

## Conceptual Framework Exposure Draft 3

### Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Measurement of Assets and Liabilities in Financial Statements

Comments from ACCA  
22 April 2013

ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants. We aim to offer business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management.

We support our 154,000 members and 432,000 students throughout their careers, providing services through a network of 83 offices and centres. Our global infrastructure means that exams and support are delivered – and reputation and influence developed – at a local level, directly benefiting stakeholders wherever they are based, or plan to move to, in pursuit of new career opportunities.

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Further information about ACCA's comments on this matter can be obtained from:

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ACCA welcomes the opportunity to comment on this Exposure Draft 'Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Measurement of Assets and Liabilities in Financial Statements'. The ACCA Global Forum for the Public Sector has considered the matters raised and their views are represented below.

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## SUMMARY

ACCA is supportive of the development of a conceptual framework for public sector accounting standards as set out in previous correspondence. We also welcome the IPSASB making the completion of the framework a priority in 2013/14. Overall, we agree with the proposals set out in this Exposure Draft (ED).

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## SPECIFIC COMMENTS

1. Do you agree that the selection of measurement basis should be based on the extent to which a particular measurement basis meets the objectives of financial reporting? If you think that there should be a measurement objective please indicate what this measurement objective should be and give reasons.

We agree that the ED should not prescribe a single or combined measurement bases. It should only identify the factors which should be relevant for selecting a form of measurement for assets and liabilities to ensure that the objectives of financial reporting are met.

2. Do you agree with the current value measurement bases for assets that have been identified in Section 3? If not, please indicate which additional measurement bases should be included or which measurement bases are not included in the framework.

We agree with the current value measurement bases for assets as identified in Section 3.

3. Do you agree with the approaches proposed in Section 4 for application of (a) the fair value measurement model to estimate the price at which a transaction to sell an asset would take place in an active, open and

orderly market at the measurement date under current market conditions. If not, please give your reasons; and (b) the deprival value model to select or confirm the use of a current measurement basis for operational assets. If not please give your reasons.

We agree with the approaches set out in Section 4 for the fair value measurement model. The deprival model is also a useful model for finance professionals to follow when selecting the most appropriate measurement basis although this should not be made a requirement.

4. Do you agree with the proposed measurement bases for liabilities in Section 5? If not, please indicate which additional measurement bases should be included or which measurement bases should not be included in the framework.

Overall, we agree with the five measurement bases proposed in the ED for liabilities, as well as the corresponding terminology for assets.