

**Questions to be answered for IPSASB’s Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Presentation in General Purpose Financial Reports**

		<b>Responses</b>
	<p><b>1. <i>Specific Matter for comment 1 (See paragraphs 2.1 to 2.18)</i></b></p> <p>With respect to the descriptions of “Presentation”, “display”, “disclosure”, “core information”, and “supporting information”, and the proposed relationships between these terms:</p> <p>a) Do you agree that the proposed descriptions and relationships are appropriate and adequate?</p> <p>b) Do you agree that identification of core and supporting information for GPFRs should be made at standards level rather than as part of the Conceptual Framework?</p>	<p>a. The proposed descriptions and relationships are appropriate and adequate</p> <p>b. No. These should be kept as part of the conceptual framework</p>
	<p><b>2. <i>Specific matter for comment 2 (See Paragraphs 3.1 to 3.12)</i></b></p> <p>With respect to the IPSASB’s approach to presentation of information</p> <p>a) Do you agree with the development of presentation concepts that can be adopted for the more comprehensive scope of GPFR’s including, but not restricted to, financial statements?</p> <p>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?</p>	<p>a) Yes, presentation concepts will aid in enhancing the usability of general purpose financial reports. The concepts provide structure - outlines how information is to be presented in terms of importance (core vs supporting). They facilitate comparison, provide clarity and timeliness.</p> <p>b)</p> <p><b><u>i)Focusing on user needs to identify presentation objectives</u></b></p> <p>Yes, there must be a focus on user needs in seeking to identify presentation objectives. Users of General Purpose Financial Reports (GPFR’s) basically fall into three categories:</p> <p>1. Resource Providers: employees, lenders (creditors, suppliers) donors, members of non business entities (clubs and professional</p>

		<p>bodies), public sector entities, parliament, taxpayers and ratepayers</p> <ol style="list-style-type: none"> <li>2. Recipients of Goods &amp; Services: those who benefit from goods or services provided by the reporting entity.</li> <li>3. Parties performing review or oversight functions: e.g. parliament, regulatory agencies, labour unions, employer groups, media, etc</li> </ol> <p>The information needs of each user/stakeholder will vary. The presentation objectives must give cognizance to these needs and the report designed accordingly.</p> <p><b><u>II. Application of Qualitative Characteristics (QC's) to presentation decisions</u></b></p> <p>Qualitative characteristics ensure that information has certain qualities/features for it to have value to the users. The presentation decisions of what, where and how should be considered along with:</p> <ul style="list-style-type: none"> <li>• Relevance (applicable to the particular situation)</li> </ul> <p><b><u>III. Separate Presentation Concepts</u></b></p> <p>Aspects of the presentation concepts are embodied in the QC's of information as they relate to comparability &amp; timeliness of information. However, the concepts imply that information is cost effective, focuses on the location of information and on organizing information that may be located in different places to show the relationships.</p>
<p><b>3.</b> <i>Specific Matter for Comments 3 (See paragraphs 4.1 to 4.5)</i></p>	<p>This CP discusses the importance of developing presentation objectives as part of standard setting.</p> <ol style="list-style-type: none"> <li>a) Do you agree that presentation objectives should be developed?</li> <li>b) If so, in your view, should they be developed at a standards level, or as part of the Conceptual Framework?</li> </ol>	<p><b>(a) Yes,</b> Presentation objectives should be developed. They provide more specificity to the overall financial reporting objectives of accountability and decision making, and</p> <p><b>(b) No,</b> There are currently thirty-one (31) standards. New standards should only be established for fundamental accounting issues to provide guidance to public sector</p>

