



**INTERNATIONAL FEDERATION  
OF ACCOUNTANTS**

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DATE: FEBRUARY 15, 2006  
MEMO TO: MEMBERS OF THE IPSASB  
FROM: MATTHEW BOHUN  
SUBJECT: GENERAL IMPROVEMENTS PROJECT

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### **ACTION REQUIRED**

The Board is asked to:

- **Review** the analysis of responses to EDs 25 and 26; and
- **Provide** staff with directions for developing final draft IPSASs.

### **AGENDA MATERIAL:**

	Pages
15.2 Analysis of Responses to ED 25, “Equal Authority of paragraphs in IPSASs	15.7 – 15.10
15.3 Analysis of Responses to ED 26, “Improvements to International Public Sector Accounting Standards	15.11 – 15.58

### **BACKGROUND**

ED 25, “Equal Authority of paragraphs in IPSASs” and ED 26, “Improvements to International Public Sector Accounting Standards” were issued by the IPSASB in September 2005, with comments requested by January 31, 2006. Up to February 14, 2006, fifteen responses to ED 25 and sixteen responses to ED 26 had been received, although responses continue to arrive.

As can be seen from the tables below, the majority of respondents agree with the proposed changes.

	<b>Agree</b>	<b>Disagree</b>	<b>No Clear View</b>	<b>Total</b>
ED 25	13	1	1	15
Retain Bold and Plain Type	13	1	1	15
ED 26	16	0	0	16
IPSAS 1	16	1	1	16
IPSAS 3	14	0	2	16
IPSAS 4	14	0	2	16
IPSAS 6	13	1	2	16
IPSAS 7	13	1	2	16
IPSAS 8	13	0	3	16
IPSAS 12	14	0	2	16

	<b>Agree</b>	<b>Disagree</b>	<b>No Clear View</b>	<b>Total</b>
IPSAS 13	14	0	2	16
IPSAS 14	13	1	2	16
IPSAS 16	15	0	1	16
IPSAS 17	16	0	0	16

Whilst the above indicates that there is general agreement that the EDs should be issued as IPSASs in the form proposed by the IPSASB, some recurrent themes arose in some responses and one issue in particular (extraordinary items) provoked division among the respondents.

#### *Additional Comments*

Due to the time constraints between receipt of the responses to the EDs and preparation of agenda papers, staff have not undertaken the extensive review of additional comments that normally accompanies the analysis of responses to the EDs. Two respondents have provided extensive additional comments, and these will be reviewed and an analysis provided before the meeting in Tokyo. There have been a number of additional responses, an updated analysis of responses that takes these into account will be provided before the meeting in Tokyo.

## **ISSUES**

### ***Preface to International Public Sector Accounting Standards***

Most respondents agreed with the amendments proposed to the preface as being consistent with the current policy of the IASB. Several respondents suggested that if the bold and italic type have equal authority, then there is no necessity to have them printed in different type.

### ***IPSAS 1, “Presentation of Financial Statements”***

The IPSASB asked respondents whether they agreed that “extraordinary items” should not be defined in the IPSAS, and that presentation of items of revenue or expense as extraordinary items should be neither required nor prohibited either on the face of the statement of financial performance or in the notes to the general purpose financial statements. Eight respondents agreed with the IPSASB’s view, that extraordinary items should not be defined and presentation should not be required nor prohibited. Four respondents stated that, consistent with IAS 1, extraordinary items should not be defined and presentation of items of revenue or expense as extraordinary should be prohibited. Three respondents considered that extraordinary items should be defined and their presentation required.

One respondent considered that the IPSAS should remain silent on extraordinary items, including in the Basis for Conclusions, as discussing them there gave them more prominence than is warranted.

Staff recommends that the IPSAS should not require or prohibit the presentation of items of revenue or expense as extraordinary items, as proposed by the IPSASB and agreed by the majority of respondents. As the IPSASB has a stated policy of not varying from the requirements of the IFRSs unless there is a public sector specific reason for doing so, and given the controversy that extraordinary items have caused in the accounting profession, it is not possible to remain silent on the reason for varying from the provisions of IAS 1 in the Basis for Conclusions.

### ***IPSAS 3, “Net Surplus or Deficit for the Period, Fundamental Errors and Changes in Accounting Policies”***

Respondents did not raise any significant issues with respect to IPSAS 3. One respondent suggested that paragraph 14(b) should refer to income instead of revenue, since the term consists of two components, namely revenue and gains, however, staff would note that the IPSASs use the term “revenue” where the IFRSs use “income” and this is noted in the “Comparison with IAS” section of each IPSAS.

### ***IPSAS 4, “The Effect of Changes in Foreign Exchange Rates”***

All respondents agreed with the IPSASB’s proposal to amend IPSAS 4. One respondent raised an issue with the proposed changes to this IPSAS, and that respondent’s concern was more pervasive than this IPSAS. The respondent disagrees with the IPSASB referring to “international or national standards” and prefers that the IPSASB issue all relevant standards itself. The IPSASB considered the inclusion of this reference specifically and agreed that this was consistent with its revised hierarchy in IPSAS 1 and has been key to the IPSASB’s convergence policy. Other respondents are satisfied with the approach that the IPSASB has taken and acknowledge the existence of IAS 39, “Financial Instruments: Recognition and Measurement” which deals with hedge accounting.

