



International Public
Sector Accounting
Standards Board®

AGENDA ITEM 8

PRESENTATION OF FINANCIAL STATEMENTS

IPSASB Meeting – September 2025

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Agenda Item 8

Project Progress

Statement/Topic	IPSASB Discussion	CP Development	IED Development
Project Overview and Development	Completed	Reviewed	Reviewed
Purpose of FS / General Presentation Req.	Mostly completed	For review	Mostly completed
Statement of Financial Position	Completed	Reviewed	Reviewed
Statement of Financial Performance	Completed	For review	Upcoming Planned Q4 2025
Statement of Changes in Net Assets/Equity	For discussion	For review	
Disclosures of Information in the Notes	Upcoming Planned Q4 2025		Upcoming Planned Q1 2026
CP other elements (e.g. Appendices)	For discussion	For review	n/a
IED other elements	Ongoing	n/a	Upcoming Planned Q1 2026

General Presentation Requirements: Going Concern

Analysis

- The going concern assessment:
 - Underpins the preparation of the financial statements
 - Is unique in public sector, given its longevity and info sources
 - Provides valuable information to help FS users understand whether the entity will continue to operate and meet its obligations for the foreseeable future
- IPSAS 1 going concern guidance:
 - Remains fit for purpose, and supports those responsible for preparing the FS to assess the ability to continue as a going concern and provide useful info to FS users
 - Was aligned with IAS 1 guidance, which was carried forward into IFRS 18 without changes

Recommendation

- **Retain** the existing IPSAS 1 requirements regarding going concern (aligned with IFRS 18, with public sector guidance); and
- **Present** its rationale in [draft] Chapter 2 of the CP.

General Presentation Requirements: Materiality

Analysis

- Current IPSAS 1 materiality guidance was reviewed as part of the limited scope *Making Materiality Judgement* project.
- *Definition of Material (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework)* pronouncement amends IPSAS 1 definition of 'material' to align with the IPSASB Conceptual Framework and incorporates relevant IASB guidance.

Recommendation

- **Incorporate** the revised materiality guidance, as presented in the *Definition of Material* pronouncement, into the new IPSAS replacing IPSAS 1; and
- **Reflect** this decision in the CP.

Requirements: Statement of Changes in Net Assets/Equity

Current IPSAS 1 Requirements

Present on the **face**:

- a) Surplus or deficit for the period (from the Statement of Financial Performance);
- b) Each item of revenue and expenses recognized directly in net assets/equity for the period, as required by other IPSAS Standards, and the total of these items;
- c) Total revenue and expenses for the period (which is the sum of (a) and (b)), and separately presenting the total amounts attributable to owners of the controlling entity and to non-controlling interest; and
- d) For each component of net assets/equity separately disclosed, the effects of changes in accounting policies and corrections of errors recognized (per IPSAS 3).

Present on either the **face** or in **notes**:

- a) Amounts of transactions with owners acting in their capacity as owners, with distributions to owners separately;
- b) Balance of accumulated surplus or deficit at the beginning of the period, and at reporting date, with changes during the period; and
- c) If components of net assets/equity are separately disclosed, provide a reconciliation between the carrying amount of each component at the beginning and end of the period, and separately disclose each change.

Requirements: Statement of Changes in Net Assets/Equity

Analysis

- IPSAS 1 includes:
 - Specific requirements regarding information to present on the face of the Statement of Changes in Net Assets/Equity, and information to present on the face or in notes; and
 - Flexibility for entities to meet these requirements using different formats
- Existing IPSAS requirements remain appropriate because:
 - Capturing all changes in net assets/equity on one statement provides transparency
 - No significant issues have been raised
- Opportunity to enhance usefulness of information presented, by requiring the reconciliation be on the face, aligned with IFRS 18

Recommendation

- **Retain** the existing IPSAS 1 requirements for the Statement of Changes in Net Assets/Equity;
- **Revise** IPSAS 1, to require the reconciliation be presented on the face of the Statement; and
- **Present** its PV and rationale in [draft] Chapter 5 of the CP.

Applicability of IFRIC 17, *Distribution of Non-cash Assets to Owners*

Analysis

- IFRIC 17 (2008)
 - Provides guidance on the recognition, measurement, presentation, and disclosure of non-reciprocal (non-exchange) distributions of assets by an entity to its owners acting in their capacity as owners
 - Has a specific scope, and only applies to certain distributions in specific circumstances
- References principles in multiple IFRS, to which IPSAS Standards are aligned
- Transactions in scope of IFRS 17 may occur, but are not prevalent, in the public sector

Recommendation

- **Do not incorporate** guidance based on IFRIC 17 into the IPSAS Standards; and
- **Present** its rationale in [draft] Chapter 5 of the CP.

Review of the New [draft] Chapter 2

Analysis

- [draft] Chapter 2 of the CP presents the IPSASB's deliberations and Preliminary Views regarding general presentation requirements, including:
 - Objective of financial statements
 - Responsibility for financial statements
 - Components of financial statements
 - Definitions
 - Material information
 - Comparative information
 - Other general presentation requirements
- See Appendix for details, to support page-by-page review.

Recommendation

- **Incorporate** the text proposed in the [draft] Chapter 2 of the CP; and
- **Present** its Preliminary Views in the CP.

Review of the Updated [draft] Chapter 4

Analysis

- In June 2025, the IPSASB:
 - Completed its discussions regarding presentation requirements for the Statement of Financial Performance; and
 - Reviewed [draft] Chapter 4.
- See Appendix for details, to support page-by-page review.
- [draft] Chapter 4 has been updated to reflect the IPSASB's final views and considerations regarding presentation requirements for the Statement of Financial Performance

Recommendation

- **Confirm** that [draft] Chapter 4 of the CP has been appropriately revised to reflect its June 2025 decisions and instructions.

Review of the Updated [draft] Chapter 5

Analysis

- In March 2025, the IPSASB:
 - Reached a tentative view regarding presentation of revenue and expenses recognized outside surplus or deficit; and
 - Reviewed the first [draft] of Chapter 5.
- In September 2025, the IPSASB:
 - Completed discussions that relate to other presentation requirements for the Statement of Changes in Net Assets/Equity (Agenda Items 8.2.3 and 8.2.4)
- [draft] Chapter 5 has been updated to reflect the IPSASB comments from March 2025 and proposed recommendations in Agenda Items 8.2.3 and 8.2.4
- See Appendix for details, to support page-by-page review.

Recommendation

- **Incorporate** the revised text in the updated [draft] Chapter 5 of the CP; and
- **Finalize** its Preliminary Views (PV) regarding presentation of revenue and expenses recognized outside surplus or deficit; and
- **Add** the proposed PVs related to Agenda Items 8.2.3 and 8.2.4.

Review of Other Updates to the [draft] CP

Analysis

- [draft] Chapter 3 has been updated to add new text on the IPSASB's consideration of Government Finance Statistics Manual 2014 (GFSM 2014) for the Statement of Financial Position.
- Appendix A has been updated to include information about IFRS alignment and to reflect June 2025 editorial comments regarding GFSM 2014 alignment.
- Appendix B has been added to highlight key public sector considerations relevant to the development of the CP.

Recommendation

- **Incorporate** new text on GFSM 2014 consideration in [draft] Chapter 3; and
- **Incorporate** Appendix A and Appendix B to accompany the CP.

