

Annex A

PUBLIC SECTOR FINANCIAL REPORTING EXAMINABLE STANDARDS 2022

Note that the focus of the Public Sector Financial Reporting exam is to consider how public service organisations apply accounting standards differently to each other and to private sector organisations.

International standard	Knowledge Level	Detail
IAS 1 Presentation of Financial Statements	A	<ul style="list-style-type: none"> • Explain the purpose of financial statements • Explain the general features of financial statements • Explain how financial statements prepared for public service organisations may differ compared with the private sector
IAS 2 Inventories	A	<ul style="list-style-type: none"> • Calculate cost and net realisable value • Inventory valuation rule • Disclosure requirements
IAS 7 Statement of Cash Flows	A	<ul style="list-style-type: none"> • Identify and discuss the importance of cash flow statements. • Prepare a statement of cash flows for Central Government (supply and non-supply), NHS and Local Government entities.
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	A	<ul style="list-style-type: none"> • Apply and discuss <ul style="list-style-type: none"> ○ Selecting and applying accounting policies ○ Changes in in accounting policies ○ Changes in accounting estimates ○ Prior period errors.
IAS 10 Events After the Reporting Period	A	<ul style="list-style-type: none"> • Identify adjusting and non-adjusting events • Account for adjusting events • Disclosure requirements for non-adjusting events
IAS 12 Income Taxes	C	<ul style="list-style-type: none"> • Discuss the applicability of IAS 12 to public service organisations
IAS 16 Property, Plant and Equipment	A	<ul style="list-style-type: none"> • Identify and compute the initial measurement of a non-current asset • Distinguish between capital and revenue expenditure • Account for revaluation gains and losses • Calculate depreciation for an asset held at cost or revaluation • Accounting for a disposal of a non-current asset • Knowledge of disclosure requirements • Account for sector specific adjustments in relation to property, plant and equipment.
IAS 19 Employee Benefits	B	<ul style="list-style-type: none"> • Identify short-term employee benefits and show knowledge of how to account for them • Distinguish between an defined benefit and defined contribution scheme • Awareness of the accounting for these schemes • Account for sector specific adjustments in relation to defined benefit schemes.

IAS 20 Accounting for Government Grants and Disclosure of Government Assistance	B	<ul style="list-style-type: none"> Define government grants and discuss their treatment in financial statements. Account for revenue and capital government grants Knowledge of disclosure requirements Account for sector specific adjustments in relation to grant funding
IAS 23 Borrowing Costs	B	<ul style="list-style-type: none"> Discuss and apply circumstances where borrowing costs should be capitalised. Compute borrowing costs to be capitalised.
IAS 24 Related Party Disclosures	C	<ul style="list-style-type: none"> Identify related parties and understand their importance
IAS 27 Separate Financial Statements	B	<ul style="list-style-type: none"> Knowledge of accounting for investments in subsidiaries and associates in separate financial statements
IAS 28 Investment in Associates and Joint Ventures	B	<ul style="list-style-type: none"> Equity account for a single associate Prepare adjustments to present group accounts for the Central Government, NHS and Local Government sectors.
IAS 32 Financial Instruments: Presentation (revised)	C	<ul style="list-style-type: none"> Define financial instruments, financial assets, financial liabilities and equity Understand the importance of presentation for financial liabilities and financial assets Disclosure requirements for financial instruments.
IAS 36: Impairment of Assets	A	<ul style="list-style-type: none"> Define and identify when impairment losses occur. Calculate and account for impairment losses. Identify a cash generating unit Understand the accounting for impairment losses arising in a cash generating unit Knowledge of disclosure requirements Prepare sector specific adjustments in relation to impairments
IAS 37: Provisions, Contingent Liabilities and Contingent Assets	A	<ul style="list-style-type: none"> Understand the need for an accounting standard in this area Identify and explain the recognition criteria for a provision and the measurement of a provision Account for a provision and a change in the provision Identify and account for contingent liabilities and contingent assets Apply recognition and measurement rules to future operating losses, onerous contracts and restructuring Knowledge of disclosure requirements
IAS 38: Intangible Assets	A	<ul style="list-style-type: none"> Define the criteria for initial recognition, measurement and subsequent measurement of intangible assets. Apply the requirements to research and development expenditure and other intangible assets. Knowledge of disclosure requirements