### ***IPSAS 6, “Consolidated Financial Statements and Accounting for Controlled Entities”***

All but one respondent agreed with the IPSASB’s proposal to amend IPSAS 6 to converge with IAS 27 (December 2003), that respondent stated that they could not support the changes to IPSAS 6 because they preferred to retain the equity method as an option for accounting for investments in controlled entities, associates and joint ventures in the separate financial statements of the controlling entity (also refer to the second specific matter for comment). Another respondent noted that in their jurisdiction, both controlled entities and associates are consolidated on a line-by-line basis.

In respect of the second specific matter for comment, on whether investments in controlled entities, associates and joint ventures should be accounted for either at cost or as financial instruments in the separate financial statements of the controlling entity, ten of the sixteen respondents favored the approach proposed by the IPSASB, whilst four disagreed, two respondents did not express a clear view. One dissenting respondent argued that controlled entities, associates and joint ventures should be accounted for using the cost method only, because accounting for them as financial instruments is not appropriate in the public sector as they are held for long term operational reasons. Another dissenting respondent preferred the current provisions of IPSAS 6, stating that they were clearer. Two dissenting respondents preferred to account for controlled entities, associates and joint ventures using in the separate

financial statements of the controlling entity using the equity method. Staff is of the view that there is no public sector specific reason for differing from the provisions of IAS 27.

All the respondents who expressed a view on the matter agreed that disclosure of a list of the significant controlled entities was a valuable disclosure and should be included in the final IPSAS.

### ***IPSAS 7, “Accounting for Investments in Associates”***

Thirteen of the fourteen respondents, who expressed a view, agreed that the IPSASB should issue the revised IPSAS 7 with the amendments proposed. One respondent argued that associates should be consolidated on a line-by-line basis – staff notes that this approach would not be consistent with the notion of control that is pervasive throughout the IPSASs, nor with IAS 28.

Most respondents agreed with the IPSASB’s proposal to exclude from the scope of IPSAS 7, certain investments that would be associates held by venture capital organizations, mutual funds, unit trusts and similar entities if these are measured at fair value in accordance with international or national standards dealing with financial instruments. One respondent argued that such investments are held as long term investments and should be measured at cost. Staff is of the view that there is no public sector specific reason to depart from the provisions of IAS 28.

Most respondents agree that an investor need not equity account its investment if all the criteria in paragraph 19 are met, one argued that these associates should be fully consolidated. Staff notes that this would be inconsistent with the concept of control adopted in the IPSASs. One respondent, whilst agreeing with the IPSASB’s approach expressed concern that investments that are held for disposal within twelve months of acquisition were not appropriately accounted for and that IPSAS 7 should, like IAS 28, refer to the relevant international or national standard on non-current assets held for sale and discontinued operations. Staff notes that the references in IAS 28 were inserted by IFRS 5 after December 2003, and are therefore outside the scope of the Improvements Project.

### ***IPSAS 8, “Financial Reporting of Interests in Join Ventures”***

All respondents expressing a view on converging IPSAS 8 with IAS 31 supported the IPSASB’s proposal. As with IPSAS 7, one respondent argued that certain investments that would be associates held by venture capital organizations, mutual funds, unit trusts and similar entities should be measured at cost (as long term investments) rather than at fair value as proposed by the IPSASB. Staff is of the view that in this respect there are no public sector specific reasons for varying from the equivalent IAS.

### ***IPSAS 12, “Inventories”***

Respondents to ED 26 agreed with the amendments proposed by the IPSASB, including the scope exclusion of biological assets related to agricultural activity and agricultural produce at the point of harvest that are accounted for in accordance with the relevant international or national standard dealing with agriculture. Respondents did not raise any major issues in relation to the proposed IPSAS.

***IPSAS 13, “Leases”***

Respondents to ED 26 agreed with the amendments proposed by the IPSASB, including that IPSAS 13 should not be used as the basis for measurement for biological assets held by lessees under finance leases and biological assets provided by lessors under operating leases that are accounted for in accordance with the relevant international or national standard dealing with agriculture. Respondents did not raise any major concerns, except that one respondent noted that in jurisdictions where the legal system is based on ancient Roman law, distinguishing between the lease of land and buildings is very difficult and the cost of obtaining independent valuations of the separate components would exceed the benefits provided. Staff is of the view that such difficulties also arise in the for-profit sector and there is no public sector specific reason for varying from the requirements of IAS 17. The IASB, in its Basis for Conclusions to IAS 17 noted the difficulty in separating land and buildings, but concluded that it was not “representationally faithful” to present a lease over land and buildings as a single finance lease where the land has material value. The IASB did not specifically address the issue of legal issues in systems based on ancient Roman law. Staff will follow up with the staff of the IASB on this issue and report back at the meeting.

***IPSAS 14, “Events after the Reporting Date”***

With one exception the respondents agreed with the IPSASB’s proposal to amend IPSAS 14, the dissenting respondent disagreed with the notion of dividends/distributions to owners in the government/public sector. Respondents did not raise additional issues in relation to this IPSAS.

***IPSAS 16, “Investment Property”***

The respondents to ED 26 agreed with the IPSASB’s proposal to amend IPSAS 16. Whilst agreeing with the proposed amendments in general, one respondent disagreed with the concept that a property interest held by a lessee under an operating lease could be classified as an investment property and would therefore be required to be measured at fair value, forcing the entity to measure all investment property at fair value (the respondent agrees with the concept of measuring all investment property consistently). Another respondent noted that in their jurisdiction, the concept of accounting for property interests by lessees as an investment property is in clear contradiction to the legal concept in their jurisdiction. Staff note that these are issues in the for-profit sector as well, and there is no public sector specific reason for departing from the provisions of IAS 40.

