

## **International Public Sector Accounting Standards Board Consultation Paper**

### **Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Presentation in General Purpose Financial Reports**

#### **Specific Matter for Comment 1** (See paragraphs 2.1 to 2.18)

With respect to the descriptions of “presentation”, “display”, “disclosure”, “core information”, and “supporting information”, and the proposed relationships between these terms:

- (a) Do you agree that the proposed descriptions and relationships are appropriate and adequate?

Yes the proposed descriptions and relationships are appropriate and adequate to achieve clear and consistent financial and non-financial reporting.

- (b) Do you agree that identification of core and supporting information for GPFRs should be made at standards level rather than as part of the Conceptual Framework?

It is agreed that broad guidelines relating to the identification of core and supporting information for GPFRs should be made at the Conceptual Framework Level. More details relating to particular financial/non financial components or areas would be made at standards level.

#### **Specific Matter for Comment 2** (See paragraphs 3.1 to 3.12)

With respect to the IPSASB’s approach to presentation of information:

- (a) Do you agree with the development of presentation concepts that can be adopted for the more comprehensive scope for GPFRs including, but not restricted to, financial statements?

Yes, agreed.

- (b) Do you agree with the approach of (i) focusing on user needs to identify presentation objectives, (ii) the application of the qualitative characteristics (QCs) to presentation decisions, and (iii) separate presentation concepts?

All three approaches agreed with. The Conceptual Framework may also include a high level discussion on how presentation concepts would be affected when finances are not sustainable or are in a crises situation. More detailed presentation concepts in this regards would be incorporated at standard setting level.

**Specific Matter for Comment 3** *(See paragraphs 4.1 to 4.5)*

This CP discusses the importance of developing presentation objectives as part of standard setting.

(a) Do you agree that presentation objectives should be developed?

Yes, presentation objectives should be developed to operationalise accountability and decision making objectives, and guide presentation decisions for a particular information area.

(b) If so, in your view, should they be developed at a standards level, or as part of the Conceptual Framework?

The key presentation objectives are to be discussed at the Conceptual Framework level whilst more detailed objectives would be included in individual standards.

**Specific Matter for Comment 4** *(See paragraphs 6.1 to 6.27)*

This CP proposed three presentation concepts. Please provide your views on these concepts, in particular whether:

(a) any of these concepts should be excluded from the Conceptual Framework; and

The three presentation concepts identified in the Consultation Paper are equally important. None of the presentation concepts are to be excluded from the Conceptual Framework.

(b) the description of each concept could be improved and, if so, how.

As regards the first concept of “what information needs to be shown”, more emphasis could possibly be placed on the trade off between timeliness and accuracy.

In relation to “where information should be located”, more guidance may be given regarding the display and disclosure of non-financial information.

With respect to “how information should be organised”, further guidance may be provided regarding the structure of GPFs and the relationship between financial and non-financial information

**Specific Matter for Comment 5** *(See paragraphs 6.1 to 6.27)*

Given the three concepts proposed, please provide your views on:

- (a) whether there are further concepts that should be included in the Conceptual Framework; and

The three Presentation Concepts referred to appear to be complete.

- (b) what those further concepts should be.

Not applicable.

**Specific Matter for Comment 6** *(See paragraphs 6.12, 6.17, 6.24, and 6.27)*

Each presentation concept refers to the possibility of developing criteria to determine the presentation techniques to be used in setting accounting standards. Please provide:

- (a) your views on whether it would be useful and workable for the IPSASB to apply such techniques; and

Yes, agreed with.

- (b) any suggestions you have for developing these techniques.

The criteria for selection of different types of information (core, summary, supporting, quantitative, narrative, indicators, graphs and tables) within different information areas as required by paragraph 6.12 should be set in a clear and unambiguous manner to enhance consistency and comparability.

Moreover, it is agreed that, when developing these techniques, further guidance, supported by practical examples, is to be provided. Such guidance would relate to the standardisation, the layering of information (through the display of core information, followed by disclosure of more detailed breakdowns and supporting information in other parts of a GPFR), the link between supporting information and core information and reconciliations between different numerical totals in different parts of a GPFR. As a result, the classification of information within a GPFR would be facilitated, and information included therein would be presented in a coherent and comprehensive manner to aid understandability and comparability.

**NAO (Malta)**  
**30.05.12**