Ms Stephenie Fox  
The Technical Director  
International Public Sector Accounting Standards Board  
International Federation of Accountants  
529 Fifth Avenue, 6th Floor  
New York, NY 10017 United States of America  

Dear Ms Fox  

**Exposure Draft (ED) 55 – Improvements to IPSASs 2014**  

The Heads of Treasuries Accounting and Reporting Advisory Committee (HoTARAC) welcomes the opportunity to provide comments to the International Public Sector Accounting Standards Board (IPSASB) on Exposure Draft 55 *Improvements to IPSASs 2014*.  

HoTARAC is an intergovernmental committee that advises Australian Heads of Treasuries on accounting and reporting issues. The Committee comprises the senior accounting policy representatives from all Australian States, Territories and the Australian Government.  

HoTARAC commends the IPSASB’s ongoing effort in maintaining an alignment, where possible, with new and amended pronouncements issued by the International Accounting Standards Board. HoTARAC is generally supportive of the proposed amendments in ED 55 and the analysis of the other IFRS amendments in Appendix A. Attachment A to this letter sets out HoTARAC’s comments on each amendment. If you have any queries regarding HoTARAC’s comments, please contact Alison Cuthbert from Queensland Treasury and Trade on +61 7 3035 1431 or via email to: alison.cuthbert@treasury.qld.gov.au.  

Yours sincerely  

David Nicol  
Chair  
Heads of Treasuries Accounting and Reporting Advisory Committee  
*September 2014*
HoTARAC VIEWS RE IPSASB EXPOSURE DRAFT 55 Improvements to IPSAs 2014

HoTARAC’s responses to each Specific Matter for Comment and Other Matters in the ED 55 are set out below.

Specific Matter for Comment - IPSAS 1 Presentation of Financial Statements

*Comparative information - Paragraph 53*

HoTARAC suggests that instead of deleting “previous” in the first sentence, the IPSASB should replace the word “previous” with “preceeding” to clarify the period to which the comparative information relates.

*Comparative information - Paragraph 53B*

For consistency with the above suggestion, HoTARAC also recommends replacing “previous period(s)” in the first sentence with “preceeding period(s)”, and adding “current” before “period to resolve the uncertainty” in the last sentence.

Specific Matter for Comment - IPSAS 17 Property, Plant and Equipment

*Effective Date – paragraph 106E / Transitional Provisions – paragraph 106A*

HoTARAC notes that the IASB *Clarification of Acceptable Methods of Depreciation and Amortisation* requires prospective application, whereas the equivalent IPSASB amendment does not specify a preferred method of application. To ensure consistency between the relevant IASB amendments and IPSASs, HoTARAC strongly recommends the IPSASB adopt prospective application and specify this under either “Effective Date” or “Transitional Provisions”.

*Basis for Conclusions - BC9*

HoTARAC suggests the IPSASB update the “May 2012” reference to reflect the actual dates of issue of those IFRS requirements. For example, the IASB’s amendment to clarify the restatement of the carrying amount and accumulated depreciation was issued in the Annual Improvements to IFRSs in December 2013, and the amendment on Clarification of Acceptable Methods of Depreciation and Amortisation was issued in May 2014.
Specific Matter for Comment - IPSAS 28 Financial Instruments: Presentation

Interest, dividends, losses and gains - Paragraph 44

HoTARAC believes the reference to “IAS 1” should be corrected to “IPSAS 1”.

Specific Matter for Comment - IPSAS 31 Intangible Assets

Amortization Period and Amortization Method - Paragraph 97A (a)

Reference is made to paragraph 98C, whereas HoTARAC believes the correct paragraph reference should be to paragraph 97C.

Effective Date- paragraph 134/Transitional Provisions- paragraph 131A

Given the IASB Clarification of Acceptable Methods of Depreciation and Amortisation requires prospective application, HoTARAC strongly recommends the IPSASB adopt prospective application and specify this under either “Effective Date” or “Transitional Provisions”.

Basis for Conclusions- BC10

HoTARAC suggests the IPSASB update the reference to acknowledge the issue date (i.e. May 2014) for the IASB’s Clarification of Acceptable Methods of Depreciation and Amortisation.

Other Matters – Appendix A

HoTARAC notes that there are a few instances where the IPSASB has chosen not to make IASB equivalent amendments because the current wording of certain IPSASs are not consistent with the corresponding IFRS wording (Appendix A refers to those instances). HoTARAC believes that, unless there is a public sector specific reason that warrants a departure from the equivalent IFRS requirements, the IPSASB should develop a strategy to remove progressively those existing inconsistencies to prevent further divergence between IFRSs and IPSASs when new/amended IASB pronouncements are issued.