

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

Dear Sirs,

**Consultation Paper - Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Presentation in General Purpose Financial Reports**

The Accounting and Auditing Standards Desk of the Abu Dhabi Accountability Authority (ADAA) is pleased to respond to the International Public Sector Accounting Standards Board (IPSASB) on the Consultation Paper (CP) Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Presentation in General Purpose Financial Reports and is fully supportive of the IPSASB's drive to improve the quality of financial reporting of Public Sector Entities (PSEs).

***Specific Matter for Comment 1 (See paragraphs 2.1 to 2.18)***

*With respect to the descriptions of "presentation", "display", "disclosure", "core information", and "supporting information", and the proposed relationships between these terms: (a) Do you agree that the proposed descriptions and relationships are appropriate and adequate? (b) Do you agree that identification of core and supporting information for GPFRs should be made at a standards level rather than as part of the Conceptual Framework?*

We agree that the proposed descriptions of "presentation", "display", "disclosure", "core information", and "supporting information" and the proposed relationships between these terms provide clarity to the information they provide and in the context of the CP are appropriate and adequate.

The proposed descriptions provide a definitive and understandable distinction between core and supporting information. The table provided in 2.15 illustrates the distinction between core and supporting information for GPFRs very well however, for GPFRs the distinction is less clear. For this reason we agree that identification of core and supporting information for GPFRs should be made at a standards level rather than as part of the Conceptual Framework due to the foreseen advantages of linking the subject of the standard with a particular information area, for example: refer to paragraph 2.17 a, b and c.

We do not support the alternative view (paragraphs 2.19 and 2.20) since it may lead to inconsistency about what may be considered core or supporting information.

***Specific Matter for Comment 2 (See paragraphs 3.1 to 3.12)***

*With respect to the IPSASB's approach to presentation of information: (a) Do you agree with the development of presentation concepts that can be adopted for the more comprehensive scope for GPFRs including, but not restricted to, financial statements? (b) Do you agree with the approach of (i) focusing on user needs to identify presentation objectives, (ii) application of the qualitative characteristics (QCs) to presentation decisions, and (iii) separate presentation concepts?*

It seems more useful and likely to promote consistency if the presentation concepts developed are not restricted in their application and can be adopted for the more comprehensive scope for GPFRs.

We agree with the approach of focusing on user needs to identify presentation objectives. We also agree that the scope of GPFRs and of understanding users' perspectives is changing and is likely to continue to evolve as IPSAS develop and further information is provided to users. A focus on the user is therefore likely to result in an approach that will need to be developed and reviewed over time.

As regards (ii) "application of the qualitative characteristics (QCs) to presentation decisions" our experience of IFRSs indicates that unless guidance and interpretation is provided inconsistent accounting interpretations can still result and this inconsistency is more widespread when the subject matter is that of presentation and disclosure. We therefore conclude that it is necessary to provide greater clarity on the presentation concepts and agree that "(iii) separate presentation concepts" should be developed.

**Specific Matter for Comment 3 (See paragraphs 4.1 to 4.5)**

*This CP discusses the importance of developing presentation objectives as part of standard setting. (a) Do you agree that presentation objectives should be developed? (b) If so, in your view, should they be developed at a standards level, or as part of the Conceptual Framework?*

We agree that presentation objectives should be developed and that they should be developed at a standards level. We consider accountability and decision-making objectives to be fundamental to the basis of information provided by the application of IPSAS.

Users and preparers of IPSAS compliant financial statements are currently used to interpreting IPSAS at the level of the relevant accounting standard. It will be more difficult for them to interpret consistently presentational objectives at a Conceptual Framework level.

**Specific Matter for Comment 4 (See paragraphs 6.1 to 6.27)**

*This CP proposes three presentation concepts. Please provide your views on these concepts, in particular whether: (a) Any of these concepts should be excluded from the Conceptual Framework; and (b) The description of each concept could be improved and, if so, how.*

We agree that all of the three presentation concepts should be included. We believe that the three concepts are interrelated and complement each other.

We consider the description of the three concepts cover the needs of users for timely information that meets their needs, is well presented, clear and comparable, is easy to understand and appropriate.

**Specific Matter for Comment 5 (See paragraphs 6.1 to 6.27)**

*Given the three concepts proposed, please provide your views on: (a) Whether there are further concepts that should be included in the Conceptual Framework; and (b) What those further concepts should be.*

We do not think that further concepts need to be included in the project at this stage.

**Specific Matter for Comment 6 (See paragraphs 6.12, 6.17, 6.24, and 6.27)**

*Each presentation concept refers to the possibility of developing criteria to determine the presentation techniques to be used in setting accounting standards. Please provide: (a) Your views on whether it would be useful and workable for the IPSASB to apply such techniques; and (b) Any suggestions you have for developing these techniques.*

We believe that it would be useful and workable for the IPSASB to apply such techniques in order to influence how information is located and presented and to enable comparability between reporters.

No comment.

Yours faithfully

Steven Ralls BA FCA  
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Financial Audit and Professional Regulation  
Abu Dhabi Accountability Authority