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Government of the People's Republic of Bangladesh  
Ministry of Finance, Finance Division  
Development Budget Wing

No.FM/FD/JS(DB)/Misc-2/2005-241

Date:-15-06-2005

**Subject: Request for comments on IPSASB Exposure Draft.**

With reference to the subject mentioned matter the undersigned is directed to inform you that the Financial Reporting under cash basis Accounting - Disclosure Requirements for Recipients of External Assistance developed by the International Public Sector Accounting Standard Board is a worthy one. In our country the current strata in this area may be improved further by introducing Legal Framework for fruitful Financial Reporting system. Both Donors & Partner countries were in agreement at High level Forum in Paris on Joint Progress Toward Enhanced Aid Effectiveness (adopted as Paris Declaration) to harmonize their monitoring and reporting requirements. It was also observed that donors can rely more extensively on partner countries statistical, monitoring and evaluation systems. We do also consider that Donors should agree with partner countries to the maximum extent possible on joint formats for periodic reporting.

On this premise it is resolved by Bangladesh that with the introduction of IPSASB will materialize the Paris Declaration.



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## Comments on IPSASB Exposure Draft 24

1. Paragraph 5 – The definition of external assistance is broad enough to encompass all sources of funds. An explicit definition of official resources would be useful in this case.
2. Paragraph 5 – NGOs as a separate legal entity should not be included in the definition of external assistance unless the Government concerned control their cash as defined in paragraph 4 of the exposure draft.
3. Paragraph 13 – 15 - Explicit specification of the classes of external assistance is regarded as useful in promoting transparency.
4. Paragraph 22 – The disclosure of undrawn assistance in the notes of the financial statements is regarded as useful in promoting transparency. It is assumed, however, that inclusion in the accounts will only apply where the Accruals Accounting Standard has been adopted.
5. Paragraph 28 – The disclosure of the terms and conditions of the Balance of Payments Assistance agreement would be a matter for the Government.
6. Paragraph 44 – It is assumed that goods in kind would be included in the financial statements only in entities adopting the Accruals Accounting Standard. Valuation, in this case, would be problematic in a rules based environment where the audit opinion is on properly presented basis.
7. Disclosures – The disclosures for the purpose of the Standard do not appear excessive but consideration could be given to classifying some as compulsory and others as recommended.
8. A transitional period of two years would not be adequate for Bangladesh to comply with the Standard.

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