

## REQUEST FOR COMMENTS

### ***Preliminary View 1 - The Authority of the IPSASB Framework (following paragraph 1.7)***

*The IPSASB Framework will not establish new authoritative requirements for financial reporting by public sector entities that adopt IPSASs, nor will it override the requirements of existing IPSASs. In selecting accounting policies to deal with circumstances not dealt with in IPSASs or other guidance issued by the IPSASB, public sector entities will refer to, and consider the applicability of, the definitions, recognition criteria, measurement principles, and other concepts identified in the IPSASB Framework.*

I agree with preliminary view 1. But, preliminary views 7 - The Qualitative Characteristics of Information Included in GPFs are different of IPSAS 1 “Appendix B: Qualitative Characteristics of Financial Reporting » which is an integral part of the Standard.

### ***Preliminary View 2 - General Purpose Financial Reports (GPFs) (following paragraph 1.15)***

*GPFs are financial reports intended to meet the common information needs of a potentially wide range of users who are unable to demand the preparation of financial reports tailored to meet their specific information needs.*

I agree with preliminary view 2.

### ***Preliminary View 3 - The Users of GPFs (following paragraph 2.7)***

*As a mechanism for focusing on their common information needs, the potential users of GPFs of public sector entities are identified as:*

- recipients of services or their representatives;*
- providers of resources or their representatives; and*
- other parties, including special interest groups and their representatives.*

*The legislature is a major user of GPFs. It acts in the interest of members of the community, whether as recipients of services, providers of resources, or citizens with an interest in, or need for, particular services or activities.*

In my opinion, first, citizens are the potential users of GPFs. Then information should be adapted with citizens’s needs.

### ***Preliminary View 4- The Objectives of Financial Reporting (following paragraph 2.22)***

*The objectives of financial reporting by public sector entities are to provide information about the reporting entity useful to users of GPFs for:*

- accountability purposes; and*
- making resource allocation, political and social decisions.*

I agree with preliminary view 4, but it seems necessary to modify the title of financial reporting. The title amended could be “Reporting” alone.

**Preliminary View 5 - The Scope of Financial Reporting (following paragraph 3.18)**

*The scope of financial reporting encompasses the provision of financial and non-financial information about:*

*economic resources of the reporting entity at the reporting date and claims to those resources;*

*the effect of transactions, other events, and activities that change the economic resources of the reporting entity and claims to those resources during the reporting period, including cash inflows and outflows and financial performance;*

*the reporting entity's compliance with relevant legislation or regulation and legally adopted or approved budgets used to justify the raising of monies from taxpayers and ratepayers;*

*the reporting entity's achievement of its service delivery objectives; and*

*prospective financial and other information about the reporting entity's future service delivery activities and objectives, and the resources necessary to support those activities.*

*It also encompasses explanatory material about: (a) the major factors underlying the financial performance of the entity, the achievement of its service delivery and other objectives and the factors which are likely to influence its performance in the future; and (b) the assumptions underlying and major uncertainties affecting the information included in GPFs.*

I agree with preliminary view 5, but it seems necessary to modify the title of financial reporting. The title amended could be "Reporting" alone.

**Preliminary View 6 - Evolution of the Scope of Financial Reporting (following paragraph 3.22)**

*The scope of financial reporting should evolve in response to users' information needs, consistent with the objectives of financial reporting.*

I agree with preliminary view 6 because users' information needs evolve.

**Preliminary View 7 - The Qualitative Characteristics of Information Included in GPFs (following paragraph 4.40)**

*The qualitative characteristics of information included in GPFs of public sector entities are:*

*relevance, which encompasses confirmatory value, predictive value, or both;*

*faithful representation, which is attained when depiction of economic or other phenomena is complete, neutral, and free from material error;*

*understandability;*

*timeliness;*

*comparability; and*

*verifiability (including supportability).*

*Constraints on financial reporting are materiality, cost, and achieving an appropriate balance between the qualitative characteristics.*

I agree with preliminary view 7 if "The Qualitative Characteristics of Information Included in GPFs" aren't different of IPSAS 1 "Appendix B: Qualitative Characteristics of Financial Reporting » which is an integral part of the Standard.

***Preliminary View 8 - Characteristics of a Reporting Entity (following paragraph 5.10)***

*The key characteristic of a reporting entity is the existence of users who are dependant on GPFs of the entity for information for accountability purposes, and for making resource allocation, political, and social decisions.*

*A public sector reporting entity may be an entity with a separate legal identity or other organisational structure or arrangement.*

I agree with preliminary view 8.

***Preliminary View 9 – The Composition of a Group Reporting Entity (following paragraph 5.35)***

*A group reporting entity will comprise the government (or other public sector entity) and other entities when the government (or other public sector entity):*

*has the power to govern the strategic financing and operating policies of the other entities (a “power criterion”); and*

*can benefit from the activities of the other entities, or is exposed to a financial burden that can arise as a result of the operations or actions of those entities; and can use its power to increase, maintain, or protect the amount of those benefits, or maintain, reduce, or otherwise influence the financial burden that may arise as a result of the operations or actions of those entities (a “benefit or financial burden/loss” criterion).*

I agree with preliminary view 9 if the definition of group is in conformity with IPSAS 6 and 8.

Jean - Bernard Mattret