



MALAYSIAN INSTITUTE
OF ACCOUNTANTS

30 June 2018

Mr John Stanford
Technical Director
International Public Sector Accounting Standards Board
International Federation of Accountants
277 Wellington Street West
Toronto, Ontario M5V 3H2
CANADA

Dear John,

IPSASB PROPOSED STRATEGY AND WORKPLAN 2019-2023

The Malaysian Institute of Accountants ("MIA") is pleased to provide comments on the IPSASB Proposed Strategy and Workplan 2019-2023 as attached in Appendix 1 to this letter.

We hope our comments would contribute to the IPSASB's deliberation in finalising the matter. If you have any queries or require clarification of this submission, please contact Rasmimi Ramli at +603 2722 9277 or by email at rasmimi@mia.org.my.

Yours sincerely,

MALAYSIAN INSTITUTE OF ACCOUNTANTS

DR NURMAZILAH DATO' MAHZAN
Chief Executive Officer

Specific Matter for Comment**Specific Matter for Comment 1**

Do you agree with the IPSASB's proposed Strategic Objective 2019–2023? If you agree please provide any additional reasoning not already discussed in the document. If you do not agree please explain your reasoning and your proposed alternative.

We believe that the IPSASB's proposed Strategic Objective should reflect its core role which is developing accounting standards and other high-quality financial reporting guidance for public sector to strengthen public financial management. Although it is important to increase the adoption of accrual-based IPSAS, we think that this does not need to be stated explicitly in the Strategic Objective and it is sufficient for it to be included within the Strategic Themes.

In addition, for Theme C: *Developing guidance to meet users' broader financial reporting needs*, the IPSASB proposes to monitor developments in this area rather than to undertake any specific projects. Therefore, we believe that the other high-quality financial reporting guidance' can be excluded from the Strategic Objective as this is not the focus of the IPSASB for the 2019-2023 period.

Accordingly, we propose the Strategic Objective to be as follows:

"Developing IPSAS to strengthen public financial management (PFM) globally".

Specific Matter for Comment 2

Do you agree with the IPSASB's five proposed Strategic Themes for the 2019–2023 period? If you agree please provide any additional reasoning not already discussed in the document. If you do not agree please explain our reasoning, including any proposed alternatives.

We generally agree with the proposed Strategic Themes.

Malaysia is in a transition to accrual-based IPSAS for the federal and states government, local authority as well as federal statutory bodies. As IPSAS are being adopted, these entities have raised various implementation issues and we believe some of these issues also exist in other jurisdictions. As IPSAS is a global standard, it is imperative for these common issues to be resolved at the IPSASB level to ensure consistent accounting treatment globally for similar transactions or items.

Therefore, we propose for the IPSASB to consider activities such as post-implementation review and interpretation in one of its Strategic Themes.

Specific Matter for Comment 3

Do you agree with the criteria the IPSASB has used in deciding the proposed issues to add to its Work Plan 2019–2023? If you agree, please provide any additional reasoning not already discussed in the document. If you do not agree, please explain why, including any proposed alternatives.

One of the criteria for the IPSASB's project prioritisation is technical and resource considerations. We believe sufficient funding is critical to ensure the sustainability of the IPSASB and its activities. Accordingly, we propose for the IPSASB to consider an appropriate funding mechanism in setting its strategy and work plan.

Specific Matter for Comment 4

Do you agree with the projects that the IPSASB proposes to prioritise for addition to the Work Plan 2019–2023 on Theme A: *Setting standards on public sector specific issues (Natural Resources, Discount Rates, Differential Reporting and Conceptual Framework limited-scope Review)*? If not please explain your reasoning, and any proposed alternatives.

We strongly agree that the IPSASB focuses on natural resources, discount rates and differential reporting. However, we do not agree for a limited-scope review to be undertaken on the IPSASB's Conceptual Framework due to the issuance of the IASB's Conceptual Framework.

We believe that the IPSASB's Conceptual Framework should only be reviewed if it does not work in setting IPSAS, especially for the current and new public sector specific projects on pages 11 and 12 of this Consultation Paper.

Specific Matter for Comment 5

Do you agree with the project that the IPSASB proposes to prioritise for addition to the Work Plan 2019–2023 on Theme B: *Maintaining IFRS convergence (IPSAS 18, Segment Reporting)*? If not please explain your reasoning and any proposed alternatives.

We agree with the addition of IPSAS 18, *Segment Reporting* to the IPSASB's Work Plan.

Specific Matter for Comment 6

Are there any projects in Appendix A that you believe should be added to the Work Plan 2019–2023 in place of a currently proposed project? If you believe that any Appendix A projects should be added, please explain your views on why the project should be included, which proposed project should not then be started and your reasoning.

We believe that the project on 'Accounting for Tax Expenditures' on page 26 should be added to the IPSASB's future work plan for the reasons stated.

Specific Matter for Comment 7

The IPSASB views building relationships with those working in the PFM space and engaging in their work as critical to furthering the use of IPSAS in PFM reform projects. Therefore, under Themes D and E, the IPSASB will actively monitor the work of others and look for appropriate opportunities to engage and support that work.

- Do you agree with the IPSASB’s proposed approach under these Themes? If so, are you aware of any ongoing initiatives which the IPSASB should monitor and look to engage with (please provide details).
- If you do not agree, please explain your reasoning along with any proposed alternatives, and how those might be resourced.

We agree with the IPSASB’s proposed approach under Themes D and E. In addition, we propose that a closer working relationship between the IPSASB and national standard-setters be established. For example, the national-standard setters forum should continue to be held on a more regular basis. This would provide timely feedback to the IPSASB on:

- (a) Whether specific IPSAS is working well or not;
- (b) Proposed standards; and
- (c) Getting information on IPSASB’s current projects.