



**ZAMBIA INSTITUTE OF CHARTERED ACCOUNTANTS**

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

Dear Stephenie,

**Comments on Reporting on the Long-Term Sustainability of a Public Sector Entity's Finances (ED 46).**

The Zambia Institute of Chartered Accountants welcomes the opportunity to comment on the exposure drafts issued by the International Public Sector Accounting Standards Board (IPSASB). Our specific comments on the Exposure Draft 46 (**Reporting on the Long-Term Sustainability of a Public Sector Entity's Finances**):

**Question 1**

Do you agree that the characteristics of an entity that indicate whether users exist for information on long-term fiscal sustainability are those set out in paragraph 15? If you consider that there are more appropriate indicators please provide them.

***Comment***

*We do agree with the IPSASB conclusion as set out in paragraph 15 and BC 12.*

**Question 2**

Do you agree that the “dimensions” of long-term fiscal sustainability in paragraphs 27–37 provide a viable framework for narrative reporting on the long-term sustainability of an entity’s finances that complements and interprets the projections? If not, how would you modify this approach?

***Comment***

*We do agree with the proposal on the “dimensions” of long-term fiscal sustainability. The presentation of information on the long-term sustainability of an entity’s finances should be faithfully representative. We strongly support that Faithful representation could be satisfied by presenting narrative information on both a historical and prospective basis along with three inter-related dimensions of fiscal sustainability (Fiscal capacity, Service capacity and Vulnerability).*

**Question 3**

Do you agree with the guidelines in this ED on disclosure of principles and methodologies, including risks and uncertainties? If not, how would you modify these guidelines?

***Comment***

*We have no problem with the proposed disclosure of principles and methodologies, including risks and uncertainties. The proposed requirements seem to be adequate to provide guidance on how to supplement the statements of financial performance and financial position and meet the objectives of financial reporting, accountability and decision-making.*

The Institute will be ready to respond to any matters arising from the above comments.

Yours faithfully

**Musonda Boniface**

**Technical Officer**