



10 October 2019

Mr. Ian Carruthers  
International Public Sector Accounting Standards Board  
529 Fifth Avenue,  
New York, NY 10017  
USA

Submitted electronically through the IPSASB website

Dear Mr Carruthers,

**ICAEW REPRESENTATION 111/19, ED 68 IMPROVEMENTS TO IPSAS, 2019**

ICAEW welcomes the opportunity to comment on ED 68 *Improvements to IPSAS, 2019*.

We note that the IPSASB improvements project deals with non-substantive changes to IPSASs through a collection of amendments. In previous years, the amendments were presented in two parts: Part I was driven by stakeholder feedback, and Part II covered amendments identified through consideration of the annual improvements and narrow scope amendment projects of the IASB.

The 2019 improvements do not include any IPSAS updates to ensure alignment with IFRS. The IPSASB is reluctant to update its suite of standards following an update to the definition of materiality by IASB. This is because it wishes to review the guidance in its Conceptual Framework (CF) before making standards-level amendments. In our view the accounting standards should take precedence over the CF – it is the standards that drive practice (the CF is useful for underpinning principles). Remaining aligned with IFRS as much as possible is of fundamental importance.

We agree that IPSASB needs to consider carefully whether to update the definition of an operation following IASB's update of the definition of a business. The fact that updating the definition of operation is likely to be a substantive change, and thus not in the remit of an improvement project, should serve as a reminder to only deviate from IFRS if absolutely necessary. Changing definitions and usages of terms can have unintended consequences and may result in difficulties in future updates.

We agree with the proposed changes to IPSASs in the ED, but would like to reiterate the importance of maintaining IFRS convergence which is, after all, a key theme in IPSASB's strategy and work programme 2019-2023.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Nigel Sleigh-Johnson', with a stylized flourish at the end.

Dr Nigel Sleigh Johnson  
Head of Financial Reporting, Audit and Insurance

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