***IPSAS 17, “Property, Plant and Equipment”***

All respondents agreed with the proposal to converge IPSAS 17 with IAS 16. One respondent disagreed with the definition of “residual value” arguing that the current amount to obtain an asset of the age expected at disposal is more subjective than estimating the worth at the end of its useful life. Staff notes that this is equally true in the for-profit sector and that there is no apparent public sector specific reason for departing from IAS 16 in this respect.

All but one respondent agreed with the inclusion of the implementation guidance on the frequency of revaluation of property plant and equipment. The dissenting respondent opposes the inclusion of the implementation guidance because it is not included in IAS 16

and is not part of convergence. Another respondent, whilst agreeing with its inclusion, noted that its inclusion goes beyond the scope of the convergence; therefore the Basis for Conclusions should be expanded to explain the inclusion of the implementation guidance. Staff support the inclusion of the Implementation Guidance, and if agreed by IPSASB will prepare an amendment to the Basis for Conclusions to explain its inclusion.

All but one respondent agreed that it is appropriate for public sector entities to distinguish, and separately depreciate, each part of an item of property, plant and equipment that is significant in relation to the total cost of the item. The dissenting respondent argued that the cost of doing so outweighed the benefits received. Three respondents, whilst supporting the inclusion of the requirement, argued that it should be optional, or only applicable to larger entities that have major investments in property, plant and equipment. Staff notes that these issues similarly arise in the for-profit sector and that there is no public sector specific reason for departing from the requirements of IAS 16.

## **RECOMMENDATION**

Staff recommends that the IPSASB agree, in principle, to reissuing the Preface, and IPSASs 1, 3, 4, 6, 7, 8, 12, 13, 14, 16 and 17, as a suite. This would ensure consistency with the IASB's IFRSs. The IPSASB should reserve the right to alter this decision after reviewing the additional comments noted in the Background above and any additional responses that are submitted within a reasonable time frame.



**Matthew Bohun**  
**TECHNICAL MANAGER**

**ATTACHMENT 1 – ANALYSIS OF RESPONSES TO ED 25 “Equal Authority of paragraphs in IPSASs”**

**SUMMARY OF OVERALL VIEW**

SUPPORT	A	13
DOES NOT SUPPORT	B	1
NO CLEAR VIEW	C	1
TOTAL		15

	NAME	VIEW	COMMENT
1	Australian Accounting Standards Board Staff (AASB)	A	
3	Australia - National Institute of Accountants (ANIA)	A	
5	Indonesian Institute of Accountants (IIA)	B	IIA disagrees, the plain type explains the bold type and the two, therefore, have different authority.
6	Italy – CNDC & CNR	A	The proposed amendment makes the Preface and IPSASs more understandable and is consistent with the IFRS approach.
7	Japanese Institute of CPAs (JICPA)	A	
10	South Africa – ASB & SAICA	A	
11	South Africa – IPFA	A	
12	Sweden – FAR	C	
15	USA Association of Government Accountants (AGA)	A	
17	Canada – Treasury Board Secretariat (CTBS)	A	

19	France – Ministry of Economy, Finance and Industry (MEFI)	A	
24	Switzerland – Zurich University of Applied Sciences Institute for Public Management on behalf of the Swiss Federal office of Finance and the Conference of Cantonal Ministers of Finance (Swiss)	A	
25	Australia – Auditor-General Victoria (AAGV)	A	
26	Malta – National Audit Office (MNAO)	A	
30	Mohamed Osman Medani & Co (MOMC)	A	

**SPECIFIC MATTER FOR COMMENT**

The IPSASB would value comment on whether you agree with the proposed amendments to the Preface to clarify that the paragraphs in bold type and plain type in IPSASs have equal authority.

Agree		13
Disagree		1
No clear view expressed		1
<b>TOTAL</b>		<b>15</b>

	<b>NAME</b>	<b>VIEW</b>	<b>COMMENT</b>
1	Australian Accounting Standards Board Staff (AASB)	A	The IASB's preface notes that the bold paragraphs indicate the main principles. AASB Staff recommend including a similar message in the IPSAS Preface.
3	Australia - National Institute of Accountants (ANIA)	A	
5	Indonesian Institute of Accountants (IIA)	B	
6	Italy – CNDC & CNR	A	
7	Japanese Institute of CPAs (JICPA)	A	
10	South Africa – ASB & SAICA	A	In addition include a paragraph to clarify the authority of the appendices. E.g. “The authority of appendices will be dealt with in the preamble to each appendix.”
11	South Africa – IPFA	A	
12	Sweden – FAR	C	
15	USA Association of Government Accountants (AGA)	A	AGA agrees provided that non-authoritative portions are clearly identifiable.
17	Canada – Treasury Board Secretariat (CTBS)	A	

19	France – Ministry of Economy, Finance and Industry (MEFI)	A	MEFI believe that each IPSAS could be divided into three parts: and Introduction; the Standard themselves; and Example or Appendices. This would clearly distinguish between the descriptive text and the normative Standard.
24	Switzerland – Zurich University of Applied Sciences Institute for Public Management on behalf of the Swiss Federal office of Finance and the Conference of Cantonal Ministers of Finance (Swiss)	A	IPSASB should be aware that making this amendment further restricts the preparers of financial statements.
25	Australia – Auditor-General Victoria (AAGV)	A	AAGV is of the view that if all paragraphs are to have equal authority, then the standards should not contain a combination of bold and normal type as this could confuse readers and users, particularly preparers and auditors whose main focus has been on the black letter mandatory requirements. This is particularly so for auditors applying ISAs as the bold and normal type do not have the same weight.
26	Malta – National Audit Office (MNAO)	A	
30	Mohamed Osman Medani & Co (MOMC)	A	The preface does no need to identify that the bold type indicates the main principles as all paragraphs have equal authority. MOMC recommends deleting that sentence from paragraph 13.

