Comment Letter

Exposure Draft 94 – Amendments to IPSAS 22, Disclosure of Financial Information about the General Government Sector

Submitted by:

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Introduction

The Ministry of Finance and Public Credit of Colombia welcomes the opportunity to comment on Exposure Draft 94, Amendments to IPSAS 22: Disclosure of Financial Information about the General Government Sector.

Colombia has been compiling and disseminating annual and quarterly Government Finance Statistics for the General Government sector in accordance with GFSM 2014 and has undertaken significant efforts to strengthen the integration between public sector accounting and macroeconomic statistics. The comments provided below are based on practical experience gained through the compilation, reconciliation, and dissemination of fiscal statistics.

From this perspective, we strongly support initiatives aimed at improving the alignment between IPSAS Standards and the GFSM framework.

Overall Comments

Response to Specific Matter for Comment 1

We consider that the proposed amendments provide a highly useful and concise guide for identifying the relationship between IPSAS standards and the GFSM 2014 framework, highlighting the most relevant similarities and differences between the two. We also appreciate the broad range of topics covered, which facilitates practical application in multiple contexts and enables the identification of valuable lessons for the compilation of Government Finance Statistics (GFS) across different subsectors.

The dissemination of this information, presented in the structured manner adopted in the Exposure Draft, will not only facilitate the compilation process but also promote the use of accounting information as a key input for statistical reporting, while improving the reconciliation and adjustment of statistical data.

Given the ongoing revisions to both IPSAS Standards and macroeconomic statistical standards, periodic updates will be critical to preserving the relevance and practical usefulness of the guidance. This recommendation is consistent with the work currently being undertaken by the International Monetary Fund in this area and would promote a coordinated and harmonized approach, thereby fostering closer alignment between the two frameworks.

Response to Specific Matter for Comment 2

We consider this approach appropriate, as it focuses on the conceptual differences between accounting information prepared under IPSAS and GFS. This level of comparison is also consistent with the guidance provided in GFSM 2014, which, with respect to valuation, refers to concepts such as market value and nominal value without necessarily prescribing specific measurement methodologies.

By avoiding comparisons at the measurement technique level, which may vary depending on the context, data availability, and the maturity of information systems, the guidance achieves broader applicability and can be updated more easily when necessary.

Additional Technical Comments

Topic B: General Principles

IPSAS 3: Accounting Policies, Changes in Accounting Estimates and Errors

Although both IPSAS 3 and the GFSM provide for the retrospective correction of errors, there are differences in their application. While IPSAS 3 corrects prior-period errors through adjustments to opening balances or the restatement of comparative information, the GFSM requires the revision of the historical series back to the period in which the error originated to preserve the consistency and comparability of statistics.

In this context, it would be useful to clarify whether the GFSM incorporates materiality criteria to determine the need for and scope of the restatement of historical series resulting from error corrections or statistical revisions, or whether such revisions should be carried out regardless of the magnitude of the adjustment.

IPSAS 4: The Effects of Changes in Foreign Exchange Rates

Although Exposure Draft 94 indicates that compliance with IPSAS 4 is sufficient for GFS compilation purposes, the Colombia's experience has revealed challenges in obtaining sufficiently detailed information on the disaggregation of foreign currency translation effects on balance sheet items.

For this reason, we recommend strengthening disclosure requirements related to translation adjustments, given their importance for the proper identification and statistical treatment of these effects.

IPSAS 33: First-time Adoption of Accrual Basis International Public Sector Accounting Standards

Given the importance of IPSAS 33 for countries transitioning to accrual accounting, it would be useful to include in the GFSM a brief discussion of the transitional exemptions provided by this standard, particularly those related to the gradual recognition of assets and liabilities, limitations in the availability of historical information, and their potential implications for the compilation and comparability of GFS.

Topic C: Accounting Boundaries

IPSAS 36: Investments in Associates and Joint Ventures

For GFS compilation purposes, it would be beneficial to further develop the guidance related to investments in associates by providing a more detailed explanation of the application of the equity method and encouraging the disclosure of additional information, such as the market value of investments where available.

Topic G: Other Expenses and Non-financial Liabilities

IPSAS 42: Social Benefits

The scope of IPSAS 42 is limited to cash transfers and therefore excludes social benefits provided in kind (for example, healthcare services), which represent a significant component of social protection systems in Colombia and are captured within the GFSM framework. It would be useful to explicitly highlight this difference in scope and its implications for the compilation of GFS.

Closing Remarks

We appreciate the IPSASB's efforts to strengthen the relationship between IPSAS-based accounting information and Government Finance Statistics. We believe that the proposed guidance will contribute significantly to improving consistency, transparency, and comparability across both frameworks.

We encourage the IPSASB to maintain and periodically update this guidance in coordination with ongoing international initiatives in the field of macroeconomic statistics.

We would be pleased to provide any additional information that may assist the Board in its deliberations.

On behalf of the Government Finance Statistics Compilation Team