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Agenda Item
4A

Date: August 29, 2011
Memo to: Members of the IPSASB
From: Gwenda Jensen
Subject: Draft Consultation Paper: The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Phase 4: Presentation

Objectives

- To review the draft Consultation Paper (CP) and provide directions to Staff on the key issues in this memorandum and other changes necessary to gain approval; and
- To approve the CP.

Agenda Material

4A.1 Draft Consultation Paper

Background

1. Presentation and Disclosure (P&D) is Phase 4 of the IPSASB's Conceptual Framework (Framework) project. During 2010 and at its March 2011 meeting the IPSASB established that the CP should propose high-level concepts that apply the QCs to presentation and are general enough to apply both to financial statements and more comprehensive scope GPFRs information outside of the financial statements. In March the IPSASB also provided comment on a preliminary draft CP, which illustrated five presentation concepts and a draft structure for the CP. Members directed Staff to revise the draft CP for the IPSASB's consideration at its June meeting, incorporating feedback provided.

2. In June 2011 the IPSASB reviewed a revised CP which described the relationship between "presentation," "display," and "disclosure;" proposed revised presentation concepts; and, provided brief coverage of how the concepts were developed. The IPSASB directed that the CP be amended as follows:

    - Introduce the notions of "critical" information, which is displayed, and "supporting" information, which is disclosed. In the case of financial statements, "display" applies to information shown on the face of a financial statement. For "more comprehensive scope" information, hereafter termed "additional" information, develop criteria to guide the identification of critical information that would be covered by the word "display."

- Replace Diagram A with a diagram that conveys this distinction between "display" and "disclosure."
- Continue to focus on the proposed approach to presentation concepts, but also include discussion of the relative merits of three different conceptual approaches: the proposed approach; an approach focused on presentation objectives that meet users' needs; and, an approach involving the direct application of the qualitative characteristics (QCs) to three presentation areas (what information, where information is located, and how information is organized.)
- Revise coverage of the proposed approach to include overarching issues (users' needs, judgment, etc) and the revised presentation concepts.
- Integrate information types relevant for accountability and decision-making (taken from the list in Appendix D), into the section that sets out the presentation concepts; Section 4 in this draft CP.

3. A draft CP was circulated to the Task Based Group (TBG) and Advisory Group in July. Revisions were made in response to TBG and Advisory Group comments received, and a revised CP was circulated to the IPSASB for comment in August. Revisions were then made in response to IPSASB comments received.

Next Steps

4. The Consultation Paper is designed to solicit input from constituents on issues related to presentation in order to inform the development of a draft Exposure Draft for Phase 4 of the Conceptual Framework. The key actions requested of the IPSASB in Toronto are: (a) to identify any remaining changes necessary to approve the paper; and, if possible, (b) to approve the paper conditional on those final changes being made.

Key Issues

Key Issue 1 – Meaning of "Presentation"

5. The CP describes "presentation" as "the selection, organization, display and disclosure of information to meet the needs of users, objectives of financial reporting, and QCs," which is consistent with previous IPSASB views. The CP also identifies three broad types of presentation decisions: what information is presented, where information is presented, and how information is organized.

6. Comments received from respondents in the latest consultation with Advisory Group and Board members have raised several issues related to this description of "presentation." One view expressed is that "presentation," as described, encompasses two different conceptual issues; "selection of information" and "presentation of information," which should be discussed separately. "Selection of information" could be defined as "the mode and timing for collecting information to meet the needs of users, objectives of financial reporting, and QCs." "Presentation" could be defined as "the organization and the placement of

information to meet the objectives of financial reporting, needs of users and QCs,"

7. Some respondents have found the distinction between presentation decisions related to "where information is located" and "how information is organized" unclear. Paragraph 3.2 has been included to make the distinction clearer. The organization of information could be said to include decisions about location (i.e. "where" could be a subset of "how organized"). The main reason for treating information location decisions ("where" decisions) as a separate presentation decision type is that such decisions are viewed as very important and, arguably, warrant consideration separate from other information organization issues. The distinction between "where" and "how organized" tends to break down when considering location decisions at the detailed level, involving decisions such as the ordering of line times within a statement.

8. One respondent expressed the view that the three presentation decision areas should be increased to five with "when" and "how often" information is presented included as two further types of presentation decision. This expands the meaning of "presentation" from that originally proposed, but better aligns "presentation" with Section 4's coverage, where the presentation concepts include a concept addressing timelines and frequency, and with the QCs' coverage. Expanded conceptual coverage of these two issues (frequency and timeliness) was viewed as important, with the distinction between "timeliness" meaning "not too late," and "frequency" relating to "with sufficient frequency such that reporting is not too costly and not too rare as to be incapable of useful comparison" emphasised. The question arises as to whether these issues are best addressed under CP Presentation or within the discussion of QCs in the revised CF-ED 1 of Phase 1.

9. Concerns were also expressed as to whether there is sufficient justification in the paper for treating "presentation" as covering both "display" and "disclosure."

Action Required

Members are asked to **provide** directions to Staff on whether:

(a) the present descriptions of "presentation' and the three presentation decision types are adequate; and

(b) there is sufficient justification for the IPSASB's view that "presentation" should cover both "display" and "disclosure."

Key Issue 2 – Summary information and supporting information

10. The Board's discussion at its June 2011 meeting introduced the notions of "critical" information, which is displayed, and "supporting" information, which is disclosed. During consultation on earlier drafts of this CP, concerns were expressed that use of the word 'critical' for some information in GPFRs implied the creation of a hierarchy whereby "critical" information was more important than non-critical supporting information. In response to these concerns the term

"summary information" has been used instead of "critical information," and changes made to Diagram A, which now uses this term. Other words that could be used for "summary" information include "primary," "key," or "main."

11. The word "element" was also suggested to identify "summary" information, on the basis that financial elements provide summarized information (refer Framework—ED—2) and the concept of an "element" applies to summary information that should be displayed. Within the context of financial statements information displayed on the face of a statement includes element totals and also includes element subclassifications, aggregations and combinations.

12. The CP distinguishes summary information from supporting information as follows:

    Summary information: Provides an overview or summary; highlights key messages related to an information area; is information central to the achievement of users' needs; and, meets the majority of users' needs relevant to a particular area.

    Supporting information: Provides a more comprehensive, in-depth, detailed explanation of what the summary information shows and makes summary information more useful by explaining its basis, context, and relevant other detail

13. One respondent argued that supporting information is *not* more comprehensive, more detailed, or more in-depth than summary information. Summary information can, in fact, be more detailed and more comprehensive than supporting information. For this respondent the key difference between the two types of information was that supporting information provides descriptions or explanations related to the summary information. Alternative wording for supporting information was proposed as follows:

    Supporting information: Provides descriptions of the accounting and finance-related policies underlying information that has been displayed, more detail about or explanations of information that has been displayed, and additional information about financial position or financial activities that does not meet the criteria for recognition.

14. Respondents had different views about what information should be classified as summary information as opposed to supporting information. For example, financial statement discussion and analysis information was viewed by some respondents as consisting entirely of *supporting* information and by others as consisting entirely of *summary* information. A related concern is whether the display/disclosure distinction will be useful for presentation decisions for more comprehensive scope information where there is no obvious boundary between summary and supporting information.

Action Required

Members are asked to **provide** directions to Staff on whether:

(a) The descriptions of "summary" and "supporting" information adequately distinguish between these two types of information. (see Section 2, paragraphs 2.2 to 2.10 of the draft CP); and,

(b) Diagram A (on page 9 of the draft CP) captures Board Members' views on the relationships between "presentation," "display," and "disclosure."

Key Issue 3 - Three Alternative Approaches to Presentation Concepts

15. In June the IPSASB directed that the draft CP include a description of three alternative approaches to the development of presentation concepts, either as a separate section or as an introduction to the detailed coverage of the proposed approach involving separate presentation concepts. Approach A involves direct application of the QCs to three types of presentation decisions: what information is presented, where information is presented, and how information presentation is organized. Approach B involves development of users' needs-focused objectives that could be used in determining presentation. Approach C combines identification of users' needs with development of a separate set of presentation concepts through application of the QCs to presentation.

16. Comments received on earlier draft of the CP indicated that coverage of each approach needed to be expanded and the draft was revised accordingly, while retaining the paper's primary focus on the application of Approach C (see Section 4). One respondent suggested that the paper should provide equal coverage of the three approaches. This could be done through providing each approach with a separate section, and reducing coverage for Approach C, by treating presentation technique material – presently integrated into Section 4 – as generic to all three approaches and including it instead in Section 2.

Action Required

Members are asked to **provide** directions to Staff on whether:

(a) The descriptions of the three alternation approaches to presentation concepts in Section 3 of the draft CP adequately describe and discuss the three approaches;

(b) Coverage of each approach in the Executive Summary is sufficient;

(c) Coverage of the alternative approaches in the Specific Matters for Comment is clear and sufficient;

(d) Each approach should have its own separate section, or the descriptions of all three approaches should remain in one section (presently Section 3), with only the application of Approach C being shown in a separate section (Section 4); and

(e) Presentation techniques should be treated as generic to all three approaches and moved from Section 4 to Section 2.

Key Issue 4 – Presentation Concepts Proposed and Contents of Draft Consultation Paper

17. The draft CP proposes the following four presentation concepts:

Concept 1: Select the right information and ensure an appropriate level of detail to meet users' needs ;

Concept 2: Present information with sufficient timeliness and frequency;

Concept 3: Locate and organize information to meet users' needs; and,

Concept 4: Make important relationships clear and support comparability.

