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August 12, 2013

Ms. Stephanie Fox
Technical Director
International Public Sector Accounting Standards Board
International Federation of Accountants
277 Wellington Street West, 6th Floor
Toronto, Ontario M5V 3H2 CANADA

Dear Ms. Fox:

On behalf of the Association of Government Accountants (AGA), the Financial Management Standards Board (FMSB) appreciates the opportunity to provide comments to the International Public Sector Accounting Standards Board (IPSASB) on its April 2013 Exposure Draft 4 - *Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Presentation in General Purpose Financial Reports* (ED). The FMSB is comprised of 25 members (list attached) with accounting and auditing backgrounds in federal, state and local government, as well as academia and public accounting. The FMSB reviews and responds to proposed standards and regulations of interest to AGA members. Local AGA chapters and individual members are also encouraged to comment separately.

General Comments

This ED sets out the concepts that the IPSASB proposes the preparer and auditor should apply when reaching a decision regarding presentation of information in a general purpose financial report (GPFR), which may include a general purpose financial statement. The FMSB has reviewed the proposed Conceptual Framework ED and generally agrees with IPSASB's proposed concept document. We support the approach being used by the IPSASB in developing a Conceptual Framework that can be used by the standard setters in developing proposed standards, by preparers when applying the IPSASB's standards and by auditors in determining if applicable standards have been applied correctly. We recognize that the IPSASB's proposed Conceptual Framework must be a broadly worded document that allows flexibility, especially given the international scope of the IPSASB's audience.

However, the FMSB believes that the IPSASB might consider expanding upon the guidance proposed regarding the issue of disclosure. Paragraph 1.4 of the ED states that disclosed information make displayed information more useful, by providing detail that will help users understand the displayed information. This definition might be interpreted to limit disclosures to only displayed items. We believe that the IPSASB might expand the definition to clearly allow the preparer to provide relevant information that might meet the threshold for recognition but is clearly a matter that should be brought to the attention of users. The IPSASB should also consider whether this is the appropriate place



to expand upon the matter of disclosure to present the concept that some disclosures will be considered essential and thus covered by the independent auditor's opinion whereas other disclosures might be considered supplementary and thus not subjected to the same scrutiny by an independent auditor. If this is the case, then we suggest that guidance be expanded. Following are our answers to the specific matters for comment posed by the IPSASB.

Specific Matters for Comment

1. Do you agree with the proposed descriptions of "presentation", "display", and "disclosure" and the relationships between them in Section 1? If not, how would you modify them?

The FMSB agrees with the proposed descriptions regarding presentation and display, but disagrees with the proposed description of "disclosure". As stated in our general comments, we believe the description of the term "disclosure" should be reviewed and, if appropriate, expanded to provide for the matter of required disclosures and supplemental disclosures.

2. Do you agree with the identification of three presentation decisions (selection, location and organization) in section 1? If not, how would you modify the identification of presentation decisions?

The FMSB agrees with the IPSASB's identification of the three presentation decisions.

3. Do you agree with the proposed approach to making presentation decisions in Section 1? If not, how would you modify it?

The FMSB agrees with the proposed approach, except for our concerns regarding the description of the term "disclosure" which we believe should be expanded. See our general comments regarding our rationale for this statement.

4. Do you agree with the description of information selection in Section 2:
 - (a) In the financial statements; and
 - (b) Within other GPFs?If not, how would you modify the description(s)?

The FMSB agrees with the description of information selection in Section 2.

5. Do you agree with the description of information location in Section 3:
 - (a) In the financial statements;
 - (b) In other GPFs; and,
 - (c) Between different reports within GPFs?If not, how would you modify the description(s)?

The FMSB agrees with the description of information location in Section 3.

6. The FMSB agrees with the description of information location in Section 4.
 - (a) In the financial statements; and
 - (b) In other GPFs?If not, how would you modify the description(s)?

The FMSB agrees with the description of information location in Section 4.

7. Do you consider that CF-ED4 contains sufficient detail on concepts applicable to presentation in GPFRs, including the financial statements, of governments and other public sector entities? If not, how would you extend the proposals?

The FMSB generally agrees with the IPSASB's Conceptual Framework, except for our concerns regarding the description of the term "disclosure". See our general comments above.

We would like to thank you for allowing us to submit our comments to the exposure draft. Should there be any questions regarding our comments, please contact Steven Sossei at ssossei@agacgfm.org or (518) 522-9968.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric S. Berman", with a long horizontal flourish extending to the right.

Eric S. Berman, CPA, Chair
AGA Financial Management Standards Board

cc: Mary Peterman, CGFM, CPA
AGA National President

**Association of Government Accountants
Financial Management Standards Board**

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