

**Meeting:** International Public Sector Accounting  
Standards Board

**Meeting Location:** Ottawa, Canada

**Meeting Date:** December 2-5, 2013

## Agenda Item 6D

For:

☐ Approval

☒ Discussion

☒ Information

### Conceptual Framework: Responses to Exposure Draft, *Presentation in General Purpose Financial Reports*

#### Objectives of Agenda Item

1. The objectives of the session are to:
  - (a) Discuss an analysis of the responses to CF–ED4, *Presentation in General Purpose Financial Reports*;
  - (b) Obtain directs from the IPSASB for the development of the final chapter(s); and
  - (c) Identify issues for further discussion at the IPSASB's March 2014 meeting.

#### Materials Presented

Agenda Item 6D.1	Issues Paper
Agenda Item 6D.2	List of Respondents and Collation and Summary of Respondents' Comments with Staff Comments
Agenda Item 6D.3	Analysis of Responses by Region, Function and Language
Agenda Item 6D.4	Responses to CF–ED4

#### Actions Requested

2. The IPSASB is asked to review responses to CF–ED4, *Presentation in General Purpose Financial Report*, collated in Agenda Item 6D.2, and discuss the issues raised, including those identified in Agenda Item 6D.1.

**Objectives of this Paper**

1. This Issues Paper summarizes the responses to Conceptual Framework Exposure Draft 4 (CF–ED4), *Presentation in General Purpose Financial Reports* (CF–ED4) and provides a staff assessment of the issues arising. It seeks direction for development of the Presentation chapter, so that a first draft can be submitted to the IPSASB's March 2014 meeting.

**Background**

2. CF–ED4 was issued in April 2013, with a request for comments by August 15, 2013. The IPSASB received a preliminary, high level overview of responses at its September 2013 meeting, as part of the Conceptual Framework Coordinator's Report. The Coordinator's Report summary had been prepared as of August 20, at which time 28 responses had been received. This paper and related analysis considers the full set of 33 responses.
3. CF–ED4 included seven specific matters for comment (SMCs). Most respondents structured their responses around the seven SMCs. The collation of responses in Agenda Item 6D.2 broadly follows that structure, starting with general comments on the ED as a whole, and then responses to each of the SMCs. It also includes staff comments on issues raised, where appropriate. Staff has classified responses according to whether they support or oppose particular proposals in the ED. These are staff views only. They do not reflect the views of IPSASB members. Judgment has been applied by staff and, therefore, the analysis in this memorandum and the attached collation should be read in conjunction with respondents' detailed responses.

**Overview of Issues**

4. This paper, Agenda Item 6D.1, presents respondents' views with respect to (a) CF–ED4's overall approach, including SMC 7, which addresses its level of detail, and (b) the SMCs 2 through 6. It asks members to indicate whether they agree with staff proposals with respect to specific suggestions arising from responses to SMCs 2 through 6.
5. The following issue arising from responses to SMC 1 is then discussed:
  1. Terminology—presentation, display and disclosure (SMC 1).

**Support for CF–ED4's Overall Approach, Fundamental Issues Raised, and SMC 7***Support for CF–ED4's Overall Approach*

6. The overall level of support that respondents had for CF–ED4 is indicated by Table 1 below, which provides an overview of:
  - (a) Staff assessment of respondents' general comments in terms of overall support; and
  - (b) Responses to the SMCs.

**Table 1 Overview of Support Indicated by General Comments and SMC Responses**

	Support	Support with Exceptions	Fundamental Issue(s)	No Comment (7) or Unclear (3)	Total
<b>General Comments</b>	13	3	8	10	33

SMC	Agree	Partially Agree	Disagree	No Comment	Total
<b>1</b>	17	7	9	0	33
<b>2</b>	28	4	1	0	33
<b>3</b>	24	2	6	1	33
<b>4</b>	22	6	4	1	33
<b>5</b>	23	3	6	1	33
<b>6</b>	24	4	3	2	33
<b>7</b>	21	3	5	4	33

7. The seven respondents that did not provide general comments indicated support for CF-ED4's overall approach through their responses to the SMCs. They either agreed with all of the SMCs (R10, R14, R22, R24, R28, and R29) or all but one of the SMCs (R17). They also provided specific suggestions on ways to improve CF-ED4's coverage.

*Fundamental Issues Raised*

8. The 11 respondents that either supported CF-ED4 with some exceptions or appeared *not* to support publication of the document (R2, R3, R4, R7, R13, R16, R19, R25, R30, R31 and R32) identified the following fundamental concerns:
- (a) Opposition to development of presentation concepts applicable to both financial statements and other financial reports (R3, R4 and R19);
  - (b) Concern that CF-ED 4 may not be aligned with the IASB's coverage of presentation concepts; this concern focuses particularly on the proposed terminology and alignment going forward (R2, R13, R25, R26 and R30, also raised by R20, R21, and R33); and
  - (c) CF-ED4's coverage is inadequate because it (i) is not useful, (ii) is guidance rather than concepts, (iii) needs to include "presentation framework" coverage such as a description of relative responsibilities for decisions (preparer, standard setter, auditor) or (iv) only repeats coverage already in Chapters 1 to 4 of the Conceptual Framework (R3, R7, R13, R30 and R31).
9. These three fundamental concerns are discussed further below.
10. In addition to these three concerns one respondent (R19) stated that the IPSASB needs to address the language(s) in which statements and reports are published. The respondent argued that

language is important with respect to (a) achievement of the qualitative characteristics such as comparability, verifiability and understandability, and (b) meeting users' needs. Staff considers that this issue is beyond Phase 4's scope, and raises it here for the IPSASB's information.

*Focus Exclusively on the Financial Statements*

11. The view that Phase 4 should focus on presentation concepts applicable exclusively to the financial statements has been considered by the IPSASB since the beginning of the Phase 4 project. The IPSASB has consistently concluded that Phase 4, like Phase 1, should develop concepts for the more comprehensive scope of financial reporting, rather than just the financial statements. The Basis for Conclusions in CF–ED4 explains that decision. Staff has assumed that the IPSASB remains of the same view and, on that basis, this concern has not been highlighted as an issue, but is noted here.

*Alignment with IASB's Conceptual Framework*

12. Eight respondents raised the importance of alignment with International Accounting Standards Board's (IASB's) conceptual framework to the extent possible (R2, R13, R20, R21, R25, R26, R30, and R33). Several of these respondents acknowledged that the Conceptual Framework is not an IFRS convergence project, but were clear that unnecessary differences between the two conceptual frameworks should be avoided. IPSASB staff monitor IASB Conceptual Framework developments and consider IASB developments relevant to the IPSASB's project.
13. The IASB issued a Discussion Paper, DP/2013/1, *A Review of the Conceptual Framework for Financial Reporting*, in July 2013. Section 7 of the IASB DP discusses the principles that should underlie the decisions that the IASB makes about presentation and disclosure.
14. The specific IASB alignment issue that respondents raised with respect to CF–ED4 was alignment with the IASB's developing position with respect to descriptions of "presentation" and "disclosure". The issue of proposed terminology is discussed under Issue 1 below. Staff proposes that other aspects of the IASB's discussion paper, potentially relevant to Phase 4, be considered by staff and the TBG, in light of the IPSASB's discussions of the IASB's conceptual framework developments in September and December of this year.

*Inadequate Coverage*

15. CF–ED4's adequacy of coverage and level of detail were considered during its development. The overall approach reflects the IPSASB's view that (a) the concepts need to apply broadly to both the financial statements and other reports, and (b) coverage equivalent to standards-level requirements should be avoided. The Consultation Paper (CP), *The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Presentation in General Purpose Financial Reports* provided more detail than the ED. Responses on the CP raised concerns about: (a) the detail therein, including proposed application criteria; and (b) lack of detail on presentation concepts applicable to the financial statements. CF–ED4 aimed to address both concerns.
16. Responses on SMC 7, which asked whether CF–ED has sufficient detail, are relevant to this concern and these are described below.

*SMC 7 Sufficient Detail on Concepts Applicable to Presentation*

17. SMC 7 asked respondents whether they agreed that CF–ED4 contained sufficient detail on concepts applicable to presentation in GPFRs, including the financial statements, and, if they did not agree, how they would extend the proposals.
18. 21 respondents agreed that CF–ED4 contained sufficient detail on presentation concepts (R1, R2, R5, R6, R8, R9, R10, R11, R13, R14, R15, R16, R17, R18, R20, R24, R26, R27, R28, R29, and R33), Three respondents partially agreed (R22, R23, R30), while five respondents disagreed (R7, R19, R25, R31, and R32). Four respondents did not comment (R3, R4, R12, and R21).
19. Concerns raised by the eight respondents who either disagreed or only partially agreed were:
  - (a) Detailed suggestions on additional coverage that could improve CF–ED4, including more examples (R7, R22, R31), need to clarify the reporting scope of “other GPFRs” (R30), and more coverage is needed on non-financial information (R23);
  - (b) Insufficient coverage—recommendation that IPSASB announce its intention to update the chapter(s) in the future (R25); and
  - (c) Fundamental issues discussed above—focus on financial statement (R32) and language issue (R19).
20. Staff notes that respondent R7 provided comments on the Phase 4 consultation paper, which also proposed additional detail. The IPSASB’s views on those proposals will be taken into account, to the extent that they relate to the issues raised by respondent R7 as part of this, CF–ED4, consultation. This respondent has raised the need for coverage of respective responsibilities (e.g. standard setter’s versus preparer’s responsibilities) with respect to information presentation. The need for coverage of this issue was raised by three other respondents, within the context of SMC 3 (R13, R31 and R33).
21. With respect to the specific proposals provided by respondents R7, R22, R23, R30 and R31, staff proposes that these should be reviewed by the TBG and staff as part of further development of the draft chapters. The aim of that review will be to look for ways to improve the usefulness of coverage, without substantial change to the high level approach in the ED. (Responses on SMCs 2 to 6 provide further specific suggestions on additional coverage, which are considered under those SMCs). The outcome of that review will be reported to the IPSASB in March 2013.
22. Staff considers that the recommendation that the IPSASB announce its intention to update its Conceptual Framework chapters is an overarching issue rather than an issue for consideration within Phase 4 of the project. The Project Coordinator indicated at the September meeting that he would raise the question of the timing of review of the operation of the Framework in 2014.

**Action Requested:**

1. Members are asked to **indicate** whether they agree with the staff proposals on how to proceed with respect to:
  - (a) Fundamental concerns raised in respondents’ general comments; and
  - (b) Respondents’ suggestions for additional coverage from general comments and responses to SMC 7.

## **SMC 2—Identification of Presentation Decisions (Section 1)**

23. SMC 2 asked respondents whether they agreed with CF–ED4’s identification of three presentation decisions (selection, location and organization) and, if they did not agree, how they would modify the identification of presentation decisions.
24. 28 of the 33 respondents agreed with CF–ED4’s identification of three presentation decisions. Four respondents partially agreed (R3, R4, R7, and R32). One respondent disagreed (R19).
25. Respondents who partially agreed highlighted:
  - (a) Disagreement with CF–ED4’s application to reports other than the financial statements (R3 and R4) and the objective (to provide information about economic and other phenomena) (R3), while agreeing that the three decisions would be useful within the context of the financial statements;
  - (b) The view that information organization should not be treated as a separate decision category (R7) (discussed further under SMC 5 below); and
  - (c) The view that the decisions concepts are too generic to be useful (R32), while agreeing that they are logical.
26. The one respondent who disagreed (R19) did so on the basis that (a) governments and other authorities, rather than standard setters, should have responsibility for presentation decisions, (b) information should be available on open and accessible media, and (c) user *rights* should be emphasized rather than user needs. Staff notes that Chapter 2 of the Conceptual Framework has already established that the focus should be on the needs of users rather than their rights.
27. The issues raised by these five respondents are either (a) fundamental to the CF–ED4’s overall approach and discussed above within that context, or (b) relate to the location-organization distinction which is discussed under SMC 5 below.
28. Staff noted that two respondents indicated that they consider that the three presentation decisions are “communication decisions” (R19 and R26). This view is relevant to the discussion of terminology under Issue 1 below, where “communication” as a possible alternative to “presentation” is noted.

## **SMC 3 Proposed Approach to Making Presentation Decisions (Section 1)**

29. SMC 3 asked respondents whether they agreed with CF–ED4’s proposed approach to making presentation decisions in Section 1 and, if they did not agree, how they would modify that approach.
30. 24 respondents agreed with the proposed approach (R1, R2, R3, R5, R6, R8, R9, R10, R11, R12, R14, R15, R16, R17, R18, R20, R22, R23, R24, R27, R28, R29, R30 and R32), while two respondents partially agreed (R25 and R26). Six respondents disagreed with the approach (R4, R7, R13, R19, R31 and R33). One respondent did not comment (R21).
31. Respondents who disagreed or only partially agreed raised issues fundamental to the CF–ED4’s overall approach, including that the approach is not useful, lacks impact, and its implications for standard setting are unclear (R4, R13, R19 and R25). They also raised the following specific points:
  - (a) Detailed proposals to expand and improve CF–ED4’s coverage, including the need to explain the linkage between objectives and lower levels (R7 and R25);
  - (b) A better focus on users of public sector reports is needed (R13);

- (c) Clarification is needed of what needs to happen to meet objectives (R25)
  - (d) Coverage is needed of when information selection decisions are made by the standard setter and when by the preparer (R7, R13, R31 and R33); and
  - (e) Need to address presentation consistency (R33).
32. Staff proposes that these specific points be reviewed by the TBG and staff as part of further development of the draft chapters. The outcome of that review will be reported to the IPSASB in March 2013.

#### **SMC 4 Description of Information Selection (Section 2)**

33. SMC 4 asked respondents whether they agreed with CF–ED4’s description of information selection (a) in the financial statements; and (b) within other GPFRs and, if they did not agree, how they would modify the description(s).
34. 22 respondents agreed with the proposed descriptions (R1, R2, R5, R6, R8, R9, R11, R12, R14, R15, R16, R17, R18, R20, R22, R24, R26, R27, R28, R29, R30, R31 and R33), Six respondents partially agreed (R3, R4, R10, R13, R23 and R32). Four respondents disagreed with the descriptions (R7, R19, R25 and R31), while one did not comment (R21).
35. In addition to disagreement with development of concepts for information additional to that in the financial statements (R3, R4), the respondents who disagreed or only partially agreed raised the following specific points:
- (a) Suggestions for revisions to the coverage (R7, R13, R23 and R25), including
    - (i) Provide additional detail applicable to information outside of the financial statements,
    - (ii) Include ways to further operationalize the qualitative characteristics into more specific criteria for information selection,
    - (iii) Provide criteria applicable to information selection in IPSASs or RPGs,
    - (iv) Emphasize continuing and critical review of selection decisions, and
    - (v) Stress that reported information needs to have been audited by an external body; and
  - (b) Financial statements should not be expected to provide information to assess service delivery (R31 and R32).
36. Two respondents were concerned about duplication between Phase 4 and Chapter 2 of the Framework (R10 and R25).
37. Staff proposes that the specific points above be reviewed by the TBG and staff as part of further development of the draft Presentation chapters. That review will need to consider the appropriateness of “further operationalization” of the qualitative characteristics within Phase 4, when these have already been addressed in Phase 1. The outcome of that review will be reported to the IPSASB in March 2013.

### SMC 5 Description of Information Location (Section 3)

38. SMC 5 asked respondents whether they agreed with CF-ED4's description of information location (a) in the financial statements; (b) in other GPFs; and, (c) between different reports within GPFs and, if they did not agree, how they would modify the description(s).
39. 23 respondents agreed with the proposed descriptions (R1, R2, R5, R6, R8, R9, R10, R12, R13, R14, R15, R16, R18, R20, R22, R23, R24, R26, R27, R28, R29, R30, and R33). Three respondents partially agreed (R3, R4 and R32), while six respondents disagreed with the descriptions (R7, R11, R17, R19, R25 and R31). One respondent did not comment (R21).
40. The main concerns raised by the respondents who disagreed or only partially agreed were that:
- (a) Location decisions should be treated as a subset of information organization decisions, instead of being treated as a third type of decision (R6 and R7)
  - (b) Specific suggestions with respect to additional coverage to address, for example, the obligation to certify financial statements, the need for standardisation of documents produced, and the costs incurred (R3, R11, R17 and R25);
  - (c) Detailed proposals to expand and improve the coverage (R7);
  - (d) Disagreement with the idea that location has an impact on information's verifiability, understandability or representational faithfulness (R17, R22 and R23);
  - (e) Section 3 appears to provide conceptual endorsement to jurisdiction-specific laws even if they are incompatible with the IPSASB's presentation concepts (R25);
  - (f) Disagreement with the characterization of notes as information related to what is displayed on the face of the statements, since notes may go beyond this supporting role (R25 and R32).
41. With respect to the first point (a) above, Respondent 7 states that:
- ...the Presentation framework does not need a separate category of presentation decision to address information location decisions...It is because a closer look at the guidance in Section 3 indicates that there is very limited guidance that is relevant to information location decisions in GPFs. The only information location guidance provided in Section 3 under sub-section "Location of Information within a Report" is that information displayed should be presented prominently and separately from disclosed information. This guidance can be easily and logically incorporated into the discussion of information selection of information organization decisions.
42. Staff notes that (a) the perspective that location is a subset of organization was considered by the IPSASB during the ED's development, with the conclusion that decisions on information location should be treated as a separate category; and (b) the respondent does not consider Section 3's coverage of allocation of information between different reports. Because "organization" is a very general term it could, logically, be viewed as including decisions on information location. (Some organization decisions could also be considered location decisions.) The ability to present information in the same report as the financial statements or in another report is an important decision, when dealing with information additional to that in the financial statements. Staff proposes that the present distinction between location and organization decisions be maintained.



43. With respect to the other specific points listed above Staff proposes that they be reviewed by the TBG and staff as part of further development of the draft Presentation chapters. The outcome of that review will be reported to the IPSASB in March 2013.

#### **SMC 6—Treatment of Information Organization Decisions (Section 4)**

44. SMC 6 asked respondents whether they agreed with CF–ED4’s proposed description of information organization in the financial statements and in other GPFRs and, if they did not agree, how they would modify the description(s).
45. 24 respondents agreed with the proposed description (R1, R2, R5, R6, R9, R10, R11, R12, R13, R14, R15, R16, R18, R20, R22, R23, R24, R26, R27, R28, R29, R30, R31, and R33). Four partially agreed (R3, R8, R17, R32). Three respondents did not agree (R7, R19, and R25). Two respondents did not comment (R4, R21).
46. The main issues raised by respondents who disagreed or only partially agreed were:
- (a) Further explanation and detail needed, improvements to the description of decisions suggested with responses including specific suggestions (R7 and R8);
  - (b) Further clarification is necessary for organization of information within the GPFRs (R17); and,
  - (c) Lacks useful criteria for developing or reviewing requirements (or guidance) on information organisation in IPSASs or RPGs (R25).
47. Three respondents raised fundamental issues with respect to:
- (a) Disagrees with concepts applicable to reports other than the financial statements (R3);
  - (b) Prerogative of local governments to decide on communication and organization of information, similar presentation across entities should not be an aim, and note disclosures should not be considered of secondary importance (R19); and,
  - (c) The concepts are too general to ensure reliable, consistent and comparable reporting between governments (R32).
48. Staff proposes that respondents’ specific suggestions be considered by staff and the TBG as part of further development of the draft chapters.

#### **Action Requested:**

2. Members are asked to **indicate** whether they agree with the staff proposals that:
- (a) Respondents’ specific suggestions with respect to SMCs 2 to 6 be considered by staff and the TBG as part of further development of the draft chapters; and
  - (b) Decisions on information location and information organization be treated as separate presentation decisions.

## Issue 1 Terminology—Presentation, Display and Disclosure (General Comments and SMC 1)

49. SMC 1 asked respondents whether they agreed with CF-ED4's proposed descriptions of "presentation", "display", and "disclosure" and the relationships between them in Section 1 of CF-ED4 and, if they did not agree, how they would modify the descriptions.
50. 17 respondents agreed with the proposed descriptions (R1, R2, R5, R9, R10, R11, R12, R14, R15, R17, R18, R22, R24, R27, R28, R29, and R31). Seven respondents partially agreed (R3, R4, R6, R7, R8, R16, and R23). Nine respondents disagreed with the descriptions (R13, R19, R20, R21, R25, R26, R30, R32, and R33). There were no respondents who did not comment.
51. Two of the respondents who only partially agreed did so because they fundamentally disagreed with application of concepts beyond the financial statements, but otherwise considered that the terminology was clear (R3 and R4).
52. Of the 14 other respondents who disagreed (in part or whole) with the terminology, the main reasons for their disagreement were that:
  - (a) The proposed terms (i) differ unnecessarily from generally accepted terminology and are, therefore, confusing (see, for example, R6, R7, and R13), and (ii) should be aligned, to the extent possible, with terms included in the IASB's Conceptual Framework;
  - (b) The descriptions of "display" and "disclosure" imply that disclosures are (i) less important than displayed information (R6 and R13), and (ii) must relate to displayed information (R8 and R16); and,
  - (c) There needs to be more description and criteria to guide decisions on what information should be displayed and what disclosed (R7 and R11).
53. Seven of these 14 respondents disagreed with the description of "presentation" (R13, R20, R21, R25, R26, R30, and R33). The main reasons for this were that the proposed description of presentation would change an already established term and/or would introduce an unnecessary difference between the IPSASB and IASB concepts of presentation.
54. Staff recommends that the following three concerns above be addressed as follows:
  - (a) *Implied hierarchy of importance (display and disclosure)*: The IPSASB did not intend to imply that disclosed information is less important than displayed information. Staff and the TBG will consider revisions to address this issue.
  - (b) *Disclosed information always relates to displayed information*: While this could (arguably) be appropriate within the context of financial statements it does not appear to be appropriate for information additional to the financial statements, where it is possible that only disclosures are presented. (The guidelines on reporting on the sustainability of public finances, for example, focus exclusively on information disclosures). Staff and the TBG will consider revisions to address this issue.
  - (c) *More description and criteria to guide display/disclosure decisions*: Staff and the TBG will consider scope to address this issue in light of (a) respondents' specific comments, and (b) existing support for CF-ED4's level of detail, evident from responses to SMC 7, and (c) need to maintain the general applicability of the concepts and avoid moving down into standard level precision.

*Alignment of Terminology with IASB Approach*

55. The issues of confusion about terms and their general acceptability can be related to the alignment of terminology with the IASB's approach. There are no exact equivalents in the IASB's discussion paper's terminology for the three terms (presentation, display and disclosure) used in CF–ED4. The main reason for this is that the IASB proposals are focused on the financial statements, while the IPSASB has developed concepts more broadly applicable to both the financial statements and additional information, including service performance information, information on the sustainability of public finances and other information to meet the needs of users of public sector GPFRs. Table 2 below provides (a) the closest IASB equivalents for CF–ED4's three terms, and (b) the IASB discussion paper descriptions for those three terms.

**Table 2 CF–ED4 Descriptions and Closest IASB Equivalent**

<b>CF–ED4 Term</b>	<b>IASB Closest Equivalent</b>	<b>DP/2013/1 Description</b>
Presentation	Communication	Presentation and disclosure are the mechanisms by which a reporting entity communicates information about its financial position and financial performance to users of financial statements.(7.1)
Display	Presentation	'Presentation' [means] "disclosure of financial information on the face of an entity's primary financial statements". (7.10)
Disclosure	Disclosure	Disclosure is the process of providing useful financial information about the reporting entity to users. The financial statements, including the amounts and descriptions presented in the primary financial statements and the information included in the notes to the financial statements, are, as a whole, a form of disclosure. (7.11)

56. The IPSASB has discussed the meanings of "presentation" and "disclosure" throughout Phase 4. Descriptions of disclosure and presentation similar to those in the IASB's conceptual framework discussion paper were considered by the IPSASB in 2010. At that stage the IPSASB did not consider those descriptions to be appropriate for a conceptual framework for the public sector, where information additional to the financial statements is important to meet the needs of users.
57. There may be scope to improve alignment of terminology, while maintaining the conceptual distinctions that the IPSASB has proposed in CF–ED4. Given the concerns expressed by respondents and the IASB's issuance of its conceptual framework discussion paper Members are asked to consider whether scope to align terminology should be considered and recommendations on how to proceed brought back to the IPSASB in March.

**Action Requested:**

3. Members are asked to:
- (a) **Provide direction** on whether scope to align terminology with the IASB's approach should be considered and recommendations on how to proceed brought back to the IPSASB in March; and
  - (b) **Confirm** the proposals above on how to proceed with respect to the other main concerns identified in response to SMC 1 on the terminology proposed in CF-ED4.

## **STAFF SUMMARY OF RESPONSES TO EXPOSURE DRAFT CONCEPTUAL FRAMEWORK–PRESENTATION IN GENERAL PURPOSE FINANCIAL REPORTS**

**Note:** This paper includes extracts of each response received to the ED which have been grouped to identify respondents' views on the Specific Matters for Comment (SMCs) set out in the ED as well as the key issues identified by staff. In some cases, an extract may not do justice to the full response. This analysis should therefore be read in conjunction with the submissions themselves.

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**List of Respondents:**

<b>Response #</b>	<b>Respondent Name</b>	<b>Country</b>	<b>Function</b>
001	Zambia Institute of Chartered Accountants (ZICA)	Zambia	Member or Regional Body
002	Financial Reporting Council (FRC)	UK	Standard Setter/Standards Advisory Body
003	Conseil de Normalisation des Comptes Publics (CNOCP)	France	Standard Setter/Standards Advisory Body
004	Direction Générale des Finances Publiques (DGFIP)	France	Preparer
005	Federation of European Accountants (FEE)	International	Member or Regional Body
006	Wales Audit Office	UK	Audit Office
007	Staff of the Public Sector Accounting Board (PSAB)	Canada	Standard Setter/Standards Advisory Body
008	Staff of the Accounting Standards Board	South Africa	Standard Setter/Standards Advisory Body
009	Chartered Institute of Public Finance and Accountancy (CIPFA)	UK	Member or Regional Body
010	Office of the Auditor-General of Canada	Canada	Audit Office
011	Swiss Public Sector Financial Reporting Advisory Committee (SRS-CSPCP)	Switzerland	Standard Setter/Standards Advisory Body
012	European Commission Budget (Accounting Officer of the Commission)	International	Preparer
013	XRB External Reporting Board / NZ Accounting Standards Board	New Zealand	Standard Setter/Standards Advisory Body
014	Belgian Institute of Registered Auditors (Royal Institute) (IBR-IRE)	Belgium	Member or Regional Body
015	The Swedish National Financial Management Authority	Sweden	Standard Setter/Standards Advisory Body
016	Association of Government Accountants (AGA)	USA	Member or Regional Body
017	The Japanese Institute of Certified Public Accountants (JICPA)	Japan	Member or Regional Body
018	Association of Chartered Certified Accountants (ACCA)	International	Member or Regional Body
019	Cour des comptes	France	Audit Office
020	Heads of Treasuries Accounting and Reporting Advisory Committee (HoTARAC)	Australia	Preparer
021	Institut der Wirtschaftsprüfer (IDW)	Germany	Member or Regional Body

<b>Response #</b>	<b>Respondent Name</b>	<b>Country</b>	<b>Function</b>
022	Institute of Chartered Accountants of Jamaica (ICAJ)	Jamaica	Member or Regional Body
023	KPMG IFRG Ltd (KPMG Network)	International	Accountancy Firm
024	South African Institute of Chartered Accountants (SAICA)	South Africa	Member or Regional Body
025	Australian Accounting Standards Board (AASB)	Australia	Standard Setter/Standards Advisory Body
026	CPA Australia and the Institute of Chartered Accountants in Australia	Australia	Member or Regional Body
027	Malaysian Institute of Accountants	Malaysia	Member or Regional Body
028	Denise Silva Ferreira Juvenal	Brazil	Other
029	Malaysian Institute of Chartered Accountants, Accounting and Auditing Technical Committee	Malaysia	Member or Regional Body
030	Ernst & Young Global Limited	International	Accountancy Firm
031	Task Force on Accounting Standards, United Nations System	International	Preparer
032	Comptroller, Province of Manitoba, Canada	Canada	Preparer
033	Australasian Council of Auditors-General (ACAG), Financial Reporting and Auditing Committee	Australia	Audit Office

**General Comments on the ED:**

<b>R#</b>	<b>RESPONDENT COMMENTS GENERAL COMMENTS</b>	<b>STAFF COMMENTS</b>
001	The Zambia Institute of Chartered Accountants welcomes the opportunity to comment on the Exposure Draft four (4) - Presentation in General Purpose Financial Reports; issued by the International Public Sector Accounting Standards Board (IPSASB), in April 2013. We strongly support the IPASB's project which is being undertaken, as it will provide a framework for the consistent and comparable preparation and presentation of financial statement in public sector entities' financial statements.	Support
002	<p>It should be noted that as the IASB's Conceptual Framework develops so too may the Council and Board's thinking.</p> <p>We reiterate our comments from previous responses to the conceptual framework that we believe that it is important that the differences between the IASB and IPSASB be minimized where possible. We urge the IPSASB and the IASB to minimise any differences.</p> <p>We commend the IPSASB for tackling this difficult topic. The exposure draft is a great improvement on the preceding consultation paper.</p>	Note fundamental issue–IFRS convergence.
003	<p>The Public Sector Accounting Standards Council welcomes the IPSAS Board's initiative in working in depth on a conceptual framework for public-sector entities. Although the Council has already commented several times on the genuine importance of the work on phases 1, 2 and 3, it has doubts about this consultation paper's actual significance. While the Council acknowledges clarification of points in the prior paper submitted for consultation during the second quarter of 2012, this paper's specific provisions, many seemingly obvious, are in the nature of recommendations. Thus it should properly have the status of a "guidance" document, and is not on the same level as the other chapters of the conceptual framework.</p> <p>The Council expresses a negative opinion to the publication of such a document within the conceptual accounting framework for public-sector entities, as it applies to financial reports that have nothing to do with the conceptual accounting framework. The Council believes that the scope of the General Purpose Financial Reports is not within the framework of setting accounting standards. Accordingly, the Council reiterates its reserve concerning the scope concerned, as expressed in the prior consultations on the conceptual framework, the performance report, the report on the sustainability of public finance and the management report.</p> <p>In fact, the Council suggests that this paper be given the status of a recommendation applicable only to financial statements (General Purpose Financial Statements). Subject to adoption of this proposal, the Council notes that certain provisions of this document apply to items in phases 2 and 3 of the conceptual framework, which have not yet been formally adopted. It is thus difficult to evaluate their relevance.</p>	<p>Note fundamental issues–(a) not useful, (b) guidance rather than concepts, (c) applies too broadly, (d) includes coverage related to other Phases.</p> <p>Does not support publication.</p>
004	The "Direction générale des finances publiques" (The French Directorate of Public Finances), "DGFIP", thanks the IPSAS Board for publishing this Exposure Draft ("CF-ED4"). While the earlier phases of the conceptual framework were of particular interest, as mentioned in our previous comment letters, the interest and conceptual scope of CF-ED4 is more limited. Although financial statement producers are always keen to find ways of improving the presentation of their statements, we consider that the	Note fundamental issues–(a) guidance rather than concepts, (b) applies too broadly,