18. These concepts are briefer that previous concepts, in response to suggestions received from consultation on an earlier version of the draft CP. An earlier draft of the CP included six concepts, based on the IPSASB's June' discussion. Changes to those concepts in response to concerns about overlapping or redundant coverage reduced the number of concepts to four. Respondents' comments on the remaining four proposed concepts include concerns about whether:

- Concept 2 should be divided into two concepts that would address timeliness separately from frequency; and,
- Concepts 2 and 4 are redundant, on the basis that they do not add to the qualitative characteristics of timeliness, understandability and comparability.

Action Required

Members are asked to **provide** directions to Staff on:

(a) Whether or not each concept should be included in the CP, any improvements that could be made to each concept's description, each concept's related presentation techniques, and any other issues related to the concept;

(b) Whether there are further presentation concepts that should be included in the CP; and,

(c) The structure and contents of the draft CP, including whether any additional information should be included.

DRAFT Consultation Paper

[September] 2011

Comments are requested by Month XX, 2012

International Public Sector Accounting Standards Board

Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities:

Presentation



International Federation of Accountants

DRAFT CONSULTATION PAPER

CONCEPTUAL FRAMEWORK FOR GENERAL PURPOSE FINANCIAL REPORTING BY PUBLIC SECTOR ENTITIES:

PRESENTATION

Background to the Conceptual Framework

The *Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities* (the Conceptual Framework) will establish and make explicit the concepts that are to be applied in developing International Public Sector Accounting Standards (IPSASs) and other documents that provide guidance on information included in general purpose financial reports (GPFRs).

IPSASs are developed to apply across countries and jurisdictions with different political systems, different forms of government and different institutional and administrative arrangements for the delivery of services to constituents. The International Public Sector Accounting Standards Board (IPSASB) recognizes the diversity of forms of government, social and cultural traditions, and service delivery mechanisms that exist in the many jurisdictions that may adopt IPSASs. In developing this Conceptual Framework, the IPSASB has attempted to respond to and embrace that diversity.

The Accrual Basis of Accounting

This Consultation Paper (CP) deals with concepts that apply to general purpose financial reporting (hereafter referred to as financial reporting) under the accrual basis of accounting.

Under the accrual basis of accounting, transactions and other events are recognized in financial statements when they occur (and not only when cash or its equivalent is received or paid). Therefore, the transactions and events are recorded in the accounting records and recognized in the financial statements of the periods to which they relate.

Financial statements prepared under the accrual basis of accounting inform users of those statements of past transactions involving the payment and receipt of cash during the reporting period, obligations to pay cash or sacrifice other resources of the entity in the future and the resources of the entity at the reporting date. Therefore, they provide information about past transactions and other events that is more useful to users for accountability purposes and as input for decision-making than is information provided by the cash basis or other bases of accounting and financial reporting.

Project Development

The IPSASB is developing the Conceptual Framework with input from an advisory panel comprising a number of national standard setters and similar organizations with a role in establishing financial reporting requirements for governments and other public sector entities in their jurisdictions.

The purpose of the IPSASB's Conceptual Framework project is to develop concepts, definitions and principles that:

- Respond to the objectives, environment and circumstances of governments and other public sector entities; and therefore

- Are appropriate to guide the development of IPSASs and other documents dealing with financial reporting by public sector entities.

Many of the IPSASs currently on issue are based on International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), to the extent that the requirements of those IFRSs are relevant to the public sector. The IPSASB's strategy also includes maintaining the alignment of IPSASs with IFRSs where appropriate for the public sector.

The IASB is currently developing an improved Conceptual Framework for private sector business entities in a joint project with the Financial Accounting Standards Board (FASB) of the USA. Development of the IASB's Conceptual Framework is being closely monitored. However, development of the IPSASB's Conceptual Framework is not an IFRS convergence project, and the purpose of the IPSASB's project is not to interpret the application of the IASB Framework to the public sector.

The concepts underlying statistical financial reporting models, and the potential for convergence with them, are also being considered by the IPSASB in developing its Conceptual Framework. The IPSASB is committed to minimizing divergence from the statistical financial reporting models where appropriate.

Earlier drafts of this CP have benefited greatly from comments received from an advisory group, made up of representatives from national standard setters.

Consultation Papers and Exposure Drafts

Although all the components of the Conceptual Framework are interconnected, the Conceptual Framework project is being developed in phases. The components of the Conceptual Framework have been grouped as follows, and are being considered in the following sequence:

Phase 1—the scope of financial reporting, the objectives of financial reporting and users of GPFRs, the qualitative characteristics (QCs) of information included in GPFRs, and the reporting entity;

Phase 2—the definition and recognition of the "elements" of financial statements;

Phase 3—consideration of the measurement basis (or bases) that may validly be adopted for the elements that are recognized in the financial statements; and

Phase 4—consideration of the concepts that should be adopted in deciding how to present financial and non-financial information in GPFRs.

The project initially involves the development and issue for comment of CPs that draw out key issues and explore the ways in which those issues could be dealt with. The CP dealing with Phase 1 was issued in September 2008[1]. CPs dealing with Phase 2 and Phase 3, and the Exposure Draft (ED) dealing with Phase 1 were issued in December 2010[2].

[1] Consultation Paper, *Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: The Objectives of Financial Reporting; The Scope of Financial Reporting; The Qualitative Characteristics of Information Included in General Purpose Financial Reports; The Reporting Entity.*
[2] Consultation Paper, *Elements and Recognition in Financial Statements* (Framework—CP1—Elements), Consultation Paper, *Measurement of Assets and Liabilities in Financial Statements* (Framework—CP2—Measurement), and Conceptual Framework Exposure Draft 1 (Framework—ED1), *Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Role, Authority, and Scope; Objectives and Users; Qualitative Characteristics; and Reporting Entity.*

The IPSASB's current intention is to issue Exposure Drafts dealing with each of Phases 2, 3 and 4 of the Conceptual Framework after consideration of responses to the CPs dealing with those Phases. The process for developing the finalized Conceptual Framework will be determined in light of the responses received to the CPs and EDs, and may include issue of an umbrella ED of the full Conceptual Framework.

Objective of the Consultation Paper

This CP, *The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Presentation*, sets out the specific matters on which comments are requested. To achieve the widest possible consultation, the IPSASB has not provided preliminary views on the issues. Respondents may choose to address all or just some selected matters, and are welcome to comment on any other matter they think the IPSASB should consider in forming its views.

Guide for Respondents

The IPSASB welcomes comments on all of the matters discussed in this CP. Comments are most helpful if they indicate the specific paragraph or group of paragraphs to which they relate, and contain a clear rationale.

The Specific Matters for Comment requested in the CP are provided below.

Specific Matter for Comment 1 *(See paragraphs 2.1 to 2.11)*

Are the descriptions of "presentation," "display," "disclosure," "summary information," and "supporting information," and the proposed relationships between these terms, appropriate?

Specific Matter for Comment 2 *(See paragraphs 3.1 to 3.20)*

With respect to the discussion of different conceptual approaches applicable to presentation concepts:

(a) Do you agree with the proposal for high-level presentation concepts, which relate to both information in financial statements and other information, reported outside of financial statements but within the GPFRs?

(b) Are the descriptions of three possible approaches to presentation concepts appropriate?

(c) Are there any other conceptual approaches that you would propose?

(d) Do you agree with the proposal to follow conceptual Approach C?

Specific Matter for Comment 3 *(See paragraphs 4.1 to 4.32)*

There are four presentation concepts proposed in this CP. Please provide your views on these concepts, in particular whether:

(a) any of the concepts should be excluded from the Framework, or whether there are further concepts that should be included in the Framework;

(b) the description of each concept could be improved; and

(c) illustrative presentation techniques should be included with the concepts and, if so, whether the techniques included for each concept could be enhanced, reduced, or improved.

Executive Summary

This CP explores presentation concepts applicable to public sector GPFRs, including public sector general purpose financial statements (GPFSs). It begins by describing "presentation," "display," "disclosure," "summary information," and "supporting information." "Presentation" covers both "display" and "disclosure" of information. "Display" relates to "summary information," which provides an overview or summary of information to meet users' needs, highlighting key messages. "Disclosure" applies to the provision of "supporting information." "Supporting information" provides a more comprehensive, in-depth, detailed explanation of what the summary information shows, and information on the summary information's basis.

The CP then discusses three possible approaches to the development of presentation concepts. The first approach, Approach A, involves direct application of the QCs to three types of presentation decisions: what information is presented, where information is presented, and how information is organized. Approach A takes the view that the QCs adequately address the fundamental considerations relevant to the development of presentation specifics. The QCs should directly guide presentation, without the need for an intermediary set of presentation concepts that interpret the QCs. The second approach, Approach B, involves development of users' needs-focused objectives that are more specific than, but consistent with, GPFRs' overall objectives of accountability and decision-making usefulness. The objectives developed under Approach B would be specific enough to guide presentation requirements and practice.

The third approach, Approach C, is a combination of two processes; (1) identification of the information needs of users, and (2) presentation concepts developed through application of the QCs to presentation. Approach C acknowledges the important role that users' needs play with respect to presentation requirements, but treats identification of users' needs as best done at the standards level. Direct application of the QCs to the three types of presentation decisions applies in combination with the presentation concepts. Approach C combines the key aspects of Approaches A and B (QCs and users' needs), while adding the additional dimension of separate concepts focused on presentation.

