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Consolidated Financial Statements

I'm Denise Juvenal this pleasure to have the opportunity to comment on this consultation about Consolidated Financial Statements at International Public Sector Accounting Standards (IPSASs). This is my individual commentary for IFAC-IPSASb.

I suggest for the board, if agrees, that observes this discussion about Evaluation Report Impact and Effectiveness of EU Public Procurement Legislation¹ of The European Commission, I know that do not have direct impact, however, this results can be improve this discussion.

Guide for Respondents

The IPSASB would welcome comments on all of the matters discussed in this Exposure Draft. Comments are most helpful if they indicate the specific paragraph or group of paragraphs to which they relate, contain a clear rationale and, where applicable, provide a suggestion for alternative wording. The Specific Matters for Comment requested for the Exposure Draft are provided below.

¹ http://ec.europa.eu/internal_market/publicprocurement/docs/modernising_rules/er853_1_en.pdf

Specific Matter for Comment 1:

Do you agree with the proposed definition of control? If not, how would you change the definition?

Yes, I agree with the proposed definition of control.

Specific Matter for Comment 2:

Do you agree that a controlling entity should consolidate all controlled entities (except in the circumstances proposed in this Exposure Draft)? If you consider that certain categories of entities should not be consolidated, please justify your proposal having regard to user needs and indicate your preferred accounting treatment for any such controlled entities. If you have any comments about temporarily controlled entities, please respond to Specific Matter for Comment 3.

Yes, I agree that a controlling entity should consolidate all controlled entities (except in the circumstances proposed in this Exposure Draft). I think that in relation this point the IFAC-IPSASb needs to observe the internal control for public sector.

Specific Matter for Comment 3:

Do you agree with the proposal to withdraw the exemption in IPSAS 6, *Consolidated and Separate Financial Statements* (December 2006) for temporarily controlled entities? If you agree with the withdrawal of the exemption please give reasons. If you disagree with the withdrawal of the exemption please indicate any modifications that you would propose to the exemption in IPSAS 6 (December 2006).

I agree with the proposal to withdraw the exemption in IPSAS 6 Consolidated and Separate Financial Statements (December 2006) for temporarily controlled entities. I think that experience of others countries can be more useful for this point; the IFAC could contact regional regulators/local regulators for to have informations of problems that can have occur for this process.

Specific Matter for Comment 4:

Do you agree that a controlling entity that meets the definition of an investment entity should be required to account for its investments at fair value through surplus or deficit?

I agree with a controlling entity that meets the definition of an investment entity should be required to account for its investments at fair value through surplus or deficit.

Specific Matter for Comment 5:

Do you agree that a controlling entity, that is not itself an investment entity, but which controls an investment entity should be required to present consolidated financial statements in which it (i) measures the investments of the controlled investment entity at fair value through surplus or deficit in accordance with IPSAS 29, *Financial Instruments: Recognition and Measurement*, and (ii) consolidates the other assets and liabilities and revenue and expenses of the controlled investment entity in accordance with this Standard?

I agree that a controlling entity, that is not itself an investment entity, but which controls an investment entity should be required to present consolidated financial statements in which it (i) measures the investments of the controlled investment entity at fair value through surplus or deficit in accordance with IPSAS 29, *Financial Instruments: Recognition and Measurement*, and (ii) consolidates the other assets and liabilities and revenue and expenses of the controlled investment entity in accordance with this Standard.

Do you agree that the proposed approach is appropriate and practicable? If not, what approach do you consider would be more appropriate and practicable?

Yes, I agree that the proposed approach is appropriate and practicable.

Specific Matter for Comment 6:

The IPSASB has aligned the principles in this Standard with the Government Finance Statistics Manual 2013 (GFSM 2013) where feasible. Can you identify any further opportunities for alignment?

I understand that Government Finance Statistics Manual 2013 improve the principles in this Standard. I suggest for the board, that in relation Statistics Manual 2013 is very important for analysis of information and I think that is the same process of EUROSTAT² in the European Commission.

Thank you for opportunity for comments this proposal, if you have questions do not hesitate contact to me, rio1042370@terra.com.br.

Yours,

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² http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/D4_2012/EN/D4_2012-EN.PDF