IAS 39: Financial Instruments: Recognition and Measurement	C	<ul style="list-style-type: none"> Explain the different recognition and measurement bases used for different types of financial assets and liabilities.
IAS 40: Investment Property		<ul style="list-style-type: none"> Define investment property and discuss their treatment in financial statements. Account for investment property held at cost or fair value Transfers of investment properties
IFRS 1 First Time Adoption of IFRSs	C	<ul style="list-style-type: none"> Understand how an entity prepares financial statements under international accounting standards for the first time.
IFRS 3: Business Combinations	B	<ul style="list-style-type: none"> Discuss the concept and accounting treatment of goodwill in a business combination
IFRS 5: Non-current Assets Held for Sale and Discontinued Operations	B	<ul style="list-style-type: none"> Define assets held for sale and discontinued operations. Apply the presentation of assets held for sale and discontinued operations when preparing financial statements Discuss the significance of the presentation of assets held for sale and discontinued operations Awareness of disclosure requirements
IFRS 7: Financial Instruments: Disclosures	C	
IFRS 8: Operating Segments	C	<ul style="list-style-type: none"> Define an operating segment Awareness of disclosure requirement
IFRS 9: Financial Instruments	C	<ul style="list-style-type: none"> Identify the categories for financial instruments and to understand the accounting
IFRS 10 Consolidated Financial Statements	B	<ul style="list-style-type: none"> Describe and explain the concept of a group as a single entity Define control and significant influence Discuss when control is achieved Discuss when a group is required to prepare consolidated financial statements Identify when a parent is exempt from preparing consolidated financial statements Calculate non-controlling influence Treatment of intra group transactions and balances
IFRS 11 Joint Arrangements	B	<ul style="list-style-type: none"> Describe and explain joint operations and joint ventures Define joint control Discuss consolidation requirements for joint ventures
IFRS 12 Disclosures of Interests in Other Entities	C	<ul style="list-style-type: none"> Awareness of disclosure requirements

IFRS 15 Revenue from Customer Contracts	C	<ul style="list-style-type: none"> Calculate the value of contract liabilities or assets in relation to uncompleted courses of treatment in NHS Foundation Trusts
IFRS 16 Leases	A	<ul style="list-style-type: none"> Identify leases for right of use assets and account for them in the accounts of the lessee Discuss the accounting treatment of leases for the lessee Knowledge of disclosure requirements for lessee accounting.
FRS 102	B	<ul style="list-style-type: none"> Explain how Charities, Further and Higher Education Institutes and Housing Associations apply FRS 102. Prepare a Statement of Financial Activities and Balance Sheet for a Charity, using the FRS 102 SORP. Explain the extent to which sector SORPs for Charities, Further and Higher Education and Housing Associations, comply with FRS 102.

Knowledge levels

Level A (professional): A thorough knowledge with a solid understanding of the subject matter and some experience in the application thereof in practice sufficient to: exercise reasonable professional judgement in the application of the subject matter in those circumstances generally encountered in practice; and recognise when the assistance of a specialist may be required. This level of knowledge is lower than that of a specialist.

Level B (technician): A working knowledge with a broad understanding of the subject matter and a modicum of experience in the application thereof sufficient to: apply the subject matter in straightforward circumstances; and identify issues requiring professional attention in more complex situations.

Level C (generalist): A general knowledge with a basic understanding of the subject matter and training in the application thereof sufficient to: identify significant issues; evaluate their potential implications or impact; and recognise that additional work or advice may be required to be performed by a person technically competent in this area of expertise. This level of knowledge is significantly greater than that of a layperson. You will not be required to tackle numerical examples for standards examined at level C.