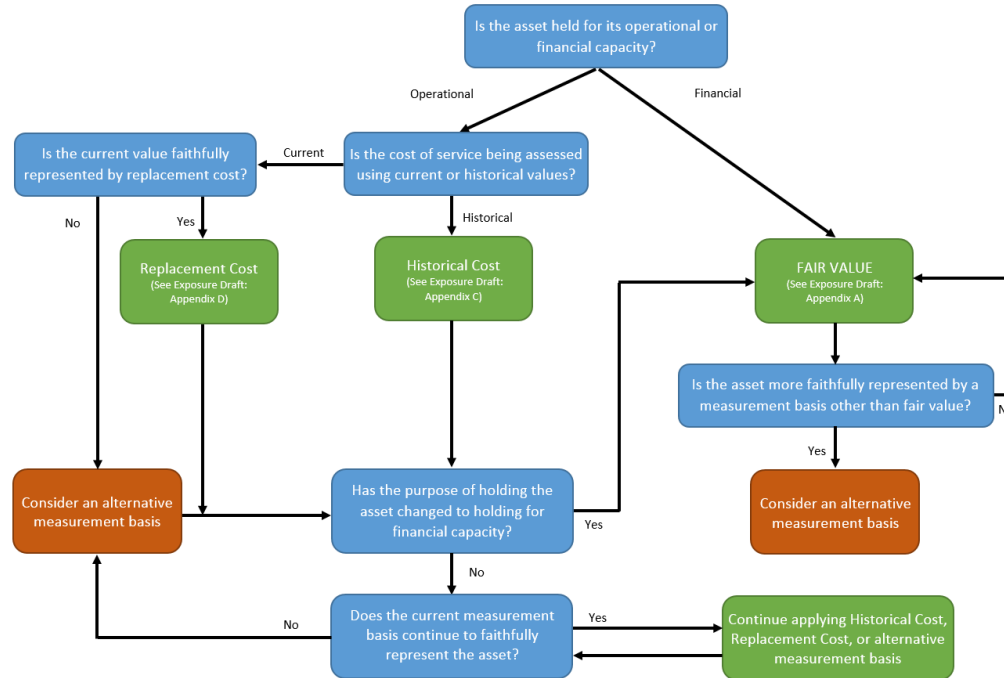
The most economic cost required for the entity to replace the service potential of an asset (including the amount that would be received from the asset's disposal)

\*\* terminology updated from existing "cost of fulfillment" as noted in Conceptual Framework

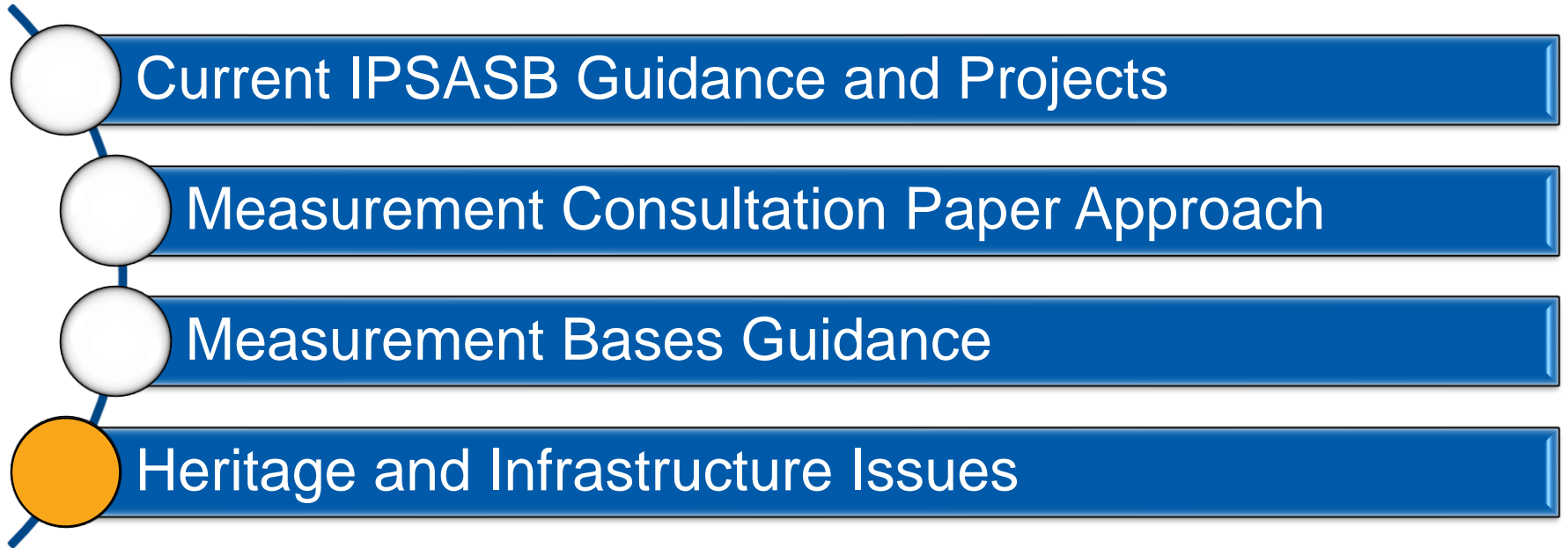
# Measurement Bases – Source of Guidance



