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22 June 2005

Dear Paul,

Disclosure Requirements for Recipients of External Assistance (ED 24)

Den norske Revisorforening (The Norwegian Institute of Public Accountants) is pleased to comment on ED 24.

We support the initiative taken by the IPSASB in developing this standard.

The standard will help the donors of external assistance to see how donations are used and give more comparative disclosures. We also note that if the standard is followed, the statements of recipients will be more readily comparable.

We have some comments to the questionnaire in the Annex to this letter.

Best regards,



Per Hanstad
CEO

Encl.

ANNEX

Specific Matters for Comment

1. Whether the proposed definition of "external assistance" in paragraph 5 is sufficiently broad to encompass all official resources received.

We agree that the definition is sufficiently broad.

2. Whether other sources of assistance, such as assistance provided by non-governmental organisations (NGOs), should also be included in the definition of "external assistance". Currently, the Exposure Draft requires that entities disclose all official resources received. Official resources as defined in paragraph 5 would exclude certain assistance received from NGOs.

We support the proposal.

3. Whether the Exposure Draft should specify the categories of external assistance by "major classes" without further specification.

The specification of categories will help comparing disclosures in financial statements and we support the draft ED paragraphs 13 – 15. It is important to retain the 'other' category.

4. The proposal to disclose the balance of, and changes in, undrawn external assistance during the period (paragraph 22).

We agree that the recording of undrawn external assistance is essential. We propose that a category of 'other' is added.

5. The proposal to disclose the terms and conditions of external assistance agreements as required by paragraphs 26-28 and other non-compliance thereof (paragraph 36).

We support the proposal that terms and conditions of external assistance agreements, and non-compliance thereof, should be disclosed.

6. Whether the proposals in paragraph 44 as noted below are appropriate:

- (a) To disclose the fair value of non-cash goods-in-kind; and*
- (b) That fair value should be based on the prices of equivalent goods or services in the recipient country.*

We support the proposal, but see that the disclosure of the fair value of goods in kind could place an undue burden on the recipients. We suggest that the provisions of paragraph 44 are reconsidered based on responses from the recipients to this ED.

7. Whether the disclosures proposed are appropriate. If the disclosures are considered excessive, the IPSASB would welcome input on which disclosures should not be required. The IPSASB would also welcome input on any key disclosures that have not been dealt with and should be required.

We believe that the disclosures are appropriate.

8. *Whether the proposal in paragraph 54:*

- (a) For a transitional period of two years is sufficient to apply this Standard. Is a longer transitional period necessary to ensure that the appropriate authorities in each recipient country are able to access the data necessary to properly account for external assistance?*
- (b) To exempt the requirement to disclose comparative figures during the first year of application of this Standard is appropriate.*

We believe that two years should be sufficient time to apply the Standard.

We agree with the proposal to exempt comparative figures in the first year.