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## **Comments on Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities, Exposure Draft 4: Presentation in General Purpose Financial Reports**

The Swedish National Financial Management Authority (ESV) appreciates the opportunity to respond to the International Public Sector Accounting Standards Board's Exposure Draft 4 entitled Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Presentation in General Purpose Financial Reports.

ESV is the government agency responsible for financial management and development of GAAP in the Swedish central government

### **Overall Opinion**

ESV finds the exposure draft highly relevant and it is an interesting theoretical discussion on the presentation issue. However, we are of the opinion that the technique of optimizing the presentation of financial reports also has to consider demands and limitations deriving from the users (government and parliament) and from national constitutional and other lawful background.

### **Specific Matter for Comment 1**

Do you agree with the proposed descriptions of "presentation", "display", and "disclosure" and the relationships between them in Section 1? If not, how would you modify them?

Comments:

We agree to the three proposed descriptions.

### **Specific Matter for Comment 2**

Do you agree with the identification of three presentation decisions (selection, location and organization) in section 1? If not, how would you modify the identification of presentation decisions?

Comments:

We agree with the identification of the three presentation decisions.

### Specific Matter for Comment 3

Do you agree with the proposed approach to making presentation decisions in Section 1? If not, how would you modify it?

Comments:

We agree with the proposed approach but we also believe that the demands of users need to be taken into consideration.

### Specific Matter for Comment 4

Do you agree with the description of information selection in Section 2:

- (a) In the financial statements; and
- (b) Within other GPFRs?

If not, how would you modify the description(s)?

Comments:

We agree.

### Specific Matter for Comment 5

Do you agree with the description of information location in Section 3:

- (a) In the financial statements;
- (b) In other GPFRs; and,
- (c) Between different reports within GPFRs?

If not, how would you modify the description(s)?

Comments:

We agree. In this part there is an interesting and from our point of view adequate description about the information disclosed in the notes to the financial statements. For instance, in part 4.12 it says that “information disclosed in the notes to the financial statements is necessary to a user’s understanding of those financial statements.” We agree with this description but we refer to ESV’s previous opinion that some of the requirements of disclosure information in today’s IPSAS standards are too detailed, technical and comprehensive. They are far more exhaustive than necessary and our opinion is that they in several cases rather confuse the user than give further understanding information about the financial statements. ESV therefore assumes that today’s IPSAS standards should be revised concerning disclosure information after the framework has been adopted.

Disclosure information is also discussed in a discussion paper: *Towards a Disclosure Framework for the Notes*<sup>1</sup>. According to this paper there are two main areas of improvement:

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<sup>1</sup> The Discussion Paper is issued by the European Financial Reporting Advisory Group (EFRAG), the French Autorité des Normes Comptables (ANC) and the UK Financial Reporting Council Accounting Committee (FRC) in 2012.

- a) avoiding disclosure overload,
- b) enhancing how disclosures are organized and communicated in the financial statements to make them easier to understand and compare.

**Specific Matter for Comment 6**

Do you agree with the description of information organization in Section 4:

- (a) In the financial statements; and
- (b) In other GPFRs?

If not, how would you modify the description(s)?

Comments:

We agree.

**Specific Matter for Comment 7**

Do you consider that CF-ED4 contains sufficient detail on concepts applicable to presentation in GPFRs, including the financial statements, of governments and other public sector entities? If not, how would you extend the proposals?

Comments:

We consider it sufficient.

**Concluding remarks**

We hope the comments given will be useful in your continuing work. We would like to take this opportunity to express our support for the development of International Public Sector Accounting Standards and a framework for financial reporting.

Senior Advisors Anne-Marie Ögren, Maria Olsson and Curt Johansson have prepared the comments given in this report.

Yours sincerely,

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