The Technical Director  
The International Public Sector Accounting Standards Board (IPSASB)  
New York

Dear Sir,

Subject: **Response to Exposure Draft (ED) 54 –Reporting Service Performance Information**

We welcome the opportunity to respond to the Exposure Drafts on Reporting Service Performance Information, which address fundamental questions of public sector accounting and financial reporting. 

We present our comments and views as below:

1) **Specific Matter for Comment 1**

Do you generally agree with the proposals in the ED? If not, please provide reasons.

We agree with the proposals of the IPSAS Board and propose that this RPG should be enhanced to be made a full IPSAS Standard instead of an RPG. This is because the proposals in this ED is very much applicable to countries and International Organisations operating especially in and elsewhere Africa. This is due to the various interventions supported by Development Partners in this region. Including service performance information in the General Purpose Financial Reports (GPFR) would improve accountability and decision-making, helping to assess the sound use of resources and efficient delivery of services in the public sector.

2) **Specific Matter for Comment 2**

Do you agree with the definitions in paragraph 8? If not, how would you modify them?

Yes. These definitions form the broad framework and coupled with the examples from paragraph nine to nineteen, users would have better understanding of the application of the various terms described in this RPG. It is worth noting that efficiency and effectiveness indicators are already being used by a number of IPSAS preparers in order to report on their
activities and create a clear link between their operations and their financial reporting. However, the link between strategic planning and reporting of delivered activities is often not optimised.

3) Specific Matter for Comment 3
Do you agree that the ED adequately addresses reporting of service performance information by entities at different levels within government, including situations where a controlling entity reports service performance information that encompasses that provided by controlled entities? If not, how would you modify the ED’s coverage of this?

Yes. Most Government budgets are now based on the Medium Term Expenditure Framework (MTEF). This requires involving stakeholders and all the various sub-units within government in the objective setting and budgeting process for at least three years. Most Governments in Africa have also started implementing decentralisation programs and it is therefore appropriate to measure performance at the various levels to assist Government and Public Sector entities in decision making.

4) Specific Matter for Comment 4
Do you agree that service performance information should:
(a) Be reported annually; and,
(b) Use the same reporting period as that for the financial statements?

If not how would you modify the ED’s provisions on these two matters?

Yes. This is relevant to ensure that the information can be reviewed on a comparable basis. The guidance provided by paragraph 29, which provides guidance on considering the cost and benefit as well as users' needs for controlling entities that use different reporting period is appropriate. This is because in some cases, donor reporting requirements for some Public sector entities may be different from the financial reporting calendar of the reporting entity and these factors need to be assessed.

For Auditors and other evaluators, this is useful for review and opinions issued on financial statements that includes reported service performance indicators.

5) Specific Matter for Comment 5
Do you agree with the ED’s proposed principles for presentation of service performance information (see paragraphs 31 to 39)? If not how would you modify them?

We broadly agree with the principles outlined. However with respect to the qualitative verifiability as defined in paragraph 34, this should be further expanded to disclose whether the reported service performance has been independently verified by a qualified body or expert in the relevant performance field. This information is relevant to ensure that users are
not left to interpret performance results but can gain comfort on the fact that the information presented has been ‘audited’ or certified by an independent or qualified body.

The effective performance management must optimise the link between strategic planning, the subsequent delivery of services, and measurement against budget. This can be supported by an integrated ERP. Moreover, the correct identification of master data, the adequate level of granularity of the information are crucial to enable timely and transparent reporting.

6) Specific Matter for Comment 6

Do you agree with:

(a) The factors identified for consideration when deciding whether to present service performance information as part of a report that includes the financial statements or in a separately issued report (see paragraphs 41 to 42); and

(b) The additional information to present when reporting service performance information in a separately issued report (see paragraph 43)?

If not how would you modify them?

We agree with the factors and additional information with respect to items (a) and (b). Paragraph 41 (b) which considers whether users’ needs and qualitative characteristics taken into account is critical as Public sector may have several stakeholders with varied needs and expectations which need to be accounted for.

7) Specific Matter for Comment 7

Do you agree with the ED’s proposed approach to presentation of service performance information within a report, which:

(a) Provides scope for entities or jurisdictions to decide how to present the information, applying the presentation principles in the ED and further considerations applicable to this decision, and

(b) Does not specify one particular style of presentation such as, for example, a statement of service performance?

If not how would you modify this approach?

Yes. This is relevant because most donors or development partners prescribe different reporting formats for Public sector entities and NGOs implementing various projects or interventions and therefore placing restrictions would not achieve the needs of users and preparers of the service performance information.

8) Specific Matter for Comment 8

Do you agree with the ED’s identification of service performance information that:
(a) Should be “displayed”, where information selected for display should communicate the key messages in a general purpose financial report, (see paragraphs 50 to 51);
(b) Should be disclosed as part of narrative discussion and analysis (see paragraphs 70 to 77); and,
(c) Should be considered for disclosure as part of the basis of the service performance information reported (see paragraph 80).

If not, how would you modify the ED’s identification of information for display and for disclosure?

a) We agree. The presentation of planned and actual information together with the actual information for the previous period is useful to allow users have a basis for comparison of the information reported to users. Auditors and other reviewers of the reported service performance are also able to confirm these information based on previous signed or audited information.

b) We agree with the proposed analysis and discussions by the IPSASB. The identification and discussion of the risks associated with delivery of the service is key in developing countries and this need to be reflected appropriately. Most developing countries are still heavily dependent on donor funds and foreign aids to support national budgets. The inability to access these funds on a timely basis impacts on the service performance of most governments across the region.

c) We agree. The objectives and performance expectations as well as the roles and responsibilities at each level of the chain of responsibilities need to be clearly explained and understood.

9) Specific Matter for Comment 9

Do you agree with:
(a) The ED’s approach of providing principles and guidance on the identification of the type of performance indicators that entities present, rather than requiring entities to report on particular types of performance indicators, for example outcomes or outputs; and

(b) The guidance and principles that the ED provides with respect to choice of performance indicators?

If not, how would you modify the description of performance indicators that should be presented and/or the guidance on selection of performance indicators?

a) We agree with comments and as recommended practice, a limited number of performance indicators must be defined and reported against, but these should be relevant for stakeholders and governments in reviewing their performances.

b) The guidance and principles proposed are clear.
Thank you for giving us the opportunity to share our views on this all important exercise.

Yours sincerely

Fred N. K. Moore
Chief Executive Officer

For: Institute of Chartered Accountants, Ghana