

IPSASB Consultation Paper

Comments on Financial Statement Discussion and Analysis

Specific Matter for Comment	Explanation
<p>Specific Matter for Comment 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?</p>	<p>Yes I agree but I think involvement of stakeholders in the public sector at this stage would be helpful.</p>
<p>Specific Matter for Comment 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?</p>	<p>Yes</p>
<p>Specific Matter for Comment 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)?</p>	<p>Yes</p>
<p>Specific Matter for Comment 4: Is the required content for financial statement discussion and analysis appropriate?</p>	<p>Yes it is but it can be enhanced: a) inclusion of forward looking information is crucial - government plans cover a longer period like 5 years hence the discussion and analysis should cover same period as the future outlook is captured in this analysis. b) Consideration of other things captured in the integrated reporting framework like stakeholder engagement or public participation, level of public private partnerships, governance structure and how it supports the strategic objectives</p>
<p>Specific Matter for Comment 5: Do you agree with the transitional provisions?</p>	<p>Yes</p>
<p>Specific Matter for Comment 6: Is the Implementation Guidance useful to understanding the</p>	<p>Yes but input of public sector players is useful before the</p>

requirements of the proposed IPSAS?	guidance is issued for adoption
Specific Matter for Comment 7: Is the Illustrative Example a useful way of illustrating the requirements of the proposed IPSAS?	Yes but can be enhanced
Other Comments	
1. I agree with Thomas view regarding the forward looking information to meet the users needs and enhance accountability and transparency and fulfill public interest requirement.	
2. BC2 - I agree the private sector approach on management commentary may not be suitable for public sector entities but there is a lot that can be borrowed from this. To enhance efficiency and economy of public sector entities it is good to look at them like a business entity in terms of resource utilization and performance, hence some similarities with this private sector approach.	
3. Also in majority of cases the key decision makers like permanent secretaries may not necessary be professional accountants thus with adoption of IPSAS standardization of the standard setting process and reporting can be achieved by adopting a similar approach. Given the relationship between IFRS and IPSAS the input of private sector standard setters would be helpful in public sector standard setting process as well.	
4. Economic Action Strategy - a commentary on MDGs and the country's level of achievement could be considered as we give a global perspective and the country's performance. Also consider mentioning the level of private public sector engagement in the economic strategy.	

Comments submitted by Felicitas T Irungu
31 July 2012

N.B. These are my personal views