Applying Approach C, the CP proposes the following four presentation concepts:

1. Select the right information and ensure an appropriate level of detail to meet users' needs;
2. Present information with sufficient timeliness and frequency;
3. Locate and organize information to meet users' needs; and,
4. Make important relationships clear and support comparability.

These presentation concepts are intended to guide the development of presentation requirements within pronouncements issued by the IPSASB, and to guide preparers as they consider aspects of financial reporting additional to the requirements of standards.

1 Introduction

1.1 This Consultation Paper (CP) is Phase 4 of the *Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities*. It explores presentation concepts that could be adopted for public sector General Purpose Financial Reports (individually, a GPFR, and collectively, GPFRs) including General Purpose Financial Statements (GPFSs), hereafter "financial statements." It considers presentation within the context of the more comprehensive scope for general purpose financial reporting that has been proposed in Phase 1.

1.2 This CP discusses three different conceptual approaches for the development of presentation concepts. All three approaches aim to develop high level concepts that are relevant to both financial statements and more comprehensive scope information outside of the financial statements rather than standards level requirements such as the specification of required statements or line items within statements.

1.3 After discussing the three different approaches the CP then sets out four presentation concepts developed through application of the third of these approaches (Approach C), which involves development of separate presentation concepts that relate the QCs, proposed in the Conceptual Framework Exposure Draft 1 (Framework—ED1), *Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Role, Authority, and Scope; Objectives and Users; Qualitative Characteristics; and Reporting Entity* to presentation.

Relevance of Work Done in Phase 1 of Conceptual Framework

1.4 This CP builds on and is intended to be read within the context established in Framework—ED1. Framework—ED1 proposes that GPFRs of public sector entities include, but are more comprehensive than, financial statements, including their notes. Framework—ED1 also proposes that the objectives of financial reporting are to provide information about the entity that is useful to users for accountability and decision-making purposes. The form of presentation should support those objectives. Presentation concepts proposed in this paper have been developed to apply to this more comprehensive scope for financial reporting. They also relate to the objectives, users, and needs of users proposed in Phase 1, and meet the QCs and constraints articulated in Phase 1.

1.5 The QCs are relevance, faithful representation, understandability, timeliness, comparability, and verifiability. The descriptions of these six QCs in Framework—ED1 are provided in Appendix A. Each of the QCs is integral to, and works with, the other QCs to ensure that reported information is useful for achieving the objectives of financial reporting. However, in practice, all QCs may not be fully achieved, and a balance or trade-off between certain of them may be necessary. Framework—ED1 further notes that the extent to which the QCs can be achieved may differ depending on the degree of uncertainty and subjective assessment or opinion involved in compiling financial and non-financial information. Materiality, cost-benefit, and achievement of an appropriate balance between the QCs are pervasive constraints on information included in GPFRs.

Relevance of Work Done in Phase 2 Elements and Phase 3 Measurement

1.6 Phase 2—Elements and Phase 3—Measurement of the IPSASB's conceptual framework project cover the definition, recognition, and measurement of the elements reported in the financial statements. In December 2010 CPs were issued for each Phase. Consultation Paper, *Elements and Recognition in Financial Statements* (Framework—CP2—Elements):

- comments on the boundary between financial elements and presentation, explaining that subclassifications within an element, and aggregations or combinations of elements, fall within presentation rather than elements;
- states that disclosure of information in the notes to the financial statements does not compensate for a failure to recognize items that meet the definitions and specified recognition criteria of elements;
- states that certain types of note disclosures with respect to recognized items can enhance information for decision making and accountability;
- states that notes can provide further detail about recognized items; and
- notes that how financial elements are defined can impact on what needs to be presented on the faces of the different financial statements.

1.7 The Consultation Paper, *Measurement of Assets and Liabilities in Financial Statements* (Framework—CP3—Measurement) states that proper presentation and disclosure can ensure that the measurement bases used and the amounts reported on each basis are clear.

2 Meaning of presentation, display, and disclosure

2.1 This section explores what is meant by "presentation," and describes the relationship between "presentation," "display," and "disclosure." Standard setters have previously looked at presentation concepts that focused narrowly on the financial statements. The intention is to develop concepts that apply to all information within the scope of financial reporting, and not just the financial statements. Taking a broader perspective involves developing concepts that can be applied to a more diverse set of information and presentation needs.

Presentation, display and disclosure

2.2 "Presentation" is the selection, organization, display, and disclosure of information to meet the needs of users, objectives of financial reporting, and QCs. Effective presentation provides necessary information, organized in a manner that clearly communicates that information and achieves the QCs of financial reporting within the pervasive constraints on information.

2.3 Presentation covers both "display" and "disclosure" of information. **Diagram A** below shows the interrelationships between "presentation," "display," and "disclosure."

Diagram A: Presentation, Display, and Disclosure

GPFRs	
Financial statements (GPFSs)	Other (more comprehensive scope) information May include non-financial, prospective financial, compliance, and additional explanatory information
Presentation	
Display—Face of a statement (Summary information)	Display (Summary information)
Disclosure (Supporting information)	Disclosure (Supporting information)

2.4 Diagram A divides information into financial statements (GPFSs) and other (more comprehensive scope) information. Presentation applies to both financial statements and other (more comprehensive scope) information. For financial statements, summary information is displayed on the face of a statement, while supporting information is disclosed in the notes. For other (more comprehensive scope) information a variety of different presentation techniques could be used to display the applicable summary information and distinguish it from the related supporting information.

Display and disclosure

2.5 "Display" relates to "summary information," which provides an overview or summary within an information area[3], highlighting key messages related to that area. Display of "summary information" is central to achievement of users' needs. For the financial statements, "display" applies to the information shown on the face of a statement. For information inside GPFRs but outside of the financial statements, "display" applies to summary information that may be shown in ways designed to provide an overview and are appropriate to (a) meeting the needs of users, and (b) the characteristics of the information shown. Examples of possible display techniques for information in GPFRs but outside of the financial statements include the use of lists (for example, lists of critical indicators), tables, statements, and graphs.

2.6 Summary information meets the majority of users' needs relevant to a particular information area, but is more useful to the extent that supporting information adequately explains its basis, context, and relevant other detail.

2.7 "Disclosure" applies to the provision of "supporting information." "Supporting information" is likely to provide a more comprehensive, in-depth, detailed

[3] An "information area" is either a GPFR or a major subsection within a GPFR. Examples of "information areas" include service performance information, information on the long term sustainability of the public finances, financial statements, and financial statement discussion and analysis,

explanation of what the summary information shows, and information on the summary information's basis. Two examples of supporting information within the context of two different information areas are:

- Financial statements: The notes to a financial statement explaining a line item in the financial statements; and
- Long-Term Sustainability of Public Finances: Information on principles, methodologies, updating of projections, frequency of reporting, and demographic and economic assumptions.

2.8 A presentation issue for information outside of the financial statements is how best to use presentation techniques to adequately distinguish summary information and supporting information. In some cases a similar approach to that used in the financial statements (i.e. face of a statement for summary information versus notes for supporting information) could be used. In other cases, summary information may need to be distinguished from supporting information using some other techniques. For example within a service performance report, presentation techniques such as borders, headings, and the use of a more prominent location within the report could be used to distinguish service performance summary information from service performance supporting information.

2.9 When developing presentation requirements for a particular GPFR information area, it is important to identify (a) what summary information would need to be displayed, and (b) how the information should be displayed. Both aspects will be informed by users' needs and the characteristics of the information to be displayed. It is possible that not all GPFR information areas will involve both summary information and supporting information.

2.10 This description of presentation has been developed to apply to both the financial statements and other information reported outside of the financial statements but within the GPFRs, where different types of information may need to be shown using a wider set of presentation approaches. It contrasts with a view held by some that, in the context of financial statements, "presentation" addresses information reported on the face of a statement, while "disclosure" addresses information that is reported in the notes.

Fair presentation

2.11 In the context of this CP, "presentation" has a narrower scope than "fair presentation." "Fair presentation" encompasses a wider set of issues, including not only presentation (as described above) but also the definition, recognition, and measurement of elements. This CP does not address issues related to the definition, recognition, and measurement of elements. The definition, recognition, and measurement of financial elements are covered in Phases 2 and 3 of the conceptual framework and discussed the CPs issued in December 2010.

3 Presentation concepts, decisions, and conceptual approaches

Presentation concepts versus presentation decisions

3.1 Presentation concepts are high-level principles for general application that will guide (a) how the IPSASB makes decisions on presentation requirements and guidance to be included in standards and other pronouncements, and (b) how preparers make their presentation decisions. Presentation decisions can be divided into three broad types. Decisions that relate to:

- *what* information needs to be shown. For example, decisions about:
  - what information items (particular statements, notes, sets of supporting information, other items) should be included in GPFRs; and,
  - at the level of an individual item in GPFRs such as a statement, what particular line items, comparatives, totals, subtotals, explanations, and supporting schedules are needed to achieve that item's purpose.
- *where* information should be located. For example, decisions about:
  - whether information should be separated in financial statements or elsewhere in GPFRs; and,
  - whether information should be displayed on the face, or disclosed in the notes (in the case of presentation involving statements).
- *how* information should be organized. For example, decisions about:
  - the use of a statement to show information (as opposed to narrative, a table, or a graph); and
  - a statement's overall structure (including decisions on the number and type of columns to include, number and ordering of line items, and the use of titles and headings.)