**ATTACHMENT 2 – ANALYSIS OF RESPONSES TO ED 26, “Improvements to International Public Sector Accounting Standards”**

**SUMMARY OF OVERALL VIEW**

SUPPORT	A	16
DOES NOT SUPPORT	B	0
NO CLEAR VIEW	C	0
TOTAL		16

	NAME	VIEW	COMMENT
1	Australian Accounting Standards Board Staff (AASB)	A	Concerned that converging to the December 2003 IFRSs is not an effective way to implement IPSASB’s convergence program, given that it is now 2005.
5	Indonesian Institute of Accountants (IIA)	A	
6	Italy – CNDC & CNR	A	
7	Japanese Institute of CPAs (JICPA)	A	
9	Institute of Cost and Management Accountants of Pakistan	A	
10	South Africa – ASB & SAICA	A	
11	South Africa – IPFA	A	
12	Sweden – FAR	A	
17	Canada – Treasury Board Secretariat (CTBS)	A	The IPSASB should exercise caution in adopting IFRSs for the public sector due to the different objectives in preparing financial statements and the different operating environment of the business and public sectors. The IPSASB should not refer to relevant international or national standards, it should develop its own standards and guidance.
19	France – Ministry of Economy, Finance and Industry (MEFI)	A	

20	New Zealand – The Treasury	A	
22	Sweden – National Financial Management Authority	A	
24	Switzerland – Zurich University of Applied Sciences Institute for Public Management on behalf of the Swiss Federal office of Finance and the Conference of Cantonal Ministers of Finance (Swiss)	A	The Swiss have noticed that the proposed revised IPSAS 1 greatly increases the volume of the notes and disclosures, which is a concern, although it does not change the response to this question.
26	Malta – National Audit Office (MNAO)	A	
29	France – Jean Bernard Mattret	A	
30	Mohamed Osman Medani & Co (MOMC)	A	

**SPECIFIC MATTER FOR COMMENT IPSAS 1 Question (1)**

Do you agree that IPSAS 1 should be revised as proposed to converge with the equivalent IAS 1 (December 2003)?

Agree	A	14
Disagree	B	1
No clear view expressed	C	1
<b>TOTAL</b>		<b>16</b>

	<b>NAME</b>	<b>VIEW</b>	<b>COMMENT</b>
1	Australian Accounting Standards Board Staff (AASB)	A	Support with the following exceptions: (a) the IPSAS does not distinguish revenue from other income (gains) although this distinction is made in the Implementation Guidance. Para 17(d) should refer to income instead of revenue and 17(e) to expenses (including losses); and (b) paragraph 29 should be amended to align with the last sentence of para 27. Para 29 states that in virtually all circumstances fair presentation is achieved by compliance with IPSASs, which is stronger than the wording in para 27 (black letter).
5	Indonesian Institute of Accountants (IIA)	A	In Indonesia, the concepts of owners, distributions to owners, share capital and dividends are not found in the public sector. These sections would not be applied in Indonesia.
6	Italy – CNDC & CNR	A	Do not agree that the Qualitative Characteristics should be in the Appendix, it should be in paragraph 18 of the Preface, or in a separate Framework.
7	Japanese Institute of CPAs (JICPA)	A	
9	Institute of Cost and Management Accountants of Pakistan	A	
10	South Africa – ASB & SAICA	A	
11	South Africa – IPFA	A	IPFA would encourage additional revisions to IPSAS 1 based on further amendments made to IAS 1 since the General Improvements Project.
12	Sweden – FAR	A	

17	Canada – Treasury Board Secretariat (CTBS)	A	
19	France – Ministry of Economy, Finance and Industry (MEFI)	A	
20	New Zealand – The Treasury	A	
22	Sweden – National Financial Management Authority	C	The National Financial Management Authority note that during the development of the ITC “Revenue from Non-Exchange Transactions” the definition of “Contributions from Owners” criticized as not applicable to the public sector. NFMA believe this term should be redefined and should include those from from a central to a local entity.
24	Switzerland – Zurich University of Applied Sciences Institute for Public Management on behalf of the Swiss Federal office of Finance and the Conference of Cantonal Ministers of Finance (Swiss)	A	
26	Malta – National Audit Office (MNAO)	A	
29	France – Jean Bernard Mattret	B	IAS 1 has changed since December 2003.
30	Mohamed Osman Medani & Co (MOMC)	A	

**SPECIFIC MATTER FOR COMMENT IPSAS 1 Question (2)**

The proposed IPSAS 1 does not include a definition of the term “extraordinary items”, and does not require nor prohibit the presentation of items of revenue and expense as “extraordinary items” either on the face of the statement of financial performance or in the notes.

Do you agree that extraordinary items should not be defined and their presentation either on the face of the statement of financial performance or in the notes should not be explicitly required or prohibited?

