IPSAS 3 at a glance

IPSAS 3 Accounting Policies, Changes in Accounting Estimates and Errors · one-page reference

Core Knowledge

CORE PRINCIPLE

Choose policies through the hierarchy, change them only through the two gates, take estimate changes forward and correct material prior period errors backwards (IPSAS 3.9, 3.17, 3.41, 3.47).

Topic	The question	The test	Reference	Where it shows
1 **Selecting a policy**	**Does an IPSAS deal with the item?**	Yes: apply it. No: judgement, using IPSAS on similar issues, then the Conceptual Framework; others only if consistent.	**9, 12, 14, 15**	Notes
2 **Policy, estimate or error?**	**What caused the revision?**	A new principle: policy. New information: estimate. Information available when the earlier statements were authorised: error.	**7, 40**	All statements
3 **Changing a policy**	**May we change it?**	Only if an IPSAS requires it or it gives faithfully representative, more relevant information; a new IPSAS's transition comes first.	**17, 24**	Net assets, notes
4 **Retrospective application**	**Where does the earlier effect go?**	Opening balance of each affected component at the start of the earliest period shown, plus comparatives.	**27, 31**	Net assets
5 **Changing an estimate**	**Which periods take the effect?**	The period of change and later periods affected; the comparatives stay as reported.	**41, 43**	Performance, notes
6 **Prior period errors**	**How is a material error fixed?**	Restate comparatives or opening balances, outside this year's surplus; note the nature and amounts.	**47, 51, 54**	All statements, notes

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