3.2 For example, twenty different items of information may be identified for inclusion in a particular GPFR. That decision relates to *what* information is presented. Of those items, six may be identified as information that should be displayed prominently (for example, on the face of a statement) and the other fourteen items may be identified as supporting information that should be disclosed less prominently (for example in related notes). That decision relates to *where* information is presented. Of the six items reported prominently, it may be decided that the items should be arranged in tabular form, with three items per column and the items in each column following a particular sequence within the column. That decision relates to *how* information is *organized*.

Presentation concepts, evolving scope, and users' needs

3.3 Presentation concepts need to be applicable to a wide range of different types of information reported in GPFRs. Some types of information are identifiable. For example, standards have been produced on reporting actual and budget information and disclosure of information on the general government sector in statistical bases of reporting. Projects have been initiated by the IPSASB to develop guidance on (a) reporting on the long-term sustainability of the public

finances, (b) service performance reporting, and (c) financial statement discussion and analysis reporting (also called "narrative reporting"). However, the evolution of user needs is such that future financial reporting information demands cannot be predicted. The four presentation concepts proposed in this paper (Section 4) are intended to apply to the development of presentation requirements for any information area.

3.4 Consistent with the IPSASB's view that the content and structure of GPFRs are standards-level concerns, this CP focuses on high level presentation concepts rather than the specification of, for example, (a) a set of GPFRs that an entity should prepare to meet the objectives of financial reporting (b) the types of information that should be included in different GPFRs, (c) a list of financial statements, or (d) the broad content of financial statements.

3.5 The next subsection describes three approaches that were considered by the IPSASB in developing the presentation concepts presented in Section 4.

Approach A—Application of the QCs to the three presentation decision types

3.6 Approach A involves direct application of the QCs developed in Phase 1 of the conceptual framework project to the three presentation decision types (what information, where located, and how organized). Relevance and faithful representation, for example, apply to decisions about what information should be presented. Relevance requires that information selected for presentation should be capable of making a difference in achieving financial reporting objectives and should have confirmatory value, predictive value, or both. Faithful representation requires that information be complete. All information necessary for faithful representation of a phenomenon should be provided. At the same time, information should be neutral, i.e. selected without bias. The table on the following two pages provides further illustration of how the QCs relate to the three presentation decision types.

TABLE 1: QUALITATIVE CHARACTERISTICS AND THE THREE TYPES OF PRESENTATION DECISIONS

This table groups the QC descriptions in Framework—ED—1 to the three types of presentation decisions.

	Presentation Decision Types		
Qualitative characteristic	**What information is shown**	**Where information is shown**	**How information is organized**
Relevance	Information that - is capable of making a difference in achieving financial reporting objectives - has confirmatory value, predictive value, or both.	There is no mention, within the Framework—ED-1 description of this QC, of information location. The more information that is identified as being relevant, the greater the potential need to consider whether information needs to be located in different places.	There is no mention, within the Framework—ED-1 description of this QC, of organization of information. The more information that is identified as being relevant, the greater the potential need to consider the best way to organize information.
Faithful representation	*Complete:* Include all information necessary for faithful representation of the phenomenon *Neutral:* Select information without bias	*Neutral:* Locate without bias	*Neutral:* Organize without bias
Understandability	The description of understandability in Framework—ED-1 does not mention implications for what information is shown. However understandability impacts in combination with relevance. For users to understand information there must be sufficient relevant information.	Locate information in a manner that responds to the needs and knowledge base of users, and to the nature of the information presented	Organize information in a manner that responds to the needs and knowledge base of users, and to the nature of the information presented. Present information in a manner that is readily understandable by users. Classify, characterize and present information clearly and concisely.
Timeliness	The description of timeliness in Framework—ED-1 does not mention implications for what information is shown. However, arguably the frequency and timeliness of GPFRs impacts on "what information."	No impact	No impact
Comparability	The description of comparability in Framework—ED-1 does not mention implications for what information is shown. However, changes to information shown over time impact on comparability. Comparability also indicates a need for supporting information, to allow users to make an informed assessment of comparability.	Organize so that like things look alike, and different things look different.	Organize so that like things look alike, and different things look different.

	Presentation Decision Types		
Qualitative characteristic	**What information is shown**	**Where information is shown**	**How information is organized**
Verifiability	When reporting certain types of information: - Assumptions that underlie the information, - Methodologies adopted in compiling it, and - Factors and circumstances that support any opinions expressed or disclosures made.	The extent to which information can be verified and the different ways in which different types of information are verified may impact on where information is shown.	No impact

3.7 This approach takes the view that the QCs have already adequately addressed the fundamental considerations relevant to the development of presentation specifics. Under this view, the QCs should guide presentation requirements and practice without interpretation. Approach A avoids the need to develop a separate set of presentation concepts and, arguably, provides a more direct and reliable application of the QCs to presentation than would be involved if there were an intermediate set of presentation concepts. One argument against this approach is that application of the QCs in the absence of the identification of users' needs could lead to presentation that fails to take into account the relative importance that users may place on individual QCs within different contexts. But this approach does not prevent reference to users' needs when applying the QCs. Arguably the QCs and the information constraints must operate within the context of users needs or defined information objectives. For example qualitative characteristics such as relevance and representational faithfulness only have meaning when referenced to the fulfillment of objectives or needs.

Approach B—User needs focused presentation objectives

3.8 Approach B involves identifying user needs focused objectives that presentation requirements will aim to meet. Only after the objectives for presentation are clearly identified can the appropriate presentation requirements be developed. User needs focused presentation objectives are viewed as fulfilling the function of concepts, because those objectives will guide presentation requirements.

3.9 This approach could appear to cover the same ground as that covered in Phase 1 of the Framework Project. Phase 1 proposed that GPFRs' overall objectives are to provide information for accountability and decision-making usefulness. But this approach aims to identify more specific objectives that, once identified, will drive the construction of individual GPFRs, statements and their content. These more specific objectives are viewed as operationalizing the accountability and decision-making usefulness objectives, which are viewed as being too high level to guide presentation decisions.

3.10 For example, this approach, combined with the users' needs discussed in Framework—ED 1, could generate the following seven presentation principles:

Users need to be able to assess:

1. The types and amount of resources available for providing services in future periods and claims to those resources;
2. The amount, sources, and uses of resources raised during the period;
3. The cost of services provided during the period and the amount and sources of cost recovery during the period;
4. Whether resources have been used economically, efficiently, and effectively, and in accordance with approved budgets and other authority that justified the raising and use of those resources;

5. The entity's performance in achieving its service delivery objectives, including quantitative and qualitative aspects of its service delivery;

6. Anticipated future service delivery activities and objectives of the entity, including information about their anticipated cost and the amount and sources of the resources that will be allocated to their provision; and

7. Prospective financial and other information useful in assessing the sustainability of government operations and programs, and at what level.

3.11 The benefit of this approach is that it recognizes the central importance of users' needs for developing presentation requirements.

3.12 Arguments against this approach include that users' needs are more appropriately identified for each specific GPFR information area, as a first step in developing standards level presentation requirements for a specific area. It could also be argued that this approach conflicts with Phase 1's concept of users' needs, because it replaces the over-arching importance of users' needs with a particular set of objectives and does not take into account the evolving nature of users' needs. For example, the Australian Accounting Standards Board (AASB) has initiated work in this area which has identified an initial set of objectives that arguably equate users' needs with Public Financial Management (PFM) objectives[4]. A third criticism is that consideration of users' needs in the absence of consideration of the QCs could lead to presentation that addresses user needs, but does not adequately address the QCs.

3.13 Approach B could also be viewed as having wider relevance than presentation, applying also to the definition, recognition, and measurement of financial elements. From this perspective these concepts would sit between GPFRs' objectives and the Framework building blocks developed in Phases 2, 3 and 4. Then the principles generated by this approach could not be characteristized as specific to presentation.

Approach C—Users' needs and separate presentation concepts derived from the QCs

3.14 Approach C is a combination of two processes; (1) identification of the information needs of users, and (2) presentation concepts developed through application of the QCs to presentation. Approach C combines the key aspects of Approaches A and B (QCs and users' needs), while adding the additional dimension of separate concepts focused on presentation.

[4] The five principles developed by the AASB's initiative are that users need to be able to assess: (i) the ability of the entity to meet its commitments as and when they fall due, and whether that ability is changing over time; (ii) the flexibility of the entity to change its financial structure, and whether that flexibility is changing over time; (iii) the ability of the entity to adapt operationally to changes in its environment, and whether that ability is changing over time; (iv) the sustainability of the business model being employed, and whether that sustainability is changing over time; and (v) the ability of the entity to meet its operational objectives.

3.15 Approach C has been developed through:

- a review of approaches by other standard setters to presentation concepts, the implicit concepts underlying IPSASB and other standard setters' presentation-related pronouncements, and effective communication principles;
- consideration of the types of concepts needed to address presentation-related decisions;
- application of the QCs to presentation with reference to the pervasive constraints on information; and
- a discussion of different possible approaches to presentation concepts and specific proposed concepts.

3.16 The concepts are developed through applying the QCs to the three types of presentation decisions. Each concept relates to several QCs. The presentation concepts supplement the QCs rather than replace them.