# Measurement Bases – Assets Flow Chart



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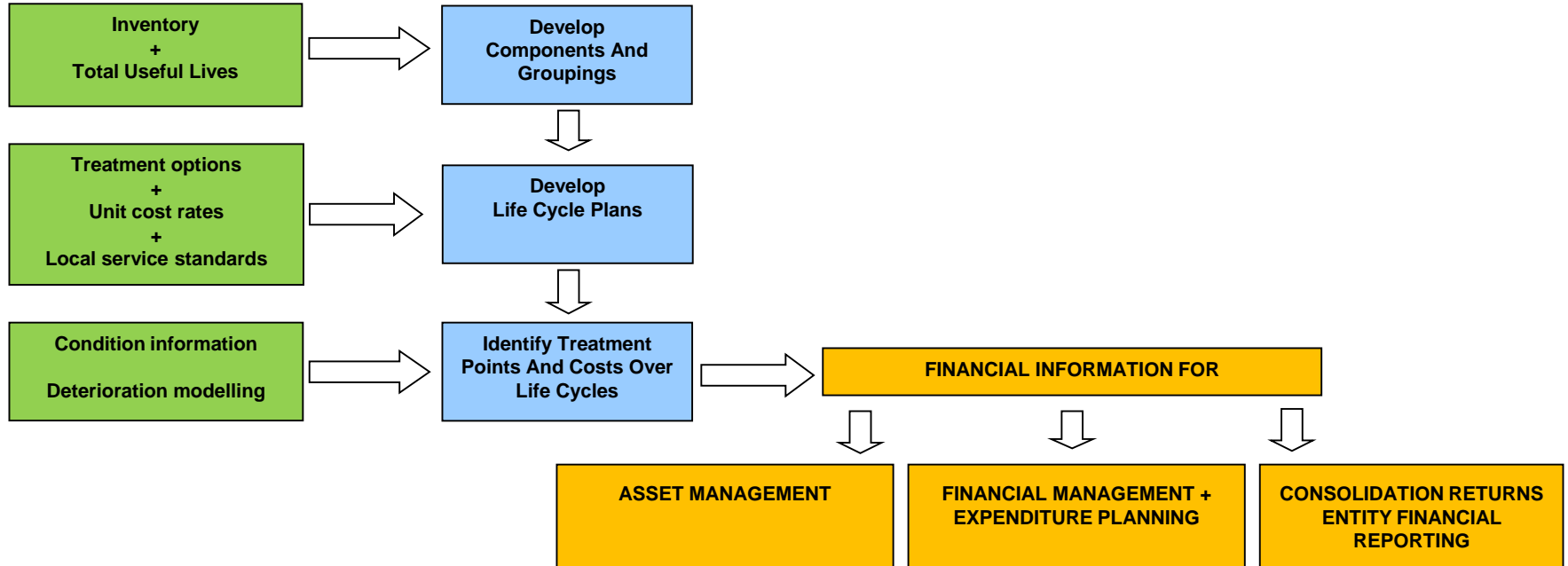


# IPSAS 17: Potential additional guidance topics

Heritage	Infrastructure Assets
Heritage / non-heritage use	Scope and definition
Ownership vs stewardship	Recognition
Depreciation / impairment	Initial measurement
Subsequent expenditure	Subsequent measurement
Measurement basis	Depreciation
Natural heritage	Componentization
Valuation techniques	Impairment
Reliability / measurability	Derecognition
Presentation – display and disclosure	Presentation – display and disclosure

# Infrastructure Assets: Roads

## Asset management plan-based accounting approach



# Further information



- Visit our webpage <http://www.ipsasb.org/>
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