		<p>entities. Presentation objectives cannot be seen as a fundamental issue and therefore should remain in the Conceptual Framework.</p>
<p><b>4.</b></p>	<p><b>Specific Matter for Comment 4(See paragraphs 6.1 to 6.27)</b></p> <p>The CP proposes three presentation concepts. Please provide your views on these concepts, in particular whether:</p> <ul style="list-style-type: none"> <li>a) Any of these concepts should be excluded from the Conceptual Framework; and</li> <li>b) The description of each concept could be improved and, if so, indicate how.</li> </ul>	<ul style="list-style-type: none"> <li>a) All the concepts outlined should remain as part of the Conceptual Framework.</li> </ul> <p>However:</p> <ul style="list-style-type: none"> <li>▪ The amount of detail given should be considered for example budget or targets for comparative purposes should be excluded. Budget and targets are excellent management tools but for conceptual framework presentation these may not be either appropriate or necessary and may lead to misinterpretation, controversy and speculation.</li> <li>▪ “Appropriate line items and <u>components of line items</u>”; summary information may be necessary but details contained in <u>components</u> of line items may not be necessary and so the cost/benefit to provide components of lines items should be carefully considered.</li> </ul> <ul style="list-style-type: none"> <li>b) It may be possible to improve the description of the concepts as follows: <ul style="list-style-type: none"> <li>• Consideration could be given to including information on governing rules and regulations which impact the business entity. In Jamaica for example this could include the Procurement Regulations and specific legislation under which the public Body operates.</li> </ul> </li> </ul>
<p><b>5.</b></p>	<p><b>Specific Matter for comment 5 (See paragraphs 6.1 to 6.27)</b></p> <p>In addition to the three concepts proposed in Section 6, please provide your views on:</p> <ul style="list-style-type: none"> <li>a) Whether there are further concepts that should be included</li> </ul>	<ul style="list-style-type: none"> <li>a) These concepts are sufficiently encompassing to provide the necessary guidance in the preparation of GPFRs. Of course, since these are concepts and not standards (and we do not believe they should be standards), there is likely to be significant variability in actual presentations as preparers ponder what information users need. The important thing is that preparers should actively solicit feedback</li> </ul>

	<p>in the Conceptual Framework; and</p> <p>b) What those further concepts should be.</p>	<p>and comment from actual and prospective users and modify the next period's presentations accordingly.</p> <p>b) N/A</p>
<p>6.</p>	<p><b><i>Specific Matter for comment 6 (See paragraphs 6.12, 6.17, 6.24, and 6.27)</i></b></p> <p>Each presentation concept refers to the possibility of developing criteria to determine the presentation techniques to be used in setting accounting standards. Please provide:</p> <p>a) Your views on whether it would be useful and workable for the IPSASB to apply such techniques; and</p> <p>b) Any suggestions you have for developing these techniques.</p>	<p><b><u>6.12(a)</u></b></p> <p>It will be useful and workable for the IPSASB to apply the techniques proposed in concept 1. <u>Application of these techniques will assist in making the GPFR more informative.</u> It will also satisfy user's needs in having timely financial statements in a cost efficient manner.</p> <p><b><u>6.12(b)</u></b></p> <p>These techniques should include:</p> <ul style="list-style-type: none"> <li>• illustrations and examples in order to make them more easily understood.</li> <li>• Specific guidelines relating to GPFRs timing and frequency</li> <li>• More specific details should be given regarding the criteria for selection of different types of information.</li> </ul> <p><b><u>6.17(a)</u></b></p> <p>It will be useful to apply the presentation techniques in Concept 2 as they will provide meaningful information to the users and will further standardize the format of the financial statements.</p> <p><b><u>6.17(b)</u></b></p> <p>None</p> <p><b><u>6.24(a)</u></b></p> <p>It will be useful and workable to apply the techniques at 6.24 in respect of concept 3. These techniques will provide the following</p> <ul style="list-style-type: none"> <li>• more useful information to users of the financial statements;</li> <li>• better understanding of the financial statements;</li> <li>• improved standardization of financial statements; and</li> </ul>

		<ul style="list-style-type: none"><li>• Better analysis of the information.</li></ul> <p><b><u>6.24(b)</u></b> None</p> <p><b><u>6.27(a)</u></b> The techniques in para 6.27 may not add real value, since the objective of IPSAS 1 is to ensure that financial statements are presented in a manner which will facilitate comparison with the current year's financial statements with previous year's financial statements. Comparison of the financial statements from one entity to another is also addressed in IPSAS 1. It may therefore be necessary to strengthen the standard rather than establishing new technique in the concept paper.</p> <p><b><u>6.27(b)</u></b> None</p>
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