Issues & Interests for 2017...
Issues & Interests for 2017... & Beyond

• IPSAS 14 BoA representation letter date
• IPSAS 31 Staff cost tracking
• IPSAS 35 Non-consolidation of national partners
• Future issues
  • IPSAS 37 Joint operations – Development contracts
  • Donor reporting – alignment with IPSAS delivery principles
  • Leases-systems to support future IPSAS lessee accounting
IPSAS 14 – Practical Issues

- Moving targets after BoA audit
- IP expense for reported/confirmed after BoA audit
- BoA – Account late reported expense as Prepaid/Accrued expense
- Monitoring “late news” until rep letter signed
- Private sector solution – sign rep letter on last date of audit field work
IPSAS 31 Staff Cost Tracking

- Prior assertion staff cost element not reliably measurable
- BoA rec. to systematically record staff costs
- Threshold for capitalisation IT Committee Approval Rqt
- Proj. Mgr to track estimated time - FTE days
- No timesheets requirement
IPSAS 35 Consolidation
National Fundraising Partners (NFPs)

- Consolidation not desirable:
  - Tax risks for NFP’s donor community
  - Information deficit for efficient consolidation
  - Incompatibility - system/culture/policy
- Consolidation necessary?
  - Power to direct?
  - Current/substantive rights to variable benefits
  - Ability to use power

- Mitigations
  - Review/modify existing agreements by Jan 1 2017 (transitional arrangements!)
  - Eliminate any/all board memberships
  - Change culture of engagement/interaction to support substance of agreements
  - Consult with auditor!
IPSAS 37 Joint Operations?

- Development contract (shelter solutions)
- Developer is a “Social Enterprise” - Breakeven intention
- Min. qty commitment (development paid through piece price)
- Avoid “Joint Operation” (rights and obligations to assets/liabs)
  - Procurement contract with strict product quality criteria and limited scope for pricing adjustments
  - Other customers needed for developer’s long term viability
- Side issue – bifurcate the unit purchase price and capitalise the development element?
Donor reporting – alignment with IPSAS delivery principles

- Inventory distributions-EC DG-ECHO
- CBI Year-end distribution obligations
- Results Based Financing- Revenue deferral?
- IPSAS Revenue Project
Leases ED

- Readiness for new lease accounting
- Data clean up project
- Lease accounting module in ERP
- Interest/Liability discount rate determination
Thank you