Don't Define – allow presentation	A	8
Don't Define – prohibit presentation	B	4
Define and require presentation	C	3
No Clear View	D	1
<b>TOTAL</b>		<b>16</b>

	<b>NAME</b>	<b>VIEW</b>	<b>COMMENT</b>
1	Australian Accounting Standards Board Staff (AASB)	B	Agree that “extraordinary items should not be defined. AASB Staff are of the view that entities should not be permitted to present any item of income or expense as extraordinary items, whether in the statement of financial performance or in the notes.
5	Indonesian Institute of Accountants (IIA)	A	It is important that extraordinary items are presented – the influences of extraordinary items such as the December 2004 tsunami cannot be predicted.
6	Italy – CNDC & CNR	A	The IPSASB should consider whether entities should be required to disclose the basis on which they classify items as extraordinary.
7	Japanese Institute of CPAs (JICPA)	A	
9	Institute of Cost and Management Accountants of Pakistan	C	ICMAP is of the view that “extraordinary items” should be defined and required to be presented either on the face of the statement of financial performance or in the notes, to give a clear financial picture.
10	South Africa – ASB & SAICA	A	ASB & SAICA believes that highlighting extraordinary items in the Basis for Conclusions draws undue attention to the subject and recommend that the Basis for Conclusions be silent on the whole matter, consistent with the IPSAS itself.

11	South Africa – IPFA	B	Agree that extraordinary items not be defined. IPFA is of the view that the presentation or disclosure of items as “extraordinary” should be prohibited in line with IAS 1. Material or significant items that occur during the reporting period can still be disclosed separately.
12	Sweden – FAR	C	FAR is of the view that a definition of extraordinary items is essential in order to properly interpret the financial statements and also to avoid any improper use of the concept.
17	Canada – Treasury Board Secretariat (CTBS)	C	“Extraordinary items” should be defined and suggested presentation formats discussed.
19	France – Ministry of Economy, Finance and Industry (MEFI)	B	MEFI does not consider that there exists a public sector specific reason for varying from IAS 1 and would therefore propose prohibiting the presentation of any item as “extraordinary”.
20	New Zealand – The Treasury	A	
22	Sweden – National Financial Management Authority	D	
24	Switzerland – Zurich University of Applied Sciences Institute for Public Management on behalf of the Swiss Federal office of Finance and the Conference of Cantonal Ministers of Finance (Swiss)	A	A minority of the Swiss ad-hoc committee would like to retain extraordinary items in the IPSAS.
26	Malta – National Audit Office (MNAO)	A	
29	France – Jean Bernard Mattret	A	
30	Mohamed Osman Medani & Co (MOMC)	B	Extraordinary items should be prohibited as per IAS 1.

**SPECIFIC MATTER FOR COMMENT IPSAS 3 Question 1**

Do you agree that IPSAS 3 should be revised as proposed to converge with the equivalent IAS 8 (December 2003)?

Yes	A	14
No	B	0
No clear view expressed	C	2
<b>TOTAL</b>		<b>16</b>

	<b>NAME</b>	<b>VIEW</b>	<b>COMMENT</b>
1	Australian Accounting Standards Board Staff (AASB)	A	Support with one exception: para 14(b) should refer to income instead of revenue, since the term income consists of two components namely revenue and gains.
5	Indonesian Institute of Accountants (IIA)	A	
6	Italy – CNDC & CNR	A	
7	Japanese Institute of CPAs (JICPA)	A	
9	Institute of Cost and Management Accountants of Pakistan	A	
10	South Africa – ASB & SAICA	A	
11	South Africa – IPFA	A	
12	Sweden – FAR	A	
17	Canada – Treasury Board Secretariat (CTBS)	A	
19	France – Ministry of Economy, Finance and Industry (MEFI)	A	
20	New Zealand – The Treasury	A	

22	Sweden – National Financial Management Authority	C	
24	Switzerland – Zurich University of Applied Sciences Institute for Public Management on behalf of the Swiss Federal office of Finance and the Conference of Cantonal Ministers of Finance (Swiss)	A	
26	Malta – National Audit Office (MNAO)	A	
29	France – Jean Bernard Mattret	C	The revised IPSAS 3 eliminates the allowed alternative treatments for voluntary changes in accounting policies and corrections of errors. M. Mattret is of the view that corrections of errors should be accounted for retrospectively whenever possible; however the adjustment resulting from retrospective application is not included in surplus or deficit for the current period, nor accounted for retrospectively. The change in accounting policy should be presented in notes of the notes to the financial statements as disclosures.
30	Mohamed Osman Medani & Co (MOMC)	A	

**SPECIFIC MATTER FOR COMMENT IPSAS 4 Question 1**

Do you agree that IPSAS 4 should be revised as proposed to converge with the equivalent IAS 21 (December 2003)?

