



ZAMBIA INSTITUTE OF CHARTERED ACCOUNTANTS

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**The Technical Director
International Public Sector Accounting Standards Board
International Federation of Accountants
277 Wellington Street West, 6th Floor
Toronto, Ontario M5V 3H2
CANADA**

Dear Stephenie,

Comments on Exposure Draft- Financial Statement Discussion and Analysis

The Zambia Institute of Chartered Accountants welcomes the opportunity to comment on the Exposure Draft issued by the International Public Sector Accounting Standards Board (IPSASB), in March 2012.

We strongly support the project which is being undertaken, as it will provide a framework for the consistent and comparable preparation and presentation of financial statement discussion and analysis in public sector entities' financial statements.

Our comments on the proposed exposure draft (ED) 47, Financial Statement Discussion and Analysis, are as follows:

Question 1

Do you agree that the material presented in this Exposure Draft should be developed as an IPSAS, with the same level of authority as the accrual based IPSASs, which applies to all entities that prepare financial statements in accordance with IPSASs?

Comment

Yes we do agree that the preparation and presentation of financial statement discussion and analysis should be a standard, with the same level of authority as the accrual based IPSASs rather than as guidance. Developing a standard would be appropriate as it will address the needs of various users of financial statements rather than restricting to the specific users such as investors as the case with Management Commentary, an IFRS Practice Statement.

Question 2

Do you agree that IPSAS 1 should be amended to clearly indicate that financial statement discussion and analysis is not a component of the financial statements?

Comment

We do agree that IPSAS 1 should be amended to clearly indicate that financial statement discussion and analysis is not a component of the financial statements. The proposed amendment to IPSAS 1 would minimize potential misunderstanding by the preparers of financial statements.

Question 3

Is the scope of financial statement discussion and analysis clearly defined so as to distinguish it from other issues being addressed by the IPSASB (e.g., financial statements, service performance reporting, reporting on the long-term sustainability of public finances)?

Comment

The scope of financial statement discussion and analysis has been clearly defined as highlighted by paragraph 15 of the proposed standard.

Question 4

Is the required content for financial statement discussion and analysis appropriate?

Comment

The content of the proposed standard seems to be appropriate; we have got no divergent views.

Question 5

Do you agree with the transitional provisions and effective date?

Comment

We agree with the transitional provisions and proposed effective date.

Question 6

Is the Implementation Guidance useful to understanding the requirements of the proposed IPSAS?

Comment

Yes we do agree that, the Implementation Guidance is useful to understanding of the requirements of the proposed IPSAS.

Question 7

Is the Illustrative Example a useful way of illustrating the requirements of the proposed IPSAS?

Comment

Yes, the illustrative example is a useful way of illustrating the requirements of the proposed IPSAS. The illustrative example would help the users of financial statements to comprehend the information which would be contained in financial statement discussion and analysis

The Institute will be ready to respond to any matters arising from the above comments.

Yours faithfully

Musonda Boniface

Technical Officer