R#	RESPONDENT COMMENTS GENERAL COMMENTS	STAFF COMMENTS
	<p>operating guidelines set out in CF-ED4 have more in common with a guidance document than a conceptual framework.</p> <p>The conceptual framework phase clearly covers documents outside the scope of the financial statements. As stated in our previous comment letters, we consider that the IPSAS Board's jurisdiction does not extend beyond accounting standard-setting. Accordingly, we are unable to approve the scope of this Exposure Draft.</p> <p>In light of these preliminary remarks, we suggest including the contents of CF-ED4 in a guidance document rather than in the conceptual framework for international public sector reporting.</p>	Does not support publication.
005	<p>FEE strongly supports the Board's intention to finalise the Conceptual Framework with a high priority. This is particularly important since the development of the existing standards and many proposals for future standards depend on its finalisation.</p> <p>We also support the Board's intention to maintain the alignment of IPSASs with IFRSs on matters which are common to both to private and public sectors. However, as rightly pointed out by the Board, the development of the <i>Conceptual Framework</i> should not be an IFRS convergence project.</p> <p>We agree with the concepts that are set out in the ED for the presentation of information in the GPFRs.</p> <p>However, we would like to draw the Board's attention to the current trends of an increasing length and complexity of the financial statements taking place in the private sector. The information overload, particularly in the notes to the financial statements, has many times decreased the usefulness of the information, and obscured important and key disclosures from the eyes of the users.</p> <p>Against the trend of ever more disclosures, there have been several attempts to address these issues whilst increasing the quality and focus of the information disclosed. For instance, the IASB has put the Conceptual Framework project back on the agenda and considers the development of a disclosure framework on its own. Therefore, we welcome the IPSASB's approach to information selection, which recognises that too much information may make it difficult for users to understand the overall situation, and undermine achievement of the objectives of financial reporting. We also encourage the IPSASB to review the disclosures in its existing standards in the light of this approach.</p>	<p>Support</p> <p>Note IFRS convergence comment.</p> <p>Information overload concerns.</p> <p>Support for the information selection approach in the ED.</p>
006	<p>We fully support IPSASB's aim to produce a conceptual framework covering general purpose financial reporting which will underpin the development of a comprehensive and high quality suite of financial reporting standards for the public sector.</p> <p>We welcome the improvements made to the Exposure Draft compared to the Consultation Paper, in particular, the removal of some of the detail that was included in the preceding document and the increase in the depth of coverage relating specifically to financial statements.</p>	Support
007	<p>We recognize the challenges of developing a Presentation framework for general purpose financial reports (GPFRs) and appreciate the opportunity to participate in the discussion of this important topic. Please note that these are views of staff and do not represent the views of the Public Sector Accounting Board.</p> <p>Overall, we welcome some of the changes made in the Exposure Draft (ED) from the Consultation Paper, including removal of repetitive descriptions of Phase 1 concepts and a cleaner structure based on the three presentation decisions. However,</p>	Note: Note fundamental issues—(a) guidance insufficient; and (b) significant improvements needed to structure and



R#	<p style="text-align: center;"><b>RESPONDENT COMMENTS</b></p> <p style="text-align: center;"><b>GENERAL COMMENTS</b></p>	STAFF COMMENTS
	<p>guidance for GPFRs that are not general purpose financial statements (GPFSS) remain insufficient.</p> <p>While we agree with many of the conclusions in the Basis for Conclusions, they are not obvious from the reading of the ED. We would ask you to consider:</p> <ul style="list-style-type: none"> <li>• the logical flow of the material;</li> <li>• the linkages among the concepts and ideas; and</li> <li>• the placement of guidance, for example, display and disclosure information are described under Section 4: Information Organization but not under Section 2: Information Selection.</li> </ul> <p>Our suggestions for modification to the Presentation framework are described in the attached responses to the Specific Matters for Comment (SMC) in the Appendix of this letter. They include:</p> <ul style="list-style-type: none"> <li>• <b>A simplified and self-contained description of presentation.</b> Suggested description is included in our response to SMC1.</li> <li>• A structure for the Presentation framework with separate sections to address agenda setting decisions, standard setting decisions and GPFR preparation decisions. The agenda setting decisions would include the high level decisions described in the ED as well as selecting specific objective of financial reporting and user information needs to be addressed in a GPFR project. As the role of the Conceptual Framework includes providing guidance for development of IPSASB pronouncements and for preparation of GPFRs by public sector entities in areas not addressed by IPSASB, we suggest breaking down the lower level decisions described in the ED into standard setting and GPFR preparation decisions. Suggested descriptions of the decisions and related guidance are included in our responses to SMC3 and SMC4.</li> <li>• <b>Applying the concept of core and supporting information to information selection decisions in standard setting.</b> We support IPSASB's decision to focus the display and disclosure distinction on the types of information (as described in the Basis for Conclusions) that would be presented at a summarized level and at a more detailed level respectively, and not mixing it with the location and organization of information. In our view, underlying the display and disclosure distinction is the concept of core and supporting information. This is a key concept for information selection decisions in standard setting. We believe that this concept can be better explained without the terms "display" and "disclosure" as their descriptions has caused unnecessary complication and confusion in the ED. Suggested descriptions of core and supporting information and related guidance are included in our response to SMC4.</li> <li>• <b>Removing information location as a separate category of presentation decisions.</b> A closer look at the guidance in Section 3: Information Location indicated that there is very limited guidance that is relevant to information location decisions in GPFRs. Such guidance can be easily and logically incorporated into the discussion of core and supporting information. See more discussion and rationale in our responses to SMC2 and SMC5.</li> <li>• <b>Expanding guidance for information organization decisions to include guidance for effective communication of information for maximum understandability, and identification of trade-offs between certain communication</b></li> </ul>	<p>coverage.</p> <p>Detailed suggestions provided re. changes to the ED.</p>

R#	RESPONDENT COMMENTS GENERAL COMMENTS	STAFF COMMENTS
	<p><b>principles and qualitative characteristics in information organization decisions.</b> The most relevant Phase 1 concepts for information organization decisions are relevance and understandability. The purpose of information organization is effective communication to users. Information organization decisions often involve balancing well-intention and sometimes conflicting communication principles and/or qualitative characteristics. Preparers of GPFRs should be aware of these trade-offs in their information organization decisions. Examples of relevant communication principles and trade-offs in information organization decisions are identified in our response to SMC6.</p> <ul style="list-style-type: none"> <li>• <b>Clarifying what a GPFR report may mean with consideration of the integrated reporting concept.</b> The Presentation framework should note that each GPFR pronouncement does not necessary require preparation of a separate GPFR report. It is because under the concept of integrated reporting, a single report can contain multiple components with each covers a specific GPFR information area. Whether different GPFRs should be issued for different subject matters or a single report that covers multiple topics be issued should be a decision of the preparers. The importance is that each component addresses a particular objective of financial reporting in a specific information area that meets certain information needs of users. See more discussions in our response to SMC3.</li> <li>• <b>Requiring preamble information to be included in each GPFR.</b> As a GPFR can contain multiple GPFR subject matters, there is a need for the Presentation framework to specify some basic information that should be included as preamble in each GPFR or each GPFR component. Examples include the purpose, scope, limitation and the reporting entity covered. See descriptions of the examples in our response to SMC3.</li> </ul> <p>We thank you for the opportunity to comment and wish IPSASB success in this and other components of the Conceptual Framework project.</p>	
008	<p>We welcome the opportunity to provide comments on Phase 4 of the IPSASB's conceptual framework project. Overall, we are supportive of the project as we believe it makes significant strides in strengthening transparency and accountability in public sector financial reporting. We appreciate that this is a new and developing area and would like to commend the IPSASB for developing guidance in this area.</p>	Support
009	<p>General comment</p> <p>As noted in successive responses, CIPFA strongly supports IPSASB's development of high quality standards for public sector financial reporting, whether through the Board's project to develop and maintain IFRS converged IPSASs or through wholly public sector specific IPSASs. A key element of this is the development of a public sector Conceptual Framework, which will aid both IFRS converged development and freestanding development of standards on public sector matters.</p> <p>Overall we found the drafting of the ED clearer than the previous Consultation Paper, although it would also be helpful if the draft Standard is reviewed for consistency and clarity, after making any amendments arising from comments on the ED. Some minor drafting comments are provided at Annex B.</p>	<p>Support</p> <p>Note: Drafting comments have been included under the SMC related to each suggested revision.</p>
010	(No general comments.)	

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011	The SRS-CSPCP welcomes the fact that the IPSAS Board has streamlined the 2012 <i>Consultation Paper</i> and that an <i>Exposure Draft</i> is now available. The latter is significantly easier to understand than the former. Having said that and from a Swiss perspective, this 4 <sup>th</sup> part of the Framework does not really bring any new elements, which will change present accounting in Switzerland. Therefore the SRS-CSPCP feels quite at ease with it.	Support (Although note comment that no new elements proposed.)
012	As a general comment, I would like to congratulate the IPSAS Board for issuing this high quality exposure draft and for the significant progress made on the development of the Conceptual Framework.	Support
013	<p><b>General Comments</b></p> <p>The NZASB acknowledges the leadership of the International Public Sector Accounting Standards Board (IPSASB) in seeking to address the topic of presentation within its conceptual framework, thereby creating a foundation for future thinking and work on presentation.</p> <p>The development of the conceptual framework by the IPSASB is extremely important to New Zealand, given the External Reporting Board's (XRB) decision to base its accounting standards for public benefit entities<sup>1</sup> on International Public Sector Accounting Standards (IPSASs). As such, it is critical to us that the conceptual framework that underlies IPSASs is conceptually robust, coherent and appropriate for public sector entities in New Zealand.</p> <p>We note that the International Accounting Standards Board (IASB) has recently recommenced its work on a conceptual framework for for-profit entities. We encourage the IPSASB and the IASB to work closely together in developing their conceptual frameworks as the two Boards are likely to be considering similar issues. While the development of the IPSASB's conceptual framework is not an International Financial Reporting Standards (IFRS) convergence project, it is desirable that the concepts and terminology included in the two frameworks are aligned to the extent possible. In our view, most of the concepts underpinning financial reporting are not sector-specific and we are asking both the IPSASB and IASB to attempt to remove any unnecessary differences.</p> <p>Presentation and disclosure are central to the credibility and perceived value of financial reporting. One of the most common complaints about GPFR relates to disclosure overload and complexity. In its conceptual framework project, the IPSASB has the opportunity to enhance its leadership in this area by ensuring that the concepts and principles underlying presentation and disclosure in the conceptual framework are well-developed and robust, thereby providing a sound conceptual basis for standards-level requirements on presentation and disclosure.</p> <p><b>Specific Comments</b></p> <p>In general, the NZASB supports the proposed presentation concepts and principles contained in CF-ED4. The NZASB also supports the proposed application of the presentation concepts and principles to both financial statements and other general</p>	<p>Note: Important to work closely with IASB and align concepts to extent possible.</p> <p>Note concerns about disclosure overload and complexity</p> <p>Support, with exception (terminology, see below)</p>

<sup>1</sup> Public benefit entities comprise public sector and "private" not-for-profit entities.

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	<p>purpose financial reports (GPFRs). In addition, the NZASB agrees that the aim of presentation is to provide information that contributes towards the objectives of financial reporting and achieves the qualitative characteristics (QCs) while taking into account the constraints.</p> <p>However, the NZASB is not supportive of the proposed terminology in CF-ED4, in particular, the use of the terms “presentation”, “display” and “disclosure” in the manner proposed. Terms like “presentation” and “disclosure” have traditionally been used more generically and may be associated with different meanings in different jurisdictions. We are concerned that the use of these terms in the manner proposed in CF-ED4 is potentially confusing. Further, it appears that the IASB, in its conceptual framework project, will use the term “disclosure” as an overarching term for the process of providing relevant financial information about the reporting entity to users and “presentation” as the disclosure of financial information on the face of an entity’s primary financial statements. The NZASB considers it critical that both the IPSASB and the IASB work towards aligning the terminology in their respective frameworks.</p> <p>Further, we consider that the use of the proposed terms “display” and “disclosure” to distinguish what is communicated to users in a GPFR as “key” information from other information continues to imply that displayed information is more important than disclosed information. This is clearly not the case, for example, where information in the notes to the financial statements is important but cannot be included in the primary financial statements because of its narrative nature. We recommend the removal of the proposed terms “display” and “disclosure”. Instead, where appropriate, the words should be used in their generic sense rather than as proposed.</p> <p>We discuss these in greater detail under Specific Matter for Comment 1 below.</p> <p>The NZASB considers that, subject to our comments in the Specific Matters for Comment below, the proposals are an appropriate foundation for a chapter on presentation in the conceptual framework. Presentation is an important aspect of GPFRs and the inclusion of a chapter on presentation that is well-developed and robust will enable the IPSASB to issue a coherent conceptual framework that covers all aspects of a GPFR. We strongly encourage, the IPSASB to further develop this chapter of the conceptual framework prior to finalising the conceptual framework.</p>	<p>Does not support terminology</p> <p>Note need to align terminology with the IASB approach</p> <p>Display and disclosure imply hierarchy of importance, which does not support</p>
014	<i>(No general comments.)</i>	No comment
015	<p><b>Overall Opinion</b></p> <p>ESV finds the exposure draft highly relevant and it is an interesting theoretical discussion on the presentation issue. However, we are of the opinion that the technique of optimizing the presentation of financial reports also has to consider demands and limitations deriving from the users (government and parliament) and from national constitutional and other lawful background.</p> <p><b>Concluding remarks</b></p> <p>We hope the comments given will be useful in your continuing work. We would like to take this opportunity to express our support for the development of International Public Sector Accounting Standards and a framework for financial reporting.</p>	<p>Support (or not) unclear</p> <p>Also consider demands and limitations deriving from the users and from laws.</p>

R#	<p style="text-align: center;"><b>RESPONDENT COMMENTS</b></p> <p style="text-align: center;"><b>GENERAL COMMENTS</b></p>	STAFF COMMENTS
016	<p><b>General Comments</b></p> <p>This ED sets out the concepts that the IPSASB proposes the preparer and auditor should apply when reaching a decision regarding presentation of information in a general purpose financial report (GPFR), which may include a general purpose financial statement. The FMSB has reviewed the proposed Conceptual Framework ED and generally agrees with IPSASB's proposed concept document. We support the approach being used by the IPSASB in developing a Conceptual Framework that can be used by the standard setters in developing proposed standards, by preparers when applying the IPSASB's standards and by auditors in determining if applicable standards have been applied correctly. We recognize that the IPSASB's proposed Conceptual Framework must be a broadly worded document that allows flexibility, especially given the international scope of the IPSASB's audience.</p> <p>However, the FMSB believes that the IPSASB might consider expanding upon the guidance proposed regarding the issue of disclosure. Paragraph 1.4 of the ED states that disclosed information make displayed information more useful, by providing detail that will help users understand the displayed information. This definition might be interpreted to limit disclosures to only displayed items. We believe that the IPSASB might expand the definition to clearly allow the preparer to provide relevant information that might meet the threshold for recognition but is clearly a matter that should be brought to the attention of users. The IPSASB should also consider whether this is the appropriate place to expand upon the matter of disclosure to present the concept that some disclosures will be considered essential and thus covered by the independent auditor's opinion whereas other disclosures might be considered supplementary and thus not subjected to the same scrutiny by an independent auditor. If this is the case, then we suggest that guidance be expanded. Following are our answers to the specific matters for comment posed by the IPSASB.</p>	<p>Support, with exception (more on disclosure)</p> <p>Note: Expand on disclosure approach. (Also see SMC 1 comment.)</p>
017	<i>(No general comments.)</i>	No comment
018	<p>On the whole we agree with the principles and concepts applicable to the presentation of information in general purpose financial reports (GPFRs) set out in this consultation. We feel that the proposals reflect a balance of good practice disclosure, as well as recognising the constraints. Two key criteria, which stand out in the consultation, are the need for the GPFR to reflect faithful representation and the prioritisation of information. The latter is particularly important as there is increasing pressure in both the private and public sectors to disclose more detailed information both quantitative and qualitative which has the effect of making reports more wieldy and lengthy and less accessible to the user.</p>	<p>Support</p> <p>Note concern re. quantity and quality of information in GPFRs</p>
019	<p>The Cour des comptes thanks the IPSAS Board for giving the opportunity to express its views on this ED, and welcomes the statement that the IPSAS conceptual framework has not the purpose of merging with IFRS and IASB's conceptual framework, which emphasizes the necessity to consider the specificities of the public sector.</p> <p>The Cour des comptes notes, as a preliminary, that this ED on the phase 4" has a smaller conceptual range than the other phases and is often restricted to recalling generally admitted truisms, such as the possibility to use tables and graphs, or stating that information overload may bring difficulties of understanding for the user. So, the IPSAS Board will have to adapt the size and</p>	<p>Fundamental issues, (a) ED includes truisms and will need to adapt, (b) terminology, (c) focus is too broad, (d) should address language, and (e)</p>

R#	RESPONDENT COMMENTS GENERAL COMMENTS	STAFF COMMENTS
	<p>structure of presentation matters in the final version of the conceptual framework, compare to those dedicated to fundamental accounting concepts.</p> <p>1. « Display/disclose</p> <p>The Cour des comptes considers that these conceptual constructions remain inadequate. They are built on a linguistic subtlety in English which seems to confer to "display" a higher degree of importance than to "disclose". For the Cour des comptes, this nuance will be hardly translatable in other languages, and is probably out of reach for many actors in the world, who are required to use English to access to IPSAS Board outputs.</p> <p>The Cour regrets that, in its conceptual statements, the IPSAS Board neglects to propose, for major terms loaded with conceptual sense, an explicit translation, at least in French for its concern.</p> <p>2. The Cour notes that the ED deals with presentation of both Financial Statements (as described in IPSAS 1) and « GPFR General Purpose Financial Reports ». Common principles are exposed for those two categories of documents, although they are different in status and importance. The Cour considers that the Financial Statements, as defined in a mandatory standard, are the core of the mission of the IPSAS Board, and that the Board should deal in priority with Financial Statements.</p> <p>3. However, it may seem paradoxical that in this ED, focusing on presentation and communication matters, The IPSAS Board has made no comment or proposal on the issue of the language in which the statements and reports are to be established.</p> <p>The issue of the language is of major importance if one refers to the following "qualitative characteristics" settled in Chapter 3 of the conceptual framework pointed to by the ED (§1.2):</p> <ul style="list-style-type: none"> <li>• "comparability",</li> <li>• "verifiability"</li> <li>• "understandability".</li> </ul> <p>Moreover, Chapter 2 of the conceptual framework has identified "resource providers" among the main users of the Financial Statements and reports. In an open economy, international resource providers may not all understand official languages formally in use in each national community.</p> <p>The silence in the ED on this question illustrates the limits of the IPSAS Board in matters out of its perimeter of competences as an accounting standard setter. Linguistic differences are always a highly sensitive question when trying to build International tools or standards, and various ways of mastering them have been elaborated by International Organizations through their founding Treaties that the IPSAS Board should consider.</p> <p>4. The Cour des comptes considers that the "notes" are a substantial part of the Financial Statements. In that view, the notes cannot appear to supply information that would be lower or under rated compared with what is included in non-mandatory reports. It is, according to that principle, inappropriate to propose that key information (display) could be available in optional GPFR founded on RPGs, when detailed and lower rated information (disclose) could be found in the notes, mandatory</p>	<p>negative impact for auditors</p> <p>Terminology inadequate</p> <p>Should focus on financial statements</p> <p>Need to address language of publication for GPFRs</p> <p>Opposes implication that notes are less important or inferior</p>

R#	<b>RESPONDENT COMMENTS</b> <b>GENERAL COMMENTS</b>	STAFF COMMENTS
	<p>component of the Financial Statements according to IPSAS 1.</p> <p>5. Some IPSAS (standards) use the word "disclose" pour mandatory information in the Financial Statements (cf. IPSAS 25 § 140, etc.), which could appear to contradict the definition given in the ED where "disclose" points to inferior information compared to "display". If the IPSAS Board were to stick to the distinction " display/disclose" as settled in the ED, a huge work of updating these terms would have to be undertaken in existing standards at a substantial cost. The Cour des comptes is therefore skeptic regarding the purpose of introducing such a distinction in the conceptual framework.</p> <p>6. As a Superior Audit Institution, in charge of legal audits of numbers of public entities, whether central, local, social or international, the Cour des comptes is concerned by the consequences on the tasks of external auditors of some requirements for presentation prescriptions appearing in the ED. It is for example the case for the admission of a "cost/benefit" criteria in the selection of information (§ 2.9) which might impact the quality of the "notes" in the financial statements, or the supply of additional and external information available at a date "as close as possible of the reporting date" (§2.10), formulation opening the way to delays in the finalization of financial statements.</p>	<p>The ED could have negative consequences for auditors</p>
020	<p>HoTARAC commends the International Public Sector Accounting Standards Board (IPSASB) on their decision to use a simple and concise approach for Phase 4 of the Conceptual Framework Project. HoTARAC also appreciates that many of the concerns expressed in the HoTARAC response to Consultation Paper <i>Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Presentation in General Purpose Financial Reports</i>, issued by the IPSASB in January 2012, have been addressed in this Exposure Draft.</p> <p>In particular, HoTARAC strongly supports the Framework basing presentation decisions on financial reporting objectives and the qualitative characteristics without the use of intermediate presentation concepts and techniques.</p> <p>HoTARAC notes that the International Accounting Standards Board's (IASB) work plan indicates that they intend to issue their Conceptual Framework Discussion Paper (DP) in early July and this will include consideration of presentation and disclosure in financial statements. HoTARAC suggests that the IPSASB consider the proposals in the IASB's DP and reiterates its preference that the IPSASB and IASB work more closely to achieve convergence of their respective conceptual frameworks and other pronouncements. Even if this would delay progress from an IPSASB perspective, HoTARAC believes such convergence would result in superior long-term outcomes for public sector entities globally. HoTARAC recommends that the IPSASB communicate to constituents how and when it will address tensions between standard-setter frameworks under which various public sector entities, such as Government Business Enterprises (GBEs) might operate.</p> <p>HoTARAC also urges the IPSASB to consider the following points raised in HoTARAC responses to the previous phases of the IPSASB's Public Sector Conceptual Framework project:</p> <ul style="list-style-type: none"> <li>• communicating to constituents how the framework will be reflected in existing IPSASs;</li> <li>• researching the objectives of financial reporting, as it is proposed that the presentation decisions made by preparers will be based on financial reporting objectives (paragraph 1.8);</li> </ul>	<p>Support</p> <p>Note: Work closely with IFRS to achieve convergence.</p> <p>Note issues applicable broadly to the whole Framework, which also apply here, and particularly as they apply to selection of information—application of GPFR objectives and preparers' exercise of</p>

R#	RESPONDENT COMMENTS GENERAL COMMENTS	STAFF COMMENTS
	<ul style="list-style-type: none"> <li>consideration be given to IPSASB's "Process for Reviewing and Modifying IASB Documents" in development of the conceptual framework;</li> <li>including a paragraph that preparers exercise their judgement in determining the inclusion of information in General Purpose Financial Reports (GPFRs) in the absence of an IPSAS requirement; and</li> <li>addressing differential reporting and acknowledging the different needs of users of GPFRs.</li> </ul> <p>Amplification on these points is in the appended HoTARAC response to the Consultation Paper on Phase 4 of the IPSASB's conceptual framework project.</p>	judgment when selecting information.
021	<p>We fully support the work the IPSASB has undertaken in considering the issue of presentation at a conceptual level. Notwithstanding the concern we discuss below, in our view, the CF ED 4 contains helpful and appropriate material on presentation to guide the IPSASB in its future work.</p> <p><b>Lack of Differences between the Public and Private Sectors</b></p> <p>In line with our comment letter dated May 31, 2012 relating to the Consultation Paper on this Phase of the CF, we see no real technical justification for there to be significant differences between the private and public sectors in respect of presentation. In the afore-mentioned letter we had also cautioned against the use of different terminology without pressing reasons, since this could result in a degree of irritation. In each of our comment letters relating to the CF project, we have urged the IPSASB to achieve appropriate liaison with the IASB before finalizing the CF; even if it would result in some delay to the original timetable.</p> <p>As the IPSASB will now be aware, subsequent to the publication of CF ED 4, the IASB issued a discussion paper on its own conceptual framework (DP/2013/1). Section 7 thereof deals with presentation and disclosure. Although we have not compared CF ED 4 and Section 7 of the IASB's DP/2013/1 in detail, the two most significant differences appear to relate to the definition and application of key terminology and the conceptual nature of the two Boards' current proposals.</p> <p>In respect of key terminology, the IASB is proposing to use the terms "presentation" and "disclosure" quite differently to their proposed application in CF ED 4. Furthermore, we note that although the IASB uses the term "display" elsewhere in DP/2013/1, it does not propose to use or define this term in Section 7. In contrast, according to paragraphs 1.2 and 1.3 of CF ED 4, presentation encompasses both display and disclosure, whereby displayed information communicates the key messages in a report and is distinct from disclosed information. The IPSASB has not identified any public sector specific differences that would necessitate different definitions or different application of the key terms mentioned above in respect of general purpose financial statements. However, we note that in BC7 of CF ED4 the IPSASB explains that in its view, the distinction between presentation and disclosure used in some jurisdictions is inadequate to address presentation concepts for general purpose financial reports.</p> <p>We would particularly like to express our support for IPSASB's innovative thinking, which has led to the development of the three presentation decisions on selection, location and organization of information. In our view, this work constitutes a valuable contribution to the Conceptual Framework, which will guide standard setters and preparers in their respective responsibilities for financial reporting pertaining to the public sector. We note that the IASB's discussion paper is structured quite differently and</p>	<p>Support (but note concern that alignment with IASB terminology proposals be considered)</p> <p>Note: Different meanings for "presentation" and "disclosure" in IASB's discussion paper. No definition of "display".</p> <p>Supports the three decisions identified (selection, location and organization). But notes that the IASB's structure is different.</p>



R#	RESPONDENT COMMENTS GENERAL COMMENTS	STAFF COMMENTS
	<p>does not take such a conceptual viewpoint.</p> <p>The fact that the two Boards have followed different timetables and have adopted different approaches to their respective CF projects has precluded a high degree of liaison to date. Nevertheless, and whilst we acknowledge the IPSASB's intention that the CF Project is not a convergence project, we again urge the Board to ensure appropriate liaison with the IASB is achieved prior to finalization of the CF as a whole, such that significant conceptual differences between the two respective frameworks are due solely to specific differences in the public and private sectors.</p>	
022	<i>(No general comments.)</i>	No comment
023	<p><b>Summary Comments</b></p> <p>We appreciate the opportunity to comment on the International Public Sector Accounting Standards Board's ('IPSASB' or the 'Board') Exposure Draft ('ED') entitled <i>Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Presentation in General Purpose Financial Reports</i> (CF-ED4), dated April 2013. We have consulted with, and this letter represents the views of, the KPMG network.</p> <p>Although we are generally supportive of the draft, we have identified specific matters that we believe merit further consideration. These follow below.</p> <p><b>Overall Comments</b></p> <p>Overall, we agree with the general guidance and approach proposed with respect to presentation in general purpose financial statements.</p> <p>We note that the scope of the CF-ED4 appears broader compared with other parts of the IPSASB Conceptual Framework. For example, the conceptual framework on elements and recognition focuses on items appearing in financial statements, whereas CF-ED4 considers general purpose financial reports and contemplates reporting beyond the financial statements.</p> <p>As a result, applying the principles set out in CF-ED4 to non-financial or non-traditional reporting formats would be challenging and we believe that these require further consideration, including, where appropriate, the Board's direction that detail be supplied on specifics in the IPSAS standards themselves (e.g. IPSAS 1 <i>Presentation of Financial Statements</i>).</p> <p>For example:</p> <ul style="list-style-type: none"> <li>• How do we make the distinction between display and disclosure for non-financial information or non-traditional reporting formats?</li> <li>• What is the nature of information about non-financial performance that a public sector entity should provide to users in order to meet the objectives of financial reporting in respect of "other GPFRs"?</li> </ul>	<p>Support</p> <p>Note: Scope is broader and, for non-traditional reporting will require further consideration and detail at standards level.</p>
024	<i>(No general comments.)</i>	No comment
025	<b>General Comments</b>	