3.17 Approach C aims to develop generic presentation concepts that can be applied to the development of presentation requirements and guidelines for any GPFR information area. They include users' needs as an overarching concept and identify users' needs as a fundamental driver for the development of presentation requirements and practice. In this sense, these presentation concepts are consistent with Approach B. Where they differ from Approach B is that there is no prior determination of specific objectives that will meet users' needs when considering presentation decisions for a particular information area. This approach acknowledges the important role that users' needs play with respect to presentation requirements, but treats identification of users' needs as best done at the standards level, with the focus being on a particular information area rather than at the conceptual level for the whole set of GPFRs.

3.18 The presentation concepts developed through Approach C do not replace the QCs. Direct application of the QCs to the three types of presentation decisions (Approach B) remains important to the development of presentation requirements and practice and applies in combination with the presentation concepts.

3.19 The presentation concepts developed through application of Approach C could be viewed as more appropriate for GPFRs' wide and evolving scope. Alternatively, they could be viewed as lacking substance and adding little, if anything, to the QCs.

Concepts developed through application of Approach C

3.20 The concepts described in Section 4 below, have been developed through application of Approach C. This CP focuses on presentation concepts developed through the application of Approach C, because Approach C combines the best aspects of Approaches A and B (direct application of QCs and recognition of the importance of users' needs for development of presentation) with the benefits of having presentation specific concepts.

4 Presentation concepts

Presentation concepts, the QCs, and constraints on information

4.1 This section proposes four presentation concepts to guide presentation decisions for GPFRs. The presentation concepts have been developed through applying the QCs and constraints on information to presentation. The concepts help to operationalize the QCs and constraints on information while still taking a general, high-level approach. **Table 1** below summarizes the relationships between the four presentation concepts and the QCs and constraints from which they are derived.

Table 1: Presentation concepts and the QCs

Presentation Concept	QCs and Constraints
1. Select the right information and ensure an appropriate level of detail to meet users' needs	Relevance, understandability, faithful representation, comparability, verifiability, and materiality
2. Present information with sufficient timeliness and frequency	Relevance, faithful representation, comparability, understandability, timeliness, and balance between the QCs
3. Locate and organize information to meet users' needs	Relevance, faithful representation, comparability, and understandability
4. Make important relationships clear and support comparability	Understandability, relevance, faithful representation, comparability, and verifiability

4.2 As can be seen from Table 1, each presentation concept has several QCs from which it has been derived. Each QC also relates to one or more presentation concept. The constraints on information have an overarching role, as discussed above. The cost-benefit constraint has been discussed within the "information sufficiency" concept above, because of its particular applicability to that concept.

Context for application of presentation concepts—overarching issues

4.3 These concepts apply within the context of several overarching issues relevant to presentation. The three main issues are briefly described here. First, for each information area, presentation decisions begin with reference to the needs of users that the information area is expected to address. Acknowledgment of the central role that users' needs play with respect to presentation is one important part of the context within which these concepts would be applied. Second, presentation must take into account the three information constraints: materiality, cost-benefit, and balance between the QCs. Third, the role of judgment is important across all three types of presentation decisions, and when applying the different presentation concepts. Framework—ED—1 mentions management judgment within the context of the QCs. Judgment is required in determining the best way to present information. That judgment must be exercised within the parameters established by IPSASs and other authoritative pronouncements.

Presentation techniques

4.4 The presentation concept descriptions below are followed by illustrative "presentation techniques," which suggest ways to implement the concepts. These techniques are *not* part of the concepts and are non-prescriptive. They are not a comprehensive list of all possible techniques. Presentation techniques would be chosen to ensure that information is presented in a way that is likely to meet the needs of users and achieve the objectives of financial information (i.e. being useful for accountability and decision making), while also achieving the QCs and taking account of information constraints. The techniques used in one information area could be different from those in another area.

Concept 1[5]: Select the right information and ensure an appropriate level of detail to meet users' needs

Information selection to meet users' needs

4.5 This concept states that information selection should be guided by users' needs. To meet users' needs, the selected information should also achieve other QCs, for example the QCs of faithful representation, understandability, and verifiability. Application of this concept would involve the IPSASB ensuring that information requirements are developed to meet users' needs and checking that all required information does indeed relate to and contribute positively to meeting those needs. When providing information over and above that required by the IPSASB preparers should critically review information they propose to provide to check that it does contribute to meeting the applicable users' needs.

Illustrative users' needs for two information areas

4.6 Application of this concept to presentation requires users' needs to be identified before developing new presentation requirements. Some *illustrative* examples of the types of users' needs that could guide the development of presentation requirements in two different information areas—service performance information and financial statements information—are provided below. (These are illustrative examples *only*. They do not attempt to fully address the users' needs relevant to each area, nor do they represent an IPSASB view on the specific users' needs that would drive presentation requirements in these two areas.)

Service performance information

In the area of service performance information, users need information that will allow them to assess:

- how efficiently and effectively public sector entities are using resources to provide services and achieve their established objectives; and
- the entity's performance in providing services, and the effects of those services.

[5] The four presentation concepts are numbered for ease of reference. The numbering does not imply a hierarchy of importance.

Financial statements information

In the area of financial statements information, users need information that will allow them to assess:

- the ability of the entity to meet its commitments as and when they fall due, and whether that ability is changing over time; and
- the flexibility of the entity to change its financial structure, and whether that flexibility is changing over time.

An appropriate level of detail

4.7 This concept also involves appropriate level of detail. Presentation involves decisions to summarize, prioritize, select, and reject information. In some situations totals must be disaggregated to ensure that the QCs of relevance and faithful representation are met. In other situations it will be important for simpler summaries of very detailed information to be displayed—aggregations—so that information will be understandable, while still providing sufficient detailed supporting information to achieve the QCs of relevance and faithful representation. For example, budget information may need to be extracted from detailed budget reports and aggregated for financial reporting purposes to avoid information overload. Similarly, service performance information may reflect a summarized view of the services provided by a reporting entity.

4.8 One question that arises is how new technology such as XBRL, designed to allow users to access data at different levels to suit their individual needs, could impact on display and disclosure in GPFRs. Internet based tools potentially provide more scope than paper based tools to drill down from a high level, standardized summary presentation of information into very detailed provision of data. This type of 'drill down into detail' capability is arguably of particular relevance to the budget information area, where general purpose reporting relevant to overall accountability for budget delivery may be more summarized than is suitable for individual users' needs.

4.9 Having the appropriate level of detail relates to the qualitative characteristics of relevance, faithful representation and understandability, Understandability requires that information is presented in sufficient detail to be understandable to users. Understandability may also require that supporting information be disclosed so that the meaning of summary information is clear. At the same time, achieving relevance and faithful representation requires information, including detailed coverage in some situations, to be provided to meet the needs of users. As discussed above, the constraints on information apply across all four presentation concepts. Materiality and cost-benefit are particularly relevant to this concept. Materiality allows preparers to consider the level of detail applicable to the particular reporting entity, in the context of the needs of users, understandability, relevance, and faithful representation. Cost-benefit is discussed in detail below.

Information selection, level of detail and cost-benefit

4.10 When considering information selection and the appropriate level of detail, the benefits of additional information need to justify the information's costs. Determination of benefits involves identification of information that is useful to users of GPFRs for accountability and decision-making purposes. Users reap the majority of benefits from the information provided by GPFRs. However, information prepared for GPFRs may also be used internally by management and result in better management decision making. The display and disclosure of information in GPFRs, consistent with the concepts identified in this Conceptual Framework and IPSASs derived from them, will enhance and reinforce the transparency of reporting by governments and other public sector entities, and contribute to the more accurate pricing of public sector debt. Therefore, public sector entities may also benefit in a number of ways from the information provided by GPFRs. The costs of providing information include (a) the costs of collecting and processing the information, (b) the costs of verifying it and/or presenting the assumptions and methodologies that support it, and (c) the costs of disseminating it. Users incur the costs of analysis and interpretation. Omission of useful information also imposes costs.

4.11 The value of information can also be viewed as arising from its predictive and feedback value. The expected value of information can be determined as being equal to its value in reducing expected opportunity losses. In such a formula, the expected opportunity losses are represented by the chance of being misinformed times the cost of being misinformed. The expected costs that information generates include (a) the costs of its preparation, (b) the costs of assurance necessary to substantiate its inclusion in GPFRs, and (c) the costs of the effort required of users to comprehend its meaning. It is notable that these costs are likely to be borne both by resource providers, who provide much of the resources to enable the costs to be incurred, and by service recipients, because resources are diverted from service delivery to information provision.

4.12 In developing disclosure and display requirements in standards, a focus on presentation of only that information whose benefits justify the costs is likely to enhance the relevance and, by avoiding unnecessary clutter, the understandability of the information. In assessing the benefits of individual items of information it will be important to consider how each item could impact on the overall view presented and the characteristics of the information presented. Items that may appear to have small benefit when viewed in isolation could have much higher benefits when viewed as contributing to the whole set of information presented.

4.13 Presentation techniques relevant to these aspects of this concept could include:

- decisions about which line items, comparatives, totals, subtotals, explanations, and supporting schedules should be displayed or disclosed;
- development of criteria for identification of meaningful groups of information, and for selection of narrative information, indicators, graphs, and tables; and

- "layering" of information, through the display of brief overview summaries, followed by disclosure of more detailed breakdowns and supporting information in other parts of a GPFR.

4.14 Standard setters and preparers need to consider the relevance of different types of information to ensure that the right information and an appropriate level of detail is provided. The following list illustrates the main types of information that could be needed. The list is not exhaustive.

