



August 24th 2014

Professor Dr. Andreas Bergmann
Chairperson
International Public Sector Accounting Standards Board
andreas.bergmann@zhaw.ch

Re; Comments on Exposure Draft, *Improvements to IPSASs 2014*

*Summary of Proposed Change IPSAS 1,
Presentation of Financial Statements Amendments to clarify the requirements for comparative
information as a result of the Annual Improvements to IFRSs 2009 - 2011 Cycle (issued in May
2012 by the IASB)*

Comment:

While Public Sector agencies could have disparate disclosures from year to year I feel that too only provide users of such financial statements one year of comparative figures is an extreme application of *de minimis* and FAILS to provide stakeholders, including citizens, with the degree of comfort that adequate transparency through comparability requires in this era of serving the public interest and being accountable..

I recommend *five years* of comparative figures for all complete sets of financial statements, namely:

- (a) A statement of financial position;
- (b) A statement of financial performance;
- (c) A statement of changes in net assets/equity;
- (d) A cash flow statement;
- (e) When the entity makes publicly available its approved budget, a comparison of budget and actual amounts either as a separate additional financial statement or as a budget column in the financial statements; and
- (f) Notes, comprising a summary of significant accounting policies and other explanatory Notes ; and
- (g) Comparative information in respect of the preceding periods



*IPSAS 31,
Intangible Assets Amendments to clarify the revaluation methodology of the carrying amount and
accumulated amortization when an intangible asset is revalued, as a result of the Annual
Improvements to IFRSs 2010 - 2012 Cycle (issued in May 2012 by the IASB)*

*Amendments to clarify acceptable methods of amortizing intangible assets, as a result of the
narrow scope amendment, Clarification of Acceptable Methods of Depreciation and Amortisation
(Amendments to IAS 16 and IAS 28 issued in May 2014 by the IASB)*

Comment:

The recommendation for goodwill fails to engender any certainty. It meanders like a stream down a mountain slope into an abyss.

Para. 97 actually does make a good attempt at amortizing the ~~depreciable~~-amortizable amount using units of production, patterns of consumption etc.

However the following paragraphs, perhaps meant to be elaborative, are bordering on difficult to comprehend as several caveats apply.

The greater the elaboration the more one realizes that "one size does not fit all".

Thank you for the opportunity to comment.

Sincerely



Ashley Burrowes PhD FCA (New Zealand)
Visiting Professor
Te Whare Wānanga o Awanuiārangi, New Zealand &
MidSweden University
2013 Erskine Scholar in Accounting
University of Canterbury
Member California CPA Society Accounting Principles and Auditing Standards Committee



The Technical Director
International Public Sector Accounting Standards Board
International Federation of Accountants
277 Wellington Street, 4th Floor
Toronto, Ontario M5V 3H2 Canada
Per e-mail
10 September 2014

Dear Stephenie,

COMMENTS ON EXPOSURE DRAFT 55: IMPROVEMENTS TO IPSASs 2014

We welcome the opportunity to provide comments on Exposure Draft 55 on *Improvements to IPSASs 2014*.

Overall, we support the biennial revision of the IPSASs to align them to IFRSs and agree with the amendments proposed in the Exposure Draft. We believe the proposed amendments will enhance and improve the principles set out in the IPSASs.

While we acknowledge the IPSASB's efforts to update the IPSASs for annual Improvements to IFRSs made to the equivalent IFRSs by the IASB, we would like to encourage the Board to undertake a future project to review existing IPSASs to ensure consistent references to other standards and use of terminology.

The views expressed in this letter are those of the Secretariat and not the Accounting Standards Board (Board).

Please do not hesitate to contact me should you wish to discuss any of our comments.

Yours sincerely

Erna Swart
Chief Executive Officer

Board Members: Mr V Jack (Chairperson), Mr S Badat, Ms T Coetzer, Mr B Colyvas, Ms CJ Kujenga,
Mr K Kumar, Mr G Paul, Ms N Ranchod, Ms R Rasikhinya, Mr M Sass
Alternates: Ms L Bodewig, Ms L le Roux
Chief Executive Officer: Ms E Swart

GENERAL MATTERS FOR COMMENT

Amendments to IPSAS 1 on *Presentation of Financial Statements*

We support the proposed amendment and also agree with the IPSASB for excluding those amendments that relate to presenting additional comparative information, and presenting a statement of financial position at the beginning of a preceding period for retrospective changes resulting from accounting policy changes, restatements and reclassifications.