R#	<p style="text-align: center;"><b>RESPONDENT COMMENTS</b></p> <p style="text-align: center;"><b>GENERAL COMMENTS</b></p>	STAFF COMMENTS
	<p>The AASB's general comments on the IPSASB ED are very similar to those made in the AASB's submissions (dated 15 May 2013 and 3 June 2013) on the IPSASB Conceptual Framework EDs <i>Elements and Recognition in Financial Statements</i> and <i>Measurement of Assets and Liabilities in Financial Statements</i>, as they are generally pertinent to the IPSASB's Conceptual Framework project in its entirety.</p> <p><b><i>Due process</i></b></p> <p>The AASB recommends that the IPSASB issues an omnibus ED incorporating its proposed Conceptual Framework after it has redeliberated all of its Conceptual Framework EDs, rather than finalising its Conceptual Framework without further consultation. An omnibus ED would enable the IPSASB's constituents to comment on the IPSASB's latest thinking on all of its proposals in its Conceptual Framework project, and to have regard to recent developments in financial reporting (including developments in the Conceptual Framework project of the International Accounting Standards Board [IASB]). This would enable the IPSASB's constituents to gain a holistic perspective together with greater context, and this should facilitate both internal consistency within the IPSASB's Conceptual Framework and either alignment with, or understanding of reasoning for differences from, the IASB Conceptual Framework.</p> <p><b><i>Subsequent review and update of the IPSASB Conceptual Framework</i></b></p> <p>The AASB recommends that the IPSASB should regard its Conceptual Framework as a living document, and thus should commit to reviewing and updating it from time to time in light of subsequent developments in financial reporting. The timing of such reviews should reflect the IPSASB's resources and priorities, and developments in conceptual thinking. Such developments would include any changes in thinking about concepts occurring in the development of recent IPSASs, in addition to developments in Conceptual Frameworks of other standard setters. This approach would be particularly beneficial, for example, in respect of concepts of presentation and disclosure. The AASB considers that thinking on these concepts is still in the early stages of development, on the part of the IPSASB, the IASB and the international financial reporting community generally. Therefore, it seems likely that thinking on concepts of presentation and disclosure will continue to evolve further. Under circumstances such as these, it is important not to treat the IPSASB Conceptual Framework as an immutable document. Specific comments on the importance of revisiting the topics of presentation and disclosure in the IPSASB Conceptual Framework are set out further below in this letter.</p> <p><b><i>Relationship between the IPSASB and IASB Conceptual Framework projects</i></b></p> <p>The AASB recommends that the IPSASB maximises its liaison with the IASB regarding those Boards' respective Conceptual Framework projects, in the context of the Memorandum of Understanding between the International Federation of Accountants and the IASB dated 22 November 2011.</p> <p>Ideally, the IPSASB and IASB Conceptual Frameworks would be complementary, where the only differences are those warranted by differences in circumstances. This would support the development of IPSASs and International Financial Reporting Standards (IFRSs) that differ only where necessary to deal with different economic phenomena. This approach is also likely to assist users of general purpose financial reports (GPFRs) who read financial reports across all sectors in the economy, which is</p>	<p>Support with exceptions? (Note that support is conditional on review and fundamental issues raised below)</p> <p>Note need to liaise with IASB to ensure, so far as possible, alignment of concepts</p>

R#	<p style="text-align: center;"><b>RESPONDENT COMMENTS</b></p> <p style="text-align: center;"><b>GENERAL COMMENTS</b></p>	STAFF COMMENTS
	<p>important given the fundamental objective of general purpose financial reporting to meet users' information needs.</p> <p>In relation to presentation and disclosure in particular, the AASB's encouragement of complementary concepts of the IPSASB and IASB is premised on the assumption that the IASB develops comprehensive concepts for presentation and disclosure, either within its current Conceptual Framework project or in revisiting those topics as conceptual thinking evolves.</p> <p>The AASB's arguments in relation to the IPSASB ED in this submission are mainly focused on technical issues, and not primarily on whether the IPSASB's proposals are consistent with the tentative thinking of the IASB in its Conceptual Framework project.</p> <p><b><i>Conditional support for the proposed Presentation chapter of the IPSASB Conceptual Framework</i></b></p> <p>The AASB congratulates the IPSASB for addressing the topic of presentation without the assistance of a well-developed standard setting literature on the topic, and for producing an ED that is well-structured and concise.</p> <p>As explained previously, the AASB considers that the ED should be regarded as an evolutionary document and therefore should only form the basis of a Conceptual Framework chapter on Presentation if the IPSASB commits to reviewing and updating that chapter on a timely basis in light of the outcomes of various international projects on presentation and/or disclosure currently in progress (including the IASB's work on concepts for presentation and disclosure as part of its Conceptual Framework project). An IPSASB chapter based on the ED should be considered as an interim stage of the IPSASB's concepts on Presentation, because the ED does not include sufficient principles that would be useful in answering the Presentation questions the ED identifies. These comments are elaborated on below.</p> <p><u>Adequacy of proposed principles</u></p> <p>Although the IPSASB Conceptual Framework indicates its role is primarily to set out concepts that the IPSASB will apply in developing IPSASs and Recommended Practice Guidelines (RPGs), the ED does not appear to contain sufficient principles to assist the IPSASB in making decisions about presentation, display or disclosure in the development or review of IPSASs and RPGs.</p> <p>The principles in the ED seem to essentially be limited to those set out elsewhere in the finalised and proposed chapters of the IPSASB Conceptual Framework. The AASB considers that the finalised chapter on Presentation should indicate which parts of its content are simply consequences of other chapters of the IPSASB Conceptual Framework and which parts (if any) cover new or separate aspects.</p> <p>The AASB observes that international debate about the subject matter of the IPSASB ED is emerging and largely undeveloped. In this regard, in May 2013 the IASB issued a Feedback Statement (entitled <i>Discussion Forum—Financial Reporting Disclosure</i>) noting:</p> <p>(a) the current projects of eight accounting bodies (or similar entities) [including the IASB, European Financial Reporting Advisory Group, US Financial Accounting Standards Board, the Institute of Chartered Accountants of Scotland and the New Zealand Institute of Chartered Accountants] dealing with presentation, display, disclosure and materiality, chiefly at a framework level; and</p>	<p>Note: AASB support for this chapter conditional on a commitment to review and update on a timely basis.</p> <p>Note: ED does not provide sufficient principles to be useful.</p> <p>Note: Reliance on other parts of the Framework and recommendation that existing/new content be identified.</p> <p>Note: Large amount of work in progress that is likely to impact on presentation concepts in the (near) future.</p>

R#	<b>RESPONDENT COMMENTS</b> <b>GENERAL COMMENTS</b>	<b>STAFF COMMENTS</b>
	<p>(b) the undeveloped nature of both the accounting literature and the international debate, regarding this general topic.</p> <p>Another development with potential implications for the international debate regarding Presentation (and also for other parts of Conceptual Frameworks) is an Essay on a Disclosure and Presentation Framework published by the AASB on 14 August 2013 (copy attached). The essay contends there is a gap in the conceptual framework that, if filled, would improve our ability to provide accounting responses to users' needs, including through the development of a better, purpose-driven disclosure and presentation framework. The essay contends there are a limited number of generic types of information, termed "stocks" and "flows", that characterise all types of entities to one degree or another. The essay contends the gap in the framework falls between the objective level and the lower levels. Both the objective and the stocks and flows identified are part of entities' environments. The selections of qualitative characteristics, elements, measurement bases and presentation/disclosure approaches are seen as accounting responses aimed at satisfying users' needs for information for decision making (the "objective"). Specification of the relevant stocks and flows could also bring meaning to "financial position" and "performance", and potentially provide a way to define financial reporting, bounding it by the generic stocks and flows identified.</p> <p>The AASB is not aware of any public sector specific considerations that would reduce the usefulness of the above-mentioned international debate in assisting the IPSASB to develop a more comprehensive revised chapter on Presentation for its Conceptual Framework.</p> <p>For these reasons, the AASB strongly encourages the IPSASB to announce that, in view of the emerging but largely undeveloped international debate about presentation, it will review and update its Presentation chapter on a timely basis in light of the outcomes of various international projects on presentation and/or disclosure currently in progress. In addition, the AASB strongly encourages the IPSASB to participate in that debate.</p> <p><b>Terminology</b></p> <p>The AASB considers that, to avoid confusion and unnecessary change, 'presentation' should not be the overarching term that encompasses the selection, location and organisation of information in a GPFR. Instead, the AASB considers that either 'display' or 'disclosure' (whichever is more generally accepted) should be used, as these are more descriptive of the underlying notions in the ED. (Despite this view, this submission refers to the chapter on 'Presentation', for consistency with the IPSASB ED's expression).</p> <p>These comments are elaborated on below, and further in the AASB's response to Specific Matter for Comment 1 in Appendix A.</p> <p><b>Distinction between 'display' and 'disclosure'</b></p> <p>The AASB is pleased to note that the IPSASB has responded to the concern expressed by the AASB and others, regarding the IPSASB's Consultation Paper (CP) on Presentation, that 'core information' (i.e. information shown on the face of a financial statement) should not be treated as more important than 'supporting information' (i.e. information shown in a note). However, the AASB considers that the IPSASB has responded to that concern in an ambiguous manner. This is explained in the comments on Specific Matter for Comment 1 in Appendix A.</p> <p>The AASB considers that the IPSASB Conceptual Framework chapter on Presentation should clarify more effectively than in the</p>	<p>Note: AASB essay published 14 August, 2013.</p> <p>Recommend that IPSASB announce it will review and update its Presentation chapter on a timely basis in light of and participate in the current international debate.</p> <p>Note: Disagrees with terminology.</p> <p>Note: Specific points where ED requires more clarification.</p>

R#	RESPONDENT COMMENTS GENERAL COMMENTS	STAFF COMMENTS
	<p>ED that, in serving the objective of financial reporting:</p> <ul style="list-style-type: none"> <li>(a) some information in a GPFR is more critical than other information;</li> <li>(b) how information is displayed can affect its interpretation by users; and</li> <li>(c) information shown on the face of a financial statement is not necessarily more critical than information shown in a note.</li> </ul>	
026	<p>We appreciate that the proposals in IPSASB Conceptual Framework Exposure Draft 4 <i>Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Presentation in General Purpose Financial Reports</i> (IPSASB CF ED 4) reflect a scope for financial reporting that is more comprehensive than that encompassed by financial statements and their notes. Nonetheless, we are concerned that the proposed modification of terminology that is well understood in the context of financial statements will cause unnecessary confusion. Furthermore, the International Accounting Standards Board (IASB) Discussion Paper <i>A Review of the Conceptual Framework for Financial Reporting</i> (IASB CF Discussion Paper) has proposed yet another approach to this topic with different modifications. While acknowledging the difference in focus of the IPSASB CF ED 4 and the IASB CF Discussion Paper we are hopeful that on the issue of terminology the two boards can reach alignment. If that cannot be achieved and there is a need for different terminology, the reasons should be fully articulated.</p>	<p>Support unclear</p> <p>Note: Disagree with use of different terminology. Terms should be aligned with IASB's approach.</p>
027	<p><b>General Comments:</b></p> <p>The ED has described the framework for presentation in general purpose financial reports ("GPFRs") which involved selection, location and organisation of information being displayed and disclosed in the GPFRs appropriately. Our understanding is that presentation decisions on the selection, location and organization of information, consider the following:</p> <ul style="list-style-type: none"> <li>• Needs of users;</li> <li>• Objectives of financial reporting, which are to provide information useful for accountability and decision-making purposes;</li> <li>• Qualitative characteristics ("QCs"), being relevance, faithful representation, understandability, timeliness, comparability and verifiability;</li> <li>• Pervasive constraints, being materiality, cost-benefit and achieving an appropriate balance between the QCs; and</li> <li>• High and lower level decisions which involved financial statements, other GPFRs and within a report.</li> </ul> <p>We observe that the above were repeated in Section 2, Section 3 and Section 4 of the ED, even though they have been discussed in relation to different areas i.e. information selection, information location and information organization. We suggest the IPSASB to consider the discussion of the above, in general, rather than repetitive discussion in various sections. We believe Section 1 of the ED can be maintained except for paragraph 1.8 to 1.10 on the 'presentation decisions'. We suggest the presentation decisions can be moved to a new section titled Presentation Decisions which discusses the factors for consideration above. Such new section can be located after the discussion on information selection, information location and information organisation which should also be in general.</p>	<p>Support</p> <p>Note: Recommend removing repetition between sections and move paragraphs 1.8 to 1.10.</p>

R#	RESPONDENT COMMENTS GENERAL COMMENTS	STAFF COMMENTS
	<p>We suggest such approach as we believe that the presentation framework is a form of 'checklist' to guide the IPSASB in developing International Public Sector Accounting Standards ("IPSASs") and Recommended Practice Guidelines ("RPGs") as well as such framework should be principle-based rather than specific.</p> <p><b>Specific Comments:</b></p> <p>We agree with all Specific Matters for Comment ("SMC") raised in the ED. In relation to SMC 5, paragraph 3.10 states that 'for other GPFRs, displayed information may either be located separately from disclosed information or located in the same area, but distinguished from disclosed information and given prominence through the use of some other presentation technique'. We would like to clarify what would 'other presentation technique' entails.</p>	<p>Note: Agrees with all SMCs.</p> <p>Note: Clarify "other presentation techniques".</p>
028	(No general comments.)	No comment
029	(No general comments.)	No comment
030	<p><b>General comments</b></p> <p>We support and commend the Board for undertaking this difficult project. As reiterated in our other comment letters on the IPSASB's EDs for Phases 2 and 3 of the Framework, we strongly encourage the Board to closely monitor the development of the International Accounting Standards Board's (IASB) conceptual framework, especially the release of the IASB's Discussion Paper on its Conceptual Framework in July this year and consider the relevance and appropriateness of the decisions taken by the IASB for the IPSASB's conceptual framework.</p> <p>Furthermore, we would encourage the Board to continue monitoring the International Integrated Reporting Council (IIRC) and Global Reporting Initiative (GRI)'s work in its development of a robust presentation framework for public sector entities.</p> <p>In addition, we still see a need that the current IPSASB's definitions of presentation, display and disclosure could be improved. We encourage the Board to come up with more robust definitions at the conceptual level that reflects both the understanding of that terminology in the private sector as well as the wider scope of financial reporting in the public sector.</p> <p><b>Lack of discussion on how the Board would tackle presentation requirements in new or revised standards</b></p> <p>However, there seems to be a lack of discussion in the ED that would guide the IPSASB in its development of presentation requirements for IPSASs (or guidelines in the case of RPGs). For example, there is no discussion of how the IPSASB would tackle the review of existing presentation requirements when developing new presentation requirements in order to minimize duplicate requirements; or providing useful disclosures emphasizing the way particular transactions (e.g. financial instruments) have been accounted and the impact on an entity the particular economic phenomenon has on the entity in order to enhance users' understanding.</p> <p><b>More guidance on balance between information usefulness and information overload</b></p> <p>On the issue of information overload, section 2 of the ED (paragraph 2.6 &amp; 2.7 in particular) discusses appropriate information selection in order to meet the objectives of financial reporting, which would in turn avoid information overload; and the need to</p>	<p>Fundamental issues</p> <p>Important to align with IASB where appropriate</p> <p>Monitor IIRC work for application to presentation</p> <p>Terminology—need more robust definitions</p> <p>Insufficient coverage, e.g. application to present IPSASs</p> <p>Need more guidance on how to avoid information overload;</p>

R#	<p style="text-align: center;"><b>RESPONDENT COMMENTS</b></p> <p style="text-align: center;"><b>GENERAL COMMENTS</b></p>	STAFF COMMENTS
	<p>provide an appropriate level of detail. However, the ED does not elaborate or explain how that could be achieved. For example, what are the criteria and thought process that preparers need to go through, in order to provide an appropriate level of detail when trying to meet the objectives of financial reporting? Further guidance would be helpful for preparers in deciding the appropriate totals, subtotals and line items to display, so that aggregated or disaggregated information, when displayed appropriately, would enhance users' understanding of the financial report. Furthermore, sufficient information need to be provided in order for users to identify the key drivers of an entity's performance and financial position, and the causes for uncertainties and judgements involved on measurements (including both financial and non-financial KPIs) used in GPFRs.</p> <p><b><i>Lack of linkage between presentation of information and assessment of performance</i></b></p> <p>We also observe a lack of discussion on the linkage between presentation of information and users' assessment of financial performance of the entity through the financial information presented in GPFRs. As a consequence of the ongoing sovereign debt crisis, citizens and other stakeholders have demanded for greater transparency and accountability in governments' finances. As such, information on performance and financial position is crucial for governments (and other decision-makers) who rely on these measures provided in the statements of financial performance, financial position and cash flows when making decisions on resource allocation. Bondholders and credit-rating agencies also rely on this information in making decisions about resource provision and credit-worthiness of the entity, and citizens rely on it when assessing stewardship of the government entities' resource deployment.</p>	<p>and provide appropriate level of detail.</p> <p>Need discussion of linkage between presentation and assessment of financial performance</p>
031	<p>3. We support IPSASB's efforts in developing the Conceptual Framework, which establishes parameters for financial reporting under IPSAS and clarifies concepts not previously explicitly covered by the Standards.</p> <p>4. The position of the Task Force on IPSASB's role in regulating content and format of non-financial information reported in the GPFRs remains unchanged as previously discussed in the Task Force's submission on the Consultation Paper on Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Presentation in General Purpose Financial Reports (CF-CP4 or Consultation Paper) provided to the IPSASB in May 2012 as well as comments on CF-ED1 submitted in 2011. IPSAS Board can recommend but should not prescribe the content or format of non-financial information to be reported by public sector entities. In case of the UN system organizations, scope and presentation parameters for non-financial information reported in financial statements and other financial reports are determined based on requirements of governing bodies. This is also true for majority of other public sector organizations.</p> <p>5. It was noted that the overall structure of the Exposure Draft has been notably streamlined as compared to the previously issued Consultation Paper, which was achieved by reducing repetitive cross referencing between ideas and concepts presented in the CF-CP4 as well as by excluding three presentation concepts and some of the controversial descriptions – for example, distinction between “core” and “supporting” information in the CF-CP4. Preparers of the GPFRs are also likely to benefit from an expanded guidance on presentation of the financial statements. At the same time, the Task Force is of the view that presentation concepts applicable to other GPFRs were outlined in very broad terms and were not always supported by robust discussions of practical application of the proposed approaches or an indication of benefits of introducing / complying with</p>	<p>Fundamental issues (a) scope too broad, (b) insufficient coverage of presentation for other (non-financial statements) GPFRs</p>

R#	RESPONDENT COMMENTS GENERAL COMMENTS	STAFF COMMENTS
	<p>the proposed concepts to users and preparers of the GPFRs.</p> <p>6. The Task Force also observed that each section of the CF-ED4 reviewed proposed requirements for the financial statements and other GPFRs separately. It is not clear from the discussion where the financial statement discussion and analysis, which is expected to be included in the same GPFR as the financial statements, falls within the context of the CF-ED4 for those entities that prepare the discussion and analysis following recommendations of the IPSASB's recently issued Recommended Practice Guideline 2.</p>	Question re financial statement discussion and analysis; part of financial statements or outside in terms of presentation concepts?
032	<p>The Province of Manitoba continues to question the appropriateness of developing a conceptual framework for General Purpose Financial Reports (GPFR). The IPSASB's conceptual framework should be limited to providing historical financial information in General Purpose Financial Statements (GPFS). Developing a conceptual framework that includes non-financial and prospective information can only compromise consistency in financial reporting. It is the expressed desire of all senior governments in Canada to produce consistent and reliable financial statements.</p> <p>The Province agrees that the IPSASB should include presentation standards as part of its conceptual framework. However, the Province found the concepts described in the ED to be too high level to address practical presentation issues facing governments. The proposed ED accommodates a wide variety of reports and public sector entities.</p> <p>In comparison Canadian public sector presentation standards were initially designed for governments. The reporting principles under Canadian public sector standards are specific enough to produce consistent, comparable and reliable government GPFS. Admittedly IPSASB's ED may be better suited for the broader public sector. Generally the Province does not disagree with the contents of the ED but we do view the presentation framework to be helpful for the preparation of GPFS for Canadian governments.</p>	Fundamental issue (a) scope too broad and (b) concepts too high level to be useful
033	<p><b>Overall comments</b></p> <p><b>Maintenance of alignment between IPSASB and IASB</b></p> <p>Consistent with our previous letters dated 31 March 2009 and 30 May 2012 in response to the Consultation Papers on the conceptual framework, ACAG supports the long term objective of having a single worldwide reporting framework for application in both the public and private sectors. However, ACAG believes that the establishment of two separate conceptual frameworks is necessary to reflect divergence in a number of accounting issues that exist and continue to evolve, between the public and private sector.</p> <p>ACAG notes and supports the strategy of the IPSASB to maintain alignment between the International Public Sector Accounting Standards (IPSASs) and the International Financial Reporting Standards (IFRSs) where appropriate.</p> <p>ACAG commends the IPSASB for continuing to progress work on the Conceptual Framework given the delayed progress of the IASB project on its Conceptual Framework, which has only been recently reactivated. ACAG notes that an IASB Discussion Paper of a revised Conceptual Framework was issued on the 18 July 2013.</p> <p>ACAG reiterates its prior concerns that given the mismatch in the progression of the IPSASB's and IASB's respective Conceptual</p>	<p>Support (or otherwise) unclear.</p> <p>Support for alignment with IASB where appropriate</p>



R#	<p style="text-align: center;"><b>RESPONDENT COMMENTS</b></p> <p style="text-align: center;"><b>GENERAL COMMENTS</b></p>	STAFF COMMENTS
	<p>Framework projects, a divergence could develop and diminish alignment between the two Conceptual Frameworks. To minimise this risk, ACAG suggests the IPSASB delay finalising its Conceptual Framework until the IASB has progressed its project.</p> <p><b>Terminology</b></p> <p>This ED addresses presentation concepts applicable to general purpose financial statements and 'other General Purpose Financial Reports' (GPFRs). The term 'GPFRs' has been defined in points 1.4 – 1.7 of Chapter 1 of <i>The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities</i>, whereas the term 'other GPFRs' has not been defined. ACAG remains uncertain as to whether 'other GPFRs' refers to other reports which may be presented in a document containing the financial statements or completely distinct reports altogether.</p> <p>Currently, where information is presented in a document containing audited financial statements, the auditor's responsibilities in respect to 'other information' presented outside the audited financial statements are clearly defined in ISA 720.</p> <p>Ideally, all standard setting bodies should use common or similar definitions. In the absence of a common or similar definition, ACAG finds references to 'other GPFRs' confusing. Due to the introduction of new terminology, the IPSASB may like to consider the development of a glossary of terms in respect to the Presentation in General Purpose Financial Reports.</p> <p>While the ED provides high level, relevant factors to consider when evaluating how information should be presented in GPFRs, ACAG considers that the IPSASB should emphasise the clear delineation between general purpose financial statements and 'other GPFRs' in order not to create unreasonable public expectations of the auditor's role on the presentation of information outside of the audited financial statements.</p> <p>As BC3 of the ED highlights, the IPSASB's view is that effective presentation of information in 'other GPFRs' is very important in meeting the objectives of financial reporting - accountability and decision making. While acknowledging the importance of the presentation of additional information in 'other GPFRs' and the challenges faced by the IPSASB and preparers, it is important to note that it could also have implications for auditors, as discussed above.</p>	<p>Question re. meaning of "other GPFRs"</p> <p>Note auditors' responsibilities re. information included with financial statements and implications for auditors.</p>

**Specific Matter for Comment (SMC) 1:**

Do you agree with the proposed descriptions of “presentation”, “display”, and “disclosure” and the relationships between them in Section 1? If not, how would you modify them?

**STAFF ASSESSMENT OF RESPONSES RECEIVED: These are staff views and do not necessarily reflect the views of IPSASB Members**

CATEGORY (C #)	RESPONDENTS (R #)	TOTAL
<b>A – AGREE</b>	001, 002, 005, 009, 010, 011, 012, 014, 015, 017, 018, 022, 024, 027, 028, 029, 031	17
<b>B – PARTIALLY AGREE</b>	003, 004, 006, 007, 008, 016, 023	7
<b>C – DISAGREE</b>	013, 019, 020, 021, 025, 026, 030, 032, 033	9
<b>SUB-TOTAL OF THOSE PROVIDING COMMENTS</b>		<b>33</b>
<b>D – DID NOT COMMENT</b>		0
<b>TOTAL RESPONDENTS</b>		<b>33</b>

R#	C#	RESPONDENT COMMENTS SMC 1	STAFF COMMENTS
001	A	We agree with the proposed descriptions of “presentation”, “display”, and “disclosure” and the relationships between them.	
002	A	Yes - we agree with the proposed definitions of presentation, display and disclosure.	
003	B	<p>The Council does not approve of the publication of such a document as an integral part of the conceptual accounting framework, as it applies to financial reports that have nothing to do with setting accounting standards. It finds that the items in Section 1 should be applied only to the accounting data in the financial statements.</p> <p>That said, the Council notes great improvement in this document’s wording compared with the Consultation Paper. The definition of “displayed information” that communicates key messages has been clarified, as has the definition of “disclosed information” that aims to provide additional information to supplement the balance sheet and income statement in the General Purpose Financial Statements. The distinction between “displayed information” and “disclosed information” is useful, relevant and clear. It would be useful to include these information items in a recommendation, not as part of the standards’ framework. This recommendation could also create a link to the provisions of the IPSAS 1 standard, “<i>Presentation of Financial Statements</i>”, for consistency between the two</p>	<p>Fundamental issue (disagrees with broad scope)</p> <p>Agrees with display and disclosure</p>

R#	C#	RESPONDENT COMMENTS SMC 1	STAFF COMMENTS
		documents, even though they are not at the same level.	
004	B	<p><i>As mentioned in our preliminary remarks, we are unable to approve the scope of this Exposure Draft and consider that its contents, which ought to cover financial statements only, have more in common with a guidance document than a conceptual framework.</i></p> <p>The definitions relating to financial statement presentation, displayed information (key information for understanding financial statements) and disclosed information (detailed information, such as calculation methods and figures, for understanding displayed information) are clear and we have nothing else to add in this respect.</p>	<p>Fundamental issue (disagrees with broad scope)</p> <p>Terminology is clear</p>
005	A	We agree with the proposed descriptions of “presentation”, “display”, and “disclosure” and the relationships between them in Section 1 (Specific Matter for Comment 1).	
006	B	<p>We agree with the proposed definition of ‘<i>presentation</i>’ in so far as ‘<i>presentation is the selection, location and organisation of information in GPFRs</i>’. We also agree with the final sentence of paragraph 1.2, that ‘<i>presentation aims to provide information....while taking into account the constraints.</i>’</p> <p>However, we remain of the opinion that using the words ‘<i>display</i>’ and ‘<i>disclosure</i>’ is not appropriate, particularly for financial statements. This is because both words have generally accepted meanings other than those that the Conceptual Framework seeks to attribute to them.</p> <p>We note, per Basis of Conclusions paragraph BC9, that IPSASB has now removed the terms ‘<i>core</i>’ and ‘<i>supporting</i>’, in order to avoid the implication that there could be a hierarchy of information, as there is no intention to create such a hierarchy. However, we consider that the words ‘<i>display</i>’ and ‘<i>disclosure</i>’ could still imply that information considered for ‘<i>display</i>’ is more important than that ‘<i>disclosed</i>’.</p> <p>It is clear in practice that the ED makes a qualitative distinction between information that is ‘<i>displayed</i>’ and that which is merely ‘<i>disclosed</i>’, with the former having a more enhanced status than the latter (see paragraphs 1.3-1.4, 3.8-3.10, 4.11 for examples of this).</p> <p>Our view is that the words ‘<i>core</i>’ and ‘<i>supporting</i>’ are in fact appropriate for use in both financial statements and GPFRs more widely. ‘<i>Core</i>’ could be replaced with ‘<i>primary</i>’ which (in our experience) is more frequently used to describe information on the face of financial statements.</p> <p>If such an approach is adopted, we consider that the Framework should explicitly state that ‘<i>core</i>’ (or ‘<i>primary</i>’) information is not necessarily more important than ‘<i>supporting</i>’ information, as the combination of both types of information contribute to meeting the overall aim of presentation as described in paragraph 1.2.</p>	<p>Note:</p> <p>Agrees with “presentation”.</p> <p>Disagrees with the words “display” and “disclosure”, on the basis that both words have generally accepted meanings other than those in the ED. Also concerned that a sense of hierarchy still applies with displayed information being viewed as more important.</p> <p>Recommends use of “core” and “supporting”, but notes that core could be replaced with “primary”, on the basis that information on the face of the financial statements is often described as primary.</p>
007	B	<p><u>Presentation</u></p> <p>We suggest that the description of presentation be modified by:</p> <ul style="list-style-type: none"> <li>Combining the two sentences in paragraph 1.2 that contain the ideas of what presentation is and what presentation should do into a single sentence to give the description a more complete meaning.</li> </ul>	<p>Note:</p> <p>Suggestions re. improvements to the presentation description.</p>