Agree	A	14
Disagree	B	0
No clear view expressed	C	2
<b>TOTAL</b>		<b>16</b>

	<b>NAME</b>	<b>VIEW</b>	<b>COMMENT</b>
1	Australian Accounting Standards Board Staff (AASB)	A	
5	Indonesian Institute of Accountants (IIA)	A	
6	Italy – CNDC & CNR	A	
7	Japanese Institute of CPAs (JICPA)	A	
9	Institute of Cost and Management Accountants of Pakistan	A	
10	South Africa – ASB & SAICA	A	
11	South Africa – IPFA	A	
12	Sweden – FAR	A	
17	Canada – Treasury Board Secretariat (CTBS)	A	CTBS is not convinced that a public sector entity could have a functional currency different to its presentation currency.
19	France – Ministry of Economy, Finance and Industry (MEFI)	A	
20	New Zealand – The Treasury	A	

22	Sweden – National Financial Management Authority	C	
24	Switzerland – Zurich University of Applied Sciences Institute for Public Management on behalf of the Swiss Federal office of Finance and the Conference of Cantonal Ministers of Finance (Swiss)	A	
26	Malta – National Audit Office (MNAO)	A	
29	France – Jean Bernard Mattret	C	
30	Mohamed Osman Medani & Co (MOMC)	A	

**SPECIFIC MATTER FOR COMMENT IPSAS 4, Question 2**

Currently, IPSAS 4 does not deal with hedge accounting for foreign currency items other than the classification of certain exchange differences accounted for as a hedge of net investment in a foreign entity. It also notes that guidance on such types of transactions can be found in IAS 39, “Financial Instruments: Recognition and Measurement”.

Do you agree that the proposed IPSAS 4 should not apply to derivative transactions and balances that are within the scope of the relevant international or national accounting standard dealing with the recognition and measurement of financial instruments (see paragraph 3(a))?

Agree	A	12
Disagree	B	1
No clear view expressed	C	3
<b>TOTAL</b>		<b>16</b>

	<b>NAME</b>	<b>VIEW</b>	<b>COMMENT</b>
1	Australian Accounting Standards Board Staff (AASB)	A	Hedge accounting should be dealt with comprehensively in a project that addresses the issues covered in IAS 39.
5	Indonesian Institute of Accountants (IIA)	C	
6	Italy – CNDC & CNR	A	
7	Japanese Institute of CPAs (JICPA)	A	
9	Institute of Cost and Management Accountants of Pakistan	A	
10	South Africa – ASB & SAICA	A	
11	South Africa – IPFA	A	
12	Sweden – FAR	A	FAR considers it essential that a proper reference is made to IAS 39 in order to avoid any lack of clarity.

17	Canada – Treasury Board Secretariat (CTBS)	B	The IPSASB should establish guidance for public sector entities in terms of hedging and derivative transactions.
19	France – Ministry of Economy, Finance and Industry (MEFI)	A	
20	New Zealand – The Treasury	A	
22	Sweden – National Financial Management Authority	C	
24	Switzerland – Zurich University of Applied Sciences Institute for Public Management on behalf of the Swiss Federal office of Finance and the Conference of Cantonal Ministers of Finance (Swiss)	A	
26	Malta – National Audit Office (MNAO)	A	
29	France – Jean Bernard Mattret	C	
30	Mohamed Osman Medani & Co (MOMC)	A	

**SPECIFIC MATTER FOR COMMENT IPSAS 6, Question 1**

Do you agree that IPSAS 6 should be revised as proposed to converge with the equivalent IAS 27 (December 2003)?

Agree	A	13
Disagree	B	1
No clear view expressed	C	2
<b>TOTAL</b>		<b>16</b>

	<b>NAME</b>	<b>VIEW</b>	<b>COMMENT</b>
1	Australian Accounting Standards Board Staff (AASB)	A	
5	Indonesian Institute of Accountants (IIA)	C	In Indonesia, consolidation is based on the legal entity rather than control.
6	Italy – CNDC & CNR	A	
7	Japanese Institute of CPAs (JICPA)	A	
9	Institute of Cost and Management Accountants of Pakistan	A	
10	South Africa – ASB & SAICA	A	
11	South Africa – IPFA	A	IPFA emphasizes that there have been a number of revisions to IAS 27, which have a significant impact on IPSASs 6, 7 and 8.
12	Sweden – FAR	A	
17	Canada – Treasury Board Secretariat (CTBS)	A	CTBS disagrees with the reference to international or national standards – the IPSASB should develop its own standards.
19	France – Ministry of Economy, Finance and Industry (MEFI)	B	MEFI strongly encourages the IPSASB to retain the equity method of accounting as an option. There are many situations in the public sector where the binary classification control/no-control is not applicable.
20	New Zealand – The Treasury	A	

22	Sweden – National Financial Management Authority	A	In Sweden, both controlled entities and associates are consolidated on a line-by-line basis.
24	Switzerland – Zurich University of Applied Sciences Institute for Public Management on behalf of the Swiss Federal office of Finance and the Conference of Cantonal Ministers of Finance (Swiss)	A	
26	Malta – National Audit Office (MNAO)	A	
29	France – Jean Bernard Mattret	C	
30	Mohamed Osman Medani & Co (MOMC)	A	

**SPECIFIC MATTER FOR COMMENT IPSAS 6, Question 2**

Do you agree that in the investor's separate financial statements, investments in controlled entities, jointly controlled entities and associates should be accounted for either:

- (a) at cost, or
- (b) as financial instruments in accordance with the relevant international or national accounting standard dealing with the recognition and measurement of financial instruments?

Alternatively, do you agree that these investments should be accounted for as investments as specified in the existing IPSAS 6 (see paragraphs 58 and 61 in the proposed IPSAS 6 and paragraph 53 in the existing IPSAS 6)?

