

IPSASB Seeks Comments on Measurement Proposals

Consultation Paper Calls for Public Comment by September 30, 2019

The International Public Sector Accounting Standards Board® (IPSASB®) has released a [Consultation Paper \(CP\), *Measurement*](#), which addresses how measurement bases are determined in the public sector. The CP includes within it an illustrative Exposure Draft (ED), *Measurement*, which shows what the IPSASB currently envisages a final pronouncement will comprise. This is the first time that the IPSASB has used such an approach, which is intended to provide a firm basis for constituent comments.

The CP lays out proposed guidance for measurement bases for the assets and liabilities most commonly used by public sector entities when applying IPSAS. It proposes the development of a single standard which will provide definitions and guidance on the main measurement bases, while other IPSAS will continue to provide guidance on which particular measurement basis is to be used.

The CP and ED respond to a number of drivers including:

- The need to consider existing measurement requirements in the light of the measurement guidance in IPSASB's Conceptual Framework;
- That it is necessary to standardize usage of the term 'fair value' within IPSASB's literature following the issue of private sector guidance in IFRS 13; and
- The need to provide guidance on difficult issues, such as borrowing costs and transactions costs.

“Measurement must fairly reflect the cost of services, operational capacity and financial capacity in order to provide the high-quality information required for accountability and decision making in the public sector,” said IPSASB Chair Ian Carruthers. “This project will consolidate the guidance on the main measurement bases used in IPSAS into a single comprehensive standard, so increasing consistency and coherence for users.”

The final pronouncement will underpin the IPSASB's approach to measurement for many years. It is therefore essential that the IPSASB hears the views of respondents on the preliminary views and the other matters raised for comment in this Consultation Paper.

How to Comment

To access the Consultation Paper and its summary At-a-Glance document, or to submit a comment, visit the IPSASB website, www.ipsasb.org. Comments on the Consultation Paper are requested by September 30, 2019. The IPSASB encourages IFAC® members, associates, and regional accountancy organizations to promote the availability of this Consultation Paper to their members and employees.