


February 11, 2019

Mr. Ian Carruthers, Chairman
International Public Sector Accounting Standards Advisory Board
529 Fifth Avenue
New York, NY 10017

Dear Chairman Carruthers and Members of the Board –

Thank you for the opportunity to comment on *Exposure Draft 67, Collective and Individual Services and Emergency Relief (Amendments to IPSAS 19)*. I hope my enclosed responses to the specific matters for comment (SMC) will be useful to the Board.

Sincerely,

A handwritten signature in black ink, appearing to read "Ricky A. Perry, Jr.", with a large, stylized flourish extending to the left.

Ricky A. Perry, Jr., CPA, CGFM
Senior Financial Auditor / Federal Financial Management Analyst
United States of America

Enclosure

SMC Responses

SMC 1

Do you agree with the definitions of collective services and individual services that are included in this Exposure Draft? If not, what changes would you make to the definitions?

Yes, I agree. However, the Board may wish to consider incorporating language from paragraphs AG2-AG3 into the definitions. It may be challenging for practitioners to grasp the full meaning of these terms based solely on the current definitions. I gained a sufficient understanding of the terms only after reading paragraphs AG2-AG3.

SMC 2

Do you agree that no provision should be recognized for collective services? If not, under what circumstances do you think a provision would arise?

Yes, I agree.

SMC 3

Do you agree that no provision should be recognized for individual services? If not, under what circumstances do you think a provision would arise?

Yes, I agree.

SMC 4

Do you agree with the proposed accounting for emergency relief? If not, how do you think emergency relief should be accounted for?

Overall, I partially agree. I mostly agree with the overall approach, and I concur with paragraph BC24, which notes that specific disclosures about emergency relief need not be layered onto already-applicable IPSAS disclosure requirements. However, I also have one concern for the Board's consideration:

Should the proposed guidance contemplate and address *emergency relief provisions and contingent liabilities resulting from past events caused by entity assets*, such as dam failures, nuclear accidents, or weapons accidents? Does the Board find the proposed guidance to be reliably appropriate for such events, or should factors other than those provided for under IPSAS 19 paragraphs 29-30 be considered when deciding whether or not to recognize provisions? Will entities' provisions, contingent liabilities, and financial positions be fairly presented on a consistent basis when applying the guidance in such scenarios, or should the guidance be sharpened to help bridge the gap? Consider, for example, situations when recognition of material amounts of constructive obligations is extremely delayed as a result of prolonged processes to enact proposed emergency relief laws in response to accidents and disasters caused by entity assets. Perhaps additional application guidance should be provided for such situations.