We note that the term ~~%previous+~~ has been left out in the proposed amendments in paragraph 53, and we propose that this paragraph should be amended as indicated below:

~~%Except when IPSAS permits or requires otherwise, an entity shall present comparative information shall be disclosed in respect of the previous preceding period for all amounts reported in the financial statements~~ +

We also note the inconsistent use of terminology in the proposed amendments in paragraph 53B. To be consistent with paragraphs 21, 53 and 53A, we propose that paragraph 53B, 54 and 57 should be amended by replacing ~~%previous period(s)+~~ with ~~%preceding period(s)+~~, and/or ~~%last reporting date+~~ with ~~%end of the preceding period+~~.

Amendments to IPSAS 17 on *Property, Plant and Equipment*

We support all the proposed amendments to IPSAS 17.

Amendments to IPSAS 28 on *Financial Instruments: Presentation*

We support the proposed amendments to clarify the tax effect of distributions to holders of equity instruments.

Amendments to IPSAS 28 on *Intangible Assets*

We support all the proposed amendments to IPSAS 31.

IASB Improvements considered for inclusion in ED 55

We agree with the IPSASB's reasons for excluding certain amendments.

Exposure Draft 55, Improvements to IPSASs 2014

response to exposure draft

25 September 2014

CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance. Our 14,000 members work throughout the public services, in national audit agencies, in major accountancy firms, and in other bodies where public money needs to be effectively and efficiently managed.

As the world's only professional accountancy body to specialise in public services, CIPFA's portfolio of qualifications are the foundation for a career in public finance. They include the benchmark professional qualification for public sector accountants as well as a postgraduate diploma for people already working in leadership positions. They are taught by our in-house CIPFA Education and Training Centre as well as other places of learning around the world.

We also champion high performance in public services, translating our experience and insight into clear advice and practical services. They include information and guidance, courses and conferences, property and asset management solutions, consultancy and interim people for a range of public sector clients.

Globally, CIPFA shows the way in public finance by standing up for sound public financial management and good governance. We work with donors, partner governments, accountancy bodies and the public sector around the world to advance public finance and support better public services.

Our ref: Responses/ 140925 SC0214

Stephenie Fox
Technical Director
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International Federation of Accountants
277 Wellington Street, 4th Floor
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CANADA
Submitted electronically

September 2014

Dear Stephenie Fox

Exposure Draft 55, Improvements to IPSASs 2014

CIPFA is pleased to present its comments on this Exposure Draft, which have been reviewed by CIPFA's Accounting and Auditing Standards Panel.

General comment

CIPFA welcomes the IPSASB's commitment to maintaining its standards, whether IFRS converged or public sector specific.

We agree with the proposed changes in the ED. Furthermore, we have not identified any additional matters arising from IFRS developments, as noted in Appendix A which we consider should have been included.

I hope this is a helpful contribution to the Board's planning process. If you have any questions about this response, please contact Steven Cain (e: steven.cain@cipfa.org, t: +44(0)20 7543 5794).

Yours sincerely

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PUBLIC SECTOR
ACCOUNTING BOARD



CONSEIL SUR
LA COMPTABILITÉ
DANS LE SECTEUR
PUBLIC

September 26, 2014

Stephenie Fox
Technical Director
International Public Sector Accounting Standards Board
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Re: PSAB Staff Comments on Exposure Draft, "Improvements to IPSASs 2014"

Thank you for the opportunity to provide input on the Exposure Draft, *Improvements to IPSASs 2014*. It is important to complete the review on the improvements to International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) given that the accrual International Public Sector Accounting Standards (IPSASs) are based on the IFRSs.

Overall, PSAB staff is in support of the proposals in the Exposure Draft. A few proposed amendments are set out in the Appendix to this letter and represent the views of PSAB staff and not those of the Public Sector Accounting Board (PSAB).

Thank you again for the opportunity to provide you with input on this Exposure Draft. We hope that you find our comments helpful.

