

15 August 2013

The Technical Director
International Public Sector Accounting Standards Board
International Federation of Accountants
277 Wellington Street West, 6th Floor
Toronto, Ontario M5V 3H2 CANADA

Email: stepheniefox@ipsasb.org

Dear Stephenie

**SAICA SUBMISSION ON THE IPSASB CONCEPTUAL FRAMEWORK
PROJECT – PHASE 4- PRESENTATION IN GENERAL PURPOSE
FINANCIAL REPORTS**

In response to your request for comments on the *IPSAS's Conceptual Framework Project – Phase 4 Presentation in General Purpose Financial Reports*, attached is the comment letter prepared by The South African Institute of Chartered Accountants (SAICA).

We thank you for the opportunity to provide comments on this document.

Please do not hesitate to contact us should you wish to discuss any of our comments.

Yours sincerely

Mohammed Lorgat CA(SA)
Project Director– Public Sector

cc: Hadley Francis (Chairman of the Public Sector Committee)
PSC members

**SAICA SUBMISSION ON THE IPSASB CONCEPTUAL FRAMEWORK
PROJECT-PHASE 4 - PRESENTATION IN GENERAL PURPOSE
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RESPONSES TO THE SPECIFIC MATTERS FOR COMMENT

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?

Response:

Yes, we agree with the proposed descriptions of “presentation”, “display” and “disclosure”. We also support the relationship between presentation, display and disclosure as detailed under section 1.

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?

Response:

Yes, we agree with the three presentation decisions identified as we believe that financial information to be presented in the financial statements and GPFRs should be selected based on the qualitative characteristics, and that this information should be located, displayed and organised in way that ensures complies with the reporting framework and that the key messages in the GPFRs is understandable to the users.

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?

Response:

Yes, we do agree with proposed approach to making presentation decisions in Section I and do not have any further comments.

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)?

Response:

Yes, we agree with the description of information selection in the financial statements and within other GPRGS as detailed under Section 2 as we believe that:

- a) *For financial statements:* user needs includes the need to provide financial information for financial reporting purposes which should assist users in assessing the extent to which revenues, expenses, cash flows and financial results of the entity comply with the estimates reflected in approved budgets, and the entity’s adherence to relevant legislation or other authority governing the raising and use of public monies and determining how well a public sector entity has met it financial objectives.

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- b) *For other GPRFS*: user needs should be addressed by a particular report resulting in sufficient information being selected to meet the objectives of financial reporting.

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 GPRs; and,*
c) *Between different reports within GPRs?*

If not, how would you modify the descriptions?

Response:

Yes, we do agree with the description of information location in Section 3 because we believe that the location of information has an impact on the qualitative characteristics.

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 GPRs?*

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

Response:

Yes, we do agree with the description of information organisation. We believe that by organising information as described in Section 4, the qualitative characteristics of information, as described in the exposure draft are achieved.

Specific Matter for Comment 7

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

Response:

Yes, we do agree that the CF-ED4 contains sufficient detail on concepts applicable to presentation in GPRs including financial statements of governments and other public sector entities as it is also linked to the Chapters 1 to 4 of the Conceptual Framework, exposure drafts that discusses the definition and recognition of elements and measurement.

Paragraph BC 22 and BC 23 states, the ED will not attempt to identify a list of information that should be included in the financial statements. Although we agree with the reason that the ED should avoid over-specification so that the *Conceptual Framework* description of presentation concepts applicable to financial statements will remain relevant as changes occur, we believe that the ED should allow the various countries to develop their own financial statements templates which will assist in when consolidating own countries' public sector financial statements.