

August 15, 2016

Mr John Stanford  
Technical Director  
International Public Sector Accounting Standards Board  
International Federation of Accountants  
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United States of America

By Email  
[johnstanford@ipsasb.org](mailto:johnstanford@ipsasb.org)

Dear Mr John Stanford

**COMMENTS ON IPSASB EXPOSURE DRAFT 61,  
AMENDMENTS TO FINANCIAL REPORTING UNDER THE CASH BASIS OF  
ACCOUNTING (THE CASH BASIS IPSAS)**

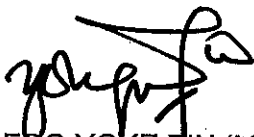
We thank you for the opportunity to comment on IPSASB Exposure Draft 61, *Amendments to Financial Reporting under the Cash Basis of Accounting (the Cash Basis IPSAS)*.

In this regard, we are pleased to attach the Institute's comments as set out in Appendix I for your consideration.

Please do not hesitate to contact the undersigned or the Institute's Senior Technical Manager, Ms Hoh Kim Hyan, at +603-2698 9622 should you require any clarification.

Thank you.

Yours sincerely



FOO YOKE FIN (Mr)  
Executive Director

**THE MALAYSIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS**  
**(INSTITUT AKAUNTAN AWAM BERTAULIAH MALAYSIA)**

**International Public Sector Accounting Standards Board**

**Exposure Draft 61**

***Amendments to Financial Reporting under the Cash Basis of Accounting***  
***(the Cash Basis IPSAS)***

**Questionnaire**

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The IPSASB proposes to remove from Part 1 of the Cash Basis IPSAS requirements relating to the preparation of consolidated financial statements and the disclosure of information about external assistance and payments made by third parties. The IPSASB proposes that these requirements be modified and relocated as encouragements in Part 2 of the Cash Basis IPSAS. Part 2 of the IPSAS will encourage, but not require, the preparation of consolidated financial statements and the disclosure of certain information about external and other assistance and payments made by third parties.

The removal of requirements relating to consolidation, external assistance and third party payments in Part 1 of the IPSAS is intended to overcome major obstacles to adoption of the IPSAS identified by preparers and public finance management experts in many jurisdictions. The amendments to Part 2 have been made to clarify and reinforce the role of the encouraged disclosures in supporting an entity's transition to the accrual basis of financial reporting and adoption of accrual IPSASs. The amendments are intended to establish a clear and achievable transition path to adoption of the accrual IPSASs by ensuring that the encouraged disclosures are not contrary to the equivalent accrual IPSASs, unless intended to be so to reflect the cash basis focus in this Standard.

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**Specific Matter for Comment 1**

Do you agree with the changes to the Cash Basis IPSAS proposed in this exposure draft (ED)? If not, please provide your reasons. In explaining your reasons for supporting or disagreeing with the proposed amendments, the IPSASB would welcome your views on the capacity of public sector entities in your jurisdiction to achieve compliance with the requirements of, and present the additional information encouraged by, the Cash Basis IPSAS amended as proposed by this ED.

**MICPA's Comments:**

The changes proposed in the exposure draft would help to circumvent the practical issues involved, especially in consolidation, for example difficulties in identifying all controlled entities at reporting date, inconsistencies and differences in basis of reporting for public sector entities; and the availability and accessibility to required data for timely reporting.

In this regard, the Institute agrees to the proposed changes.

**Specific Matter for Comment 2**

Since issue of the Cash Basis IPSAS in 2003, the accrual IPSASs then on issue have been updated, and in some cases withdrawn and/or replaced, and new IPSASs and Recommended Practice Guides (RPGs) have been issued. The IPSASB would welcome your views on whether requirements or guidance drawn from any of these IPSASs or RPGs should be included as additional requirements or encouragements in the Cash Basis IPSAS in the future and, if so, which requirements or guidance.

**MICPA's Comments:**

The Institute does not have any comments on this matter.