

The Technical Director  
International Public Sector Accounting Standards Board  
International Federation of Accountants  
Via e-mail

**TECH CDR 1074**

20 February 2012

Dear Ms Fox,

**IBSASB ED 46 – Proposed Recommended Practice Guidance, Reporting on the Long Term Financial Sustainability of a Public Sector Entity's Finances**

ACCA (Association of Chartered Certified Accountants) welcomes this opportunity to respond to the above recommended practice guidance on long-term financial sustainability reporting. As stated in our response to the consultation in April 2010, this practice guidance is extremely pertinent given the size of government debt where many countries are continuing to face financial challenges that could threaten their fiscal futures.

We are pleased that IPSASB has gone down a practice guidance route rather than issuing a standard for the reasons set out in our response to the previous consultation. The guidance provides a helpful framework for providing public entities with information on how to supplement the financial statements and performance with complementary information on long-term fiscal sustainability.

However, there is the issue of timing to consider, in particular, whether it is sensible to disseminate such general guidance in a period of fiscal uncertainty and large public sector deficits as reflected by the recent UK Whole of Government Accounts. The guidance might be better received as lessons learnt when the economic climate has settled down.

Our responses to the specific matters are outlined below.

**Specific Matter for Comment 1:**

*Do you agree that the characteristics of an entity that indicate whether users exist for information on long-term fiscal sustainability are those set out in paragraph 15? If you consider that there are more appropriate indicators please provide them.*

We agree with the key characteristics outlined in paragraph 15.

**Specific Matter for Comment 2:**

*Do you agree that the “dimensions” of long-term fiscal sustainability in paragraphs 27–37 provide a viable framework for narrative reporting on the long-term sustainability of an entity’s finances that complements and interprets the projections? If not, how would you modify this approach?*

We agree that the dimensions of long-term financial sustainability provide a viable framework for this reporting.

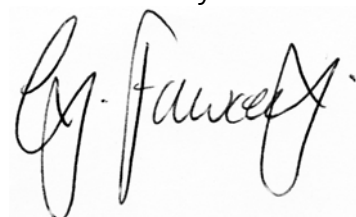
**Specific Matter for Comment 3:**

*Do you agree with the guidelines in this ED on disclosure of principles and methodologies, including risks and uncertainties? If not, how would you modify these guidelines?*

We agree with the guidelines in the ED on disclosure principles and methodologies.

If there are any matters arising from the above please contact Gillian Fawcett (Head of Public Sector) via e-mail [Gillian.fawcett@accaglobal.com](mailto:Gillian.fawcett@accaglobal.com) or telephone +44 (0)7059 5674.

Yours sincerely

A handwritten signature in black ink, appearing to read "G. Fawcett".

**Gillian Fawcett**

Head of Public Sector