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The Technical Director
International Public Sector Accounting Standards Board
545 Fifth Avenue, 14th Floor
New York, New York 10017
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Dear Matthew,

Comments on the Exposure Draft: *Financial Reporting Under the Cash Basis of Accounting – Disclosure Requirements for Recipients of External Assistance*

My answers to the specific questions are as follows:

- Question 1:** The definition of “external assistance is sufficiently broad.
- Question 2:** All assistance received from NGO’s should be included, especially goods or services in-kind as referred to in paragraphs 44 – 49.
- Question 3:** Disclosure of external assistance by “major classes” is sufficient as long as guidance of the characteristics of major classes is provided, for example distinguishing grants from loans at below market rates or goods or services in kind.
- Question 4:** Paragraph 22 is sufficient, but needs to be modified if the disclosure of major classes as advocated in response to question 3 is adopted.
- Question 5:** The proposed disclosure in paragraphs 26 –28 and the related paragraphs are sufficient.
- Question 6:** The general principle of valuing non-cash goods-in-kind at fair value is appropriate. The latitude provided in paragraph 48, where in the last sentence the word “value” is used without the “fair” attribute, is useful not only in emergency situations, but also in situations where fair value is not determinable in the world market or in the economy of the donor. Nevertheless the value in other situation should be reasonably determinable, for example, based on a supply agreement.

Question 7: Although the standard is appropriate, the capacity to provide the disclosures required may well be beyond the capability of many, especially developing, countries. Thus it could well be an obstacle for governments adopting the standards for *Financial Reporting under the Cash Basis of Accounting* for the first time. I would suggest that paragraph 56 be expanded to allow for the effective date of this standard to be up to three years after the IPSAS for *Financial reporting under the Cash Basis of Accounting* has first been adopted.

Question 8 (a): The period should be three years, as the standards affect both the reporting government and the organizations providing the external assistance.

Question 8 (b): The proposed exemption is appropriate.

Thank you for the opportunity to comment and I hope you will find these comments useful.

Sincerely yours,

Erik Peters