Information types for users' needs

- Comparisons (for example, to budgets or to targets)
- Actual amounts for the current year
- Previous year comparatives
- Information useful to identify trends with predictive value
- Information on how key measures have been prepared
- Significant accounting policies and/or methodologies for preparing information
- Appropriate line items
- Components of line items
- Factual information about the reporting entity
- Judgments and reasons
- Assumptions/models/inputs
- Risks and factors impacting on measurement uncertainty, including sources of estimation uncertainty and sensitivity analysis disclosures
- Information on the reliability of qualitative information, including any limits to that reliability.
- Disclosures related to alternative measurement options for phenomena reported in the statements.

Concept 2: Present information with sufficient timeliness and frequency

4.15 This concept considers the timing of information in the context of the "what information" aspect of presentation. Information available today is different from information available in six months time, even if the subject is the same. The length of time between when an event occurs and when information about that event is reported impacts on the usefulness of the information. The QC of timeliness means having information available for users before it loses its capacity to be useful for accountability and decision-making purposes. How frequently information is presented also impacts on information usefulness. Presentation of information needs to be timely enough to help users to (a) hold management accountable for decisions made, (b) inform future decisions, and (c) review trends important for accountability and decision making.

4.16 This concept relates to the QCs of relevance, faithful representation, comparability, understandability, and timeliness. Relevance, faithful representation, comparability, and understandability are all reduced if information is not provided either soon enough after the events are reported, or frequently enough to provide information relevant to trends in, for example, different types of performance.

4.17 Techniques relevant to this presentation concept could include:

- requirements in standards with respect to GPFRs' timing and frequency; and
- limits on the type of information required to be reported in GPFRs, where this could impact on the timing and frequency of the information.

Concept 3: Locate and organize information to meet users' needs

4.18 This concept focuses on where information should be located and how it should be organized. Information location and organization should meet users' needs. Information location and organization impacts on information's understandability, comparability, and faithful representation. Location and organization may be used to (a) convey the relative importance of information and its connections with other items of information, and (b) convey a sense of the information's nature. For example, information related to a particular topic could be expected to be located in one place and organized under that topic heading. Information related to different information topics, or information of a different nature, may warrant being separated into different sections within a GPFR or into different GPFRs. Some information is more understandable and comparable when organized into graphs, charts, or tables. Other information may be presented more effectively in narrative form. Decisions about how information is organized and where it is located has the potential to either over- or under-emphasize information, with negative impacts on the information's faithful representation. Such decisions need to indicate the relative importance of the information presented so that faithful representation is achieved.

4.19 Techniques relevant to this presentation concept could include:

- the location of different types of information in separate GPFRs, statements, sections, and line items;
- the use of headings, sequencing, and grouping to present information; and
- decisions about the use of narrative, tables, graphs, charts, or other presentation techniques to present different types of information.

Concept 4: Make important relationships clear and support comparability

Make important relationships clear

4.20 This concept involves consideration of ways that presentation can identify and clarify important relationships between information in different places, whether different parts within a GPFR, or different GPFRs. The concept may involve linking information inside a GPFR to information outside the GPFRs. This concept relates to the QCs of understandability, relevance, faithful representation,

comparability, and verifiability. The clear identification of important relationships provides relevant information that increases the understandability of reported information. Information necessary for faithful representation, comparability, and verifiability may be located in different parts of a GPFR (and even, in some situations outside of a GPFR). Linking related information helps users to find information important for faithful representation, comparability, and verifiability.

4.21 Important relationships include those of:

- enhancement,
- similarity, and
- shared purpose.

4.22 *Enhancement*: Within a GPFR, information in one place may be enhanced through further information provided in one or more other places. The enhancement of information may help users understand the basis and context of the information provided. For example, notes in the financial statements provide enhancing supporting information, which is related to items on the face of the statements through the use of cross-referencing. Tables and graphs may be used to enhance the understanding of narrative information.

4.23 *Similarity*: A relationship of similarity exists where information reported in one place is based on information reported in another place, appears similar, and either has not been adjusted or has had relatively minor adjustments. Where numerical information is involved, the numbers reported may be similar or even equal, having been derived from the same source, with minor or no adjustments. An example of a relationship of similarity is the relationship between financial amounts included in service performance information, and amounts presented in the financial statements. If service performance reporting includes services costs, or the value of assets deployed in different services, then it may be helpful to show how those totals relate to expenses and assets reported in the financial statements. Another example is the relationship between the total expenses reported against budget and total expenses reported in the statement of financial performance, where the two amounts are similar but not identical. A reconciliation between the two different amounts can enhance users' understanding of both amounts.

4.24 *Shared purpose*: A "relationship of shared purpose" exists where information reported in different places contributes to a shared purpose. An example of such a situation is that of different statements and disclosures providing information needed for accountability for services provided. Information about (a) the actual and budgeted cost of different services, (b) financial and non-financial resources used in the provision of different services, and (c) actual, budgeted, and expected future provision of different services in narrative form may be included in different places. To make the relationship between the information in different places clear, it may be appropriate to use presentation techniques such as common headings and referencing.

4.25 Presentation techniques relevant to this aspect of this concept could include the use of:

- consistent labelling, including referencing, and ordering of items across different parts of a GPFR;
- standardized sequences and structures across different statements (to support the identification of related information); and
- reconciliations between different numerical totals in different parts of a GPFR.

4.26 Before starting to consider presentation techniques related to this concept, an important relationship that warrants highlighting through presentation must exist. Then, a technique is chosen that will be appropriate to the particular circumstances. The list of possible techniques above is illustrative only. Other techniques may be more appropriate given particular circumstances.

4.27 Presentation should help to ensure that key messages are understandable without further explanation or information. Presentation that clearly identifies important relationships is likely to enhance the extent to which a GPFR achieves financial reporting objectives and embodies the QCs. Information about relationships that is presented in GPFRs, the way that information is organized, and where it is located should ensure that users' questions about important relationships between reported information are answered by the GPFRs.

4.28 GPFRs may be issued at the same time as, or close to, other reports. It might be useful for the GPFRs to include an explanation of relationships with information reported outside the GPFRs. For example information reported in the GPFRs on budget compliance may benefit by being related to budget information reported outside the GPFRs.

Support comparability

4.29 This concept also emphasizes the importance of presentation for comparability. Comparability is the QC that enables users to identify similarities in, and differences between, two sets of phenomena. Comparability enhances the usefulness of information by allowing it to be compared to related information, for example by comparing (a) actual amounts with budgeted amounts, (b) historic information with prospective information, (c) information for the same entity at different points in time, or (d) information on one reporting entity with similar information on another reporting entity. Consistency refers to the use of the same accounting policies and procedures, either from period to period within an entity, or in a single period across more than one entity. Consistency helps to achieve comparability.

4.30 Presentation is of particular importance to comparability and the related information aspect of consistency, because users' ability to compare information heavily depends on the way that information is presented. The information selected should be comparable, while its location and organization should also support comparability. If the selected information and its location and organization change from year to year for the same reporting entity, comparisons

become very difficult. Similarly, if different reporting entities present information in different ways, inter-entity comparisons become difficult. Presentation should facilitate comparisons and make clear when like items are like and when unlike items are unlike.

4.31 Presentation techniques relevant to the comparability aspect of this concept include the establishment of requirements that ensure that there will be:

- disclosure of sufficient supporting information for users to understand whether summary information is reported on a consistent basis from period to period and can be compared meaningfully with information from previous periods' for the same reporting entity and with information presented by other reporting entities;
- disaggregation of information into the same subsets from year to year; and
- location of information in the same locations from year to year, using the same structure, headings, and location cues.

Example illustrating the practical application of the presentation concepts

4.32 **Appendix B** provides an overview of the process involved in developing presentation requirements, showing where in the process the presentation concepts would be applied. The main types of information that should be considered when developing presentation requirements are also described. An example focused on budget information is included to illustrate the practical applications of the presentation concepts. This example aims to illustrate how the presentation concepts would guide presentation decisions at the standards-setting level.

APPENDIX A: FRAMEWORK—ED1 COVERAGE OF QUALITATIVE CHARACTERISTICS OF, AND CONSTRAINTS ON, INFORMATION INCLUDED IN GPFRs

3 Qualitative Characteristics of, and Constraints on, Information included in General Purpose Financial Reports

3.1 GPFRs present financial and non-financial information about economic or other phenomena. The qualitative characteristics of information included in GPFRs are the attributes that make that information useful to users and support the achievement of the objectives of financial reporting. The objectives of financial reporting are to provide information useful for accountability and decision-making purposes.

3.2 The qualitative characteristics of information included in GPFRs of public sector entities are relevance, faithful representation, understandability, timeliness, comparability, and verifiability.

3.3 Materiality, cost-benefit, and achieving an appropriate balance between the qualitative characteristics are pervasive constraints on information included in GPFRs.

3.4 Each of the qualitative characteristics is integral to, and works with, the other characteristics to provide in GPFRs information useful for achieving the objectives of financial reporting. However, in practice, all qualitative characteristics may not be fully achieved, and a balance or trade-off between certain of them may be necessary.

3.5 The qualitative characteristics apply to all financial and non-financial information reported in GPFRs, including historic and prospective information, and explanatory material or other discussion and analysis reporting. However, the extent to which the qualitative characteristics can be achieved may differ depending on the degree of uncertainty and subjective assessment or opinion involved in compiling the financial and non-financial information. The need for additional guidance on interpreting and applying the qualitative characteristics to information that extends the scope of financial reporting beyond financial statements including their notes will be considered in the development of any IPSASs and other pronouncements of the IPSASB that deal with such matters.