R#	C#	<p align="center"><b>RESPONDENT COMMENTS</b></p> <p align="center"><b>SMC 1</b></p>	<p align="center"><b>STAFF COMMENTS</b></p>
		<ul style="list-style-type: none"> <li>Eliminating the reference to a footnote to make the description more understandable and sufficient on its own. This can be achieved by dropping the term “constraints” and stating the two specific constraints as “constraints” can be interpreted generally by others if there is no specific reference. Listing the “qualitative characteristics” is not needed as this term can be easily related to the title of Chapter 3 of the Conceptual Framework.</li> <li>Simplifying the description to make it more concise by removing the phrase “displayed and disclosed” as it is unnecessary for a complete meaning of presentation.</li> </ul> <p>Our suggested description is:</p> <p align="center">“Presentation is the selection, placement and organization of information in GPFRs in a way that achieves the objectives of financial reporting and the qualitative characteristics of financial information while taking into account materiality and cost benefit considerations.”</p> <p><u>Display and disclosure</u></p> <p>Paragraph BC9 states that “the descriptions of display and disclosure have been revised to explain what types of information would be displayed and what disclosed.” We support IPSASB’s decision to focus the display and disclosure distinction on the types of information that would be presented at a summarized level and at a more detailed level respectively, and not mixing it with the location and organization of information.</p> <p>In our view, underlying the display and disclosure distinction is the concept of core and supporting information. This is a key concept for information selection decisions and should be discussed under Section 2: Information Selection. We believe that this concept can be better explained without the terms “display” and “disclosure” as their descriptions have caused unnecessary complication and confusion in the ED. For example, the descriptions of display and disclosure in Section 1 do not focus on the “what types of information” as stated in paragraph BC9. While the description of disclosure in paragraph 1.4 only addresses the types of information, the description of display in paragraph 1.3 also includes how and where information should be presented.</p> <p>Some descriptions of display and disclosure in Section 1 are based on the statements and notes distinction in GPFSSs. They do not fit other GPFRs. For example, the references to “an element definition” and “the basis for displayed information such as applicable policies” in paragraph 1.4, and the idea of “disclosure is not a substitute for display” in paragraph 1.5 are GPFSSs oriented.</p> <p>Also, the discussion under “Criteria for Display and Disclosure” in paragraphs 1.5 to 1.7 does not provide any criteria or guidance to distinguish display and disclosure. For example, the “classification principles” in paragraph 1.6(a) are not identified or further explained how they would help identify information for display and disclosure. Paragraph 1.6(b) and (c) simply state that lists of what should be displayed and what should be disclosed should be developed without indicating what considerations should be taken into account in developing the lists.</p> <p>Paragraph BC9 states that “Coverage in subsequent sections provides additional guidance on the distinction between display and disclosure as it applies to the three decisions.” However, neither the concept of display and</p>	<p>Disagrees with display and disclosure because the terms cause unnecessary confusion, but supports a distinction linked to core/supporting information.</p> <p>Criteria and principles need to be provided on the core/supporting distinction.</p> <p>Supports approach distinguishing in terms of <i>types</i> of information rather than its location or organization, but notes that ED still contains allocation element in its face/notes discussion vis a vis financial statements.</p> <p>Criteria and principles need to be provided on the core/supporting distinction.</p>

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		disclosure nor their distinction is addressed in Section 2: Information Selection though the two terms are supposed to explain what types of information should be presented in GPFRs, that is, to deal with information selection decisions.	
008	B	<p><i>“Descriptions” of presentation, display and disclosure – paragraphs 1.2 to 1.4</i></p> <p>We have three high level issues with the terms/descriptions set out in the Exposure Draft:</p> <ol style="list-style-type: none"> <li>Paragraph 1.1 notes that: “This section establishes presentation related <u>terms</u> and identifies three presentation decisions” [own emphasis added]. These “descriptions” or “terms” should rather be developed as “concepts” or “principles” underlying the presentation of information. As the approach to presentation is embedded firmly within these three terms, it would be more appropriate for these to be identified as “principles” or “concepts” rather than being described as just “terms”. The use of the word “term” does not denote the significance of these issues in decisions about the presentation of information in GPFRs. As a result, the structure and wording of some of the descriptions, in particular “display” needs to be amended. Our suggestion is outlined below.</li> <li>The terms “display” and “disclosure” should have clear links or references to the objective of financial reporting. Without this link, the presentation objectives have no meaning and context. Linking these definitions with financial reporting objectives also creates a better link with the description of “presentation”.</li> <li>We are concerned about the way in which disclosed information is described. At present, disclosed information is described as follows: “<u>Disclosed information makes displayed information more useful</u>, by providing detail that will help users to understand displayed information, including....”. This could be read as implying that no information is disclosed if there is no displayed information. While disclosed information does make displayed information more useful, it cannot be the only characteristic of disclosed information. Disclosed information should broadly contribute towards the objectives of financial reporting.</li> </ol> <p><i>Specific comments on terms “presentation”, “display” and “disclosure”</i></p> <p>Based on our proposal to describe “presentation”, “display” and “disclosure”, amendments are required to the wording of these descriptions to ensure that a clear principle/concept is articulated.</p> <p>Presentation: We agree with the proposed description as it outlines both the key principle underlying presentation (i.e. provide information that contributes towards the objectives of financial reporting and achieves the QCs and constraints), as well as the approach that is applied (i.e. through the selection, organization and location or information). We do not believe any amendments are required to this definition.</p> <p>Display: The description of display could be enhanced. The description should clearly outline what the objective of display is, and then the characteristics of displayed information. We propose wording such as: “Displayed information communicates key messages to users that contribute towards the objectives of financial reporting and achieving the QCs and constraints. Displayed information is presented prominently, is kept to a concise and</p>	<p>Note: Presentation–OK; Display–needs to be enhanced; Disclosure–disagrees.</p> <p>Describe as concepts or principles, not “terms”.</p> <p>Note: Link to display and disclosure to objective of reporting.</p> <p>Note: Disclosures may not relate to displayed information. Need to broaden the description to include that disclosures are important on their own, and their importance relates to financial reporting objectives.</p> <p>(Staff: Agree, particularly for information additional to financial statements.)</p> <p>Agree with “presentation”</p> <p>Note: Suggestions to enhance “display” description.</p>

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		<p>understandable level, and should not include excess detail which may obscure key messages.” The last sentence of paragraph 1.3 is too detailed for the description of “display” and we would propose deleting it.</p> <p>Disclosure: Based on our comments above, we do not agree with the proposed description of “disclosure”. As presently described, disclosed information is seen as only making displayed information more useful. We propose that the description of disclosed information should be amended to make it clear that disclosed information should broadly contribute to the objectives of financial reporting.</p> <p><i>“Criteria for display and disclosure” – paragraphs 1.5 and 1.6</i></p> <p>We do not believe that this heading appropriately reflects the discussion in paragraph 1.5 and 1.6. Paragraphs 1.5 and 1.6 do not outline “criteria” for information that is displayed and disclosed. As noted above, these “criteria” should be embedded within the concepts or principles developed for display and disclosure. With the exception of the last sentence of paragraph 1.5, this section outlines the application of display and disclosure rather than the criteria for deciding when to display or disclose information.</p> <p>Paragraph 1.5 indicates that information is either displayed or disclosed. We do not support this statement. For example, a single line item of aggregated information may be displayed on the face of a financial statement, while the detail of that line item may be disclosed in the notes. As a consequence, we do not believe that display or disclosure of information is a binary decision as suggested, and propose deleting the first sentence of paragraph 1.5.</p> <p>If the first sentence of paragraph 1.5 is deleted, the second sentence of 1.6 could be combined with the description of “disclosure”.</p> <p>Paragraph 1.6 describes the application of display and disclosure decisions to financial statements and other GPFs. We are of the view that this discussion would be better located in the section “Location of information within a Report” (paragraphs 3.8 to 3.10).</p> <p>The focus of paragraph 1.6(c) should not be on list of specific information that <u>preparers</u> must display and disclosure, but rather what information must be displayed and disclosed to meet <u>users’</u> information needs.</p> <p><i>“Presentation decisions” (paragraphs 1.8 to 1.10)</i></p> <p>The second sentence of paragraph 1.8 states the following: “They seek to achieve the financial reporting objectives...” The use of the word “They” makes it difficult to identify the subject of the sentence – is it the presentation decisions or the financial reporting objectives? “They” should be replaced with “Such decisions....”.</p>	<p>Note: Disagrees with “disclosure”.</p> <p>Note: Suggestions to enhance descriptions of “criteria for display and disclosure”.</p> <p>Note either/or issue and underlying issue of meaning of “information” where additional detail provides more information.</p> <p>Note: Suggestions to improve paragraphs 1.6 and 1.8.</p>
009	A	<p>CIPFA agrees with the proposed descriptions.</p> <p>This paragraph (1.3) explains that displayed information ... <i>is presented prominently, using appropriate presentation techniques such as clear labeling, borders, tables or graphs.</i></p> <p>Borders, tables and graphs are not presentation techniques. They are more in the nature of design elements or</p>	<p>Suggested word change (design elements) for Section</p>

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		<p>information presentation templates. A possible reformulation would be:</p> <p><i>Displayed information is presented prominently, using appropriate document structure and design elements, including clear labels, use of borders and other graphical separators, tables or graphs.</i></p> <p><b>General comment on the use of the terms ‘GFPRs’ and ‘reports’ (and in particular paragraphs 1.9, 1.10, 2.2)</b></p> <p>The ED contains a number of references to ‘GFPRs’ – ie General Purpose Financial Reports containing multiple ‘reports’.</p> <p>We understand what is meant in each case, but the wording implies that a single report contains multiple reports. This wording seems clumsy and potentially confusing, especially for IPSAS users who are not English speakers. It would be helpful if the wording was reworked to more clearly distinguish the overarching reporting and the component reports, perhaps by referring to the overarching groups of reports as ‘reporting.’</p> <p>As noted in para 1.9, this wording is also used in the Chapter 1 of the framework; it may also be helpful to make similar clarifying changes to Chapter 1.</p>	<p>1.</p> <p>Note issue re meaning of “GFPRs” and “reports” This appears in other responses with respect to audit of different reports and meaning of “other reports”.</p>
010	A	We agree that the descriptions of presentation, display and disclosure and the relationships between these concepts are appropriate for all reports within the scope of the ED.	
011	A	The SRS-CSPCP agrees in principle with these definitions and their relationships. However, the definitions remain fairly abstract. Therefore the SRS-CSPCP believes that it will be necessary within each individual standard to state precisely what information must be disclosed and very specifically whether it must be “displayed” or “disclosed”. When it comes to the information that must be “disclosed”, it must be made clear what piece of information must mandatorily be reported for reclassification according to the GFS Guidelines. It should also be established in what form Whole of Government statements respecting GFS Guidelines should be disclosed in the other GFPRs (General Purpose Financial Reports).	<p>View that fairly abstract and will need standards level specification</p> <p>Note: Comments related to GFS reporting linkage.</p>
012	A	We agree in general with the proposed descriptions of “presentation”, “display” and “disclosure” in Section 1. However, we would like to draw attention to the wording in paragraph 1.3 where the CF says: “...and not be distracted by an excess of detail that could otherwise obscure those messages.” We would propose deleting this phrase from the description since note disclosures should also not distract the reader and obscure the messages displayed. Although note disclosures provide more details than displayed information they should not provide an information overload either (“excess of detail”) that could distract readers of financial statements. We therefore believe it is not appropriate to use this wording as a distinction between “display” and “disclosure”. The description of display could be limited to: “Displayed information should be kept to a concise, understandable level, so that	<p>Note proposed revisions to paragraphs 1.3 and 1.5.</p> <p>(Disclosure could be described more positively such as “providing further detail while remaining understandable and avoiding excessive detail. Link with other respondent’s</p>

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		<p>users can focus on the key messages presented (without going into unnecessary level of details)."</p> <p>The first sentence in paragraph 1.5 is in contradiction to both the sentence directly after and the first sentence in paragraphs 1.2, 1.4 and in a number of paragraphs in following sections (e.g. 4.11). We believe that display does not exclude information from being disclosed and vice versa. We think that two scenarios<sup>2</sup> are possible:</p> <ul style="list-style-type: none"> <li>(a) Information is displayed and disclosed; and</li> <li>(b) Information is not displayed but disclosed.</li> </ul> <p>Consequently, we believe the wording of the first sentence in paragraph 1.5 needs to be revised.</p>	<p>recommendation that a positive statement to the effect those disclosures are essential to understanding or meeting reporting objectives.</p>
013	C	<p>The NZASB does not support the proposed descriptions of "presentation", "display" and "disclosure" and the relationships between them. We consider that presentation is more in the nature of "where" and "how" information is disclosed in a GPFR (i.e., the location, format and organisation of information) whereas disclosure is more in the nature of "what" information to communicate to users (i.e., information selection).</p> <p>The terms "presentation" and "disclosure" have traditionally been used more generically and, in some jurisdictions, with different meanings. The use of these terms in the manner proposed by the IPSASB may be confusing. In particular, the word "disclosure" is usually associated with a range of meanings, frequently including the selection of information. Further, it appears that the IASB, in its conceptual framework project, will use the term "disclosure" as an overarching term for the process of providing relevant financial information about the reporting entity to users and "presentation" as the disclosure of financial information on the face of an entity's primary financial statements. The NZASB considers that, regardless of the terminology used, it is critical that both the IPSASB and the IASB work towards aligning the terminology in their respective frameworks.</p> <p>We note that the use of the proposed terms "display" and "disclosure" to distinguish what is communicated to users in a GPFR as "key" information from what is "disclosed" to users to make the displayed information more useful (paragraphs 1.3 and 1.4 of CF ED-4) continues to imply that displayed information is more important than disclosed information. This is notwithstanding the statement in paragraph BC 9 that the terms "core information" and "supporting information" were removed to avoid the implication that one type of information is more important than the other. We suggest that removing the proposed terms "display" and "disclosure" may address the issue to some extent.</p> <p>In addition, we consider it may be useful for the conceptual framework to acknowledge that different information may have different levels of materiality and it may be necessary for some information to be disclosed with greater prominence than other information in a GPFR, notwithstanding their "location". In other words, in making our comments above, we are not disagreeing with the idea that some information represents "key" information, in that it is highly relevant to users of the financial statements – rather, our concern is the inference that information that</p>	<p>Note: Disagrees with all three (presentation, display and disclosure).</p> <p><u>Propose:</u> Presentation deals with how and where information is presented, while disclosure deals with what information.</p> <p>View that presentation and disclosure are used with different meanings in different jurisdictions.</p> <p>Align with IASB meanings. (More important consideration.)</p> <p>Concern that implication remains that disclosed information is less important, while agreeing with idea that some information is "key". Suggest removing the terms display and disclosure will address this problem.</p>

<sup>2</sup> We are not aware of examples in GPFS where information is displayed but not disclosed.



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		<p>is “displayed” on the face of the financial statements is more important than information that is “disclosed” in the notes to the financial statements.</p> <p>Furthermore, while it may be helpful to distinguish between the messages on the face of a particular statement and other information in a GPFR, we do not consider that the use of the terms “display” and “disclosure” as proposed achieves this. We note that CF-ED4 sets out some general criteria for information selection, information location and information organisation in the sections on those components. However, no criteria are set out in relation to display and disclosure decisions. In the absence of such criteria, we consider that the use of the terms display and disclosure will be of limited use to the IPSASB in making standards-level decisions. We are concerned that the “criteria for display and disclosure” set out in paragraph 1.6 will effectively be an ad hoc list of “rules”.</p> <p>Following on from this comment we consider that one of the most important starting points for guiding a decision on where and how information should be communicated would be whether an item meets the definition and recognition criteria as an element for a GPFR. We note that paragraphs BC4 and BC5 explain the relationship between presentation concepts and other parts of the Framework. We recommend that the comments underlying paragraphs BC4 and BC5 be repeated in section 1. We consider that applying the element recognition and measurement concepts as set out in the other parts of the Framework may assist IPSASB (and preparers) in determining the “where and how” decisions.</p> <p>We note the proposal in CF-ED4 to link presentation concepts to the QCs at a high level without more specific criteria. The discussion on information selection, information location and information organisation throughout CF-ED4 sets out important communication principles that effectively require the information communicated to users to be:</p> <ul style="list-style-type: none"> <li>• clear, balanced and understandable;</li> <li>• entity-specific;</li> <li>• organised in a manner that highlights what is important;</li> <li>• linked;</li> <li>• not duplicated; and</li> <li>• comparable.</li> </ul> <p>The NZASB considers that the succinct expression of these principles in Chapter 1, with a link to the general principles in the later sections on information selection, information location and information organisation, would highlight their importance and be useful in a chapter on presentation.</p>	<p>Materiality: May have different levels (Staff: This is relevant to Phase 1).</p> <p>Insufficient criteria to distinguish between display and disclosure.</p> <p>Element recognition criteria are very important to where and how information should be communicated.</p> <p>Recommendations to improve structure and impact of the ED.</p> <p>These communication principles are important and should be highlighted.</p>
014	A	The Institute agrees with the proposed descriptions and the relationship between them.	
015	A	We agree to the three proposed descriptions.	

R#	C#	RESPONDENT COMMENTS SMC 1	STAFF COMMENTS												
016	B	The FMSB agrees with the proposed descriptions regarding presentation and display, but disagrees with the proposed description of “disclosure”. As stated in our general comments, we believe the description of the term “disclosure” should be reviewed and, if appropriate, expanded to provide for the matter of required disclosures and supplemental disclosures.	Disagrees with approach to “disclosure”, which needs to be expanded. (Include required or supplemental.) Note link to auditing and disclosures go beyond enhancement of displayed information, see General Comments.)												
017	A	<p>We generally agree with the Board's proposal, however, we suggest for the Board to carefully consider the following:</p> <p>(1) Proposed definition of “presentation”</p> <p>We believe that the proposed definition of presentation in paragraph 1.2 of the CF-ED4 may be misunderstood so that “display” and “disclosure” are the subordinate concepts of “presentation.” Therefore, we believe that it would be appropriate to remove the sentence on “display” and “disclosure” from paragraph 1.2, and simply state that, “[P]resentation is the selection, location and organization of information.” In this way, it will be clearly shown that the “presentation” is the process for reporting information.</p> <p>Furthermore, in view of the flow of the sentences, we propose to change the order of the current paragraphs to read; paragraphs 1.1, 1.2, 1.5, 1.6, 1.7, 1.3, and 1.4, in order to clarify that “[P]resentation is the selection, location and organization of information.”</p> <p>On a related note, it will also be useful to reorganize and classify paragraphs explaining the “nature” of information to be presented (displayed or disclosed), and the “techniques” on the presentation decisions as follows:</p> <table><tr><th>Section</th><th>Nature of information</th><th>Presentation techniques</th></tr><tr><td>Section 2</td><td>Par.2.3 to 2.5</td><td>Par.2.1, 2.2, 2.6 to 2.10</td></tr><tr><td>Section 3</td><td>N/A</td><td>All paragraphs</td></tr><tr><td>Section 4</td><td>Par.4.4 to 4.9, 4.12 to 4.14</td><td>Par.4.1 to 4.3, 4.10, 4.15, 4.16</td></tr></table> <p>(2) Distinctions among presentation, display, and disclosure</p> <p>Paragraph BC7 states that certain distinction between “presentation” and “disclosure” used in some jurisdictions is inadequate to address presentation concepts for GPFRs. However, since the reason for not using the concept of “presentation” and “disclosure” is unclear from this sentence, we propose to modify the second paragraph of BC7 to</p>	Section	Nature of information	Presentation techniques	Section 2	Par.2.3 to 2.5	Par.2.1, 2.2, 2.6 to 2.10	Section 3	N/A	All paragraphs	Section 4	Par.4.4 to 4.9, 4.12 to 4.14	Par.4.1 to 4.3, 4.10, 4.15, 4.16	<p>Note recommendations to improve the coverage.</p> <p>View that “presentation is the process for reporting information” and not the superset for display and disclosure, but separate from those two terms.</p> <p>Suggestions to improve structure of the ED.</p> <p>Recommendation to improve the explanation for introducing</p>
Section	Nature of information	Presentation techniques													
Section 2	Par.2.3 to 2.5	Par.2.1, 2.2, 2.6 to 2.10													
Section 3	N/A	All paragraphs													
Section 4	Par.4.4 to 4.9, 4.12 to 4.14	Par.4.1 to 4.3, 4.10, 4.15, 4.16													

R#	C#	RESPONDENT COMMENTS SMC 1	STAFF COMMENTS
		<p>read:</p> <p>"The concepts of "presentation" and "disclosure" are closely related to both reporting of information on the face of a financial statement and in the notes to a statement. How they correspond with each reporting style is not always clear in other GPFRs. Therefore, it will be difficult to conceptually clarify the presentation style of information for other GPFRs."</p> <p>Furthermore, paragraph BC7 appears to place emphasis on "information," along with "presentation" and "disclosure," by stating that "...presentation applies to information reported on the face of a statement and disclosure applies to information reported in the notes..." Given that "presentation" or "disclosure" is not the "information" itself, but the process information is reported, we believe that the Board needs to modify these sentences, as well as its statement on "display" in paragraph BC7.</p> <p>(3) Relationship between display or disclosure, and information selection</p> <p>We believe that identification of information for display and disclosure (paragraph 1.6) is a part of information selection. Therefore, it will be appropriate to move paragraph 1.6 to Section 2: information selection, and show specific criteria for making decision on display and disclosure.</p>	<p>new terminology.</p> <p>View that difficult to clarify conceptually display/disclosure in additional information (outside of financial statements).</p> <p>Note view that display and disclosure relate to information selection only and ED should be amended in line with that relationship.</p>
018	A	We agree with the above descriptors.	
019	C	<p><b>Disagreement.</b> See above. The hierarchy introduced between "display" and "disclose" may weaken the content and the meaning of the notes, as a component of the Financial Statements. A lower information might be "disclosed" in mandatory Financial Statements defined in IPSAS 1, when key information would be "displayed" supplied in general reports only backed by RPGs. Semantic sophistications around the "display" and "disclose" concepts ignore the preliminary question of the language (s) in which the Financial Statements have to be presented, and especially the point to clarify if a presentation in one single national language is compatible with the objectives and the qualitative characteristics defined in the conceptual framework.</p>	<p>Note: Display/disclose hierarchy will weaken the notes.</p> <p>Note: Issue with respect to the "national language" of presentation (French, English, etc.)</p>
020	C	<p>HoTARAC acknowledges the IPSASB's consideration of current terminology and the efforts in reducing the complexity of the original proposals. Nonetheless, HoTARAC considers the provision of additional definition terminologies of presentation, display and disclosure (on top of those that already exist) to be unnecessary and potentially confusing, as the definitions of these terms is not necessarily consistent with current practice. This is acknowledged in paragraphs BC6 and BC7 and was raised in HoTARAC's response to the Consultation Paper on Phase 4. Specifically, paragraph 60 of IPSAS 1 <i>Presentation of Financial Statements</i> states that disclosure is used in a broad sense to encompass items presented on the face of the primary statements and notes.</p> <p>HoTARAC does not consider the definitions of these items integral to the development of the conceptual basis for the presentation of information of GPFRs. HoTARAC notes that the lack of defined terms has not obviously hindered the production of financial reports under International Financial Reporting Standards (IFRS) and existing</p>	<p>Note: New terminology is unnecessary and confusing. Terminology not integral to presentation concepts. Align definitions with those developed by IASB.</p>

R#	C#	RESPONDENT COMMENTS SMC 1	STAFF COMMENTS
		<p>IPSAS. If the IPSASB decides to proceed with descriptions of presentation, display and disclosure, HoTARAC strongly recommends consideration be given to aligning with definitions that may be expounded through the IASB's pending DP on this topic.</p> <p>HoTARAC appreciates the IPSASB's decision to remove the terms 'core' and 'supporting' as these implied a hierarchy of importance of information (BC9). That being said, alternative, more neutral terminology could be used instead of broadening the proposed definitions of display and disclosure. However, HoTARAC does not consider this issue to be of critical importance in the development of the IPSASB's conceptual framework.</p>	
021	C	<i>(See general comments.)</i>	
022	A	<p>Yes. The proposed descriptions and the relationships appear to be appropriate and adequate. Notwithstanding it is proposed that paragraph 1.4 could be re-worded for simplification, for example, by omitting "disclosed" at the beginning of the paragraph and by providing an example of a disclosure.</p> <p>Additionally, it is proposed that consideration be given to the separation of the requirements as per 1.6 (b) into two points as follows:</p> <ul style="list-style-type: none"> <li>(b) A list of broad types of information that should be displayed;</li> <li>(c) A list of broad types of information that should be disclosed.</li> </ul> <p>It is felt that this change will enhance readability.</p>	Note recommended rewording of paragraphs 1.4 and 1.6.
023	B	<p>We agree with the description of presentation.</p> <p>We believe that it is important that the descriptions of display and disclosures are adequately distinguished. Two key features distinguishing these terms are prominence and level of detail. The key point missing from each description is the location. That is, displayed information appears on the face of the financial statements, or other primary statements in the case of other general purpose financial reports.</p> <p>We note that the description of disclosed information states that disclosed information makes displayed information more useful [CF-ED4, 1.4]. The distinction between displayed information and disclosed information is important, given that the ED states that disclosure is not a substitute for display [CF-ED4, 1.5].</p> <p>We suggest that the relationship between display and disclosure be clarified. There are a number of current disclosure requirements that state that information can be presented either on the face of the financial statements or in the notes, and we would encourage the detail of displayed and disclosed requirements at the IPSAS Standard level.</p> <p>As CF-ED4 is currently drafted, it appears that disclosure items are precluded from being presented on the face of the financial statements. If this is the intent, then we suggest that this be clarified. In general, we agree with this approach on the basis that the information displayed on the face of the financial statements should be that necessary to communicate the key messages to users and therefore should avoid excess detail. However, as</p>	<p>Note:</p> <p>Agrees with "presentation".</p> <p>Comments on clarification of display and disclosure, in particular the need to include location as relevant to this distinction and view that the treatment of disclosed items would be a change of practice for financial statements.</p>

R#	C#	RESPONDENT COMMENTS SMC 1	STAFF COMMENTS
		<p>noted, this approach would result in a change from current practice; so it is important to be clear about this point.</p> <p>We suggest location be included more clearly as a key feature in the descriptions of display and disclosure. For example:</p> <p>Displayed information is presented prominently on the face of the financial statements, or other primary statements or reports, using appropriate...</p> <p>We note that the distinction between display and disclosure is relatively clear for traditional financial statements. However, it is more difficult where less traditional or less formal primary statements or reports are prepared.</p> <p>We note that the relationship between recognition and display is discussed in Section 3. However, we believe that it would be useful to clarify the relationship between “display” and “recognition” as part of the definition or discussion on display earlier in the document. For example, “The information displayed on the face of the financial statements will provide a structured overview of items recognised as part of the reporting entity’s financial position, financial performance and cash flows”.</p>	
024	A	Yes, we agree with the proposed descriptions of “presentation”, “display” and “disclosure”. We also support the relationship between presentation, display and disclosure as detailed under section 1.	
025	C	<p><b>Summary</b></p> <p>1. The AASB disagrees with the proposed descriptions of ‘presentation’, ‘display’ and ‘disclosure’ and the relationships between them in Section 1. In particular, the AASB considers that:</p> <p>(a) ‘presentation’ should not be an overarching term; instead, ‘display’ or ‘disclosure’ (whichever is more generally accepted) would be a better term for that role; and</p> <p>(b) the draft Framework chapter on Presentation should clarify that information shown on the face of a financial statement is not more important than information shown in the notes to the financial statements.</p> <p>These aspects and related concerns are elaborated on in paragraphs 2 – 14 below.</p> <p><b>Terminology</b></p> <p>2. Consistent with the comments in the AASB’s submission on the IPSASB’s Presentation CP, the AASB does not support the ED’s proposed meanings of ‘presentation’, ‘display’ and ‘disclosure’. The AASB considers that, instead of giving ‘presentation’, ‘display’ and ‘disclosure’ the meanings in the ED, ideally ‘display’ should be used as the term encompassing the structure of financial reports, the nature and amount of information disclosed in financial reports and the manner in which those disclosures are presented. Furthermore, the AASB is of the view that it should be unnecessary to define ‘presentation’ and ‘disclosure’. The AASB considers that the plain English meaning of ‘display’ seems appropriate for this part of the Conceptual Framework, and that ‘display’ has the advantage of less connotations relating to particular aspects of practice.</p> <p>3. The AASB notes that the IASB’s Discussion Paper DP/2013/1 <i>A Review of the Conceptual Framework for</i></p>	<p>Note: See detailed comments here for reasons to disagree with the terminology— presentation, display and disclosure.</p> <p>Note: Need to clarify that information shown on the face of a financial statement is not more important than that shown in the notes.</p>

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		<p><i>Financial Reporting</i> (July 2013) refers to 'disclosure' and 'presentation'. The IASB DP describes 'disclosure' as "the process of providing useful financial information about the reporting entity to users" (paragraph 7.11) and 'presentation' as "the disclosure of financial information on the face of an entity's primary financial statements" (paragraph 7.10). Thus, the IASB DP treats 'disclosure' as an overarching term.</p> <p>4. The AASB presently intends to express disagreement, in its submission on the IASB DP, with using 'disclosure' (rather than 'display') as an overarching term. However, because the AASB would not consider 'display' to be a fundamentally superior term to 'disclosure', if the IASB were to confirm the preliminary view in its DP that 'disclosure' should be used as an overarching term, the AASB would consider it more important that the IPSASB's and IASB's terminology is consistent than for the IPSASB to use 'display' as an overarching term. Moreover, the AASB would prefer either of these terms to 'presentation' as an overarching term.</p> <p><b>Distinction between 'display' and 'disclosure'</b></p> <p>5. The AASB considers that, in serving the objective of financial reporting:</p> <ul style="list-style-type: none"> <li>(a) some information in a GPFR is more critical than other information for assessing an entity's condition and prospects and the rendering of its accountability. Effective communication of financial information to users of financial reports requires more critical information to be displayed in a manner that assists users to identify its importance;</li> <li>(b) how information is displayed can affect its interpretation by users. For example, academic research has found that disclosure in notes will not remedy non-recognition or poor recognition of elements of financial statements; and</li> <li>(c) information shown on the face of a financial statement (either separately or within a total) is not necessarily more critical than information shown in a note. For example, whether information about an item is shown on the face of a financial statement will depend on matters such as: <ul style="list-style-type: none"> <li>(i) whether the item itself meets the definition and recognition criteria for an element of financial statements. For example, information about an event (e.g. the commencement of legal proceedings against the entity) might be disclosed only in the notes because the event does not give rise to an element of financial statements that qualifies for recognition (e.g. a liability), but might nonetheless be one of the most critical items of information in the entity's GPFR; and</li> <li>(ii) the nature of the information about that item, regardless of whether that item is recognised in the financial statements. For example:</li> </ul> </li> </ul> <ul style="list-style-type: none"> <li>(a) some critical information about an entity might be about the entity's legal or economic environment, such as a change in laws affecting the entity's future operations, rather than an element of financial statements;</li> <li>(b) critical disclosures about measurement uncertainties and of a sensitivity analysis might need to be made in notes due to their volume and complexity; and</li> </ul>	