Sincerely,

Antonella Risi, CPA, CA
Principal, Public Sector Accounting

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APPENDIX

Proposed Amendments

Based on a review of the Exposure Draft, PSAB staff has the following proposed amendments:

Reference	Original Version	Proposed Amendment	Explanation for Proposed Amendment
Page 7, paragraph 53	...an entity shall present comparative information in respect of the period for all amounts...	...an entity shall present comparative information in respect of the <u>preceding</u> period for all amounts...	To be consistent with the wording in the remainder of the IPSAS. To be consistent with the amendment in IAS 1.
Page 11, paragraph BC9	...included in the improvements to IFRSs issued by the IASB in May 2012...	...included in the improvements to IFRSs issued by the IASB in May 2012, <u>December 2013 and May 2014...</u>	To document that the amendments to IPSAS 17 reflect amendments issued in May 2012, December 2013 and May 2014.
Page 12, paragraph 61A	Paragraphs 40, 42 and 44 were amended and paragraphs 40A and 61A added by...	Paragraphs 40, 42 and 44 were amended and paragraphs 40A and 61A added by...	To be consistent with the "effective date" paragraphs included in the amendments of other IPSAS in the ED.
Page 12, paragraph BC 27	The IPSASB reviewed the Amendments to IAS 32 issued by the IASB in May 2014...	The IPSASB reviewed the Amendments to IAS 32 issued by the IASB in May 201 <u>2</u> 4...	To indicate that the amendment to the IAS was issued in 2012, not 2014.
Page 14, paragraph 97A(a)	...as described in paragraph 98C; or...	...as described in paragraph 9 <u>7</u> 8C; or...	PSAB staff believes the intent is to cross reference paragraph 97C rather than 98C as 98C does not appear to exist.
Page 15, paragraph BC10	..included in the improvements to IFRSs issued by the IASB in December 2013...	..included in the improvements to IFRSs issued by the IASB in December 2013 <u>and May 2014...</u>	To document that the amendments to IPSAS reflect amendments issued in December 2013 and May 2014.

Swiss Comment to

ED 55: Improvements to IPSASs 2014

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1. Introduction

The Swiss Public Sector Financial Reporting Advisory Committee (SRS-CSPCP) was established in 2008 by the Swiss Federal Ministry of Finance together with the cantonal Ministers of Finance. One of its aims is to provide the IPSAS Board with a consolidated statement for all three Swiss levels of government (municipalities, cantons and Confederation).

The SRS-CSPCP has discussed *ED 55 Improvements to IPSASs 2014* and comments as follows

2. Comments to Exposure Draft 55

The SRS-CSPCP notes that the proposed amendments to the standards *1 Presentation of Financial Statements*, *17 Property, Plant and Equipment*, *28 Financial Instruments Presentation* and *31 Intangible Assets* are marginal and do not change the essence of the existing requirements. These amendments are consistent with the Swiss public entities existing practices. Therefore the SRS-CSPCP considers the proposal appropriate and supports it.

Lausanne, August 18, 2014



ACT
Government

Chief Minister and Treasury

Ms Stephenie Fox
The Technical Director
International Public Sector Accounting Standards Board
International Federation of Accountants
529 Fifth Avenue, 6th Floor
New York, NY 10017 United States of America

Dear Ms Fox

Exposure Draft (ED) 55 – Improvements to IPSASs 2014

The Heads of Treasuries Accounting and Reporting Advisory Committee (HoTARAC) welcomes the opportunity to provide comments to the International Public Sector Accounting Standards Board (IPSASB) on Exposure Draft 55 *Improvements to IPSASs 2014*.

HoTARAC is an intergovernmental committee that advises Australian Heads of Treasuries on accounting and reporting issues. The Committee comprises the senior accounting policy representatives from all Australian States, Territories and the Australian Government.

HoTARAC commends the IPSASB's ongoing effort in maintaining an alignment, where possible, with new and amended pronouncements issued by the International Accounting Standards Board. HoTARAC is generally supportive of the proposed amendments in ED 55 and the analysis of the other IFRS amendments in Appendix A. Attachment A to this letter sets out HoTARAC's comments on each amendment. If you have any queries regarding HoTARAC's comments, please contact Alison Cuthbert from Queensland Treasury and Trade on +61 7 3035 1431 or via email to: alison.cuthbert@treasury.qld.gov.au.

Yours sincerely

David Nicol
Chair

Heads of Treasuries Accounting and Reporting Advisory Committee
24 September 2014

ATTACHMENT A

HoTARAC VIEWS RE IPSASB EXPOSURE DRAFT 55 *Improvements to IPSASs 2014*

HoTARAC's responses to each Specific Matter for Comment and Other Matters in the ED 55 are set out below.

