

Finance

Comptroller's Division

Provincial Comptroller  
715 – 401 York Avenue  
Winnipeg, Manitoba R3C 0P8  
Phone: 945-4919  
Fax: 948-3539  
E-mail: [betty-anne.pratt@gov.mb.ca](mailto:betty-anne.pratt@gov.mb.ca)

May 31, 2012

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

Dear Sir/Madam:

**Re: Consultation Paper – Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Presentation in General Purpose Financial Reports (GPFRs)**

Thank you for the opportunity to comment on the IPSASB Conceptual Framework. The Consultation Paper (CP) "Presentation in General Purpose Financial Reports" is the fourth and final phase in the IPSASB Conceptual Framework. An exposure draft on presentation in GPFR will be issued by IPSASB once it has had a chance to assess the preliminary views on the CP.

The Province of Manitoba continues to question the appropriateness of including non-financial and prospective information in a conceptual framework for accounting standards. The inclusion of non-financial and prospective information within the conceptual framework would require extensive time and resources to achieve. The Province believes that the scope for the conceptual framework should be limited to general purpose financial statements (GPFS) which can be prepared in an objective manner and can be verified. It is desirable to have standards for the consistent preparation of financial statements between jurisdictions, but there is less of a need for comparison for reports on service performance levels and prospective financial information.

The Province of Manitoba does not support the inclusion of GPFRs within the IPSASB conceptual framework. IPSASB pronouncements on reports beyond GPFS should be presented as non-authoritative guidelines. There are significant differences between countries and jurisdictions within countries that apply IPSAS. Decisions on the preparation of GPFRs should remain within the authority of the individual countries and jurisdictions.

Generally we agree with the contents of the CP but we do not view the inclusion of GPFRs in the Conceptual Framework as appropriate for Canadian governments. All of the Province's responses to the attached "Specific Matters for Comment" are for GPFS.

We would like to again thank IPSASB for the opportunity to comment on this CP.

Yours truly,

"original signed by"

Betty-Anne Pratt, CA  
Provincial Comptroller  
Province of Manitoba

## Specific Matters for Comment

1. **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?**
  - b) **Do you agree that identification of core and supporting information for GPFRs should be made at a standards level rather than as part of the Conceptual Framework?**

The Province of Manitoba agrees with the CP's description of presentation, display and disclosure. The Province agrees that display is synonymous with core information and disclosure with supporting information.

The identification of core and supporting information for GPFS should be included as part of the Conceptual Framework.

2. **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 of GPFRs including, but not restricted to, financial statements?**
- b) **Do you agree with the approach of (i) focusing on user needs to identify presentation objectives, (ii) application of the qualitative characteristics (QCs) to presentation decisions, and (iii) separate presentation concepts?**

The Province believes that the development of presentation concepts should be limited to GPFS.

The primary users of public sector financial statements are the general public who need clear and understandable information to evaluate the government's performance against approved budgets. The Province agrees that presentation objectives and standards should be developed with these users in mind.

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

- a) **Do you agree that presentation objectives should be developed?**
- b) **If so, in your view, should they be developed at a standards level, or as part of the Conceptual Framework?**

The Province agrees that presentation objectives should be developed for GPFS. The objectives of GPFS should primarily be to evaluate the government's management of its financial resources and assessing whether the resources were administered in accordance with the legislated authorities.

The objectives for GPFS should be included as part of the Conceptual Framework.

4. **This CP proposes 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**
- b) **The description of each concept could be improved and, if so, indicate how.**

The most significant presentation concept is what information should be shown in GPFS. The information presented should satisfy all QCs but must be obtained in a timely manner on a cost effective basis. One of the most significant QCs is representational faithfulness. All material transactions and events should be presented in a complete manner that conveys their substance rather than its legal or other form.

The determination of where information and how information for GPFRs should be left to the preparer.

## Specific Matters for Comment

5. In addition to the three concepts proposed in Section 6, please provide your views on:
- a) Whether there are further concepts that should be included in the Conceptual Framework; and
  - b) What those further concepts should be.

The Province is not aware of any other presentation concepts that should be added.

6. 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
  - b) Any suggestions you have for developing these techniques.

Accounting standards should be principle based. Reporting entities should be left to determine the best method to present the information as long as it complies with the standard and presents the information fairly. Auditors will determine if the presentation complies with the standard and faithfully represents the events or transactions.