R#	C#	RESPONDENT COMMENTS SMC 1	STAFF COMMENTS
		<p>(c) some accounting policies adopted and judgements made in applying accounting policies might be critically important information for users of an entity's financial report.</p> <p>6. In relation to paragraphs 5(a) and 5(b) above, how information is displayed (and, in particular, how more critical information is distinguished from other information) can affect its interpretation by users – but this is a more complex and nuanced issue than merely a dichotomy between 'display' and 'disclosure' (as those terms are used in the IPSASB ED). The IPSASB ED's heavy emphasis on the distinction between 'display' and 'disclosure' risks being interpreted as implying information shown on the face of a financial statement is more critical than information shown in a note (see also the comments in paragraphs 7 – 14 below).</p> <p>7. The AASB considers that the IPSASB Conceptual Framework chapter on Presentation should clarify the aspects in paragraph 5 above more effectively than in the ED. In particular, in relation to the point in paragraph 5(c) above, the AASB:</p> <p>(a) is pleased to note that the IPSASB has responded to the concern expressed by the AASB and others, regarding the IPSASB's CP on Presentation, that 'supporting' information should not be treated as less important than 'core' information; but</p> <p>(b) considers that the IPSASB has responded to that concern in an ambiguous manner. This is explained in the comments in paragraphs 8 – 13 below; and</p> <p>(c) notes that the point in paragraph 5(c)(i) above is acknowledged in paragraph BC4 of the Basis for Conclusions on the IPSASB ED, but considers that it should be expressed more prominently in the Presentation chapter of the IPSASB Conceptual Framework.</p> <p><b><i>Ambiguity regarding the distinction between 'display' and 'disclosure'</i></b></p> <p>8. The Basis for Conclusions on the ED says:</p> <p>"The need to distinguish the display and disclosure of information is a further important aspect of the IPSASB's overall approach to presentation." (paragraph BC14, first sentence)</p> <p>9. However, the Basis for Conclusions does not explain why this distinction is important, and the ED does not seem to provide clear criteria for making that distinction. The AASB is concerned that the ED might be read as implying that all key information is displayed on the face of the appropriate financial statement, and other information (disclosed in the notes) merely makes that key information more useful. Such an interpretation would be similar to how some respondents (including the AASB) interpreted the IPSASB's CP on Presentation as indicating that 'supporting' information is less important than 'core' information.</p> <p>10. The AASB notes that, regarding the IPSASB's reassessment of its preliminary view in its CP regarding 'core' and 'supporting' information, paragraph BC9 of the IPSASB's Basis for Conclusions on its ED says:</p> <p>"...There was no intention to imply that supporting information is less important than core information. ... the terms core information and supporting information have not been retained and the descriptions of</p>	

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		<p>display and disclosure have been revised to explain what types of information would be displayed and what disclosed, without the implication that one type of information is more important than the other.”</p> <p>11. The AASB supports the removal of the distinction between ‘core’ and ‘supporting’ information and the statement in paragraph BC9 that displayed information is not more important than disclosed information. However, the AASB is concerned that these messages are clouded by the following comments in the IPSASB ED:</p> <p>“Information selected for display communicates <i>the</i> key messages in a GPFR.” (paragraph 1.3, first sentence, emphasis added); and</p> <p>“Disclosed information makes displayed information more useful, by providing detail that will help users to understand the displayed information ...” (paragraph 1.4, first sentence).</p> <p>12. The AASB notes that the statement in paragraph 1.3 of the ED that information selected for display communicates <i>the</i> key messages in a GPFR might be interpreted—inconsistently with paragraph BC9—as indicating that <u>all</u> key information is presented on the face of a financial statement.</p> <p>13. In addition, the comment in paragraph 1.5 (second sentence) of the ED that “Disclosure is not a substitute for display” merits clarification. Possibly, the statement is intended to rephrase the principle in paragraph 7.2 of the IPSASB ED on ‘Elements and Recognition’ (November 2012) that disclosure is not a substitute for recognition (which the AASB supports – see paragraph 5(b) above). However, it could also be read as implying displayed information is more important than disclosed information, particularly if the reader does not read the much later comment in paragraph BC9 (quoted in paragraph 10 above).</p> <p>14. The AASB considers it is important that the IPSASB clarifies the matters discussed in paragraphs 5 – 13 above, and that, in this regard, it would be useful to include the clarifying comments in paragraph BC9 in paragraph 1.6 of the ED, to put paragraphs 1.3 – 1.5 of the ED in context.</p>	
026	C	<p>No, we do not agree with the proposed descriptions of “presentation” and “display” as:</p> <ul style="list-style-type: none"> <li>(a) in the context of financial statements, they modify long-established terminology</li> <li>(b) they produce outcomes different from the outcomes of applying the proposals in the IASB CF Discussion Paper.</li> </ul> <p>It is our view that Section 1 is about establishing terminology and the decisions an entity makes in how it will communicate general purpose financial report information.</p> <p>Accordingly, we consider it is communication and not “presentation” that is the selection, location and organisation of information. Taking this approach allows “display” to be discarded and replaced with “presentation”, whereby information selected for presentation communicates the key messages. We consider this description of “presentation” aligns well with its long-established use in financial statement reporting to mean ‘on the face of the financial statements’. It is also the approach proposed in the IASB CF Discussion Paper.</p> <p>Subject to the replacement of the term “display” with “presentation”, we agree with the proposed description of</p>	Note proposals on changes that would align with the IASB approach.



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		"disclosure". We consider this description of "disclosure" aligns with its use in financial statement reporting. We note the approach proposed in the IASB CF Discussion Paper is to give "disclosure" a broader meaning than "presentation". "Disclosure" is described as the process of providing useful information about the reporting entity to users and information on the face of the financial statements and notes to them are, taken together, a form of disclosure. We encourage you and the IASB to reach common ground on the description of disclosure.	
027	A	<i>(No further comment.)</i>	
028	A	Yes, I agree with the proposed descriptions of "presentation", "display" and "disclosure" and the relationships between them in Section 1, but I think I suggest that in the note need observe the transparency, in page 8, as "QCs of information are relevance, faithful representation, understandability, timeliness, comparability, and verifiability", I understand that is very important for public sector, if the board agree.	Note: Importance of transparency and the qualitative characteristics.
029	A	<p>MICPA agrees with the proposed descriptions on "presentation" and "disclosure".</p> <p>However, MICPA wishes to highlight that the proposed description on "display" would be more applicable to information presented in the form of say, presentation slides, rather than the financial results as disclosed in the financial statements. In view of this, MICPA recommends that such display concepts should be left to the discretion of the management of the organisation, and that the following sentence should be deleted in order to avoid misunderstanding:</p> <p>"Displayed information is presented prominently, using appropriate presentation techniques such as clear labelling, borders, tables or graphs".</p> <p>In addition, MICPA further wishes to emphasise that any information disclosed should be unbiased and faithfully represented at all times.</p>	
030	C	<p><i>Presentation</i></p> <p>Consistent with our previous comment letter for the Conceptual Framework Phase 4 Presentation consultation paper (CP), we do not think it is necessary to have a new meaning for 'presentation' as described in this ED, and would support keeping the term 'presentation and disclosure' which is commonly understood and used in other frameworks.</p> <p>The way that 'presentation' is described in the ED, is similar to the CP, which broadly encompasses the selection, location and organization of information that is displayed and disclosed in GPFRs. Notwithstanding our preference to revert to a commonly used and understood terminology, we think the definition and description is clear in the ED.</p> <p>In relation to the description of the aim of presentation as described in paragraph 1.2 which currently states that 'Presentation aims to provide information that contributes towards the objectives of financial reporting and achieves the QCs...' – when discussing the objective of presenting financial information, wouldn't the most important aim be to meet the objectives, and not merely contributing towards the objectives of financial reporting? Therefore we</p>	

R#	C#	RESPONDENT COMMENTS SMC 1	STAFF COMMENTS
		<p>suggest the IPSASB to word this paragraph stronger than it currently is.</p> <p><i>Display</i></p> <p>We support the notion of 'display' for information in GPFRs but as mentioned previously, would encourage the Board to keep to the commonly understood term of 'presentation'. The discussion in paragraph 1.3 is helpful to readers but the last sentence - 'Displayed information is presented prominently, using appropriate presentation techniques such as clear labeling, borders, tables or graphs' seems overly descriptive, and would be better placed in section 4 'Organization of information within the financial statements' which provides further guidance on the form of information presented.</p> <p><i>Disclosure</i></p> <p>We support the notion of 'disclosure' for information in GPFRs but as mentioned previously, would encourage the Board to keep to the commonly understood term of 'disclosure'. For example, in its recent Discussion Paper the IASB has defined disclosure as "the process of providing useful financial information about the reporting entity to users. The financial statements, including the amounts and descriptions presented in the primary financial statements and the information included in the notes to the financial statements, are, as a whole, a form of disclosure".</p> <p>With regards to disclosed information as defined by the IPSASB we would like to underline that such information will not only help users to understand the displayed information. Information such as contingent liabilities are stand-alone information provided in the notes and they are of equal importance despite not providing information that directly makes displayed information useful.</p> <p><i>Purposes and objectives of primary financial statements</i></p> <p>We also think that there is a lack of discussion of display/presentation principles and objectives for primary financial statements:</p> <p><u>Statement of financial performance</u></p> <p>As mentioned in our cover letter, there is a lack of discussion on the relationship between reporting on performance and the objectives of presentation. We believe that in order for users to better understand the results in the statement of financial performance, it would be helpful to clarify the purpose of that statement; to describe how recognized items of revenue and expense should be presented - aggregated or disaggregated - in a meaningful manner (such as grouping of similar items, usage of subtotals) in order for users to fully understand how efficiently and effectively those accountable (e.g. councillors/parliamentarians) have managed the resources of the entity. In addition, the information should contribute to a user's assessment of an entity's future prospects.</p> <p><u>Statement of cash flows and statement of financial position</u></p> <p>Besides the statement of financial performance, the statement of cash flows provides useful information about an entity's activities in generating cash to repay debt, maintain or expand operating capacity; about its financing</p>	

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		<p>activities; and about its investing or spending of cash. This information when combined with information in the rest of the primary financial statements is useful in assessing factors that may affect an entity's liquidity and financial flexibility. The statement of financial position also depicts a view of the recognized resources (both economic and service potential) and claims against the entity (economic and service outflows) at a reporting date.</p> <p>Within the conceptual framework, we believe that the perceived limitations of historical accounting information need to be discussed in the context of other types of reporting, in particular, long term fiscal sustainability, service performance reporting and budgetary reporting. We believe that the robust information from primary financial statements contribute towards, and provide the necessary data for all general purpose financial reports.</p> <p><i>Disclosure</i></p> <p>In relation to the discussion in paragraph 1.4 on disclosure, it could be expanded to emphasize the role of notes disclosure as follows: 'Disclosed information <u>should supplement and complement displayed information by making</u> makes displayed information more useful, <u>and</u> by providing detail that will help users to understand the displayed information...'</p>	
031	A	<p>The Task Force has no objections against proposed descriptions of "presentation", "display" and "disclosure". It was noted that description of "presentation" previously proposed by CF-CP4 was amended in CF-ED4 in line with the comments provided by the Task Force on the Consultation Paper in May 2012. The Task Force is of the view that statement in para. 1.5 of the CF-ED4 on criteria for displaying or disclosing information should be revised. It currently reads: "Information is either displayed or disclosed in GPFRs". However other sections of the CF-ED4 which discuss display and disclosure of information state that disclosed information complements and "makes displayed information more useful by providing detail that will help users to understand the displayed information" (para. 1.4). It is common that information is displayed and disclosed (for example as a disaggregation of displayed information) in the same GPFR, hence the statement implying mutual exclusion between display and disclosure is not appropriate in this context. In addition, the reporting entity might decide to display certain information in financial statements in compliance with specific IPSAS while disclosing the same information in other GPFR depending on needs of the users of a particular report. The Task Force therefore suggests that this sentence be amended.</p> <p>It was also noted that while the terms "displayed information" and "disclosed information" are introduced in Section 1 of the CF-ED4, the definition that for financial statements, displayed information is presented on the face of the statement whereas disclosures are included in the notes, is included much later in the document - in Section 3 (para. 3.9). While it is clear that Section 3 discusses location of information and is expected to address all matters related to location, it might be useful also to include the definition(s) earlier in the document to streamline the discussion.</p>	
032	C	<p>Information selected for display should be concise (i.e. lack of detail) and communicates the key messages to the users. Disclosed information makes displayed information more useful by providing details to understand the displayed information. The concepts in the ED are flexible and suitable for the preparation of ancillary reports, such</p>	

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		as sustainability reports or service performance reports. However the concepts of display and disclosure are not detailed or specific enough to produce consistent and reliable GPFS for governments.	
033	C	<p>Consistent with our submission of the 30 May 2012 on the <i>Consultation Paper on the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Presentation in General Purpose Financial Reports</i>, ACAG continues to question the need to redefine the term 'presentation' as being the "selection, location and organisation of information that is displayed and disclosed in the GPFRs". As previously identified, in Australia financial statement preparers and users apply the term 'presentation' to information reported in primary financial statements. ACAG continues to believe that redefinition of this term will result in confusion, particularly if other standard-setters continue to apply the term in the established context.</p> <p>In view of the comments on the term 'presentation' above, ACAG does not consider the proposed definition or use of the term 'display' to be appropriate or necessary.</p> <p>ACAG believes that the description of 'disclosure' places emphasis on disclosures having the function of making displayed information more useful. ACAG acknowledges that while disclosed information may make displayed information more useful by providing detail that will help users to understand the displayed information, the role of disclosed information extends beyond simply enhancing, complementing and supplementing displayed information. Disclosures may also provide key information to users of the financial statements in respect to transactions and events which may not be included on the face of the financial statements. This could include for example, disclosures relating to contingent assets and liabilities, related party disclosures and events that occur after the reporting date. It is ACAG's view that discussion in the ED should seek to adequately balance these aspects of disclosed information.</p> <p>While ACAG considers that some information is more important to users of financial statements, a two bucket approach of displayed and disclosed information is overly simplistic and does not adequately address the differing information needs of a range of users of GPFRs. ACAG recommends that the Conceptual Framework clearly articulate the principle that disclosure cannot remedy inadequate recognition of elements within the primary financial statements.</p> <p>ACAG also notes that the proposed description of 'disclosure' includes the following:</p> <p><i>1.4(a) the basis for the displayed information, such as applicable policies or methodology.</i></p> <p>ACAG believes that this description could be improved to identify the basis upon which the displayed information is recognised and measured and the policies and methodologies applied in respect to the displayed information.</p>	

**Specific Matter for Comment (SMC) 2:**

Do you agree with the identification of three presentation decisions (selection, location and organization) in section 1? If not, how would you modify the identification of presentation decisions?

**STAFF ASSESSMENT OF RESPONSES RECEIVED: These are staff views and do not necessarily reflect the views of IPSASB Members**

CATEGORY (C #)	RESPONDENTS (R #)	TOTAL
<b>A – AGREE</b>	001, 002, 005, 006, 008, 009, 010, 011, 012, 013, 014, 015, 016, 017, 018, 020, 021, 022, 023, 024, 025, 026, 027, 028, 029, 030, 031, 033	28
<b>B – PARTIAL AGREEMENT</b>	003, 004, 007, 032	4
<b>C – DOES NOT AGREE</b>	019	1
<b>SUB-TOTAL OF THOSE PROVIDING COMMENTS</b>		<b>33</b>
<b>D – DID NOT COMMENT</b>		0
<b>TOTAL RESPONDENTS</b>		<b>33</b>

R#	C #	RESPONDENT COMMENTS SMC 2	STAFF COMMENTS
001	A	The Institute agrees with the three proposed presentation decisions.	
002	A	Yes – we agree with the identification of the three presentation decisions.	
003	B	As noted above, the Council is not in favour of applying items in the document submitted for consultation to financial reports, which are within a different framework from that under which accounting standards are set.  With regard only to accounting data within the scope of the General Purpose Financial Statements, the Council agrees with this method of identifying the three items that characterise the various information levels (selection, location and organization).  The Council also questions the formulation of the objective that this information is expected to meet. It should enable provision of "information about economic and other phenomena". The Council would like this wording to be clarified in the context of public entities.	
004	B	<i>As mentioned in our preliminary remarks, we are unable to approve the scope of this Exposure Draft</i>	Disagreement with broad scope approach

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		<p><i>and consider that its contents, which ought to cover financial statements only, have more in common with a guidance document than a conceptual framework.</i></p> <p>Based on this view, we are unable to approve the comments set out in paragraph 1.9 since they do not concern accounting matters.</p> <p>We agree, however, that the selection, location and organisation of accounting information should meet the needs of financial statement users.</p>	<p>of the ED.</p> <p>Note agreement with decisions if applied to financial statements only.</p>
005	A	We agree with the identification of three presentation decisions (selection, location and organisation) in section 1 (Specific Matter for Comment 2).	
006	A	We agree with the identification of the three presentation decisions in section 1 (selection, location and organisation of information). (However, see also our response to Question 5.)	
007	B	<p>The three presentation decisions identified in the ED seem logical as they address what, where and how information should be presented in GPFRs. However, a closer look at the guidance in "Section 3: Information Location" indicates that a separate category of information location decision in the Presentation framework is unnecessary. It is because Section 3 essentially contains just one piece of guidance on information location, that is, summarized information or information displayed should be presented prominently and separately from disclosed information. Other guidance in Section 3 either relates to information organization decisions or other presentation considerations. This information location guidance can be easily and logically incorporated into the discussion of information selection or information organization decisions.</p> <p>Information location may be more relevant for GPFSSs than for other GPFRs as their structure (i.e., statements and notes) is well defined. However, as there are specific criteria to determine what should be recognized in the statements, there is little room for information location decisions in GPFSSs. Any specific guidance on whether information should be presented in statements or notes would be more appropriate to be included in a GPFSSs standard (one that would also specify the specific statements to be included in GPFSSs as discussed in paragraph BC 22). This approach would make the Presentation framework more understandable as it would apply to all GPFRs. It will also avoid duplication of GPFSS materials in the Conceptual Framework and a GPFSSs standard.</p>	<p>Agrees that the three decisions are important. Disagrees with the location/organization distinction on the basis that a separate category for information location is unnecessary.</p> <p>Note: View that recognition fully addresses concepts related to information location for financial statements.</p>
008	A	We agree with the three presentation decisions as they answer the questions, "What information should be presented", "Where should the information be located" and "How the information should be organised."	
010	A	<p>CIPFA agrees with the identification of three presentation decisions.</p> <p>This paragraph (1.8) explains that ... <i>decisions on the selection, location and organization of</i></p>	Note drafting comment res Section 1.

R#	C #	RESPONDENT COMMENTS SMC 2	STAFF COMMENTS
		<p>information are made <u>in response to the needs</u> of users for information about economic or other phenomena.</p> <p>However, standard setters such as IPSASB cannot guarantee that they have correctly assessed the more general needs of users. Similar limitations will apply to preparers when considering the needs of users of specific GPFRs.</p> <p>Given this, we suggest that this sentence should refer to 'perceived', or 'assessed' needs.</p>	
010	A	We agree that the identification of the three presentation decisions in Section 1 are appropriate.	
011	A	The SRS-CSPCP agrees with these presentation decisions. However, this chapter lacks a section that would stress the differences between the IPSAS and GFS Guidelines and how to manage the differences.	Note: Linkage to GFS reporting raised.
012	A	We agree with the proposed three presentation decisions in Section 1.	
013	A	Subject to our comments in Specific Matter for Comment 1, we agree with the identification of the three presentation decisions (selection, location and organisation) in Section 1. This is consistent with our view that presentation deals with what, where and how information is communicated to users in a GPFR.	
014	A	We agree with the identified three presentation decisions (selection, location and organization) but suggest the IPSASB to consider a fourth presentation decision, namely the publicity of GPFRs (decisions on how the GPFRs will be made publicly available to the different external users, e.g. web site facilities, certain social media, open or closed groups, ...).	
015	A	We agree with the identification of the three presentation decisions.	
016	A	The FMSB agrees with the IPSASB's identification of the three presentation decisions.	
017	A	<p>We agree with the proposed identification of three presentation decisions, provided that these will be clearly defined.</p> <p>In the absence of a clear definition, it will be difficult to adequately understand those three presentation decisions. Furthermore, no clear explanation on each of those three terms can be found in the ED (please refer to our comment on distinction between high level decisions and lower level decisions below).</p>	Note need to improve the definitions of the three decisions.
018	A	We agree with the three criteria set out above.	
019	C	<b>Disagreement.</b> The Cour des comptes considers that the communication on the financial statements, the choice of means to communicate and organization belongs to the responsibility of the appropriate	Note: Governments and other authorities should have responsibility for

R#	C #	RESPONDENT COMMENTS SMC 2	STAFF COMMENTS
		<p>levels of government and jurisdictions authorities, that these issues cannot be detached from the timetable of democratic process of approval of the financial statements and decision making relating to budget discussion. At least, it could be expected commitments from authorities preparing the Financial Statements to supply users with available relevant information on open and accessible media, in accordance with France's practices.</p> <p>The approach of the IPSAS Board emphasizes <i>user needs</i>, less rigorous and precise than the reference to user <i>rights</i>, which is fundamental in the French conception founded on Article 15 of the Declaration of Human and Citizen Rights of 1789.</p>	<p>communication/presentation decisions.</p> <p>Note: Information should be available on open and accessible media.</p> <p>Note: User rights should be emphasized rather than user needs.</p>
020	A	HoTARAC agrees with the three presentation decisions for GPFRs as found in Section 1.	
021	A	(See general comments.)	
022	A	Yes. The presentation decisions should enhance the reporting of general purpose financial reporting facilitating greater comprehension of the information, contributing to improved decision making by the user.	
023	A	We agree with the identification of the three presentation decisions.	
024	A	Yes, we agree with the three presentation decisions identified as we believe that financial information to be presented in the financial statements and GPFRs should be selected based on the qualitative characteristics, and that this information should be located, displayed and organised in way that ensures complies with the reporting framework and that the key messages in the GPFRs is understandable to the users.	
025	A	15 The AASB supports the identification of the three presentation decisions (selection, location and organisation) in paragraphs 1.8 – 1.10 of Section 1. However, as noted in paragraphs 2 – 4 above, the AASB considers that these decisions would more appropriately be collectively described as 'display decisions' (where 'display' has a broader meaning than that attributed to it in the IPSASB ED), subject to whether the IASB confirms the preliminary view in its Conceptual Framework DP that 'disclosure' should be used as an overarching term.	
026	A	As explained in our response to Specific Matter for Comment 1, we think of these decisions as communication decisions and not presentation decisions. We agree it is useful to identify the decisions necessary to achieve the objectives of financial reporting.	Note: Decisions should be described as "communication decisions".
027	A	(No further comment.)	
028	A	Yes, I agree with the identification of three presentation decisions (selection, location and organization) in section 1.	



<b>R#</b>	<b>C #</b>	<b>RESPONDENT COMMENTS SMC 2</b>	<b>STAFF COMMENTS</b>
029	A	Agree.	
030	A	We agree with the identification of the three presentation decisions. However, paragraph 1.9 talks only about matters included within the scope of financial reporting. We would recommend that the Board be more explicit in their discussion in paragraphs 1.8 & 1.9 on the other reports, and that the scope of the presentation framework covers the preparation of such reports, if that's what the Board intended. We think that the conceptual framework should be broad enough to cover these reports. In addition, it is unclear whether it is the Board's intention to scope the information described in Conceptual Framework Chapter 2 paragraphs 14 – 31 into this section of the Framework.	
031	A	The Task Force agrees with the identification of three presentation decisions, including selection, location and organization of information in the GPFRs.	
032	B	We agree that the selection, location and organization of information are logical presentation decisions for preparing GPFRs or other ancillary reporting. However these concepts are so generic that they would not be of much assistance for the preparation of GPFS for governments.	
033	A	ACAG agrees that preparers must make decisions about the selection of information for inclusion within GPFRs, its location and organisation. These presentation decisions should lead to the effective communication of information possessing the desired qualitative characteristics. Such information will assist users in both making economic decisions and assessing management's discharge of their responsibility for the resources entrusted to them.	

**Specific Matter for Comment (SMC) 3:**

Do you agree with the proposed approach to making presentation decisions in Section 1? If not, how would you modify it?

**STAFF ASSESSMENT OF RESPONSES RECEIVED: These are staff views and do not necessarily reflect the views of IPSASB Members**

CATEGORY (C #)	RESPONDENTS (R #)	TOTAL
<b>A – AGREE</b>	001, 002, 003, 005, 006, 008, 009, 010, 011, 012, 014, 015, 016, 017, 018, 020, 022, 023, 024, 027, 028, 029, 030, 032	24
<b>B – PARTIALLY AGREE</b>	025, 026	2
<b>C – DISAGREE</b>	004, 007, 013, 019, 031, 033	6
<b>SUB-TOTAL OF THOSE PROVIDING COMMENTS</b>		<b>32</b>
<b>D – DID NOT COMMENT</b>	021	1
<b>TOTAL RESPONDENTS</b>		<b>33</b>

R#	C #	RESPONDENT COMMENTS SMC 3	STAFF COMMENTS
001	A	Yes we do agree with the proposed approach to making presentation decisions in Section 1.	
002	A	Although we agree that presentation decisions have to be made at differing levels we do not consider that the term 'lower level' accurately portrays the granular level at which the presentation would be made. Therefore we suggest altering the terms which describe the levels to something akin to 'broader' and 'detailed'.	Note issue re. description; "lower level" vs. "detailed".
003	A	As long as these items apply only to the General Purpose Financial Statements, the Council agrees with the items in this Section.  As mentioned above, the Council notes great improvement in the wording of this Section 1 compared with the earlier Consultation Paper. The definitions of "displayed information" and "disclosed information" have been clarified, and the distinction between them is now relevant and clear. However, the Council also emphasises that the text provides little information on implementation methods for these provisions.	Note that no comment on application to the more comprehensive scope.
004	C	<i>As mentioned in our preliminary remarks, we are unable to approve the scope of this Exposure Draft and consider that its contents, which ought to cover financial statements only, have more in common with a guidance document than a conceptual framework.</i>  We do not agree with the proposed approach whereby accounting information would be included in reports separate	

R#	C #	RESPONDENT COMMENTS SMC 3	STAFF COMMENTS
		<p>from the financial statements. This would amount to spreading information sources more thinly. In fact, financial statements that also include explanatory notes better inform the reader by including all the information needed to understand them. Accordingly, if events have caused significant changes in financial statement figures, these statements must include all the information allowing users to understand those changes.</p> <p>The sections on Highlights and Events after the Reporting Date (IPSAS 14) contribute to the quality of the information.</p>	
005	A	We agree with the proposed approach to making presentation decisions in Section 1 (Specific Matter for Comment 3).	
006	A	<p>We agree with the proposed approach to making presentation decisions in Section 1.</p> <p>In particular, we consider that the level of detail included in this ED is more appropriate for a conceptual framework than the level of detail included in the Consultation Paper.</p> <p>The ED also helpfully avoids restating narrative that can be found in Chapter 1 of the Conceptual Framework relating to qualitative characteristics and constraints.</p>	<p>Note: Level of detail in the ED is more appropriate to the Framework, than that provided in the CP.</p>
007	C	<ul style="list-style-type: none"> <li>While we support the general approach of applying Phase 1 concepts to a presentation framework, we suggest modifying the approach described in paragraphs 1.9 and 1.10 by: <ul style="list-style-type: none"> <li>Combining the ideas in paragraph 1.9 and the high level decisions in paragraph 1.10 and labelling them as <b>agenda setting decisions</b> as these are decisions which IPSASB would make in setting its technical agenda. Agenda setting involves determining which specific objective of financial reporting and particular unmet information need of users to develop guidance on, as well as whether the guidance should be provided in a new pronouncement or an expanded existing pronouncement.</li> <li>Breaking down the lower level decisions in paragraph 1.10 into <b>standard development decisions</b> and <b>GPFR preparation decisions</b>. As stated in Chapter 1 of the Conceptual Framework, its role includes providing guidance for development of IPSASB pronouncements and for preparation of GPFRs by public sector entities in areas not addressed by IPSASB. The Presentation framework should therefore provide guidance for standard development and GPFR preparation decisions.</li> <li>A Presentation framework that better reflects this approach would have separate sections for “Agenda Setting Decisions”, “Standard Development Decisions” and “GPFR Preparation Decisions”. This is a preferred structure for this approach compared to the current one with separate sections for the three presentation decisions of information selection, information location and information organization. It is because agenda setting usually does not involve information selection, location and organization decisions. Guidance on agenda setting decisions would not fit under the current presentation decisions structure.</li> <li>Suggested materials to cover under “Agenda Setting Decisions”</li> <li>Decisions at agenda setting involve: <ul style="list-style-type: none"> <li>Reviewing the <b>objectives of financial reporting</b> and the <b>information needs of users</b> in Chapter 2 of the</li> </ul> </li> </ul> </li> </ul>	<p>Note:</p> <p>Proposes a presentation framework that would identify the “location” of decisions in terms of who/when: agenda setting decisions; standards development decisions; or GPFR preparation decisions.</p> <p>Describes what decisions at the Agenda Setting level would involve.</p>

R#	C #	RESPONDENT COMMENTS SMC 3	STAFF COMMENTS
		<p>Conceptual Framework to identify any unmet information needs of users of GPFRs for accountability and decision-making purposes.</p> <ul style="list-style-type: none"> <li>Evaluating each unmet information needs to select a particular information area to develop guidance based on IPSASB's agenda setting criteria, together with consideration of <b>importance, relevancy and materiality</b> of each information area to the assessment of accountability and decision-making by users.</li> <li>Developing a project brief that describes the selected information area, the particular objective of financial reporting and the specific information needs to be addressed by the project. These will be the key criteria, among others, for information selection decisions in standard development and GPFR preparation.</li> <li>Determining whether the guidance should be provided in a new pronouncement or in an expanded existing pronouncement. This decision is required only if the specific information area addressed in the project is related to a subject matter already addressed in existing GPFR pronouncements. Factors to consider in this decision include the <b>benefits</b> of addressing a broader user need in a GPFR, the <b>understandability</b> of an expanded GPFR, the <b>completeness</b> of information currently available to meet <b>users' need</b> for the particular <b>objective of accountability and decision-making</b> in that subject matter.</li> <li>The Presentation framework should note that each GPFR pronouncement issued by IPSASB does not necessarily require preparation of a separate report. It is because under the concept of integrated reporting, a single report can contain multiple components with each covers a specific GPFR information area. For example, a report can have a component of GPFSS, a component of Financial Statement Discussion and Analysis and a component of Long-term Fiscal Sustainability. Whether different GPFRs should be issued for different subject matters or a single report that covers multiple topics be issued should be a decision of the preparers. The importance is that each component addresses a particular objective of financial reporting in a specific information area that meets certain information needs of users. It is therefore important that each component or GPFR includes: <ul style="list-style-type: none"> <li>A description of its specific purpose (the particular objective of financial reporting) and the specific information needs of users that it aims to satisfy as well as its limitations for other related purposes (where applicable).</li> <li>A description of the boundary of the reporting entity covered in the GPFR/component, compared with the boundary of reporting entity covered in other components of the same report or other GPFRs issued by the same public sector entity (whichever applicable). An explanation of why the boundary in that component/GPFR is different, if any, from other components/GPFRs should be provided.</li> </ul> </li> </ul>	<p>Note: Discusses when a separate report would be needed, linked to integrated reporting, emphasizing that components within a single report can be distinguished, rather than separate reports.</p>
008	A	We agree with the proposed approach as it describes the objective of presentation (i.e. to contribute towards the objectives of financial reporting, the qualitative characteristics and the constraints), as well as the decisions required when presenting information (i.e. selection, location and organisation).	
009	A	CIPFA agrees with the proposed approach to making presentation decisions.	

