

Exposure Draft 45, Improvements to IPSASs 2011

response to exposure draft

30 June 2011

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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.

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CANADA
Submitted electronically
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Dear Stephenie Fox

Exposure Draft 45, Improvements to IPSASs 2011

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 work on maintaining its standards, whether IFRS converged or public sector specific.

We agree with the proposals in Parts I, II and III of the ED.

For completeness we would note that we are content with the proposed redrafts to IN paragraphs. We agree that these will not be needed if the Introductions are deleted as proposed in Part I.

We note that the IPSASB has a project to update IPSASs 6-8 as part of its maintenance programme for IPSASs. This will among other matters consider issues raised by the IASB's recently issued or revised IAS 27-28 and IFRS 10-12. The revised IASB standards include objectives which are clearer and better aligned with IASB terminology used in more recently updated standards, and similar drafting changes to the objectives of IPSAS 6-8 may be appropriate as part of the IPSASB project. More minor drafting comments on the objectives of IPSAS 7 and IPSAS 8 are attached as an Annex.

Specific Matters for Comment

Specific Matter for Comment 1: Are there amendments that the IPSASB needs to consider in future Improvements to IPSASs projects?

We have not identified any such amendments at this stage

I hope this is a helpful contribution to the development of the Board's guidance in this area.

Yours sincerely
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DRAFTING COMMENTS

Objective for IPSAS 7

The ED proposes:

The objective of this Standard is to prescribe the accounting treatment for an investor in accounting for investments in associates in its consolidated financial statements and separate financial statements (where prepared).

The sub-sentence “the accounting treatment for an investor in accounting for investments” is duplicative, and may also give the incorrect impression that the ‘investor’ is a person rather than an entity.

A clearer explanation would be

The objective of this Standard is to prescribe, for an entity which is an investor, the accounting treatment for investments in associates in its consolidated financial statements and separate financial statements (where prepared).

Objective for IPSAS 8

The ED proposes:

The objective of this Standard is to prescribe the accounting treatment for a venturer in accounting for interests in joint ventures in its consolidated financial statements and separate financial statements (where prepared).

The sub-sentence “the accounting treatment for a venturer in accounting for interests in joint ventures” is duplicative, and may also give the incorrect impression that the ‘venturer’ is a person rather than an entity.

A clearer explanation would be

The objective of this Standard is to prescribe, for an entity which is a venturer, the accounting treatment for interests in joint ventures in its consolidated financial statements and separate financial statements (where prepared)