Specific Matter for Comment - IPSAS 1 Presentation of Financial Statements

Comparative information - Paragraph 53

HoTARAC suggests that instead of deleting "previous" in the first sentence, the IPSASB should replace the word "previous" with "preceding" to clarify the period to which the comparative information relates.

Comparative information - Paragraph 53B

For consistency with the above suggestion, HoTARAC also recommends replacing "previous period(s)" in the first sentence with "preceding period(s)", and adding "current" before "period to resolve the uncertainty" in the last sentence.

Specific Matter for Comment - IPSAS 17 Property, Plant and Equipment

Effective Date – paragraph 106E /Transitional Provisions – paragraph 106A

HoTARAC notes that the IASB *Clarification of Acceptable Methods of Depreciation and Amortisation* requires prospective application, whereas the equivalent IPSASB amendment does not specify a preferred method of application. To ensure consistency between the relevant IASB amendments and IPSASs, HoTARAC strongly recommends the IPSASB adopt prospective application and specify this under either "Effective Date" or "Transitional Provisions".

Basis for Conclusions - BC9

HoTARAC suggests the IPSASB update the "May 2012" reference to reflect the actual dates of issue of those IFRS requirements. For example, the IASB's amendment to clarify the restatement of the carrying amount and accumulated depreciation was issued in the *Annual Improvements to IFRSs* in December 2013, and the amendment on *Clarification of Acceptable Methods of Depreciation and Amortisation* was issued in May 2014.

Specific Matter for Comment - IPSAS 28 Financial Instruments: Presentation

Interest, dividends, losses and gains - Paragraph 44

HoTARAC believes the reference to "IAS 1" should be corrected to "IPSAS 1".

Specific Matter for Comment - IPSAS 31 Intangible Assets

Amortization Period and Amortization Method - Paragraph 97A (a)

Reference is made to paragraph 98C, whereas HoTARAC believes the correct paragraph reference should be to paragraph 97C.

Effective Date- paragraph 134/Transitional Provisions- paragraph 131A

Given the IASB *Clarification of Acceptable Methods of Depreciation and Amortisation* requires prospective application, HoTARAC strongly recommends the IPSASB adopt prospective application and specify this under either "Effective Date" or "Transitional Provisions".

Basis for Conclusions- BC10

HoTARAC suggests the IPSASB update the reference to acknowledge the issue date (i.e. May 2014) for the IASB's *Clarification of Acceptable Methods of Depreciation and Amortisation*.

Other Matters – Appendix A

HoTARAC notes that there are a few instances where the IPSASB has chosen not to make IASB equivalent amendments because the current wording of certain IPSASs are not consistent with the corresponding IFRS wording (Appendix A refers to those instances). HoTARAC believes that, unless there is a public sector specific reason that warrants a departure from the equivalent IFRS requirements, the IPSASB should develop a strategy to remove progressively those existing inconsistencies to prevent further divergence between IFRSs and IPSASs when new/amended IASB pronouncements are issued.



NZ ACCOUNTING
STANDARDS
BOARD

9 October 2014

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Submitted to: www.ifac.org

Dear Stephenie

ED 55 *Improvements to IPSASs 2014*

Thank you for the opportunity to comment on ED 55 *Improvements to IPSASs 2014* (ED 55). ED 55 was exposed in New Zealand and some New Zealand constituents may have made comments directly to you.

We are pleased that ED 55 proposes improvements to International Public Sector Accounting Standards (IPSASs) to take into account amendments to International Financial Reporting Standards (IFRSs) based on the IASB's *Improvements to IFRSs* projects and *Narrow Scope Amendments* projects. We agree with each of the proposed amendments in ED 55.

We support the IPSASB's work on eliminating unnecessary differences between IPSASs and IFRSs and encourage the IPSASB to continue to do this regularly. In our view, any unnecessary differences between IPSASs and IFRSs may undermine the credibility and quality of IPSASs. This is particularly so if improvements to IPSASs are perceived to lag significantly behind major developments in reporting in the for-profit sector that potentially would also improve reporting in the public sector.