Agree	A	10
Disagree, prefer current treatment in IPSAS 6	B	4
No clear view expressed	C	2
<b>TOTAL</b>		<b>16</b>

	<b>NAME</b>	<b>VIEW</b>	<b>COMMENT</b>
1	Australian Accounting Standards Board Staff (AASB)	A	Do not agree that these should be accounted for as investments. Measurement and income recognition issues arise with respect to the acquisition of controlling interests at no cost or for a nominal cost. Entities should also be consistent in the treatment of impairment losses, IPSAS 6 could be amended to confirm that IPSAS 21, and not international or national standards dealing with financial instruments should be used for recognizing and measuring impairment losses.
5	Indonesian Institute of Accountants (IIA)	C	
6	Italy – CNDC & CNR	A	
7	Japanese Institute of CPAs (JICPA)	A	
9	Institute of Cost and Management Accountants of Pakistan	A	

10	South Africa – ASB & SAICA	A	ASB & SAICA are of the view that IPSAS 6 does not address the accounting of investments in controlled entities, jointly controlled entities and associates that are classified as held for sale. They recommend that similar wording to IAS 27.37 be incorporated in the IPSAS and reference made to the relevant international or national standard dealing with non-current assets held for sale and discontinued operations, consistent with other IPSASs.
11	South Africa – IPFA	A	
12	Sweden – FAR	B	FAR is of the view that investments in controlled entities, jointly controlled entities and associates should be accounted for at cost because in the public sector these are not held as a financial instrument but a long term investment.
17	Canada – Treasury Board Secretariat (CTBS)	B	The guidance in paragraph 53 of the current IPSAS is clearer than the new proposals.
19	France – Ministry of Economy, Finance and Industry (MEFI)	B	These should be accounted for as investments.
20	New Zealand – The Treasury	A	
22	Sweden – National Financial Management Authority	A	
24	Switzerland – Zurich University of Applied Sciences Institute for Public Management on behalf of the Swiss Federal office of Finance and the Conference of Cantonal Ministers of Finance (Swiss)	B	The Swiss ad-hoc committee recommend that controlled entities, jointly controlled entities and associates should be accounted for by using the equity method. The ad-hoc committee is of the view that the equity method, unlike the accounting principles for financial instruments, is useful for entities which are neither traded on stock exchanges, nor involved in commercial activities. The proposed change to IPSAS 6 would reduce the options to (a) cost. The ad-hoc committee does not see any disadvantage to using the equity method.

26	Malta – National Audit Office (MNAO)	A	
29	France – Jean Bernard Mattret	C	
30	Mohamed Osman Medani & Co (MOMC)	A	

**SPECIFIC MATTER FOR COMMENT IPSAS 6, Question 3**

Do you agree that a list of significant controlled entities should be disclosed in the controlling entity's consolidated financial statements (see paragraph 62)?

Agree	A	13
Disagree	B	0
No clear view expressed	C	3
<b>TOTAL</b>		<b>16</b>

	<b>NAME</b>	<b>VIEW</b>	<b>COMMENT</b>
1	Australian Accounting Standards Board Staff (AASB)	A	
5	Indonesian Institute of Accountants (IIA)	C	
6	Italy – CNDC & CNR	A	
7	Japanese Institute of CPAs (JICPA)	A	
9	Institute of Cost and Management Accountants of Pakistan	A	
10	South Africa – ASB & SAICA	A	
11	South Africa – IPFA	A	
12	Sweden – FAR	A	
17	Canada – Treasury Board Secretariat (CTBS)	A	
19	France – Ministry of Economy, Finance and Industry (MEFI)	A	
20	New Zealand – The Treasury	A	

22	Sweden – National Financial Management Authority	C	
24	Switzerland – Zurich University of Applied Sciences Institute for Public Management on behalf of the Swiss Federal office of Finance and the Conference of Cantonal Ministers of Finance (Swiss)	A	
26	Malta – National Audit Office (MNAO)	A	
29	France – Jean Bernard Mattret	C	
30	Mohamed Osman Medani & Co (MOMC)	A	

**SPECIFIC MATTER FOR COMMENT IPSAS 7, Question 1**

Do you agree that IPSAS 7 should be revised as proposed to converge with the equivalent IAS 28 (December 2003)?

Agree	A	13
Disagree	B	1
No clear view expressed	C	2
<b>TOTAL</b>		<b>16</b>

	<b>NAME</b>	<b>VIEW</b>	<b>COMMENT</b>
1	Australian Accounting Standards Board Staff (AASB)	A	
5	Indonesian Institute of Accountants (IIA)	C	
6	Italy – CNDC & CNR	A	
7	Japanese Institute of CPAs (JICPA)	A	
9	Institute of Cost and Management Accountants of Pakistan	A	
10	South Africa – ASB & SAICA	A	
11	South Africa – IPFA	A	
12	Sweden – FAR	A	
17	Canada – Treasury Board Secretariat (CTBS)	A	
19	France – Ministry of Economy, Finance and Industry (MEFI)	A	
20	New Zealand – The Treasury	A	

22	Sweden – National Financial Management Authority	B	The National Financial Management Authority is of the view that associates should be fully consolidated on a line by line basis.
24	Switzerland – Zurich University of Applied Sciences Institute for Public Management on behalf of the Swiss Federal office of Finance and the Conference of Cantonal Ministers of Finance (Swiss)	A	
26	Malta – National Audit Office (MNAO)	A	
29	France – Jean Bernard Mattret	C	
30	Mohamed Osman Medani & Co (MOMC)	A	

**SPECIFIC MATTER FOR COMMENT IPSAS 7, Question 2**

Do you agree that the scope of this proposed IPSAS 7 should not apply to certain investments that otherwise would be associates held by venture capital organizations, mutual funds, unit trusts and similar entities if these investments are measured at fair value in accordance with the relevant international or national accounting standard dealing with financial instruments (see paragraph 1)?

