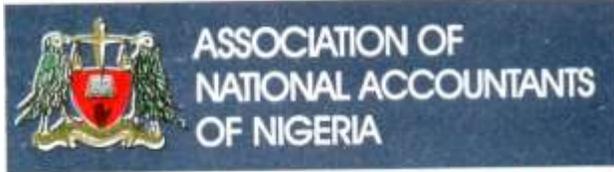


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**Our Ref:**

**Your Ref:**

**Date: March, 2018.**

Dear Sir,

## **RESPONSE TO THE EXPOSURE DRAFT 63 - SOCIAL BENEFITS**

The Association of National Accountants of Nigeria is pleased to comment on the Exposure Draft 63 - Social Benefits.

**Our response to Questions for respondents are set out below:**

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

The Association of National Accountants of Nigeria (ANAN) agrees with IPSASB on the scope of the Exposure Draft and specifically the exclusion of universally accessible services given in paragraph BC21(c) which states that there is a difference between benefits that are specifically provided to individuals or households and those that are universally accessible, the reason being that when access is restricted, either advertently or inadvertently, it means that some people will be technically denied of such benefits due to hindrance created by the restriction. The definition provided on page 7 of the Exposure Draft clearly point to the fact that social benefits are by this Exposure Draft restricted to those that are available to everybody regardless of status.

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

ANAN agrees with the definitions of social benefits, social risks and universally accessible services as contained in paragraph 6 of the Exposure Draft and as espoused on page 4 of the ED 63 Summary with concise indication of what qualify as social benefits.

### **Specific Matter for Comment 3**

In the opinion of ANAN, it seems to be more appropriate, that is, where preparers will follow the relevant international or national accounting standards dealing with insurance contracts under IFRS 17 that has been substantially adopted by several nations. This is to avoid a situation whereby another Exposure Draft will be required to amend the provisions of IFRS 17 that would have been eroded by either these alternative options specified above.

#### **Specific Matter for Comment 4**

ANAN agrees that under the obligating event approach, the past event that gives rise to liability for a social benefits scheme is the satisfaction by the beneficiary of all eligibility criteria for the next benefit, which includes being alive (where this is explicitly stated or implicit in the scheme provisions) because this is in conformity with the recognition criteria set up on BC59 on page 36 of the Exposure Draft. The absence of anyone of the 5 criteria set will affect the application, and in any case, it is possible for government to bind its successor and thus prevent the possible change at the will of the succeeding government through enactment of specific laws to guide operations of such policies.

#### **Specific Matter for Comment 5**

(a) ANAN agrees that the disclosure about the characteristics of an entity's social benefits schemes as contained in paragraph 31 are appropriate except that the latitude provided that (where this information is included in the entity's financial statements) should be removed to make it compulsory for such an information to be provided in the entity's financial statements.

(b) We agree that the disclosure requirements as contained in paragraph 32-33 is appropriate and thus not seem to us that it requires additional information.

(c) ANAN considers the disclosure requirements about the cash flows appropriate in as much as it takes care the projected future cash flows over a period of 5 years which covers a mid-term projection.

#### **Specific Matter for Comment 6**

ANAN considers that the information given so far is very adequate and does not think of the need to undertake any further work on reporting on long-term fiscal sustainability.

#### **ABOUT ANAN**

The Association of National Accountants of Nigeria (ANAN) is a statutorily recognized Professional Accountancy body in Nigeria. The body is charged among others, with the responsibility of advancing the science of accountancy.

The Association was founded on 1<sup>st</sup> January, 1979 and operates under the ANAN Act 76 of 1993(Cap A26 LFN 2004), working in the public interest. The Association regulates its practising and non-practising members, and is overseen by the Financial Reporting Council of Nigeria.

Active ANAN members are 20,049, who are either FCNA or CNA and are found in Business, Practice, Academic and Public Sector in all the States of Nigeria and Overseas. The members provide professional services to various users of accountancy services.

ANAN is a member of the International Federation of Accountants (IFAC), International Association for Accounting Education & Research (IAAER), The Pan African Federation of Accountants (PAFA), and Associate of Accountancy Bodies in West Africa (ABWA).

Yours faithfully,

**ASSOCIATION OF NATIONAL ACCOUNTANTS OF NIGERIA**



**DR. SUNDAY A. EKUNE, FCNA**

*Registrar/Chief Executive*