

By e-mail
Stephanie Fox
Technical Director
International Public Sector Accounting Standards Board
IFAC

Our ref: TECH-CDR-1103

30 May 2012

Dear Ms Fox

IPSASB: Conceptual Framework – Presentation in General Purpose Financial Reports

ACCA (The Association of Chartered Certified Accountants) welcomes the opportunity to comment on phase four of the development of the conceptual framework.

ACCA is the global body for professional accountants. We aim to offer business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management. We support our 147,000 members and 424,000 students throughout their careers, providing services through a network of 83 offices and centres. A significant proportion of our members also work within public sector and therefore this consultation is highly relevant to them.

As stated in our previous responses to the development of a conceptual framework, we are highly supportive of the direction it is taking and value the opportunity of being consulted at each development stage. In relation to the specific questions we have set out our responses below.

Responses to specific questions

Specific Matter 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?

We agree that the proposed descriptions and relationships are fit for purpose. We are also in favour of the core information for the general purpose financial reports being met at the standards level rather than through the conceptual framework.

Specific Matter for Comment 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?

We agree with both (a) and (b). Focusing on user needs to identify presentation objectives is paramount and the application of qualitative characteristics is essential to the user's understanding of the GPFR.

Specific Matter for Comment 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?

Yes, we agree that presentation objectives should be further developed, but we would prefer that these are developed at standards level. We believe that if they are addressed through standards there will be a greater likelihood of the presentation objectives being implemented by public entities.

Specific Matter for Comment 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, how.

Overall, the presentation concepts set out in the consultation appear comprehensive. However, it would be helpful if these concepts could set out examples of the types of judgements to be disclosed in the GPFR. Professional judgment is normally made when complying with accounting standards so it is not clear from the consultation what type of judgments, if any, you are expecting to be disclosed. Such disclosure could also lead to unintended bias.

Specific Matter 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.**

As set out in (5) above, the concepts outlined appear comprehensive.

Specific Matter for Comment 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.**

Most of the criteria included in paragraphs 6.12, 6.17 and 6.27 are capable of being utilised when developing accounting standards. Perhaps the criteria outlined in paragraph 6.24, such as developing links and cross referencing of information through the use of tables, graphs etc., will be the most tricky to address through accounting standards. This might be better addressed through additional guidance and examples of good practice.

We hope you find the above useful. If you would like to discuss any of the above further please contact Gillian Fawcett (Head of Public Sector) on 02070595674 or e-mail: gillian.fawcett@accaglobal.com

A handwritten signature in black ink, appearing to read 'G. Fawcett', written in a cursive style.

Gillian Fawcett
Head of Public Sector