

The Hague, 29 August 2011

Re: comment to IPSAS Board Exposure Draft 'Key characteristics of the Public Sector with Potential Implications for Financial Reporting'

L.s.,

With respect to the above-mentioned document, I would suggest the following:

1) to include in the beginning of paragraph 4 a more general description of the responsibilities of public sector entities, as it is used in the academic field of Public Administration e.g.:

'Public administration requires politicians and civil servants from a variety to use scarce public funds to develop and implement policy with other public organisations and private parties in order to produce outcomes or carry out designated tasks in the public interest. To this end, public organisations take binding decisions and exercise administrative power within the frameworks of the democratic rule of law.'

2) to include in the document a summarized list of criteria of good governance public sector entities have to meet, e.g.:

'It is the responsibility of public sector entities to simultaneously satisfy a series of criteria of good public governance, which are presented in the table below:

Criteria of good public governance
1) Performance criteria: economy, efficiency and effectiveness
2) Due care criteria: responsiveness, democratic content, regularity, propriety, integrity
3) Financial criteria: financial solidity and fiscal sustainability
4) Organisational criteria: quality of internal governance, quality of cooperation with other organisations, innovative power, learning ability, sustainability to people and planet
5) Accountability and transparency criteria: transparency, quality of accountability arrangements, quality of external audits

In my opinion, both suggestions are relevant to the principles of external reporting by public sector entities, as the substance of their public accountability and external reporting should reflect the full range of responsibilities and the criteria of good public governance.

Yours sincerely,

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