In addition, for jurisdictions that apply IFRSs, unnecessary differences between IPSASs and IFRSs could create a barrier to adopting IPSASs, particularly if there are groups that comprise some entities that apply IFRSs and other entities that apply IPSASs. For example, a group comprising a central government applying IPSASs and its government business enterprises applying IFRSs. Unnecessary differences in the accounting policies applied by entities in the group would compound consolidation issues and affect compliance costs for group reporting entities when preparing consolidated financial statements.

If you have any questions or require clarification of any matters in this submission, please contact
Aimy Luu Huynh (aimy.luuhuynh@xrb.govt.nz) or me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kimberley Crook', written in a cursive style.

Kimberley Crook
Chair – New Zealand Accounting Standards Board



MALAYSIAN INSTITUTE
OF ACCOUNTANTS

17 October 2014

Ms Stephenie Fox
Technical Director
International Public Sector Accounting Standards Board
International Federation of Accountants
277 Wellington Street West
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CANADA

Dear Stephenie

EXPOSURE DRAFT 55 IMPROVEMENTS TO IPSASs 2014

The Accountant General Office of Malaysia ("AG Office") and the Malaysian Institute of Accountants ("MIA") are pleased to provide comments on the International Public Sector Accounting Standards Board ("IPSASB") Exposure Draft ("ED") 55 *Improvements to IPSASs 2014*.

We agree with the changes proposed in the ED. In addition, we wish to make the following comments:

Proposed amendment to IPSAS 1 – Minimum comparative information

Paragraph 53A requires an entity to present, as a minimum, one statement of financial position with comparative information for the preceding period, one statement of financial performance with comparative information for the preceding period, one statement of cash flows with comparative information for the preceding period and one statement of changes in net assets/equity with comparative information for the preceding period, and related notes. This would apply to entities who are always using IPSASs but not to those adopting IPSASs for the first-time.

Paragraph 75 of ED 53 *First-Time Adoption of Accrual Basis International Public Sector Accounting Standards ("IPSASs")* provides that a first-time adopter is not required to present comparative information in its transitional IPSAS financial statements or its first IPSAS financial statements presented in accordance with ED53. We propose that reference be made to ED53 in which first time-adopter is exempted to present comparative information either in the body of IPSAS 1 or in the Basis for Conclusions.

Effective dates of the amendments proposed

The ED does not specify the effective dates of the amendments proposed. We believe indicative effective dates would be beneficial especially for those jurisdictions adopting IPSASs as the accounting standards and those following the effective dates of IPSASs to assess the impact or implementation issues arising from the proposed amendments.

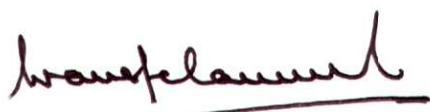
Depreciation of idle spare parts

In connection with spare parts mentioned in paragraph 17 of IPSAS 17 in the ED, we wish to highlight that there is divergent practice of depreciating idle spare parts. For instance, in power generation industry, spare parts are readily available to replace those critical parts in the event of plant failure or major breakdown. Some depreciate such spare parts and some did not.

Those who did, follow paragraph 71 of IPSAS 17 which states that depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. IPSAS 17 was adopted from International Accounting Standard ("IAS") 16 *Property, Plant and Equipment* issued by the International Accounting Standards Board ("IASB"). This is further strengthened in the Basis for Conclusion ("BC") 30 of IAS 16 which states that the IASB decided that the useful life of an asset should encompass the entire time it is available for use, regardless of whether during that time it is in use or is idle. In BC 31 of IAS 16, the IASB emphasised that, whether idle or not, it is appropriate to depreciate an asset with a limited useful life so that the financial statements reflect the consumption of the asset's service potential that occurs while the asset is held. We propose such emphasis to be mentioned either in the body of IPSAS 17 or in the Basis for Conclusions in order to avoid diversity in practice.

We hope our comments would contribute to the IPSASB deliberation in finalising the ED. If you have any queries or require clarification of this submission, please contact Rasmimi Ramli at +603 2279 9277 or by email at rasmimi@mia.org.my.

Yours sincerely,



DATUK WAN SELAMAH WAN SULAIMAN
Accountant General of Malaysia
ACCOUNTANT GENERAL'S DEPARTMENT
OF MALAYSIA



JOHAN IDRIS
President
MALAYSIAN INSTITUTE OF ACCOUNTANTS