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Individual Commentary

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PAIB COMMITTEE

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Developing and Reporting Supplementary Financial Measures—Definition, Principles, and Disclosures

I am Denise Juvenal this is pleased to have the opportunity to comment on this consultation of the Developing and Reporting Supplementary Financial Measures—Definition, Principles, and Disclosures; this is my individual commentary for Professional Accountants in Business (PAIB) Committee of The International Federation on Accountants – IFAC. I agree with this proposal of discussion paper of The PAIB Committee.

Guide for Commentators

The aim of this International Good Practice Guidance (IGPG), Developing and Reporting Supplementary Financial Measures, is to establish a benchmark for good practice in for developing and reporting supplementary financial measures to assist management, investors, and other stakeholders in understanding some aspect of an organization’s performance.

By encapsulating good practice in a series of principles, the emphasis of this guidance, as is the case with the other IGPGs, is to support professional accountants in business by helping them consider how to apply good practice principles rather than instructing them on implementing specific supplementary performance measures.

The PAIB Committee would like to receive comments on all topics addressed in this proposed IGPG. Those offering comments are asked to refer to specific paragraphs, include the reasons for the comments, and, where appropriate, make explicit suggestions for proposed changes to wording. The PAIB Committee is particularly interested in comments on the matters below.

The terminology

- 1. Does the title fit in the context of this IGPG or should it be replaced by a different or more refined title or term?**

Yes, I think that the title fit in the context of this IGPG. The Developing and Reporting Supplementary Financial Measures—Definition, Principles, and Disclosures has view point that is very important for governance in the organizations.

- 2. Are the definitions in Appendix A suitable for this guidance? Can or should they be further clarified?**

Yes, I understand that the definitions in Appendix A are suitable for this guidance for this moment. However, in relation the definition of Stakeholders, I suggest for the board, if agrees, that observe the consideration of importance of definition of “Key Stakeholders”. On the other hand, this point has relation with the responsibility of the CFO or CEO¹ that can imply in the quality of the application of the management commentary and corporate governance in the organizations. I suggest for the board discuss with others regulators, for this, I do not know.

The principles

- 3. Do the principles cover all the fundamental areas for establishing a benchmark for good practice in developing and reporting supplementary financial measures?**

Yes, I think that these principles cover all the fundamental areas for establishing a benchmark for good practice in developing and reporting supplementary financial measures.

I suggest for the board, if agrees, that observe some discussions in relation measurement and valuation, these results can be modify or include some principles, for example: the Governmental Accounting Standards Board – GASB elaborated discussion about “FAIR VALUE MEASUREMENT AND APPLICATION”², as the Proposed Statement of Financial Accounting Concepts—Conceptual Framework for Financial Reporting: Chapter 8: Notes to Financial Statements elaborated for Financial Accounting Standards Board - FASB³, so The Financial Reporting Council – FRC discuss about Accountancy and Actuarial Disciplinary Schemes⁴.

¹ <http://www.ifac.org/publications-resources/role-and-expectations-cfo-global-debate-preparing-accountants-finance-leaders>

² [http://www.gasb.org/cs/BlobServer?blobkey=id&blobnocache=true&blobwhere=1175828766945&blobheader=application%2Fpdf&blobheadername2=Content-Length&blobheadername1=Content-](http://www.gasb.org/cs/BlobServer?blobkey=id&blobnocache=true&blobwhere=1175828766945&blobheader=application%2Fpdf&blobheadername2=Content-Length&blobheadername1=Content-Disposition&blobheadervalue2=858834&blobheadervalue1=filename%3DED_-_Fair_Value_Measurement_and_Application.pdf&blobcol=urldata&blobtable=MungoBlobs)

³ <http://www.fasb.org/cs/BlobServer?blobkey=id&blobnocache=true&blobwhere=1175828468314&blobheader=application%2Fpdf&blobheadername2=Content-Length&blobheadername1=Content->

The guidance

4- Is the application guidance for each principle adequate to guide good practice?

Yes, the application guidance for each principle is adequate to guide good practice. I suggest for the board, if agrees, can be very useful for this proposal the discussion about Risk Management for governance, the OECD elaborates this paper that I understand can improve this discussion⁵.

5. Is the disclosure guidance for supplementary financial measures adequate to guide good practice?

Yes, the disclosure guidance for supplementary financial measures is adequate to guide good practice.

6. Are there other resources on supplementary financial measures that should be considered for inclusion in the appendices?

No, there are not other resources on supplementary financial measures that should be considered for inclusion in the appendices.

Other issues

7. How useful do you find this IGPG?

I think this IGPG is very useful as the Principles for Effective Business Reporting Processes (2013)⁶ for improve corporate governance in the organizations.

8. Do there need to be additional IGPGs in the area of business reporting?

No, there do not need to be additional IGPGs in the area of business reporting.

Thank you for opportunity for comments this proposal; if you have questions do not hesitate contact to me, rio1042370@terra.com.br.

Best Regards,

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⁴ <https://www.frc.org.uk/Our-Work/Publications/Professional-Discipline/Consultation-Accountancy-and-Actuarial-Disciplinar-File.pdf>

⁵ <http://www.oecd.org/daf/ca/risk-management-corporate-governance.pdf>

⁶ <http://www.ifac.org/publications-resources/principles-effective-business-reporting-processes>