

Opinions of the Federation of Professional Councils of Economic Sciences (FACPCE)

Phase 1 —the scope of financial reporting, the objectives of financial reporting and the users of GPFRs, the qualitative characteristics of information included in GPFRs and the reporting entity;

Specific matters for comment

1 Role and Authority of the Conceptual Framework, and the Scope of the General Purpose Financial Reporting.

Paragraph No.	Paragraph Reference	Opinion
1.2	<p>Authority of the Conceptual Framework This Conceptual Framework does not establish authoritative requirements for financial reporting by public sector entities that adopt IPSASs, nor does it override the requirements of IPSASs. However, it may provide guidance in dealing with financial reporting issues not dealt with by IPSASs or non-authoritative guidance issued by the IPSASB.</p> <p>In these circumstances, preparers and others can refer to and consider the applicability of the definitions, recognition criteria, measurement principles and other concepts identified in this Conceptual Framework. In some cases, an IPSAS may identify circumstances where the definitions and other concepts in this Conceptual Framework have authoritative status.</p>	<p>Authority of the Conceptual Framework This Conceptual Framework does not establish authoritative requirements for financial reporting by public sector entities that adopt IPSASs, nor does it override the requirements of IPSASs. Nevertheless, it will provide guidance in dealing with reporting issues</p> <p>Rationale:</p> <p>For the future IPSASs there must be a hierarchy in the CF related to the standards to be projected, as they are the essence and methodological process via which the fundamental concepts are established in one and broken down in the others.</p> <p>In this way, it is in concordance with the definition in paragraph 1.1.</p>
1.6	<p>Scope of Financial Reporting GPFRs of public sector entities includes, but are more comprehensive than financial statements, including these notes.</p>	<p>The comments should be included in the body, not as footnotes.</p>

	<p>They can report information about the past, present and future that is useful to users -including financial and non-financial quantitative and qualitative information about the achievement of financial and service delivery objectives in the current reporting period, and anticipated future service delivery activities and resource needs.¹. GPFs are likely to compromise multiple reports, each responding more directly to certain aspects of the objectives of financial reporting and matters included within the scope of financial reporting. The format of presentation adopted by GPFs will also respond to, and be influenced by matters included within the scope of financial reporting.</p>	
1.8	<p>Applicability of the Conceptual Framework: The Conceptual Framework applies to financial reporting by public sector entities other than GBEs. Therefore, it applies to GPFs of national, state/provincial and local governments. It also applies to a wide range of other public sector entities, including government ministries, departments, programs, boards, commissions, agencies, public sector social security funds, trusts and statutory authorities and international governmental organizations that are public sector entities.</p>	<p>As a generic definition, "Decentralized and Deconcentrated" entities should be incorporated, understanding that: Decentralized: Entities within the General Government Sector (GGS) with autonomy and autarky for funds management. Deconcentrated: Entities within the General Government Sector (GGS) with autonomy and autarky for funds management, but with authority issued by law with more autonomy, for political or economic reasons, which allows them to remain outside the financial administrative circle, such as Tax Authorities (AFIP) or entities that manage retired people's health care and other matters (PAMI).</p>

2. Goals of the financial reporting and General Purpose Financial Reporting Users

¹ The reference hereby to the inclusion of information in the GPFs does not imply that the inclusion of such information in all the GPFs may be prepared.

Paragraph No.	Paragraph Reference	Opinion

3. Qualitative Characteristics of, and Constraints on, Information included in General Purpose Financial Reports.

Paragraph No.	Paragraph Reference	Opinion
BC 3.8	<p>Faithful Representation The Conceptual Framework explains that to be useful information, it must be a faithful representation of the economic and other phenomena that it purports to represent. A single economic or other phenomenon may be represented in many ways.</p>	We agree on the FAITHFUL REPRESENTATION terminology.

4. The Reporting Entity and Group Reporting Entity

Paragraph No.	Paragraph Reference	Opinion
4.6	In some cases, GPFs for these entities may be prepared on a voluntary basis.	Every entity managing public funds must submit reports or financial statements; to account for such funds, that information should never be "on a voluntary basis".
4.8	The benefits derived from the government (or other public sector entity) from the entities whose activities it has the authority and capacity to direct may be financial, such as a..."	<p>I understand that "specific transactions" should be added where "capacity to direct" is shown, beyond their autonomy, such as:</p> <ul style="list-style-type: none"> • Grants (Contributions from the Treasury) to the different government levels (provincial and local); • Debt collateral from a sector of the government to another; • Assumption of liabilities by the Central Government; and • Debt forbearance from a sector of the government sector to another;
w/pn	w/p	I understand that, as a guideline, the classification established by the 2001 Ministry of Economy and Public Finance

		(MEFP, its Spanish acronym) should be adopted, as stated in IPSAS 22 (GGS that includes a QMS, PMO and SGL), this would simplify the topic and make it more understandable, with enough flexibility for the countries' legal frameworks to adjust it according to their own characteristics.
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