Relevance

3.6 Financial and non-financial information is relevant if it is capable of making a difference in achieving the objectives of financial reporting. Financial and non-financial information is capable of making a difference when it has confirmatory value, predictive value, or both. It may be capable of making a difference, and thus be relevant, even if some users choose not to take advantage of it or are already aware of it.

3.7 Financial and non-financial information has confirmatory value if it confirms or changes past (or present) expectations. For example, information will be relevant for accountability and decision-making purposes if it confirms expectations about such matters as the extent to which managers have discharged their

responsibilities for the efficient and effective use of resources, the achievement of specified service delivery objectives, and compliance with relevant budgetary, legislative and other requirements.

3.8 GPFRs may present information about an entity's anticipated future service delivery activities, objectives and costs, and the amount and sources of the resources that are intended to be allocated to providing services in the future. Such future oriented information will have predictive value and be relevant for accountability and decision making purposes. Information about economic and other phenomena that exist or have already occurred can also have predictive value in helping form expectations about the future. For example, information that confirms or disproves past expectations can reinforce or change expectations about financial results and service delivery outcomes that may occur in the future.

3.9 The confirmatory and predictive roles of information are interrelated—for example, information about the current level and structure of an entity's resources and claims to them helps users to confirm the outcome of resource management strategies during the period, and to predict an entity's ability to respond to changing circumstances and anticipated future service delivery needs. The same information helps to confirm or correct users' past expectations and predictions about the entity's ability to respond to such changes. It also helps to confirm or correct prospective financial information included in previous GPFRs.

Faithful Representation

3.10 To be useful in financial reporting, information must be a faithful representation of the economic and other phenomena that it purports to represent. Faithful representation is attained when the depiction of the phenomenon is complete, neutral, and free from material error. Information that faithfully represents an economic or other phenomenon depicts the substance of the underlying transaction, other event, activity or circumstance—which is not necessarily always the same as its legal form.

3.11 In practice, it may not be possible to know or confirm whether information presented in GPFRs is fully complete, neutral, and free from material error. However, information should be as complete, neutral, and free from material error as is possible.

3.12 A depiction of an economic or other phenomenon is complete if it includes all information that is necessary for faithful representation of the phenomenon that it purports to depict. An omission of some information can cause the representation to be false or misleading, and thus not useful to users of GPFRs. For example, a complete depiction of the item "plant and equipment" in GPFRs will include a numeric representation of the aggregate amount of plant and equipment together with other quantitative, descriptive and explanatory material necessary to faithfully represent that class of assets. In some cases, this may include the disclosure of information about such matters as the major classes of plant and equipment, factors that have affected their use in the past or might impact on their use in the future, and the basis and process for determining their numeric representation. Similarly, prospective financial and nonfinancial information, and information about the achievement of service delivery objectives and outcomes,

included in GPFRs need to be presented with the key assumptions that underlie that information, and any explanations that are necessary to ensure that its depiction is complete and useful to users.

3.13 Neutrality in financial reporting is the absence of bias. It means that the selection and presentation of financial and non-financial information is not made with the intention of attaining a particular predetermined result—for example, to influence in a particular way users' assessment of the discharge of accountability by the entity or a decision or judgment that is to be made, or to induce particular behavior.

3.14 Neutral information faithfully represents the economic and other phenomena that it purports to represent. However, to require information included in GPFRs to be neutral does not mean that it is not without purpose or that it will not influence behavior. Relevance is a qualitative characteristic and, by definition, relevant information is capable of influencing users' assessments and decisions.

3.15 The economic and other phenomena represented in GPFRs generally occur under conditions of uncertainty. Information included in GPFRs will therefore often include estimates that incorporate management's judgment. To faithfully represent an economic or other phenomenon, an estimate must be based on appropriate inputs, and each input must reflect the best available information. Caution needs to be exercised when dealing with uncertainty. It may sometimes be necessary to explicitly disclose the degree of uncertainty in financial and non-financial information to faithfully represent economic and other phenomena.

3.16 Free from material error does not mean complete accuracy in all respects. Free from material error means there are no errors or omissions that are individually or collectively material in the description of the phenomenon, and the process used to produce the reported information has been applied as described. In some cases, it may be possible to determine the accuracy of some information included in GPFRs—for example, the amount of a cash transfer to another level of government, volume of services delivered or the price paid for the acquisition of plant and equipment. However, in other cases it may not—for example, the accuracy of an estimate of the value or cost of an item or the effectiveness of a service delivery program may not be able to be determined. In these cases, the estimate will be free from material error if the amount is clearly described as an estimate, the nature and limitations of the estimation process are explained, and no material errors have been identified in selecting and applying an appropriate process for developing the estimate.

Understandability

3.17 Understandability is the quality of information that enables users to comprehend its meaning. GPFRs of public sector entities should present information in a manner that responds to the needs and knowledge base of users, and to the nature of the information presented. For example, explanations of financial and non-financial information and narrative reporting of achievements and expectations should be written in plain language, and presented in a manner that is readily understandable by users. Understandability is enhanced when information is

classified, characterized, and presented clearly and concisely. Comparability also can enhance understandability.

3.18 Users of GPFRs are assumed to have a reasonable knowledge of the entity's activities and the environment in which it operates, to be able and prepared to read GPFRs, and to review and analyze the information presented with reasonable diligence. Some economic and other phenomena are particularly complex and difficult to represent in GPFRs, and some users may need to seek the aid of an advisor to assist in their understanding of them. All efforts should be undertaken to represent economic and other phenomena included in GPFRs in a manner that is understandable to a wide range of users. However, information should not be excluded from GPFRs solely because it may be too complex or difficult for some users to understand without assistance.

Timeliness

3.19 Timeliness means having information available for users before it loses its capacity to be useful for accountability and decision-making purposes. Having relevant information available sooner can enhance its usefulness as input to assessments of accountability and its capacity to inform and influence decisions that need to be made. A lack of timeliness can render information less useful.

3.20 Some items of information may continue to be useful long after the reporting period or reporting date. For example, for accountability and decision-making purposes, users of GPFRs may need to assess trends in the financial and service delivery performance of the entity and its compliance with budgets over a number of reporting periods. In addition, the outcome and effects of some service delivery programs may not be determinable until future periods—this may occur in respect of programs intended to, for example, enhance the economic well-being of constituents, reduce the incidence of a particular disease, or increase literacy levels of certain age groups.

Comparability

3.21 Comparability is the quality of information that enables users to identify similarities in, and differences between, two sets of phenomena. Comparability is not a quality of an individual item of information, but rather a quality of the relationship between two or more items of information.

3.22 Comparability differs from consistency. Consistency refers to the use of the same accounting policies and procedures, either from period to period within an entity or in a single period across more than one entity. Comparability is the goal, and consistency helps in achieving that goal.

3.23 Comparability also differs from uniformity. For information to be comparable, like things must look alike, and different things must look different. An over-emphasis on uniformity may reduce comparability by making unlike things look alike. Comparability of information in GPFRs is not enhanced by making unlike things look alike, any more than it is by making like things look different.

3.24 Information about the entity's financial position, financial performance, compliance, service delivery achievements, and its future plans is necessary for

accountability purposes and useful as input for decision-making purposes. The usefulness of such information is enhanced if it can be compared with, for example:

- The budget of the entity for the reporting period, or prospective financial and nonfinancial information previously presented for that reporting period or reporting date;
- Similar information about the same entity for some other period or some other point in time; and
- Similar information about other entities (for example, public sector entities providing similar services in different jurisdictions).

3.25 Consistent application of accounting policies to prospective financial and non-financial information and actual outcomes will enhance the usefulness of any comparison of projected and actual results. Comparability with other entities may be less significant for narrative reporting of management's perception or opinion of the factors underlying the entity's current performance.

Verifiability

3.26 Verifiability is the quality of information that helps assure users that information in GPFRs faithfully represents the phenomena that it purports to represent. Supportability is sometimes used to describe this quality when applied in respect of explanatory information and prospective financial and non-financial quantitative information disclosed in GPFRs—that is, the quality of information that helps assure users that explanatory or prospective financial and non-financial quantitative information faithfully represents the phenomena that it purports to represent. Whether referred to as verifiability or supportability, the characteristic implies that different knowledgeable and independent observers could reach general consensus, although not necessarily complete agreement, that either:

- The information represents the phenomena that it purports to represent without material error or bias; or
- An appropriate recognition, measurement, or representation method has been applied without material error or bias.

3.27 To be verifiable, information need not be a single point estimate. A range of possible amounts and the related probabilities also can be verified.

3.28 Verification may be direct or indirect. With direct verification, an amount or other representation is itself verified, such as by (a) counting cash, (b) checking records of service response times or records of patients treated, (c) observing marketable securities and their quoted prices, or (d) confirming that the factors identified as influencing past service delivery performance were present and operated with the effect identified. With indirect verification, the amount or other representation is verified by checking the inputs and recalculating the outputs using the same accounting convention or methodology. An example is verifying the carrying amount of inventory by checking the inputs (quantities and costs) and

recalculating the ending inventory using the same cost flow assumption (for example, average cost or first-in-first-out).

3.29 The quality of verifiability (or supportability if such term is used to describe this characteristic) is not an absolute—some information may be more or less capable of verification than other information. However, the more verifiable is the information included in GPFRs, the more it will assure users that the information faithfully represents the phenomena that it purports to represent.

