

Finance

Comptroller's Division

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April 13, 2012

Technical Director
International Public Sector Accounting Standards Board
International Federation of Accountants
277 Wellington Street West, 6th Floor
Toronto, Ontario
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Dear Sir/Madam:

Re: Consultation Paper – Reporting Service Performance Information

Thank you for the opportunity to comment on Consultation Paper – Reporting Service Performance Information.

The Province strongly believes that IPSASB should only consider **non-authoritative guidance** for public sector entities that **choose** to report service performance information. IPSASB should only offer general guidance on reporting service performance information. Similar to PSAB's SORP 2 the guidance should not be prescriptive and should not be intended as a template for reporting all service performance information. Addressing the non-financial performance of a public entity and linking it to the financial performance of the entity is extremely complex. It requires a significant amount of judgment and knowledge to present relevant information to the users.

However the Province does believe that providing a common approach and language on information that should be communicated to users can contribute to an enhanced level of relevance in the information being provided.

Preliminary Views:

- 1) *The reporting of service performance information is necessary to meet the objectives of financial reporting (accountability and decision-making) as proposed in the Conceptual Framework Exposure Draft.*

The Province does not view the reporting of service performance information as “necessary” to meet the objectives of financial reporting. Reporting service performance information for some financial statements is not appropriate. For example it would not be useful to report service performance information on the consolidated financial statements of governments since governments have numerous ongoing objectives. Service performance information is more useful for departmental or public sector entity reports.

- 2) *Developing a standardized service performance information terminology for the reporting of service performance information is appropriate, and should include the seven terms and working definitions in Table A on page 14.*

The guidance provided by IPSASB is helpful but should not be prescribed for all GPFs.

- 3) *Components of service performance information to be reported are (a) information on the scope of the service performance information reported, (b) information on the public sector entity's objectives, (c) information on the achievement of objectives, and (d) narrative discussion of the achievement of objectives.*

The Province agrees with this preliminary view.

- 4) *The qualitative characteristics of information and pervasive constraints on the information that is currently included in GPFRs of public sector entities also apply to service performance information.*

The Province agrees with this preliminary view. Materiality, the cost-benefit of preparing the information, and the trade-off between relevance and reliability should always be considered when reporting on performance information.

Specific Matters for Comment:

- 2) *Do you agree that this project should not identify specific indicators of service performance?*

The Province agrees that IPSASB should not identify specific indicators of service performance.

- 3) *Should service performance information included in GPFRs be prepared for the same reporting entity as for general purpose financial statements (GPFSS)?*

The Province does not agree with this specific comment. The boundaries for service performance reporting should be left to the reporting entity and should not be prescribed by IPSASB.

- 4) *This CP identifies four dimensions of service performance information that are necessary to meet the needs of users.*

The Province agrees that IPSASB's four dimensions of service performance are helpful to meet the needs of users but they should not be viewed as necessary.

- 5) *Should service performance information be reported (a) as part of the GPFR that is currently issued (for example, an annual financial report) but not part of the GPFSS, (b) in a separately issued GPFR, or (c) in both a separately issued GPFR and as part of the currently issued GPFR?*

The inclusion of service performance legislation should be left to the reporting entity. If practical the reporting on service performance information should be included in the annual report that includes the GPFS. However the issuance of GPFS is usually directed by legislation. The information required for service performance reporting may not be available until well after the legislated deadline for GPFS.

Conclusions:

The Province wants to take the opportunity to emphasize that future guidance on reporting performance information should be non-authoritative. Reporting on performance information goes well beyond the scope of financial reporting. Reporting on performance information is unique to each reporting entity and too complex for developing authoritative prescriptive guidance.

We would like to again thank you for the opportunity to comment on this issue.

Yours truly,

Betty-Anne Pratt, CA
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Province of Manitoba