R#	C #	RESPONDENT COMMENTS SMC 3	STAFF COMMENTS
010	A	We agree that the proposed approach to making presentation decisions in Section 1 is appropriate.	
011	A	The SRS-CSPCP agrees in principle with this approach. From the already existing parts of the framework, it follows that this 4 <sup>th</sup> chapter should make compulsory that every individual standard must state clearly what information must be disclosed for which user ( <i>“displayed”</i> or <i>“disclosed”</i> ). Indeed the existing framework points out that the needs of the different stakeholders and in particular those of the decision takers (e.g. the executive) and not only those of the debtors should be considered for the presentation of the other GPFRs and the <i>General Purpose Financial Statements (GPFSs)</i> .	Note: View that Standards should state what disclosures relate to which users.
012	A	We agree with the proposed approach of making presentation decisions in Section 1.	
013	C	<p>As stated in our comments in Specific Matter for Comment 1, we do not agree that the proposed approach in section 1 will be useful to the IPSASB (and preparers) in making presentation decisions.</p> <p>The NZASB considers that presentation in a public sector context should focus more specifically on the users of the public sector GPFRs and their information needs. This should determine the types of information that should be communicated to users and the weighting that IPSASB places on the information to be communicated. For example, service recipients are an important group of users in the public sector. Information communicated in a GPFR should take their particular information needs into account. The NZASB observed that the IPSASB, in basing IPSASs on IFRSs, had adopted a number of disclosures that were considered relevant for users of IFRS financial statements but which may not necessarily be useful for, or give sufficient emphasis to, the information needs of public sector GPFR users. The NZASB considers that being more discerning and focussed on public sector GPFR users may assist in reducing disclosures and in making decisions about the selection, location and organisation of information. It may also lead to the need to disclose other relevant information for users in the public sector, as is seen in the recent development of the draft Recommended Practice Guideline (RPG) 1, <i>Reporting on the Long-Term Sustainability of an Entity's Finances</i>.</p> <p>In this regard, paragraph 1.8 states that decisions on the selection, location and organisation of information are made <i>“in response to the needs of users for information about economic or other phenomena”</i>. They seek to achieve the financial reporting objectives while also applying the QCs and constraints. We note that user needs (as set out in Chapter 2 of the Framework on <i>Objectives and Users of General Purpose Financial Reporting</i>) are discussed in Section 2 of CF-ED4 on information selection. We think that it would be useful to also refer to Chapter 2 of the Framework in paragraph 1.8 so that it is clear that presentation decisions are made in response to those users' needs.</p> <p>The NZASB also suggests that any discussion on the identification of information (in paragraph 1.6 of CF-ED4) and for presentation decisions (in paragraph 1.8) make a clearer distinction between (i) when those decisions are intended to be taken by the IPSASB (when setting presentation requirements at the standards-level), and (ii) when they are to be taken by the entity (when applying the standards to ensure that the information meets the needs of users for</p>	<p>Note: Proposed approach not useful, needs to focus more specifically on users of public sector reports, particularly service recipients, which will drive information decisions.</p> <p>Scope to reduce disclosures through better focus on users.</p> <p>Note: Include reference to Chapter 2 of the Framework where GPFR users are identified.</p> <p>Clearly distinguish between decision making of (a) standard setter versus that of (b) preparer when selecting information to report.</p>

R#	C #	RESPONDENT COMMENTS SMC 3	STAFF COMMENTS
		information about the entity's economic and other phenomena). This is important given that the Framework is also intended to provide guidance to preparers in the absence of Public Sector Accounting Standards (IPSASs) and Recommended Practice Guidelines (RPGs).	
014	A	<p>The Institute confirms the IPSASB's view that presentation decisions should be made in response to the needs of users for information about economic or other phenomena. However any legal provisions should also be taken into account in the presentation decisions. Such legal provisions should also be a relevant factor to decide about selecting, locating (already mentioned in Section 3, paragraph 3.3), organizing (and publishing) information in the GPFRs.</p> <p>Regarding the user needs, we would like to emphasize also their importance in determining the presentation of general purpose financial reports. Actually, the prescriptions developed by the IPSASB in current exposure draft should be based on preferably empirical user need research instead of on presupposed needs. In other words, it is advisable to examine the usefulness and applicability of the prescriptions by organizing a field study or survey to ascertain the appropriateness of the ED's prescriptions. The comments of specialists on this ED are welcome, but one needs also the perception of different users.</p>	
015	A	We agree with the proposed approach but we also believe that the demands of users need to be taken into consideration.	Note: Demands of users should be considered.
016	A	The FMSB agrees with the proposed approach, except for our concerns regarding the description of the term "disclosure" which we believe should be expanded. See our general comments regarding our rationale for this statement.	
017	A	We agree with the proposed approach.	
018	A	The approach to making decisions is both helpful and clearly articulated.	
019	C	<b>Disagreement.</b> As stated above, the reference in the ED to qualitative characteristics, in spite of the assertion mentioned in paragraph 1.8, does not deal with the languages limitations. Other developments in paragraphs 1.9 et 1.10 have no concrete impact.	Note: Language issue and lack of concrete impact.
020	A	HoTARAC agrees with the proposed approach to making presentation decisions for GPFRs.	
021	D		
022	A	Yes. The proposed approach to making presentation decisions is considered logical and adequately details criteria for consideration in this process.	
023	A	The principle that guides such decisions is the users' information needs and we agree that this principle should drive presentation decisions.	

R#	C #	RESPONDENT COMMENTS SMC 3	STAFF COMMENTS
024	A	Yes, we do agree with proposed approach to making presentation decisions in Section I and do not have any further comments.	
025	B	<p>The AASB supports the strong emphasis in Section 1 on striving to meet the objective of financial reporting when making presentation decisions. As the Essay on a Disclosure and Presentation Framework published by the AASB (referred to earlier in this submission) argues, there is a gap in the conceptual framework between the objective level and the lower levels. Filling that gap is necessary to flesh out the objective and, among other things, serve as a basis for developing principles for the presentation level of a Conceptual Framework. Therefore, whilst the AASB agrees that the starting point for presentation decisions is the objective of financial reporting, it considers there is much work to be done to support meeting that objective. In this regard, the AASB notes the apparent lack of guidance in Section 1 (and elsewhere in the ED) on how the IPSASB would use the draft Presentation chapter to make presentation decisions in the development or review of IPSASs and RPGs.</p> <p>17. It is unclear to the AASB how this Specific Matter for Comment fundamentally differs from Specific Matter for Comment 1 (which also addresses key aspects of Section 1 of the ED). As mentioned in its comments on Specific Matter for Comment 1, the AASB considers that the IPSASB Conceptual Framework chapter on Presentation should clarify more effectively than in the ED that, in serving the objective of financial reporting:</p> <ul style="list-style-type: none"> <li>(a) some information in a GPFR is more critical than other information;</li> <li>(b) how information is displayed can affect its interpretation by users; and</li> <li>(c) information shown on the face of a financial statement is not necessarily more critical than information shown in a note.</li> </ul>	<p>Note: Need to fill the gap between objectives and lower levels, so that it is clearer what needs to happen to meet the objectives.</p> <p>Note: Lack of guidance in Section 1.</p> <p>Note three points where more clarification is needed.</p>
026	B	We agree that these decisions may be high level. As a consequence, they could potentially result in developments that affect, for example, the number of lower level reports, which may require more detailed decisions on information selection, location and organisation within those reports.	Note: Issue re. lower level reports. (Implications for chapter content not clear.)
027	A	<i>(No further comment.)</i>	
028	A	I agree with the proposed approach to making presentation decisions in Section 1.	
029	A	Agree. MICPA is of the view that the proposed recommendations are well articulated and suitable for public sector reporting purposes. However, MICPA recommends that the consistency of accounting concepts, policies and treatments should also be considered.	Note: Need also to consider consistency.
030	A	We support the Board's proposal and discussion on how presentation decisions are made. However the discussion could be expanded for more guidance on the process and considerations to be undertaken in making those decisions. Further, we suggest that paragraph 1.10 be expanded to discuss the drivers for 'high level' and 'lower level' decisions. Example of drivers of decisions could include:	Note: Paragraph 1.10 should be expanded to discuss the drivers for 'high level' and 'lower level'

R#	C #	RESPONDENT COMMENTS SMC 3	STAFF COMMENTS
		<ul style="list-style-type: none"> <li>• Mandatory: regulatory (accounting/legislative/parliamentary) requirements</li> <li>• Voluntary: stakeholders' (citizens/bondholders) expectations</li> </ul>	decisions.
031	C	<p>As mentioned in the general comments above, the discussion in the CF-ED4 on presentation decisions in general and the proposed approach to making presentation decisions in particular were outlined in general terms. Para. 1.9 of the CF-ED 4 states that "The objectives of financial reporting, applied to the area covered by a particular report, will guide presentation decisions for that report". As this concept is described only in theory, it is not clear if (and how) the proposed approach is different from the traditional approach used by reporting entities in making decisions on presentation of information and if (and how) entities are likely to enhance quality of information for users of their GPFRs by following the approach proposed in the Exposure Draft. The CF-ED4 also does not provide guidance on how presentation decisions made by reporting entities using the proposed approach should be coordinated with presentation requirements promulgated by IPSAS 1 and other IPSASs. The Task Force is of the view that this area of the CF-ED4 should be supplemented by further analysis, including elements of practical guidance on application of the proposed approach. This analysis can also cover the relationship between the approach proposed by the CF-ED4 and the requirements of individual IPSASs.</p>	<p>Note: Approach is too general and theoretical so implications for standard setting are unclear.</p> <p>Needs guidance on the relationship between presentation requirements in standards and decisions by preparers.</p> <p>Need examples to illustrate the approach.</p>
032	A	The proposed approach is flexible and well suited for the preparation of GPFRs.	
033	C	<p>ACAG does not agree with the proposed approach to making presentation decisions in Section 1. Our primary concern is that points 1.8 - 1.10 do not address the necessity for consistency in the presentation of information. Point 1.10 refers to development of new reports, movements in information between reports and amalgamation of reports, which is important for the initial presentation decisions for a new entity and for changes in presentation for a continuing entity. However, ACAG believes that, for a continuing entity, consistency should be a prime consideration. While consistency (both inter-period and inter-entity) is addressed in point 4.16 in relation to information organisation, ACAG is of the view that the principle of consistency warrants elevation to Section 1.</p> <p>Further, ACAG believes that point 1.8 could be enhanced by making specific reference to the 'preparers' to reinforce that management of the reporting entity is responsible for the presentation of information in GPFRs. We also believe that the description should take into account "other phenomena" which may have impacted (historical presentation) and/or may impact on the reporting entity prospectively. For example, a contingent asset/liability represents phenomena which may impact on a reporting entity prospectively.</p>	<p>Note: Need to address presentation consistency.</p> <p>Reference to preparers needed, so preparer responsibility for presentation is clear.</p>



**Specific Matter for Comment (SMC) 4:**

Do you agree with the description of information selection in Section 2:

- (a) In the financial statements; and
- (b) Within other GPFRs?

If not, how would you modify the description(s)?

**STAFF ASSESSMENT OF RESPONSES RECEIVED: These are staff views and do not necessarily reflect the views of IPSASB Members**

CATEGORY (C #)	RESPONDENTS (R #)	TOTAL
<b>A – AGREE</b>	001, 002, 005, 006, 008, 009, 011, 012, 014, 015, 016, 017, 018, 020, 022, 024, 026, 027, 028, 029, 030, 033	22
<b>B – PARTIAL AGREEMENT</b>	003, 004, 010, 013, 023, 032	6
<b>C – DISAGREE</b>	007, 019, 025, 031	4
<b>SUB-TOTAL OF THOSE PROVIDING COMMENTS</b>		<b>32</b>
<b>D – DID NOT COMMENT</b>	021	1
<b>TOTAL RESPONDENTS</b>		<b>33</b>

R#	C #	RESPONDENT COMMENTS SMC 4	STAFF COMMENTS
001	A	The Institute agrees with the description of information selection in Section 2.	
002	A	Whilst we agree with the description of information selection for financial statements and other GPFRs we consider that the concept of materiality is re-emphasised to ensure that reports do not become cluttered and therefore obscuring relevant information. We realise that materiality is addressed in Chapter 1 of the Conceptual Framework but we believe reiterating its importance will aid preparers when they select which information to present.	Note need to re-emphasize materiality in context of information selection.
003	B	(a) The Council agrees with the proposals concerning financial statements, although they partially recall the general principles already present in the first part of the Conceptual Framework (published January 2013).	Agrees with proposals. Recommendation that

R#	C #	RESPONDENT COMMENTS SMC 4	STAFF COMMENTS
		<p>It notes that the reference to the concept of materiality in Section 3, "information location", paragraph 3.5, would be more suitable for inclusion in Section 2, "information selection".</p> <p>(b) The Council is not in favour of this proposal, as it concerns financial reports, which are within a different framework from that under which accounting standards are set.</p>	<p>materiality (paragraph 3.5) moved to Section 2.</p> <p>Disagrees with wide scope (fundamental).</p>
004	B	<p><i>As mentioned in our preliminary remarks, we are unable to approve the scope of this Exposure Draft and consider that its contents, which ought to cover financial statements only, have more in common with a guidance document than a conceptual framework.</i></p> <p>(a) We agree with the description of the information selected for the financial statements.</p> <p>(b) We consider that the other reports do not fall under the authority of the IPSAS Board.</p>	<p>Agreement for financial statements.</p> <p>Disagrees with wide scope (fundamental).</p>
005	A	We agree with the description of information selection in Section 2, both in the financial statements and in other GPFRs (Specific Matter for Comment 4).	
006	A	We agree with the description of information selection in Section 2 for both financial statements and within other GPFRs.	
007	C	<p>Note that we suggest a structure of the Presentation framework with separate sections for agenda setting decisions, standard development decisions and GPFR preparation decisions in the above response to SMC3. However, if the current presentation decisions structure is to be maintained, we suggest modifying the approach of Section 2 to address information selection decisions in standard development and GPFR preparation with the core and supporting information concept (underlying the display and disclosure description in Section 1).</p> <p>Sub-section "Information in Financial Statements and Other GPFRs" in the ED can be removed as it does not provide specific guidance for information selection decisions. Since what information should be presented in the financial statements is determined by the definitions of elements of financial statements and their recognition criteria, there is little need for information selection decisions for the statements. The descriptions under sub-section "financial statements" which primarily identify specific user needs that can be met in financial statements (not address information selection decisions) would fit better in a GPFSs standard than a Presentation framework that applies to all GPFRs.</p> <p>As the role of the Conceptual Framework includes providing guidance for development of IPSASB pronouncements and for preparation of GPFRs by public sector entities in areas not addressed by IPSASB, the Presentation framework should provide guidance for standard development and GPFR preparation decisions. These two levels of decisions, together with the agenda setting decisions suggested in the above response to SMC3, should replace the high level and lower level decisions described in paragraph 2.2. Relevant concepts under sub-section "Selection Decisions for Detailed Information within a GPFR" and other applicable Phase 1 concepts should be included in the discussion of specific information selection decisions in standard development and GPFR preparation.</p> <p><u>Suggested materials to cover under "Core and Supporting Information"</u></p> <p>A GPFR should contain core information that is essential to meeting user needs for the particular accountability</p>	<p>Note: detailed suggestions re. an approach related to core/supporting information and information that is either prescribed, suggested or permitted.</p> <p>(Also links back to prior recommendation that coverage be structured in terms of Agenda Setting/Standards Development/GPFR Preparer.)</p>

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		<p>assessment and decision-making objective in the specific information area identified in the project brief.</p> <p>Core information includes key information and/or indicators that are relevant to the subject matter and would make a difference in users' assessment and decision. It also includes key measures that faithfully represent the key indicators. Each piece of key information or indicator may not be sufficient of itself for the purpose of the particular assessment or decision. All key information and/or indicators that together provides a complete and balance set of information for the purpose of the particular GPFR form the core information.</p> <p>A GPFR should also provide supporting information that explains, describes and elaborates the core information to make them more understandable and useful, and information that puts the core information in perspectives.</p> <p>Depending on the nature of and the subject matter covered in a GPFR, and the specific key information, indicators and measures selected, supporting information may include definitions, accounting and operating policies, methodologies, major assumptions, risks and uncertainties, recognition criteria, historical trend, other relevant known facts, economic environment, contractual obligations, contingencies, sensitivity analysis, etc..</p> <p><u>Suggested materials to cover under "Information Selection Decisions in Standard Development"</u></p> <p>Most information selection decisions in standard development relate to identification of specific core information that should be prescribed, suggested or permitted in a particular GPFR. The types or nature of supporting information required to be provided in a GPFR should follow logically from the key information, indicators and measures chosen. There is not much room for decision or need for judgment.</p> <p>Identification of core information involves:</p> <ul style="list-style-type: none"> <li>Identifying the different aspects of a complete and balance assessment of accountability on the subject matter or the different factors a user needs to consider in making a particular decision in the subject matter addressed in a GPFR pronouncement.</li> <li>Evaluating the importance of each identified aspect or factor to the users' assessment and decision to select a complete and balance set of core information that is essential for users' assessment and decision in that particular subject matter to be the prescribed key information or indicators.</li> <li>Reviewing the remaining list to identify any information about the subject matter that may be suggested (but not required) in the standard considering the incremental benefits to users and additional costs to preparers.</li> <li>Determining if any substitute of the key information/indicators should be allowed considering the need for comparability and the benefit of permitting flexibility to reflect the entity/jurisdiction specific circumstances in that subject matter. Identifying possible substitutes and developing guidance on when a substitute is allowed.</li> <li>Identifying possible measures of each key indicator that faithfully represent them.</li> <li>Evaluating and selecting a key measure for each key indicator based on their supportability, comparability, costs, availability and timeliness of the required input/data.</li> <li>Determining if any substitute measure should be allowed based on the suitability of other measures and the</li> </ul>	

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		<p>need for comparability. Identifying the acceptable measure(s) and developing guidance on when an alternative measure is allowed.</p> <p><u>Suggested materials to cover under "Information Selection Decisions in GPFR Preparation"</u></p> <p>Most information selection decisions in GPFR preparation relate to identification of relevant and sufficient supporting information about the key information, indicators and measures to enable effective accountability assessment and decision-making by users.</p> <p>There is relatively little need for selecting core information for GPFRs by public sector entities as they should be prescribed in the GPFR pronouncement. In areas where substitute key information/ indicator and alternative key measure are permitted, a public sector entity would follow the guidance provided in the pronouncement.</p> <p>If a public sector entity chooses to prepare a GPFR in an information area not addressed in IPSASB pronouncements, it should follow the guidance for identification of core information in standard development in preparation of that GPFR.</p> <p>In selecting supporting information, a public sector entity would:</p> <ul style="list-style-type: none"> <li>Identify all relevant information that explains, describes and provides the context for each key information, indicators and measures.</li> <li>Evaluate and select supporting information from the identified list based on their <b>necessity and significance</b> for users to understand and properly interpret the core information, and to use the core information to make effective assessment and decision.</li> </ul> <p>A public sector entity that prepares a GPFR has the ultimate responsibility for ensuring information provided in the GPFR fairly reflects its own circumstances and operating environment. It should ensure that the core and supporting information together provide adequate relevant and useful information to users for the intended purpose of the GPFR.</p>	
008	A	<p>Overall, we are supportive of the principles for both financial statements and other GPFRs. We do however have a number of observations on the text in paragraphs 2.1 to 2.10.</p> <p><i>(a) Description of information selection "in the financial statements"</i></p> <p>Paragraph 2.2 (last sentence) notes the following: "This section focuses on the selection of detailed information to be developed and presented in GPFRs, including financial statements and other reports". It is unclear what the purpose is of this statement? Paragraphs 2.3-2.5 describe information selection between GPFs and other information, while paragraphs 2.6 to 2.10 outline the selection of information within a report. As such, it seems that both the high level and lower level decisions are discussed making it unclear what the <u>"detailed information to be developed and presented in GPFRs"</u> refers to paragraph 2.2.</p> <p><i>(b) Description of information selection "within other GPFRs"</i></p> <p>Paragraphs 2.6 and 2.7 relate more to the organisation of information than the selection of information. For example, the second sentence of paragraph 2.6 which refers to "Information selection avoids information overload which reduces</p>	<p>Note: Change to last sentence of paragraph 2.2.</p> <p>Note: Recommendation to reclassify paragraphs 2.6 and 2.7 as relating to</p>

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		<p>understandability” is primarily a matter of how information is organised, including decisions about what should be displayed and disclosed. The primary decision in the selection of information is to ensure that relevant information is selected to the meet the objectives of financial reporting.</p> <p>While relevance is critical in deciding what information should be selected for presentation, the information selection process should also take cognisance of the other qualitative characteristics, in particular, those that indicate the quality of the information. For example, verifiability and representational faithfulness may need to be considered in conjunction with relevance. (Note: while the last sentence of paragraph 2.8 does mention representational faithfulness, it is in the context of substance over form and not a general point related to the process of selecting information. We envisage a much broader consideration of the other QCs).</p>	<p>organization.</p> <p>Note: Need to ensure other QCs considered when selecting information.</p>
009	A	<p>CIPFA agrees with the descriptions of information selection in Section 2, both as they apply to GPFS and other GPFRs.</p> <p>This paragraph (2.4) lists other matters in respect of which ...<i>the financial statements may ... provide information that assists users ...</i></p> <p>We agree with the inclusion of each of the matters listed, which are in line with the information identified as supporting accountability and decision making in Chapter 2 of the Conceptual Framework.</p> <p>We also suggest it would be helpful to add a reference to propriety and governance. In our view these are aspects of <i>information about the entity's management of the resources entrusted to it</i> as described at paragraph 2.8 of Chapter 2, and we also consider it to affect the assessment of [c]<i>omplying with ... authority regulating the ... use of resources</i> per paragraph 2.11 of Chapter 2. Many disclosures in financial statements and other reports relate to these, including disclosures on related parties and on remuneration of persons in governance positions.</p> <p>This sub-paragraph (2.4(b)) reflects on <i>how well</i> a public sector entity has met its financial objectives. This is a somewhat informal framing, and it would be clearer and more helpful to reflect on 'how effectively' or 'to what extent' the entity has met its objectives.</p> <p>This paragraph (2.5) explains that:</p> <p><i>For other GPFRs the objectives of financial reporting, applied to the area covered by a particular report, guide detailed information selection decisions in order to satisfy the user needs addressed by a particular report.</i></p> <p>The repetition of 'particular' is unnecessary and unclear. We suggest that the first instance of 'particular' is deleted.</p> <p>The last sentence of this paragraph (2.9) is not very clear and we are not sure that it adds significantly to what is already explained in the previous sentence.</p>	<p>Note drafting comments on Section 2. (Also note the general comment, included under SMC 1, re. GPFRs and multiple reports.)</p>
010	B	<p>The guidance in the ED regarding the selection of information to be presented in the financial statements repeats what is currently included in Chapter 2 of IPSASB's <i>Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities</i>. We recommend that the IAASB eliminate any duplicate information in this section contained elsewhere in the Conceptual Framework.</p>	<p>Note issue raised with respect to elimination of duplication between Phase 4 and Chapter 2</p>

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		We agree with the factors included in the ED which should be considered by an entity when selecting information for inclusion in a GPFR.	of the Framework.
011	A	<p>The SRS-CSPCP agrees with the selection criteria for information in the other GPFRs and GPFSSs. However, it has one remark regarding Point 2.4 (b):</p> <ul style="list-style-type: none"> <li>• The announcement about how well a public entity has achieved its financial goals belongs in the Management commentaries. Therefore it may take place in the other GPFRs, but certainly not in the GPFSSs.</li> <li>• A Point 2.4 (c) should be added to make sure that the user of the GPFSSs is provided with the necessary information to assess by himself the reliability of the figures presented (for example information about the fact that statements are based on actual figures or estimates).</li> </ul>	Note: Specific points re. 2.4.
012	A	<p>We agree with the proposed description of information selection in Section 2. We welcome in particular that this concept is not limited to the financial statements but applies also to other reports (other GPFRs).</p> <p>Paragraph 2.10 which is completely devoted to the QC timeliness appears to us overly long and it over stresses this point as compared to the other QCs. Without questioning the importance of timeliness in this context, it seems to create an imbalance to include in Section 2 a relatively long paragraph on this QC whereas other QCs (e.g. relevance) are only mentioned briefly in this section.</p> <p>This issue could be solved if the two last sentences of the paragraph, which deal with information derived from other sources than the financial information system, would be presented as a separate paragraph including references to other QCs.</p>	<p>Note: Support for application to more comprehensive scope.</p> <p>Note: Suggested change to paragraph 2.10.</p>
013	B	<p>We support the IPSASB's approach of linking presentation decisions with the objectives of financial reporting, the qualitative characteristics, the constraints of GPFRs and information already reported in GPFRs.</p> <p>We also agree with the description of information selection in Section 2 in (a) financial statements and (b) within other GPFRs. We consider that these general descriptions explain the underlying principles adequately: there is no need, in our view, to link them to the specific terms, display and disclosure, in the manner proposed.</p> <p>However, we suggest that the IPSASB considers whether the conceptual framework could further operationalise the qualitative characteristics into more specific criteria to guide both IPSASB and preparers in their information selection decisions at the standards-level. For instance, in applying the QCs to information selection in GPFRs, we have identified two possible criteria that might require information to be selected and communicated to users:</p> <p>(a) the information explains the key objectives of the entity; and</p> <p>(b) the information explains major changes from the past where previously presented information is not a reliable guide to the future.</p> <p>Further, we encourage the IPSASB to emphasise that information selection decisions require continuing and critical review. One of the issues noted in recent years is the tendency of preparers to continually add to the information</p>	<p>Note: Suggested ways to further operationalize the qualitative characteristics into more specific criteria for information selection.</p> <p>Suggest emphasis on continuing and critical review of selection decisions.</p>

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		presented, rather than ensuring that the presentation, taken as a whole, is informative.	
014	A	The current European sovereign debt crisis and related government debt issues highlights the need for audited GPFRs in order to restore the public's confidence in public sector financial reporting. This fact was also one of the recommendation of the IFAC for consideration by the G-20 Nation meeting on November 2011. Eurostat is also committed to verify the degree of assurance provided by internal controls and external audits by supreme audit institutions or other external audit bodies of the quality of public accounts used as inputs to the EDP compilation processes. We strongly recommend the IPSASB to add a paragraph in Section 2 of the CF-ED4 that stresses that information needs to be audited by an external body (Supreme Audit Institutions or other professional audit bodies) before being reported.	Add paragraph in Section 2 of the CF-ED4 that stresses that information needs to be audited by an external body before being reported.
015	A	We agree.	
016	A	The FMSB agrees with the description of information selection in Section 2.	
017	A	<p>We generally agree with the description of information selection, however, we have the following comments for your consideration:</p> <p>(1) Distinction between high level decisions and low level decisions</p> <p>The ED identifies high level and low level decisions on selection, location and organization of information for presentation decisions in paragraph 1.10. However, it is debatable whether making this distinction is useful.</p> <p>We believe that which information is to be reported in what reports (high level decisions), and where the information is to be placed within a report (low level decisions) should be articulated simply in relation to the location of information. Therefore, we suggest the Board to consider deleting paragraph 2.2.</p> <p>(2) Guidance on detailed information selection decisions</p> <p>Paragraph 2.5 states that "the objectives of financial reporting, applied to the area covered by a particular report" guides the selection decisions for detailed information for other GPFR. Given that the information presented in financial statements is the core of financial reporting, further explanation would need to be added to clarify that selection decisions on detailed information in other GPFRs should be made after carefully considering its relation to financial statements.</p>	<p>Note recommendation that the description not use the terms "high level" and "low level".</p> <p>Note recommendation that its <i>relationship to financial statements</i> should be part of decisions on information in other GPFRs.</p>
018	A	The criterion for information selection allows a pragmatic approach to be applied in determining the appropriate level of disclosure in both the financial statements and other GPFRs.	
019	C	<p><b>Disagreement.</b> Paragraphs 2.3 et 2.4 in the ED do not mention the expected selection criteria which should result from the higher degree of importance of the mandatory Financial Statements, including the notes, as described in IPSAS 1, compare to the other reports, optional, and often redundant in numbers of governments and public entities with local practices and rules.</p> <p>From a conceptual point of view, the hypothesis that information destined to the Financial Statements, as stated in IPSAS</p>	<p>Note: Financial statements (F/S) should be of higher importance than other reports.</p> <p>Note: F/S information is</p>

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		1, may result from a selection, is not acceptable, since this information is obligatory.	not selected, but is <u>obligatory</u> .
020	A	(a) HoTARAC agrees with this description. (b) HoTARAC agrees with this description.	
021	D	<i>(Did not comment.)</i>	
022	A	<p>(a) Yes. The description appears adequate and the text clearly conveys the key points for consideration in decisions on selection of information for inclusion in the financial statements.</p> <p>(b) Yes. The description generally appears adequate, however, could perhaps be enhanced by the use of examples.</p> <p>Two proposed amendments are set out below:</p> <ul style="list-style-type: none"> <li>• In the first line of Paragraph 2.5, it is recommended that the words <b>“applied to”</b> be replaced with <b>“which are applicable to”</b></li> <li>• Similarly, in the second line of Paragraph 2.6, it is recommended that the words <b>“as applied to”</b> be replaced with <b>“which are applicable/relevant to”</b></li> </ul>	Note proposed changes to paragraphs 2.5 and 2.6.
023	B	<p>We agree with the description of information selection in the financial statements.</p> <p>The description in respect of “other GPFRs” (para 2.5) is very brief. We understand that it is difficult, given the broad range of subject matters that could be covered in other GPFRs. However, we suggest that this discussion be expanded to focus on the key principles that should drive information selection for these other GPFRs.</p> <p>For example, user needs would generally require selection of information that enables users to:</p> <ul style="list-style-type: none"> <li>• understand why the reported subject matter is important, and what the objectives of reporting such information are;</li> <li>• understand the activities reported and the key components of such activities;</li> <li>• understand an entity’s objectives in undertaking a certain activity and a measure of the level of achievement;</li> <li>• assess how such achievement compares with any projected levels of achievement;</li> <li>• assess how well an entity has met its non-financial objectives.</li> </ul> <p>We agree with the discussion on selection decisions for detailed information within a GPFR [CF-ED4, 2.6 – 2.10]. In our experience, reporting has generally become more voluminous and more complex. These features often make it more difficult for users to identify the more important information that is essential to understanding and appreciating all of the information provided, and therefore may impede the ability to make decisions or hold entities to account.</p> <p>Establishing principles for standard setters, preparers and auditors to consider in making decisions about the level of</p>	Note agreement with selection for financial statements, and recommendations to provide more on the description applicable to other GPFRs.



