

Criteria for modifying and reviewing IPSAS Principles

Introduction

The Public Sector Accounting Board's (PSAB) mission is to serve the public interest by establishing standards and other guidance for financial reporting by all Canadian entities in the public sector and by contributing to the development of internationally accepted public sector financial reporting standards. PSAB will contribute to supporting informed decision making and accountability by maintaining a framework that provides a basis for high-quality information about organizational performance reported by Canadian public sector entities

To fulfill this mission, PSAB develops accrual-based public sector accounting standards to address Canadian public sector financial reporting issues. In May 2020, the Board committed to continue developing future Public Sector Accounting Standards (PSAS) that serve the public interest. When developing future standards, the Board will now use the principles of International Public Sector Accounting Standards (IPSAS) if an IPSAS equivalent standard already exists and it is determined that a modification of those principles is not required. If no IPSAS equivalent standard exists when a PSAS project commences, the Board will continue its practice of developing the principles of the standard. In all situations, the Board will continue to ensure that all standards developed will be high quality and serve the Canadian public interest.

This document sets out the criteria for modification of an IPSAS principle in the development of a PSAS standard. PSAB is responsible for applying its professional judgment in determining whether a criterion has been met and an IPSAS principle can be modified.

Criteria for Modifying IPSAS Principles

PSAB's overriding goal is to serve the public interest. In using principles of IPSAS standards in developing of future PSAS standards, there may be circumstances where modifications are required. The following sets out the circumstances where the Board will make amendments to IPSAS principles:

PSAB will amend a principle in an IPSAS standard if it is contrary to PSAB's conceptual framework.

PSAB will amend a principle in an IPSAS standard if PSAB finds the IPSAS principle is not appropriate for application in Canada based on the Canadian public interest.

Due Process

When it undertakes a project where an IPSAS standard already exists, PSAB will consider if either of the above criteria have been met and if any IPSAS principles need to be modified. The Board will issue an exposure draft to consult with stakeholders and solicit feedback on the proposals included in the project. Stakeholders may also communicate if either of the criteria for modification of an IPSAS principle have been met.

As part of this due process, where PSAB has deviated from IPSAS principles in the development of a standard, reasons for the deviation will be documented in the related Basis for Conclusions document.