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To whom it may concern,

The Institute of Certified Public Accountants in Ireland welcomes the opportunity to comment on:

**“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, we agree. The level of adequacy will become apparent once the descriptions and relationships are being practically applied in preparing GPFs.

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

Yes, we agree as this direction is most likely to be adhered to by preparers of the accounts. However, consideration should also be given to referencing the principal of ‘identification of core and supporting information’ in the Framework in order to cover situations not specifically addressed by the standards.

**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 of GPFRs including, but not restricted to, financial statements?**

Yes, we strongly agree as public sector activities should add value, due to the ethos of meeting a public need, despite this activity not operating on a break-even or profitable financial basis. A more comprehensive scope for GPFRs will facilitate demonstrating this value.

**(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?**

(i) Yes, although it may be preparers of the GPFR who decide on the identity of the users and their needs. Users of public sector information are many and varied.

(ii) Yes, we agree. This approach already applies to financial information prepared under IFRS, as per the current IFRS Framework adopted by the IASB.

(iii) This could be an optional choice, given that the reason for this approach could be clearly explained by the preparers of the GPFR.

**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, we agree.

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

Standards level, as preparers are more likely to adhere to specific direction.

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

**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**  
No, we agree that these concepts should be included in the Framework.

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

We would offer the following for consideration:

**Select information which meets user needs:**

Central Government department (ministries) and public sector bodies in Ireland publish Strategy Statements. These statements ought to give expected direction over a number of years, stating quantifiable, measurable key performance indicators against which the level of achievement towards expected outcomes can be demonstrated.

Where possible, achievement levels in relation to these strategic outcomes should be referenced in public sector general purpose financial reports (GPFRs) where those reports are relevant, even in a minor manner, to Strategy Statements.

#### **Cost-benefit test**

1. The benefits of information are dependent what the user does with the information. The preparers of GPFRs may not know all these uses.
2. The public sector may decide not to present information because the inclination is not to deal with the task and may state 'cost-benefit' as an excuse. To off-set this, where a decision is made not to present information, the reasons for this decision, with supporting evidence where possible, should be given.
3. Some necessary public services are provided to minority population segments who depend on such services. In such instances, GPFRs may never pass a cost-benefit test, yet is still necessary for users, including decision-makers.

#### **Timely**

The public sector may display a tendency to 'miss' deadlines. Where expected timeframes are not met, the reasons for this event should be stated, along with a specific schedule of when the information will be available. This may allow users, including decision-makers, to adjust their own position accordingly.

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

**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**

No comment.

##### **(b) What those further concepts should be.**

No comment.

#### **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, it would appear feasible.

##### **(b) Any suggestions you have for developing these techniques.**

In relation to concept 3 (relationships & comparability), considering the vast sources from which information can be collated for inclusion in GPFRs, these sources should be

referenced in some manner. This approach may further assist users and serve as an indication of the quality of GPFRs.

The Institute of Certified Public Accountants would be happy to discuss the above with you.

Yours sincerely,

Noel Browne  
Chairperson, Financial Reporting Sub - Committee