3.30 GPFRs of public sector entities may include financial and other quantitative information and explanations about (a) key influences on the entity's performance during the period, (b) the anticipated future effects or outcomes of service delivery programs undertaken during the reporting period, and (c) prospective financial and non-financial information. It may not be possible to verify the accuracy of all quantitative representations and explanations of such information until a future period, if at all.

3.31 To help assure users that prospective financial and non-financial quantitative information and explanations included in GPFRs faithfully represents the phenomena that they purport to represent, the assumptions that underlie the information disclosed, the methodologies adopted in compiling it, and the factors and circumstances that support any opinions expressed or disclosures made should be transparent. This will enable users to form judgments about the appropriateness of those assumptions and the method of compilation, measurement, representation and interpretation of the information.

Constraints on Information Included in General Purpose Financial Reports

Materiality

3.32 Information is material if its omission or misstatement could influence the discharge of accountability by the entity, or the decisions that users make on the basis of the entity's GPFRs prepared for that reporting period. Materiality depends on both the nature and amount of the item judged in the particular circumstances of each entity. GPFRs may encompass qualitative and quantitative information about service delivery achievements during the reporting period, and expectations about service delivery and financial outcomes in the future. Consequently, it is not possible to specify a uniform quantitative threshold at which a particular type of information becomes material.

3.33 Assessments of materiality will be made in the context of the legislative, institutional and operating environment within which the entity operates and, in respect of prospective financial and non-financial information, the preparer's knowledge and expectations about the future. Disclosure of information about compliance or non-compliance with legislation, regulation or other authority may be material because of its nature—irrespective of the magnitude of any amounts involved. In determining whether an item is material in these circumstances, consideration will be given to such matters as the nature, legality, sensitivity and consequences of past or anticipated transactions and events, the parties involved in any such transactions and the circumstances giving rise to them.

Cost-Benefit

3.34 Financial reporting imposes costs. The benefits of financial reporting should justify those costs. Assessing whether the benefits of providing information justify the related costs is often a matter of judgment, because it is often not possible to identify and/or quantify all the costs or benefits of information included in GPFRs.

3.35 The costs of providing information include the costs of collecting and processing the information, the costs of verifying it and/or presenting the assumptions and methodologies that support it, and the costs of disseminating it. Users incur the costs of analysis and interpretation. Omission of useful information also imposes costs, including the costs that users incur to obtain needed information from other sources and the costs that result from making decisions using incomplete data provided by GPFRs.

3.36 Preparers expend the majority of the effort to provide information in GPFRs. However, service recipients and resource providers ultimately bear the cost of those efforts—because resources are redirected from service delivery activities to preparation of information for inclusion in GPFRs.

3.37 Users reap the majority of benefits from the information provided by GPFRs. However, information prepared for GPFRs may also be used internally by management and result in better management decision making. The disclosure of information in GPFRs consistent with the concepts identified in this Conceptual Framework and IPSASs derived from them will enhance and reinforce perceptions of the transparency of reporting by governments and other public sector entities and contribute to the more accurate pricing of public sector debt. Therefore, public sector entities may also benefit in a number of ways from the information provided by GPFRs.

3.38 Application of the cost-benefit constraint involves assessing whether the benefits of reporting information are likely to justify the costs incurred to provide and use the information. When making this assessment, it is necessary to consider whether one or more qualitative characteristics might be sacrificed to some degree to reduce cost.

3.39 In developing IPSASs, the IPSASB considers information from preparers, users, academics, and others about the expected nature and quantity of the benefits and costs of the proposed requirements. Disclosure and other requirements which result in the presentation of information useful to users of GPFRs for accountability and decision making purposes and satisfy the qualitative characteristics are prescribed by IPSASs unless the costs of compliance with those requirements are assessed by the IPSASB to be greater than their benefits.

Balance Between the Qualitative Characteristics

3.40 The qualitative characteristics work together in different ways to contribute to the usefulness of information. For example, neither a depiction that faithfully represents an irrelevant phenomenon, nor a depiction that unfaithfully represents a relevant phenomenon, results in useful information. Similarly, to be relevant, information must be timely and understandable.

3.41 In some cases, a balancing or trade-off between qualitative characteristics may be necessary to achieve the objectives of financial reporting. The relative importance of the qualitative characteristics in each situation is a matter of professional judgment. The aim is to achieve an appropriate balance among the characteristics in order to meet the objectives of financial reporting.

APPENDIX B: DEVELOPING PRESENTATION REQUIREMENTS THROUGH APPLICATION OF THE APPROACH C PRESENTATION CONCEPTS

B1. This appendix provides an overview of the process involved in developing standards-level presentation requirements, showing where in the process the presentation concepts would be applied. The example focuses on budget information. This example is purely illustrative, and is designed to show the practical application of the presentation concepts, developed through application of Approach C, to one information area. Since the example is illustrative only, its coverage of issues related to this area of reporting is partial. It does not attempt either (a) to fully cover the different considerations involved in developing a standard for this area, or (b) to indicate what decisions might be taken in the case of developing a standard on budget information.

Presentation requirements development process

B2. The process to develop presentation requirements for a new information area can be considered to involve the following steps:

1. An information area is identified in response to particular needs of users, and the decision is made to develop presentation requirements for GPFRs;
2. The specific purposes of the information area are identified, relating them to GPFRs' objectives of accountability and decision making, the specific types of accountability and decision making to which the information area relates, and specific needs of users being addressed.
3. The type of information necessary to meet those specific purposes is considered. This is likely to involve consideration of:
   - the types of information *commonly considered to be of possible relevance for accountability and decision making* (see List A below); then
   - information needs *specific to the information area* and the purpose(s) identified in step (2).

   The presentation concepts would be applied during identification of information to be reported.
4. Different ways to organize the information and the appropriate location(s) of the information identified are considered, applying the presentation concepts as part of the consideration.
5. Presentation requirements are drafted, then reviewed and revised where necessary, then finalized.

B3. The specific purposes identified in step (2), GPFRs' objectives and users' needs, QCs, information constraints, and presentation concepts will all be relevant during steps (3) through (5). List A below sets out the types of information normally needed for accountability and decision making.

List A. Information possibly relevant for accountability and decision making

1. Comparisons (for example, to budgets or to targets)
2. Actuals for the current year
3. Previous year comparatives
4. Information useful to identify trends with predictive value
5. Risks and factors impacting on measurement uncertainty
6. Information on how key measures have been prepared
7. Significant accounting policies and/or methodologies for preparing information
8. Appropriate line items
9. Components of line items
10. Factual information about the reporting entity
11. Judgments and reasons
12. Assumptions/models/inputs
13. Sources of estimation uncertainty/sensitivity analysis disclosures
14. Disclosures related to alternative measurement options for phenomena reported in the statements

Example: Development of presentation requirements for budget information

(Note: This example illustrates the presentation requirements development process applied to budget information. Given its purpose, this example provides minimal, illustrative coverage of possible reporting requirements, rather than comprehensive coverage.)

Step 1

For accountability and decision making, users need *budget information.*

Step 2

The purposes of budget information reporting are:

- *to show the entity's performance in:*
  - *complying with budget (accountability for budget compliance); and*
  - *keeping to expected budget limits (accountability for budget management); and,*
- *provide information for decisions related to future budgets and other types of resource decisions.*

Step 3

Information necessary to meet the purposes identified in Step 3 is considered, for example:

Information commonly relevant for accountability and decision making

- Actuals for the current year: *Yes, information is needed to be able to make comparisons of actual amounts against both original budget and final budget. Comparison with final budget is important for accountability (legal compliance); and, comparison with original budget is important for accountability (performance in budgeting— estimating budget needs accurately).*

- Budget or target comparatives: *Yes, as above*

Information specific to this area

- Explanation and context for budget variations
- Description or explanation of the relationship between the budget information and other financial information, where the basis of accounting used for budget information is different from that used for the financial statements

Step 4

Different ways to organize the information and the appropriate location(s) for the information identified are considered. For budget information, such considerations could include:

- organizing information either through the use of a standard "statement" in a tabular forms (columns and lines) versus narrative, such as sentences describing the extent to which budget amounts have been met; and
- ways to show the relationship between the budget information, financial statement information, and service performance information, including:
  - use of a separate statement for budget reporting or use of additional columns within existing financial statements and/or service performance cost reports; and
  - inclusion of information reconciling budget-actual numbers to other reported information (financial statement totals and service performance costs).

Step 5

Once drafted, presentation requirements are reviewed and revised where necessary, then finalized. The draft requirements are reviewed against, among other things, the presentation concepts. The review against the presentation concepts could involve considerations including, for example, responses to the following questions relating to the draft presentation requirements:

- *Are important relationship made clear?* Address the need for clear linkages between information reported within the GPFR, and budget information outside of the GPFRs. (For example, the budget itself, a description of the accounting policies applicable to budget reporting, and information about factors impacting on budget performance may be provided outside the GPFRs.);
- *Is there sufficient information at the right level of detail?* Address the possibility that very detailed budget lines in budget documentation may need to be aggregated and simplified for GPFR purposes. Consider ways to reduce information complexity, such as using very high-level summary reporting on budget variances in situations where budgets are very stable, and actual amounts are consistently within budget.
- *Does information presentation support comparability?* Address the issue of consistency within the context of budget change.

- *Have issues that could impact on information timeliness been addressed?* Address issues that may arise from related budget information presented outside of the GPFRs being made available at dates different from when the GPFRs are issued.