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		detail to be included in GPFR is welcomed.	
024	A	<p>Yes, we agree with the description of information selection in the financial statements and within other GPRGS as detailed under Section 2 as we believe that:</p> <p>(a) For financial statements: user needs include the need to provide financial information for financial reporting purposes which should assist users in assessing the extent to which revenues, expenses, cash flows and financial results of the entity comply with the estimates reflected in approved budgets, and the entity's adherence to relevant legislation or other authority governing the raising and use of public monies and determining how well a public sector entity has met its financial objectives.</p> <p>(b) For other GPRFS: user needs should be addressed by a particular report resulting in sufficient information being selected to meet the objectives of financial reporting.</p>	
025	C	<p>18. The AASB's primary concern regarding Section 2 on information selection is that it does not seem to meet the IPSASB's stated objective of providing criteria that would be useful for the IPSASB in developing or reviewing requirements (or guidance) on information selection in IPSASs or RPGs (see comments on page 3 of this submission).</p> <p>19. Based on Section 2, it would appear that decisions about information selection are to be made largely (if not completely), in effect, by considering other finalised and proposed chapters of the IPSASB Conceptual Framework. For example, paragraph 2.10 of the ED seems essentially to repeat the qualitative characteristics (QCs) in the QCs chapter of the IPSASB Conceptual Framework (January 2013). The AASB considers that the finalised chapter on Presentation should indicate which parts of its content are simply consequences of other chapters of the IPSASB Conceptual Framework and which parts (if any) cover new or separate aspects.</p> <p>20. In addition, the AASB considers paragraph 2.1(c) to be confusing and potentially circular. Did the IPSASB intend indicating that an entity should consider information reported by that entity in other, limited-purpose, GPFRs (e.g. detailed financial reports on long-term sustainability of an entity's finances)? The AASB recommends that the IPSASB clarify its intended meaning in paragraph 2.1(c).</p>	<p>Note: Section 2 does not provide criteria.</p> <p>Note: It does not add to first four chapters of the Framework.</p> <p>Note: Paragraph 2.1(c) is confusing and circular, so need to clarify meaning.</p>
026	A	Yes, we agree with the description of information selection subject to it being described as a communication decision and not a presentation decision.	
027	A	<i>(No further comment.)</i>	
028	A	Yes, I agree with the description of information selection in Section 2 for in the financial statements and other GPFRs.	
029	A	Agree.	
030	A	<p>We agree with the description of information selection in section 2 but suggest the following changes:</p> <ul style="list-style-type: none"> <li>Within paragraph 2.3 – We suggest including the discussion of consistency and comparability of information. Information should be presented consistently over time so that users will be able to compare the performance of</li> </ul>	Note suggestions re. specific changes.

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		<p>the entity over time.</p> <ul style="list-style-type: none"> <li>As mentioned previously, it would be helpful to clarify in paragraph 2.5, what other GPFRs might entail e.g. long term fiscal sustainability information, budgetary information or service performance reporting information.</li> </ul>	Clarify "other GPFRs"
031	C	<p>The Task Force notes the description of information selection in Section 2 of the CF-ED4. The section on selection of information for financial statements includes a marginally expanded list of user needs while section on selection decisions for other GPFRs offers a theoretical discussion.</p> <p>It was also noted that the CF-ED4 states that users of financial statements should be able to use information reported by the entity to assess "whether the entity has acquired resources economically, and used them efficiently and effectively to achieve its service delivery objectives" (para. 2.3(b)). This is a very broad concept and is likely to require reporting entities to include information which is not traditionally presented in the financial statements. Previously issued IPSASB's Conceptual Framework pronouncements (draft and final) stated that this kind of information will be reported in the GPFRs, but not in the financial statements specifically. It would be useful if the Board clarified what kind of information is expected to be presented in the financial statements to meet this particular need of users.</p>	<p>Discussion is theoretical and adds little.</p> <p>Note: Need to clarify use of financial statement information to assess service delivery.</p>
032	B	<p><b>(a) In the financial statements; and</b></p> <p>We agree that the information selected for financial statements should provide information on the financial position, financial performance, cash flows and the extent the government has met its approved budget. Financial statements do not usually provide information to users as to whether the government has efficiently and effectively used its resources towards meeting its service performance objectives.</p> <p><b>(b) Within other GPFRs?</b></p> <p>We agree that the objectives of the report and the needs of the users should direct the selection of information for GPFRs. The level of detail should also direct the selection of information. The level of detail should be at a level that does not reduce the users' ability to understand the information.</p> <p><b>If not, how would you modify the description(s)?</b></p> <p>Financial statements enable users to assess the financial performance but are not designed to assess whether a government has achieved its service delivery objectives in an economic, efficient and effective manner. Management discussion and analysis and specific purpose reports are better suited for providing this information to the users of GPFS.</p>	<p>Note: Financial statements should not be used to assess service delivery.</p>
033	A	<p>While ACAG agrees with the principles embodied in the description of information selection in Section 2, with regards to point 2.1, we maintain the view that the primary driver for including information in the GPFRs is the preparer's consideration of the information needs of the users. Accordingly, we suggest amending point 2.1 to make this principle explicit.</p>	Preparer consideration of users is primary driver.

**Specific Matter for Comment (SMC) 5:**

Do you agree with the description of information location in Section 3:

- (a) In the financial statements;
- (b) In other GPFRs; and,
- (c) Between different reports within GPFRs?

If not, how would you modify the description(s)?

**STAFF ASSESSMENT OF RESPONSES RECEIVED: These are staff views and do not necessarily reflect the views of IPSASB Members**

CATEGORY (C #)	RESPONDENTS (R #)	TOTAL
<b>A – AGREE</b>	001, 002, 005, 006, 008, 009, 010, 012, 013, 014, 015, 016, 018, 020, 022, 023, 024, 026, 027, 028, 029, 030, 033	23
<b>B – PARTIAL AGREEMENT</b>	003, 004, 032	3
<b>C – DISAGREE</b>	007, 011, 017, 019, 025, 031	6
<b>SUB-TOTAL OF THOSE PROVIDING COMMENTS</b>		<b>32</b>
<b>D – DID NOT COMMENT</b>	021	1
<b>TOTAL RESPONDENTS</b>		<b>33</b>

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001	A	The Institute agrees with the description of information location in Section 3.	
002	A	We agree with the description of information location in the financial statements and in other GPFRs. However, regarding (c) above, aside from the description on <i>linkage, nature and jurisdiction specific</i> in paragraph 3.3 there does not appear to be any further commentary therefore we find it hard to respond to this question.	Agree, but concerned at no further commentary. (Note as part of issue re. quality-detail)
003	B	(a) Concerning information location within the financial statements, the Council agrees with the items in the Exposure	Note: Should also

R#	C #	RESPONDENT COMMENTS SMC 5	STAFF COMMENTS
		<p>Draft. However, it believes that in fact the preparer of financial statements has little latitude concerning information location therein.</p> <p>Moreover, information location raises a number of questions concerning the obligation to certify financial statements, the need for standardisation of documents produced, and the costs incurred. The Exposure Draft makes no recommendations in these areas.</p> <p>(b) (c) The Council reiterates its opposition to the scope of the GPFRs. Therefore, the Council declines to comment on the proposals on the location of various items of information in the GPFRs or the allocation of information between GPFs and GPFRs.</p>	<p>address the obligation to certify financial statements, the need for standardisation of documents produced, and the costs incurred.</p> <p>Note: Disagrees with wider scope.</p>
004	B	<p><i>As mentioned in our preliminary remarks, we are unable to approve the scope of this Exposure Draft and consider that its contents, which ought to cover financial statements only, have more in common with a guidance document than a conceptual framework.</i></p> <p>(a) We consider that all the information needed to understand the financial statements should be reported in those statements and be auditable.</p> <p>(b) As mentioned above, we believe that reports other than on the general purpose financial statements do not fall under the authority of the IPSAS Board.</p>	<p>Note: Disagrees with wider scope and coverage is guidance rather than conceptual.</p>
005	A	We agree with the description of information location in Section 3 (Specific Matter for Comment 5).	
006	A	<p>We agree with the description of information location in Section 3 for both financial statements and within other GPFRs.</p> <p>However, please see our comments in question 1 above where we consider that '<i>display</i>' and '<i>disclose</i>' should be replaced with '<i>core</i>' (or '<i>primary</i>') and '<i>supporting</i>' information.</p> <p>It is also arguable that '<i>information location</i>' is a sub set of '<i>information organization</i>'. IPSASB should therefore consider combining these sections.</p>	<p>Note: Suggestion that location and organization should be combined into one section, since location could be considered a subset of organization.</p>
007	C	<p>Note that we suggest a structure of the Presentation framework with separate sections for agenda setting decisions, standard development decisions and GPFR preparation decisions in the above response to SMC3. Even if the current presentation decisions structure is to be maintained, it is our view that the Presentation framework does not need a separate category of presentation decision to address information location decisions (as discussed in the above response to SMC2). It is because a closer look at the guidance in Section 3 indicates that there is very limited guidance that is relevant to information location decisions in GPFRs. The only information location guidance provided in Section 3 under sub-section "Location of Information within a Report" is that information displayed should be presented prominently and separately from disclosed information. This guidance can be easily and logically incorporated into the discussion of information selection of information organization decisions.</p> <p>Sub-section "Allocation of Information between Different Reports" in Section 3 can be removed because it does not address</p>	<p>Note: Should be separate sections for agenda setting decisions, standard development decisions and GPFR preparation decisions</p> <p>Note: Recommends</p>

R#	C #	RESPONDENT COMMENTS SMC 5	STAFF COMMENTS
		<p>information location decisions but information organization decisions and agenda setting decisions. There are also problematic descriptions about information location in the introductory paragraphs 3.1 and 3.2, for example, we do not agree that “location has an impact on information’s relevance, verifiability, ... faithful representation ...” or that “location may be used to ... (b) convey the nature of information ...”.</p> <p>Information location may be more relevant for GPFSS as their structure (i.e., statements and notes) is well defined. However, as there are specific criteria to determine what should be recognized in the statements, there is little room for information location decisions in GPFSS. Any specific guidance on whether information should be presented in statements or notes would be more appropriate to be included in a GPFSS standard.</p>	<p>information location not should be treated as a separate category, but included within information organization.</p> <p>Note: Recommends remove sub-section on allocation between different reports.</p>
008	A	<p>Overall, we are supportive of the principles for the financial statements, other GPFRs or between different reports within GPFRs. We do however a number of observations on the text in paragraphs 3.2 to 3.7.</p> <p><i>(a) Description of information “in the financial statements”</i></p> <p><u>Paragraph 3.3</u></p> <p>Paragraph 3.3 notes that a number of factors need to be considered when locating information in the financial statements or another GPFR. In reading these criteria, we considered that (a) and (b) could be stated more generally as factors that would be considered when “grouping” information into different reports, rather than describing factors when information will be added to a new or existing report. For example, part (a) “linkage” refers to “whether or not the additional information envisaged needs to link very closely to information <u>already included in an existing reporting</u>” [own emphasis added]. We are of the view that to make this more useful, the reference to an “existing report” should be deleted. In our deliberations, we were of the view that linking specific information together and assessing the nature of certain information were useful in deciding how and where specific information should be grouped and reported. We are of the view that the linkages between all information should be assessed, not only linkages between new and existing information and would propose re-wording (a) and (b) to make this clear.</p> <p>Paragraph 3.3(c) notes that jurisdiction specific requirements should be considered in deciding where information should be presented. While it may be accurate that jurisdictional requirements may prescribe where information should be reported, these jurisdictional requirements might not be consistent with the principles in the Conceptual Framework or pronouncements issued by the IPSASB. For example, if jurisdictional requirements prescribe that contingencies should be presented outside the financial statements, then this requirement is clearly inconsistent with the concepts in IPSASs.</p> <p><i>(b) Allocation of information to the financial statements</i></p> <p><u>Paragraph 3.5</u></p> <p>The third and fourth sentences of paragraph 3.5 state the following: “The display of line items and aggregate totals involves factors such as balancing standardization to ensure that particular information necessary to meet the objectives of financial</p>	<p>Note: Recommended changes to paragraphs 3.3 to 3.10.</p>

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		<p>reporting is available for all entities, and consideration of entity specific factors. Materiality is an important factor for preparers when making certain types of display decisions.”</p> <p>The first sentence deals with the organisation of information and should be relocated to section 4. We also propose rewording the sentence as follows to make it more understandable: “The display of line items and aggregate totals involves <del>factors such as</del> balancing standardization, to ensure that particular information necessary to meet the objectives of financial reporting is available for all entities, <u>while still allowing information to be displayed in a manner that reflects the nature and operations of specific entities. and consideration of entity specific factors</u>”.</p> <p>The last sentence deals with display and disclosure and should be relocated to the section “Location of information within a Report” in paragraphs 3.8 to 3.10.</p> <p><u>Paragraph 3.6</u></p> <p>This paragraph states that: “The notes to the financial statements disclose information that <u>supports</u> the information displayed on the face of the statements” [own emphasis added]. This statement is inconsistent with the earlier description of disclosed information which indicated that disclosed information makes displayed information more useful. The reference to “support” seems to imply a relative importance of disclosed information in relation to displayed information. The last sentence of paragraph 3.9 also refers to “supporting” information. This should also be revised.</p> <p><u>Paragraph 3.10</u></p> <p>The last sentence refers to “presentations technique”. These are not described or explained in sufficient detail in the ED for any reference to them to be useful. We propose deleting any reference to them.</p>	<p>Note relocation of information that relates to organization rather than location.</p>
009	A	CIPFA agrees with the descriptions of information location.	
010	A	We agree with the description of information location in Section 3 relative to both financial statements and GPFRs.	
011	C	<p>As far as the SRS-CSPCP is concerned, Section 3.3 is not clear. Why precisely three location facts (linkage, nature, jurisdiction)? In our view they must be understood as examples, because there are also other factors. The information provided in the ED does not suffice to decide e.g. whether a new piece of information should belong in the GPFs or in the other GPFRs.</p> <p>Paragraphs 3.4 to 3.7 do not permit a decision as to which information is to be assigned to the GPFs or the other GPFRs. In particular Paragraph 3.4 seems to be incorrect: “a complete financial picture of an entity” belongs in the other GPFRs and not in the GPFs. Further it does not follow from the proposed criteria of Sections 3.4 to 3.7 whether new pieces of information (e.g. financial statistics) must be included in the GPFs or in the other GPFRs. In general the SRS-CSPCP regret that in Section 3 some information is too detailed, while on the other hand other information is not available.</p>	<p>Note: Other factors should be included, or the factors noted for location treated as examples only, because there is more involved than these three.</p> <p>Note: Coverage of GPFS/GPFR location decision insufficient and needs correction.</p>

R#	C #	RESPONDENT COMMENTS SMC 5	STAFF COMMENTS
012	A	We agree with the proposed description of information location in Section 3.	
013	A	We support the IPSASB's approach of using the term "location" to (a) convey information and its connections with other items of information; (b) convey the nature of information; and (c) link different items of information that combine to meet a particular user need.  However, as stated in our comments above, we do not support the use of "location" (through the use of the terms "display" and "disclosure") to convey the relative importance of information.	
014	A	The Institute agrees with the proposed descriptions of information location in Section 3.	
015	A	We agree. In this part there is an interesting and from our point of view adequate description about the information disclosed in the notes to the financial statements. For instance, in part 4.12 it says that "information disclosed in the notes to the financial statements is necessary to a user's understanding of those financial statements." We agree with this description but we refer to ESV's previous opinion that some of the requirements of disclosure information in today's IPSAS standards are too detailed, technical and comprehensive. They are far more exhaustive than necessary and our opinion is that they in several cases rather confuse the user than give further understanding information about the financial statements. ESV therefore assumes that today's IPSAS standards should be revised concerning disclosure information after the framework has been adopted.  Disclosure information is also discussed in a discussion paper: <i>Towards a Disclosure Framework for the Notes</i> <sup>3</sup> . According to this paper there are two main areas of improvement:  (a) avoiding disclosure overload,  (b) enhancing how disclosures are organized and communicated in the financial statements to make them easier to understand and compare.	Note view that present IPSAS disclosures are overly detailed and may confuse users, and the ED4 coverage provides a basis to review and revise.
016	A	The FMSB agrees with the description of information location in Section 3.	
017	C	We do not agree with the proposal.  As opposed to state that location has the impact on information's relevance, verifiability, understandability, faithful representation, and comparability in paragraph 3.1, we believe that inserting some statements on qualitative characteristics in each relevant section will be sufficient. Therefore, we suggest deleting the first sentence of the paragraph 3.1 that describes qualitative characteristics.  Although it is not described in paragraph 3.1, information location also has influence on timeliness. For example, when selecting whether to report in financial statements or other GPFRs having different reporting date, the information location	Note specific points on reference to the QCs.  Note: Impact of location on timeliness.  Note comment on

<sup>3</sup> The Discussion Paper is issued by the European Financial Reporting Advisory Group (EFRAG), the French Autorité des Normes Comptables (ANC) and the UK Financial Reporting Council Accounting Committee (FRC) in 2012.

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		has an effect on timeliness. In addition, the first sentence of paragraph 3.9. states that "[F]or the financial statements, displayed information is shown on the face of the appropriate statement, while disclosures are in the notes." And, this is described as "[this] style of organization" in the next sentence. We believe that "organization" should be changed to "location" since this paragraph is for information location.	location/organization.
018	A	We agree with the description of location in Section 3 and the above three reporting instances.	
019	C	<b>Disagreement.</b> The ED mentions that information in the notes "supports the information displayed in the face of the financial statements". This assessment might allow excluding from the "notes" essential information non related to formal tables "in the face" of financial statements, but that can be nevertheless required by standards, such as indications on contingent assets or liabilities or commitments. It should be at least necessary to add in the ED a reference to requirements of presentation in the notes stemming from standards.	Note: Issue that notes information may not relate to the face of the statements but may still need to be reported in notes.
020	A	(a) HoTARAC agrees with this description. (b) HoTARAC agrees with this description. (c) HoTARAC agrees with this description.	
021	D	(No comment.)	
022	A	(a) Yes. The description appears adequate and the text appropriately conveys the role information location plays in financial reporting, and the key points for consideration in decisions on allocation of information to and within the financial statements. (b) Yes. The description appears adequate and the text accurately conveys the key points for consideration in decisions on the allocation of information to and within other GPFs. (c) Yes. The description appears adequate and the text appropriately conveys the key factors for consideration in decisions about the allocation of information between different reports. there is some concern about the text in the first sentence of the first paragraph as it is believed that location decisions, rather than impacting on information's relevance and verifiability, is more accurately described as being affected by these characteristics. It is therefore proposed that the sentence be amended to read <b>"Location addresses/considers the qualitative characteristics of information's relevance, verifiability, understandability, faithful representation, and comparability"</b> .	Note suggested changes to first paragraph of Section 3. (Relate to R017 comment above.)
023	A	We agree with the description of information location as set out in Section 3. We do not believe that location has an impact on information's verifiability, understandability or representational faithfulness [CF-ED4, 3.1]. For example, information is assessed by considering user needs, not where that information happens to be	Note disagreement with respect to the impact of location on



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		located within a GPFR. Relevance will be a factor in determining whether information is included in a GPFR. We would expect that the more relevant the information is, the more prominently it would be presented. The key QCs that location may impact are understandability and comparability.	particular qualitative characteristics. (See also R017 and R022.)
024	A	Yes, we do agree with the description of information location in Section 3 because we believe that the location of information has an impact on the qualitative characteristics.	
025	C	21. The AASB's primary concern regarding Section 3 on information location is that it does not seem to meet the IPSASB's stated objective of providing criteria that would be useful for the IPSASB in developing or reviewing requirements (or guidance) on information location in IPSASs or RPGs (see comments on page 3 of this submission). 22. The AASB also notes that paragraph 3.3(c) says a factor affecting information location is any jurisdiction-specific factors such as legal provisions. The AASB is concerned that, without clarification, that comment could be interpreted as giving conceptual endorsement to jurisdiction-specific laws even if they are incompatible with the IPSASB's Presentation concepts. The AASB recommends clarifying in the IPSASB Framework that this would not be the case.	Note: Section 3 does not provide useful criteria.  Note: Paragraph 3.3(c) needs to be clarified.
026	A	Yes, we agree with the description of information location subject to it being described as a communication decision and not a presentation decision. Further, we suggest the references to "display" be replaced with references to "presentation" as we consider it is presentation, not display that describes the information selected to communicate the key messages including the information shown on the face of the financial statements.	Note: Replace references to "display" with "presentation".
027	A	<i>(No further comment.)</i>	
028	A	Yes, I agree with the description of information location in Section 3 for: in the financial statements, in others GPFRs and between different reports within GPFRs.	
029	A	MICPA is agreeable with the proposed criteria. However, MICPA wishes to suggest another criterion to be included, i.e. the consistency of allocating the information to be presented between different financial periods or financial statements of entities of similar nature. MICPA further recommends the incorporation of an additional disclosure requirement with regard to the reason(s) for any change in the allocation of information presented.	Note further criterion for inclusion (consistency of allocating information between periods). Disclose reasons for change to allocation.
030	A	We agree with the description of information location in section 3.	
031	C	The Task Force notes general overview of information location in Section 3 of the CF-ED4, including location in the financial statements, in other GPFRs and between different reports within GPFRs. It is observed that materiality is mentioned in para. 3.5 as "an important factor for preparers when making certain types of display decisions" while allocating information to the financial statements.	Basis for disagreement unclear; general nature of coverage?

R#	C #	RESPONDENT COMMENTS SMC 5	STAFF COMMENTS
032	B	<p><b>(a) In the financial statements</b> Notes to the financial statements normally disclose information that supports information displayed on the face of the financial statements. However some notes go far beyond a supporting role for the displayed information. Notes often provide additional information to users for items that do not met the recognition criteria, and thus are not displayed on the financial statements.</p> <p><b>(b) In other GPFRs; and,</b> We agree that GPFS cannot meet the needs of all users. In order to ensure that displayed information is given its appropriate prominence the information should be presented in either a management discussion and analysis, or an ancillary report.</p> <p><b>(c) Between different reports within GPFRs?</b> We agree with the factors identified on locating information between different reports. The relevant factors are linkage, the nature of the reports (e.g. historical vs. prospective) and the legislative requirements of the jurisdiction.</p> <p><b>If not, how would you modify the description(s)?</b> We have not identified any possible modifications to the descriptions.</p>	<p>Note: Disagreement with the characterization of notes as information related to what is displayed on the face of the statements. Notes may go beyond this supporting role.</p>
033	A	<p>While ACAG agrees with the principles embodied in the description of information location in Section 3, ACAG would suggest the following amendments.</p> <p>In respect of point 3.1, it is ACAG's view that 'location' does not impact on information's relevance, verifiability, understandability, and faithful representation. Rather, it is the nature of the information within GPFRs which is important. In ACAG's view, 'location' has an impact on the user's ability to readily discern the key messages being conveyed by the preparer. Consequently, we recommend the amendment of point 3.1 to make this distinction explicit.</p> <p>Point 3.3 details three factors which are relevant to decisions about locating information in financial statements or another GPFR. Another factor which may impact on the location of information is whether the information is mandated to be audited. ACAG would recommend that audit requirements be considered in addition to legal provisions for inclusion as part jurisdiction specific factors.</p> <p>ACAG suggests an amendment to point 3.6 to reference the broader function of notes to the financial statements. As previously noted in our response to the specific matter for comment 1, it is possible for a note to stand alone and provide useful information to the users about an event or transaction not captured on the face of the financial statements.</p> <p>Point 3.6 also indicates a linkage between financial statements and 'other GPFRs'. ACAG believes that this link may create an unreasonable expectation on auditors about information presented in documents outside the financial statements. As set out in our overall comments above, ACAG considers that the IPSASB should emphasise the clear delineation between general purpose financial statements and 'other GPFRs' in order not to create such unreasonable public expectations of the auditor's role on the presentation of information outside of the audited financial statements.</p>	<p>Note: Issue of location's impact on the QCs, previously raised by several other respondents.</p>

**Specific Matter for Comment (SMC) 6:**

Do you agree with the description of information organization in Section 4:

(a) In the financial statements; and

(b) In other GPFRs?

If not, how would you modify the description(s)?

**STAFF ASSESSMENT OF RESPONSES RECEIVED: These are staff views and do not necessarily reflect the views of IPSASB Members**

CATEGORY (C #)	RESPONDENTS (R #)	TOTAL
<b>A – AGREE</b>	001, 002, 005, 006, 009, 010, 011, 012, 013, 014, 015, 016, 018, 020, 022, 023, 024, 026, 027, 028, 029, 030, 031, 033	24
<b>B – PARTIAL AGREEMENT</b>	003, 008, 017, 032	4
<b>C – DISAGREE</b>	007, 019, 025	3
<b>SUB-TOTAL OF THOSE PROVIDING COMMENTS</b>		<b>31</b>
<b>D – DID NOT COMMENT</b>	004, 021	2
<b>TOTAL RESPONDENTS</b>		<b>33</b>

R#	C #	RESPONDENT COMMENTS SMC 6	STAFF COMMENTS
001	A	The Institute agrees with the description of information organization in Section 4.	
002	A	We agree with the description of information organization in Section 4 regarding financial statements and other GPFRs. However we consider that it might useful to discuss the use of columns vs. rows to potentially make information more useful to users.	Also discuss columns/rows.
003	B	(a) These items recall the general principles but as long as they apply only to the financial report, the Council is in favour of this proposal (paragraphs 4.1, 4.2 and 4.3). (b) As the Council is opposed to standardising reports concerning GPFRs, it is not in favour of the provisions in paragraphs §4.5, §4.6 and §4.7. Moreover, the Council notes that the communication report does not need to be standardised, nor does the present document anticipate that it would be standardised, because information production	Agree so long as only applicable to financial statements Disagrees with appln to additional information.

