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**Our Ref: PSD/ED012/2014**

Monday, 19 May 2014

Stephanie Fox,  
IPSASB Technical Director,  
International Public Sector Accounting Standards Board,  
International Federation of Accountants,  
277 Wellington Street West,  
Toronto, Ontario M5V 3H2,  
Canada.

Dear Stephanie,

***RE: Exposure Draft ED 54: Reporting Service Performance Information***

The Institute of Certified Public Accountants of Kenya (ICPAK) welcomes the opportunity to comment on the Exposure Draft (ED 54) - Reporting Service Performance Information, issued by the International Public Sector Accounting Standards Board (IPSASB) of IFAC.

The Institute believes that the proposed recommended practice guideline provides a platform to enhance disclosure of service performance in a manner that will enhance comparability of service performance reports/financial statements. It will also ensure that financial statements are more useful. We support the Board's decision to consider application of the qualitative characteristics to service performance information, thus aligning with those of financial information as contained in the IASB's conceptual framework financial reporting.

We have included our responses to each of the Specific Matters for Comment in an appendix to this letter.

If you would like to discuss these comments further, please contact the undersigned on [icpak@icpak.com](mailto:icpak@icpak.com) or the undersigned at [nixon.omindi@icpak.com](mailto:nixon.omindi@icpak.com).

Yours Faithfully,

Nixon Omindi  
**For Professional Standards Committee**

**Specific Matter for Comment 1**

Do you generally agree with the proposals in the ED? If not, please provide reasons.

*Yes. We agree with the proposals. The proposals will enhance disclosures that will provide useful information to the users of the financial statements/service performance reports.*

**Specific Matter for Comment 2**

Do you agree with the definitions in paragraph 8? If not, how would you modify them?

*We agree with the definitions*

**Specific Matter for Comment 3**

Do you agree that the ED adequately addresses reporting of service performance information by entities at different levels within government, including situations where a controlling entity reports service performance information that encompasses that provided by controlled entities? If not, how would you modify the ED’s coverage of this?

*Yes. The ED adequately addresses the reporting of service performance information at different levels within government.*

**Specific Matter for Comment 4**

Do you agree that service performance information should:

- (a) Be reported annually; and,
- (b) Use the same reporting period as that for the financial statements?

If not how would you modify the ED’s provisions on these two matters?

*We agree with the proposals.*

**Specific Matter for Comment 5**

Do you agree with the ED’s proposed principles for presentation of service performance information (see paragraphs 31 to 39)? If not how would you modify them?

*Under paragraph 34, consider adding the statements below:  
‘The information should be complete, neutral and free from errors’.*

**Specific Matter for Comment 6**

Do you agree with:

- (a) The factors identified for consideration when deciding whether to present service performance information as part of a report that includes the financial statements or in a separately issued report (see paragraphs 41 to 42); and
- (b) The additional information to present when reporting service performance information in a separately issued report (see paragraph 43)?

If not how would you modify them?

*We agree with the proposals*

**Specific Matter for Comment 7**

Do you agree with the ED’s proposed approach to presentation of service performance information within a report, which:

- (a) Provides scope for entities or jurisdictions to decide how to present the information, applying the presentation principles in the ED and further considerations applicable to this decision, and
- (b) Does not specify one particular style of presentation such as, for example, a statement of service performance?

If not how would you modify this approach?

*The ED should be more prescriptive to provide the particular parameters that should be reported on.*

**Specific Matter for Comment 8**

Do you agree with the ED’s identification of service performance information that:

- (a) Should be “displayed”, where information selected for display should communicate the key messages in a general purpose financial report, (see paragraphs 50 to 51);
- (b) Should be disclosed as part of narrative discussion and analysis (see paragraphs 70 to 77); and,
- (c) Should be considered for disclosure as part of the basis of the service performance information reported (see paragraph 80).

If not, how would you modify the ED’s identification of information for display and for disclosure?

*We are in agreement with the proposals.*

**Specific Matter for Comment 9**

Do you agree with:

- (a) The ED’s approach of providing principles and guidance on the identification of the type of performance indicators that entities present, rather than requiring entities to report on particular types of performance indicators, for example outcomes or outputs; and
- (b) The guidance and principles that the ED provides with respect to choice of performance indicators?

*We agree with the proposals.*