R#	C #	RESPONDENT COMMENTS SMC 6	STAFF COMMENTS
		should allow for free exchange.	
004	D	<p><i>As mentioned in our preliminary remarks, we are unable to approve the scope of this Exposure Draft and consider that its contents, which ought to cover financial statements only, have more in common with a guidance document than a conceptual framework.</i></p> <p>(a) We have no comment on the description of the organisation of financial information.</p> <p>(b) As mentioned above, we believe that reports other than on the general purpose financial statements do not fall under the authority of the IPSAS Board.</p>	
005	A	We agree with the description of information organisation in Section 4 (Specific Matter for Comment 6).	
006	A	<p>We agree with the description of information organisation in Section 4 for both financial statements and within other GPFs.</p> <p>However, please see our comments in question 1 above where we consider that '<i>display</i>' and '<i>disclose</i>' should be replaced with '<i>core</i>' (or '<i>primary</i>') and '<i>supporting</i>' information.</p>	
007	C	<p>The discussion and structure in Section 4 focuses on the objective of making "clear important relationships between items" (as identified in paragraph 4.2). We believe that information organizations involve more important considerations than just addressing relationships among information and reports. Some discussions under sub-section "Organization of Information within the Financial Statements" do not address information organization decisions but information selection decisions, for example, paragraphs 4.12 and 4.13.</p> <p>We suggest a structure of the Presentation framework with separate sections for agenda setting decisions, standard development decisions and GPFR preparation decisions in the above response to SMC3. Most information organization decisions are made in the preparation of GPFR by public sector entities. If the current three presentation decisions structure is to be maintained, we suggest modifying the relationship oriented approach of Section 4 to one that provides guidance for effective communication of information for maximum understandability and identifies and discusses the trade-offs between certain communication principles and/or qualitative characteristics in information organization decisions.</p> <p>The most relevant Phase 1 concepts for information organization decisions are relevance and understandability. The purpose of information organization is effective communication to users. The presentation framework should provide guidance for effective communication of information for maximum understandability. Information organization decisions often involve balancing well-intention and sometimes conflicting communication principles and/or qualitative characteristics. The presentation framework should identify these possible trade-offs for preparers to consider in their information organization decisions.</p> <p>Examples of relevant communication principles or presentation techniques that enhance understanding of relevant information to be further elaborated and explained in the Presentation framework include:</p>	<p>Note: Coverage of information selection within information organization.</p> <p>Note: Separate sections for agenda setting decisions, standard development decisions and GPFR preparation decisions</p> <p>Note: Recommends wider set of good communication techniques be addressed under information organization, and discussion of trade-offs for preparers to consider.</p>

R#	C #	RESPONDENT COMMENTS SMC 6	STAFF COMMENTS
		<ul style="list-style-type: none"> <li>• use of plain language, concise description in narratives;</li> <li>• appropriate aggregation and disaggregation of quantitative information;</li> <li>• cross referencing to link related information;</li> <li>• organize information together to provide proper context;</li> <li>• use of graphs and charts with narratives, to present historical trend and comparatives;</li> <li>• organize information in the order of their importance and significance;</li> <li>• ensure the volume of materials covered is in proportion to their relative significance; and</li> <li>• avoid duplication.</li> </ul> <p>Examples of trade-off in information organization decisions to be further elaborated and explained in the Presentation framework include:</p> <ul style="list-style-type: none"> <li>• balance between conciseness and over simplification;</li> <li>• balance between providing complete information and information overload;</li> <li>• balance between aggregation and disaggregation;</li> <li>• balance between providing proper context and duplication of information;</li> <li>• balance between cross-referencing and understandability/readability; and</li> <li>• balance between comparability and understandability/relevance.</li> </ul>	
008	B	<p><i>Introductory paragraphs</i></p> <p>Paragraph 4.2 explains that “Information organization in GPFRs aims to make clear important relationships between items.” While this is one of the aspects information organisation aims to achieve, we are of the view that the discussions in paragraphs 4.14 to 4.16 better describe the objectives of information organisation. We propose relocating these paragraphs to the beginning of this section.</p> <p><i>Types of relationships</i></p> <p>Paragraph 4.5, states the following: “Information in one place in a GPFR may be enhanced though information provided elsewhere. For example, budget, prospective and service performance information enhances information in the financial statements”. While the example does illustrate how information in other GPFRs enhances the financial statements, it is unclear how the example contributes to the discussion on organisation. The example could be improved by making it clear that such information might be cross-referenced or somehow linked.</p> <p><i>Description of information in (a) the financial statements</i></p> <p><u>Paragraph 4.8</u></p> <p>The last sentence of paragraph 4.8 makes a statement that information displayed on the face of a statement will</p>	<p>Note: Recommendations to improve the descriptions with respect to information organization.</p>

R#	C #	RESPONDENT COMMENTS SMC 6	STAFF COMMENTS
		<p>always be organised into numeric totals. So as to not preclude the nature of any statements that might be included within the financial statements in future, we propose deleting this sentence.</p> <p><u>Paragraph 4.10</u></p> <p>Paragraph 4.10 states the following: “Following identification of elements and application of recognition criteria, display involves further decisions on....”</p> <p>Not all statements in the financial statements report on elements, for example, cash flows. We suggest that the sentence be adjusted accordingly.</p>	
009	A	<p>CIPFA agrees with the descriptions of information organization.</p> <p><b>Comment on Para 4.9(a):</b> We suggest that ‘related’ can be deleted, as it is implicit in the fact that the ‘related impact’ in (a) is part of a list of relationships.</p>	Note drafting comment.
010	A	We agree with the description of information organization in Section 4 relative to both financial statements and GPFRs.	
011	A	The SRS-CSPCP agrees with the description of the organization of information in the GPFSs and in the other GPFRs. An exception is Section 4.16, which should apply not only for the GPFRs but also for the GPFSs, because (quantitative) comparisons are also made in the GPFSs.	Note: Recommended revision to 4.16.
012	A	We agree with the proposed description of information organization in Section 4.	
013	A	<p>We support the IPSASB’s approach of using the various means to ensure that information organisation makes clear important relationships between items.</p> <p>Subject to our comments to Specific Matter for Comment 1, we agree with the description of information organisation in (a) in the financial statements and (b) in other GPFRs.</p>	
014	A	Except for the remark formulated under Specific Matter for Comment 3 (including legal provisions as a factor influencing information organization), the Institute agrees with the proposed descriptions of information organization in Section 4.	
015	A	We agree.	
016	A	The FMSB agrees with the description of information location in Section 4.	
017	B	<p>We generally agree with the proposal in Section 4.</p> <p>However, we believe that further clarification would be necessary, in regards to the descriptions of “display” and “disclosure” for “organization of information within the GPFRs” (paragraphs 4.15 and 4.16), to be in line with that for financial statements which distinguishes between “information displayed” and “information disclosed” in the financial statement (paragraph 4.8 to 4.13). Specifically, it would be appropriate to state that paragraphs 4.14 and 4.15 are</p>	Further clarification needed.

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		explaining “display.” Furthermore, organization of information in other GPFRs is also necessary to be able to distinguish between information displayed and disclosed.	Note need to address organization.
018	A	We agree with the description of ‘information organisation’ and the highlighting of three types of relationships including, enhancement, and similarity and shared purpose.	
019	C	<b>Disagreement.</b> The Cour des comptes has a fundamental divergence due to the view that communication and information organization are prerogatives of local governments according to national and local legislations. Furthermore, the Cour des comptes disagrees with the target of a similar presentation of all the information in Financial Statements and other reports; this could favor a uniformity of supports among the same entity, or among all public entities, central, local or social in a wide perimeter, source of waste and impoverishment of the contents. Paragraphs 4.11 a 4.13 assimilate information in the notes to detailed or second ranking information (disclose), point which with the Cour strongly disagrees.	Note: Prerogative of local governments to decide on communication and organization of information. Note: Disagrees with target of similar presentation. Note: Disagrees with notes as second ranking info.
020	A	(a) HoTARAC agrees with this description. (b) HoTARAC agrees with this description.	
021	D	(No comment.)	
022	A	(a) Yes. The description appears accurate and comprehensive. (b) Yes. The description appears accurate and comprehensive. In particular, the examples provided throughout this Section greatly enhance the understanding of the concepts being discussed. Two recommended changes are set out below: <ul style="list-style-type: none"> <li>Given the important role that referencing plays in the organization of GPFRs, it is recommended that this tool be specifically listed in Paragraph 4.2, even though it is mentioned later in the Section (Para. 4.7.). The proposed second sentence would read <b>“Related information is linked through the use of consistent headings, presentation order, referencing, and other methods appropriate to the relationship and type(s) of information.”</b></li> <li>Since Paragraph 4.16 is relevant to both financial statements and other GPFRs, it should be relocated, perhaps as a paragraph under the introductory statements.</li> </ul>	Note recommended change to paragraph 4.2 and relocation of paragraph 4.16.
023	A	We agree with the description of information organization as set out in Section 4.	
024	A	Yes, we do agree with the description of information organisation. We believe that by organising information as	

R#	C #	RESPONDENT COMMENTS SMC 6	STAFF COMMENTS
		described in Section 4, the qualitative characteristics of information, as described in the exposure draft are achieved.	
025	C	23. The AASB's primary concern regarding Section 4 on information organisation is that it does not seem to meet the IPSASB's stated objective of providing criteria that would be useful for the IPSASB in developing or reviewing requirements (or guidance) on information organisation in IPSASs or RPGs (see comments on page 3 of this submission).	Note: Section 4 does not provide useful criteria.
026	A	Yes, we agree with the description of information organisation subject to the references to "display" being replaced with references to "presentation".	Note: Replace "display" with "presentation".
027	A	<i>(No further comment.)</i>	
028	A	Yes, I agree with the description of information organization in Section 4 for in the financial statements and in others GPFRs.	
029	A	Agree.	
030	A	We agree with the description of information organization in Section 4.	
031	A	The Task Force has no objections against description of information organization in Section 4 of the CF-ED4. It was noted that Section 4 contains some examples of types of relationships between information included in different GPFRs or in different components/parts within a GPFR. This Section also includes expanded guidance on organization of information within the financial statements.	
032	B	<p><b>(a) In the financial statements; and</b></p> <p>We agree with the concepts for the organization of displayed and disclosed information within financial statements. However the concepts presented are too general to ensure reliable, consistent and comparable reporting between governments.</p> <p><b>(b) In other GPFRs?</b></p> <p>We agree with the concepts within other GPFRs.</p> <p><b>If not, how would you modify the description(s)?</b></p> <p>We have not identified any possible modifications to the descriptions.</p>	Concepts are too general.
033	A	ACAG agrees with the principles applied in the description of information organisation in Section 4 relative to financial statements and other GPFRs. ACAG believes that the organisation of information has an important role in conveying the key messages to the users of the financial statements and other GPFRs. The organisation of information within the financial statements and other GPFRs will assist the users in identifying relationships between information in different GPFRs; information within various components of a specific report and potentially information in different parts of the individual component.	Note importance of cross-referencing to designate important relationships,



R#	C #	RESPONDENT COMMENTS SMC 6	STAFF COMMENTS
		ACAG considers cross referencing or referencing an important tool for designating important relationships between items. For example in the absence of a note reference against a line item reported on the face of the financial statements, how does the reader discern where the related note disclosure in respect to the line item is located? ACAG recommends amending point 4.2 to include a specific reference to cross referencing.	which should be mentioned.

**Specific Matter for Comment (SMC) 7:**

Do you consider that CF–ED4 contains sufficient detail on concepts applicable to presentation in GPFRs, including the financial statements, of governments and other public sector entities? If not, how would you extend the proposals?

**STAFF ASSESSMENT OF RESPONSES RECEIVED: These are staff views and do not necessarily reflect the views of IPSASB Members**

<b>CATEGORY (C #)</b>	<b>RESPONDENTS (R #)</b>	<b>TOTAL</b>
<b>A – YES</b>	001, 002, 005, 006, 008, 009, 010, 011, 013, 014, 015, 016, 017, 018, 020, 024, 026, 027, 028, 029, 033	21
<b>B – PARTIAL AGREEMENT</b>	022, 023, 030	3
<b>C – NO</b>	007, 019, 025, 031, 032	5
<b>SUB-TOTAL OF THOSE PROVIDING COMMENTS</b>		<b>29</b>
<b>D – DID NOT COMMENT</b>	003, 004, 012, 021	4
<b>TOTAL RESPONDENTS</b>		<b>33</b>

<b>R#</b>	<b>C #</b>	<b>RESPONDENT COMMENTS SMC 7</b>	<b>STAFF COMMENTS</b>
001	A	We do consider that CF–ED4 contains sufficient details.	
002	A	We consider that the ED generally contains sufficient detail on concepts applicable to GPFRs. However, we believe it should include a discussion on the concept of materiality, as the reporting of immaterial information can clutter reports and impair their understandability.	Add discussion of materiality.
003	D	Given its opposition to applying accounting standards to documents concerning the scope of GPFRs, the Council does not wish to express an opinion on this point.	
004	D	As mentioned in our preliminary remarks, we are unable to approve the scope of this Exposure Draft and consider that its contents, which ought to cover financial statements only, have more in common with a guidance document than a conceptual framework.	
005	A	We consider that the ED contains sufficient detail on concepts applicable to presentation in GPFRs, including the financial statements, of governments and other public sector entities (Specific Matter for Comment 7). We particularly welcome the simplification of the concepts in the ED compared to the Consultation Paper, and the removal of the	

R#	C #	RESPONDENT COMMENTS SMC 7	STAFF COMMENTS
		distinction between core and supporting information.	
006	A	<p>We strongly agree with IPSASB's view highlighted in paragraphs BC22 and 23 that specification of financial statements is a standards-level issue and therefore the Framework should avoid over-specification.</p> <p>We consider therefore that the ED has the appropriate level of detail required for a Conceptual Framework and, by avoiding including too much detail, is 'future-proofed' against changes in reporting.</p>	Note: Strong support for <u>not</u> over-specifying at framework level.
007	C	<ul style="list-style-type: none"> <li>• For materials that are addressed in the ED, there is insufficient detail guidance for: <ul style="list-style-type: none"> <li>• presentation decisions for non-GPFS GPFRs (other GPFRs);</li> <li>• high level decisions;</li> <li>• identification of display and disclosure information; and</li> <li>• information organization decisions.</li> </ul> </li> <li>• In addition, a Presentation framework should also address the following: <ul style="list-style-type: none"> <li>• guidance for development of IPSASB pronouncements; and</li> <li>• preamble information that should be presented in each GPFR.</li> </ul> </li> <li>• Our suggestions in these areas are described in the above responses to the SMCs. Most suggestions would result in expanding the guidance for presentation decisions applicable to other GPFRs.</li> <li>• High-level decisions</li> <li>• As suggested in response to SMC3, high level decisions are part of the decisions involved in agenda setting. Determining whether the guidance should be provided in a new pronouncement or in an expanded existing pronouncement is required only if the specific information area addressed in a GPFR project is related to a subject matter already addressed in existing GPFR pronouncements. Factors to consider in these decisions include the benefits of addressing a broader user need in a GPFR, the understandability of an expanded GPFR, the completeness of information currently available to meet users' need for the particular objective of accountability and decision-making in that subject matter.</li> <li>• Identification of display and disclosure information</li> <li>• As suggested in the above response to SMC1, underlying display and disclosure information is the concept of core and supporting information. We believe that this concept can be better explained without the terms "display" and "disclosure" as their descriptions has caused unnecessary complication and confusion in the ED. Suggested materials to describe and expand on the identification of core and supporting information are provided in the above response to SMC4.</li> <li>• Information organization decisions</li> </ul> <p>As indicated in the above response to SMC6, the information organization decisions guidance in the ED only addresses</p>	Note: Detailed suggestions re. changes to improve the coverage by adding further detail.

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		<p>linking important relationships among information. Suggested materials to expand the guidance are provide in the response to SMC6 which include communication principles for maximum understandability of relevant information and identification of trade-offs between certain communication principles and/or qualitative characteristics in information organization decisions.</p> <ul style="list-style-type: none"> <li>• Guidance for development of GPFR pronouncements</li> <li>• The above response to SMC3 suggested breaking the lower level decisions in the ED into standard development decisions and GPFR preparation decisions as these are roles of the Conceptual Framework. Suggested materials for information selection decisions in standard development are provided in the above response to SMC4.</li> <li>• Preamble information in each GPFR</li> <li>• As suggested in the above response to SMC3 that a GPFR can contain multiple GPFR subject matters, there is a need for the Presentation framework to specify some basic information that should be included as preamble in each GPFR or each GPFR component. Examples include the purpose, scope, limitation and the reporting entity covered. Suggested information to be included in the preamble of each GPFR is provided in the response to SMC3.</li> </ul>	
008	A	Apart from the comments raised in specific sections and specific matters for comment, the concepts are appropriate and sufficient.	
009	A	CIPFA considers that CF–ED4 contains sufficient detail on concepts applicable to presentation in GPFRs.	
010	A	We believe that the level of detail provided in the ED is sufficient to provide public sector entities with the relevant factors they should consider when making presentation decisions.	
011	A	The SRS-CSPCP is of the opinion that this 4th part of the framework should not be too detailed, but rather cover the main lines (principles) of presentation. The detailed rules for presentation should then be mentioned in the individual standards.	
012		<i>(No comment.)</i>	
013	A	Subject to our comments above, we consider that CF-ED4 we consider that the IPSASB has created a good foundation for future thinking and work on presentation concepts. However, we strongly encourage the IPSASB to further develop this chapter of the conceptual framework prior to finalising the conceptual framework.	
014	A	In our opinion the CF-ED4 contains sufficient detail on concepts applicable to presentation in GPFRs and we share the IPSASB's view that further details on presentation requirements of specific GPFRs should be discussed in the Standards and not at the Conceptual Framework level.	
015	A	We consider it sufficient.	
016	A	The FMSB generally agrees with the IPSASB's Conceptual Framework, except for our concerns regarding the description of the term "disclosure". See our general comments above.	

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017	A	We generally agree with that CF-ED4 contains sufficient detail on concepts applicable to presentation in GPFRs.	
018	A	We consider that ED4 contains sufficient detail on concepts.	
019	C	Disagreement. The Cour notices the absence of any indication relating to the languages in which are presented the Financial Statements and the other reports, keeping in view that a presentation supplied by a public community in its own national or native languages might not be in accordance with other points of the conceptual framework in Chapters 2 and 3, such as the qualitative characteristics or the satisfaction of needs of non-polyglot users.	Note: Issue (raised earlier) re. national language.
020	A	Subject to the general comments, HoTARAC considers CF-ED4 to contain sufficient detail on the concepts applicable to presentation in GPFRs of government and other public sector entities.	
021	D	(No comment.)	
022	B	<p>CF-ED4 comprehensively addresses the concepts applicable to presentation in GPFRs, including the financial statements, of governments and other public sector entities. To the extent that examples are provided to illustrate the concepts, these have been found to be very effective and it is suggested that examples be employed, wherever possible, to assist in the reader's interpretation/understanding of the guidance. However, it is also felt that the information contained in the ED could be organised in a more streamlined manner such that the guidance in each section addresses certain key points, presented in a consistent order. The key points should include responses to the following questions, inter alia:</p> <p>I. <b>What is information selection/location/organization?</b> It is considered useful to contextualize each section by starting with a basic definition of each of these concepts, as a standalone introductory subsection. For example <b><i>“Selection is the determination of what information needs to be reported in the financial statements”</i></b> or <b><i>“Organisation is the arrangement, grouping and ordering of information within the financial statements using a variety of techniques and visual aids.”</i></b> While such a definition is currently included for information selection at the start of that Section, the additional information on what may be considered in making decisions on information selection appears to somewhat obscure the basic description. Basic definitions along these lines do not currently exist in relation to information location and information organization.</p> <p>II. <b>What are the main aims/objectives of information selection/location/organization?</b></p> <p>III. <b>What are the factors relevant to decisions on information selection/location/organization (a) in the financial statements and (b) in other GPFRs?</b> This would include discussions on the levels at which such decisions occur, where applicable.</p> <p>IV. <b>What, if any, are the tools/methodologies/mechanisms utilised to ensure effectiveness of information selection/location/organization?</b></p>	Note recommendation that coverage be reorganized, with responses provided to the key questions identified.
023	B	We believe that CF-ED4 contains sufficient detail on the concepts applicable to presentation of financial statements.	Note view that concepts

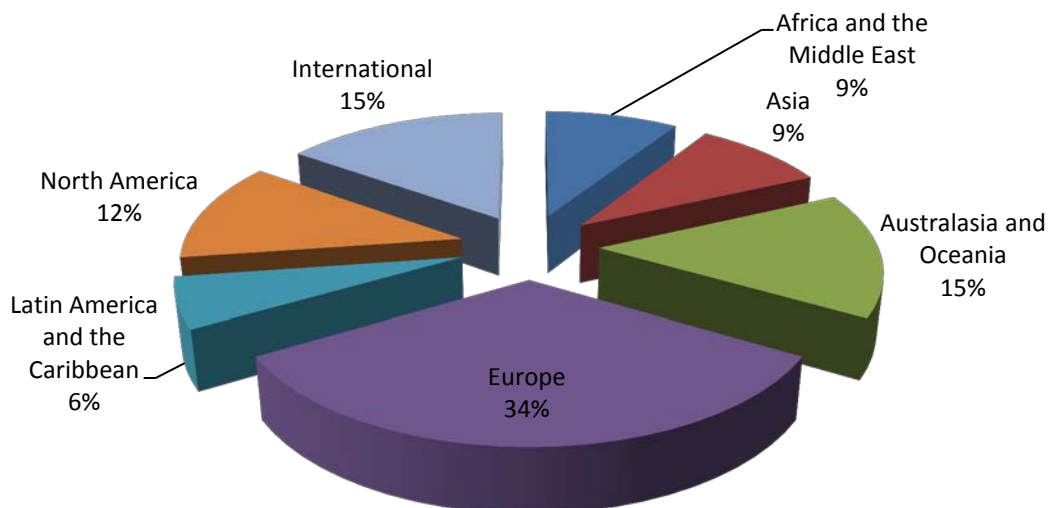
R#	C #	RESPONDENT COMMENTS SMC 7	STAFF COMMENTS
		However, we believe that the concepts are not as fully developed as they need to be in respect of non-financial information.	are not sufficiently developed for non-financial information.
024	A	Yes, we do agree that the CF-ED4 contains sufficient detail on concepts applicable to presentation in GPFRs including financial statements of governments and other public sector entities as it is also linked to the Chapters 1 to 4 of the Conceptual Framework, exposure drafts that discusses the definition and recognition of elements and measurement. Paragraph BC 22 and BC 23 states, the ED will not attempt to identify a list of information that should be included in the financial statements. Although we agree with the reason that the ED should avoid over-specification so that the <i>Conceptual Framework</i> description of presentation concepts applicable to financial statements will remain relevant as changes occur, we believe that the ED should allow the various countries to develop their own financial statements templates which will assist in when consolidating own countries' public sector financial statements.	Note view that countries should be able to develop their own financial statements templates.
025	C	24. Consistent with its comments above on Specific Matters for Comment 4, 5 and 6, the AASB considers that the IPSASB ED does not contain sufficient detail on concepts applicable to presentation in GPFRs, including the financial statements, of governments and other public sector entities to meet the IPSASB's stated objective of providing criteria that would be useful for the IPSASB in developing or reviewing requirements (or guidance) on information selection, location and organisation in IPSASs or RPGs. Because of the early stage of development of the international debate on presentation and disclosure, the AASB does not propose particular additional or different conceptual guidance. Instead, the AASB strongly encourages the IPSASB to announce that, in view of the emerging but largely undeveloped international debate about presentation, it will review and update its Presentation chapter on a timely basis in light of the outcomes of various international projects on presentation and/or disclosure currently in progress. In addition, the AASB strongly encourages the IPSASB to participate in that debate.	Note: Insufficient detail. Note: No specific further detail proposed, but recommends that IPSASB announce that this chapter will be updated.
026	A	Outside of the issues identified in our responses to the preceding specific matters, we believe CF ED 4 contains sufficient detail.	
027	A	(No further comment.)	
028	A	I think that for this moment CF-ED4 contains sufficient detail on concepts applicable to presentation in GPFRs, including the financial statements, of governments and other public sector entities, but I suggest for the board observed if the discussion elaborated for European Commission can be has some impact for this discussion <sup>4</sup> .	Note: Suggests that EC developments should be considered.
029	A	MICPA is of the view that the CF-ED4 captures the concepts proposed in general.	
030	B	We would recommend clarifying the reporting scope of 'other GPFRs'.	

<sup>4</sup> <http://epp.eurostat.ec.europa.eu/portal/page/portal/conferences/introduction/2013/epsas>

R#	C #	RESPONDENT COMMENTS SMC 7	STAFF COMMENTS
031	C	<p>The Task Force is of the view that CF-ED4 would benefit from inclusion of practical examples, brief analysis of differences between traditionally used and newly proposed approaches for presentation of information in GPFRs and possibly an implementation guide which would highlight benefits of complying with the proposed concepts and practical advice on how such compliance can be achieved. Perhaps additional analysis could be included as supplementary discussion in the CF-ED4. Please refer to general comments and responses to specific matters for comment above for details on specific parts of the CF-ED4 which should be further strengthened.</p> <p>The Task Force finds it difficult to commit to decisions about some of the proposed approaches which are described in very general terms. It would be helpful if the IPSASB could expand the high level discussion to include practical examples and review benefits arising from compliance with each proposed approach. This discussion could be based on studies/research undertaken to assess a magnitude of improvement in the quality of GPFRs' presentation if the proposed approaches are followed, possibly carried out in countries which adopted similar Conceptual Frameworks in the past. Any change in reporting financial information brings with it implementation costs for a reporting entity, especially if it calls for an additional analysis and/or an expanded scope. In order to support such a change, the reporting entities need to have a clear understanding of risks, costs and benefits associated with implementing a new approach.</p>	
032	C	<p>While the concepts presented in the ED are useful, the Government of Manitoba does not view them to be sufficiently explicit and detailed enough to ensure reliable and consistent reporting between governments in Canada. Attempting to design a conceptual framework that will accommodate both GPFS and GPFR does not properly serve the objectives of either type of reports.</p> <p>GPFS focus on reporting past transactions and are the main accountability documents of governments in Canada. IPSASB's conceptual framework project should focus solely on GPFS. The objectives of GPFS are inconsistent with GPFRs. Extending the conceptual framework to GPFRs compromises the reliability and consistency of GPFS.</p>	
033	A	<p>ACAG considers that the ED appropriately provides high level, relevant factors to consider when evaluating how information should be presented in GPFRs and that these concepts are discussed at a high level and primarily in principles based terminology. As previously indicated in our letter of the 30 May 2012, we believe it is desirable that descriptions of concepts are not overly detailed. The dangers associated with presenting more detail in respect to the concepts is that such measures could counter and/or limit the relevance and applicability of the concepts to both financial statements and other GPFRs.</p>	

**CONCEPTUAL FRAMEWORK MEASUREMENT****Analysis of Respondents by Region, Function, and Language****Geographic Breakdown**

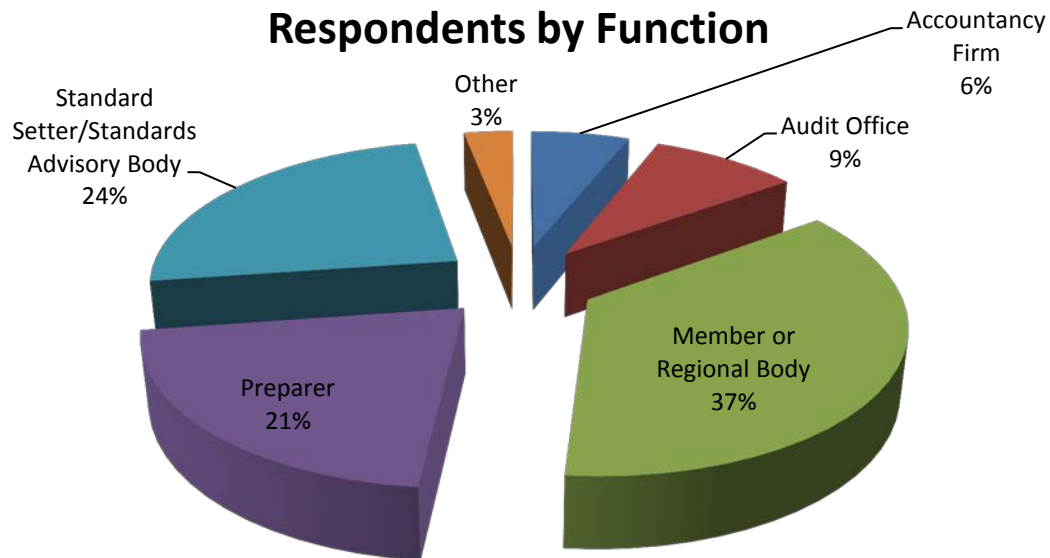
<b>Region</b>	<b>Respondents</b>	<b>Total</b>
Africa and the Middle East	001, 008, 024	3
Asia	017, 027, 029	3
Australasia and Oceania	013, 020, 025, 026, 033	5
Europe	002, 003, 004, 006, 009, 011, 012, 014, 015, 019, 021	11
Latin America and the Caribbean	022, 028	2
North America	007, 010, 016, 032	4
International	005, 018, 023, 030, 031	5
<b>Total</b>		<b>33</b>

**Respondents by Region**



### Functional Breakdown

Function	Respondents	Total
Accountancy Firm	023, 030	2
Audit Office	006, 019, 033	3
Member or Regional Body	001, 005, 009, 014, 017, 018, 021, 022, 024, 026, 027, 029	12
Preparer	004, 010, 012, 016, 020, 031, 032	7
Standard Setter/Standards Advisory Body	002, 003, 007, 008, 011, 013, 015, 025	8
Other	028	1
<b>Total</b>		<b>33</b>



**Linguistic Breakdown:**

Language	Respondents	Total
English-Speaking	001, 002, 006, 007, 008, 009, 010, 013, 016, 018, 020, 022, 024, 025, 026, 031, 032, 033	18
Non-English Speaking	003, 004, 011, 012, 014, 015, 017, 019, 021, 027, 028, 029	12
Combination of English and Other	005, 023, 030	3
<b>Total</b>		<b>33</b>