Agree	A	12
Disagree	B	1
No clear view expressed	C	3
<b>TOTAL</b>		<b>16</b>

	<b>NAME</b>	<b>VIEW</b>	<b>COMMENT</b>
1	Australian Accounting Standards Board Staff (AASB)	A	
5	Indonesian Institute of Accountants (IIA)	C	
6	Italy – CNDC & CNR	A	
7	Japanese Institute of CPAs (JICPA)	A	
9	Institute of Cost and Management Accountants of Pakistan	A	
10	South Africa – ASB & SAICA	A	
11	South Africa – IPFA	A	
12	Sweden – FAR	B	FAR is of the view that investments in controlled entities, jointly controlled entities and associates should be accounted for at cost because in the public sector these are not held as a financial instrument but a long term investment.
17	Canada – Treasury Board Secretariat (CTBS)	A	

19	France – Ministry of Economy, Finance and Industry (MEFI)	A	
20	New Zealand – The Treasury	A	
22	Sweden – National Financial Management Authority	C	
24	Switzerland – Zurich University of Applied Sciences Institute for Public Management on behalf of the Swiss Federal office of Finance and the Conference of Cantonal Ministers of Finance (Swiss)	A	
26	Malta – National Audit Office (MNAO)	A	
29	France – Jean Bernard Mattret	C	
30	Mohamed Osman Medani & Co (MOMC)	A	

**SPECIFIC MATTER FOR COMMENT IPSAS 7, Question 3**

Do you agree than an investor need not equity account its investment if all the criteria in paragraph 19 are met?

Agree	A	13
Disagree	B	1
No clear view expressed	C	2
<b>TOTAL</b>		<b>16</b>

	<b>NAME</b>	<b>VIEW</b>	<b>COMMENT</b>
1	Australian Accounting Standards Board Staff (AASB)	A	
5	Indonesian Institute of Accountants (IIA)	C	
6	Italy – CNDC & CNR	A	Disclosure of the circumstances in which influence arises would be useful to inform users whether the influence aims at pursuing an institutional goal, protecting the public interest, or if it is to be considered an investment.
7	Japanese Institute of CPAs (JICPA)	A	
9	Institute of Cost and Management Accountants of Pakistan	A	
10	South Africa – ASB & SAICA	A	Concerned about investments that acquired with a view to their disposal within twelve months from acquisition (IPSAS 7.19(a)) – the equivalent iAS refers preparers to the standard on non-current assets held for sale and discontinued operations. IPSAS 7 should refer preparers to the relevant international or national standard.
11	South Africa – IPFA	A	It is unclear how paragraph 19(b) relates to paragraph 16 of IPSAS 6.
12	Sweden – FAR	A	
17	Canada – Treasury Board Secretariat (CTBS)	A	

19	France – Ministry of Economy, Finance and Industry (MEFI)	A	
20	New Zealand – The Treasury	A	
22	Sweden – National Financial Management Authority	B	The NFMA believes that associates should be fully consolidated.
24	Switzerland – Zurich University of Applied Sciences Institute for Public Management on behalf of the Swiss Federal office of Finance and the Conference of Cantonal Ministers of Finance (Swiss)	A	
26	Malta – National Audit Office (MNAO)	A	
29	France – Jean Bernard Mattret	C	
30	Mohamed Osman Medani & Co (MOMC)	A	

**SPECIFIC MATTER FOR COMMENT IPSAS 8, Question 1**

Do you agree that IPSAS 8 should be revised as proposed to converge with the equivalent IAS 31 (December 2003)?

Agree	A	13
Disagree	B	0
No clear view expressed	C	3
<b>TOTAL</b>		<b>16</b>

	<b>NAME</b>	<b>VIEW</b>	<b>COMMENT</b>
1	Australian Accounting Standards Board Staff (AASB)	A	
5	Indonesian Institute of Accountants (IIA)	C	
6	Italy – CNDC & CNR	A	
7	Japanese Institute of CPAs (JICPA)	A	
9	Institute of Cost and Management Accountants of Pakistan	A	
10	South Africa – ASB & SAICA	A	
11	South Africa – IPFA	A	
12	Sweden – FAR	A	
17	Canada – Treasury Board Secretariat (CTBS)	A	
19	France – Ministry of Economy, Finance and Industry (MEFI)	A	
20	New Zealand – The Treasury	A	

22	Sweden – National Financial Management Authority	C	
24	Switzerland – Zurich University of Applied Sciences Institute for Public Management on behalf of the Swiss Federal office of Finance and the Conference of Cantonal Ministers of Finance (Swiss)	A	
26	Malta – National Audit Office (MNAO)	A	
29	France – Jean Bernard Mattret	C	
30	Mohamed Osman Medani & Co (MOMC)	A	

**SPECIFIC MATTER FOR COMMENT IPSAS 8, Question 2**

Do you agree that the scope of this proposed IPSAS 8 should not apply to certain investments that otherwise would be associates held by venture capital organizations, mutual funds, unit trusts and similar entities if these investments are measured at fair value in accordance with the relevant international or national accounting standard dealing with financial instruments (see paragraph 1)?

Agree	A	13
Disagree	B	1
No clear view expressed	C	3
<b>TOTAL</b>		<b>16</b>

	<b>NAME</b>	<b>VIEW</b>	<b>COMMENT</b>
1	Australian Accounting Standards Board Staff (AASB)	A	
5	Indonesian Institute of Accountants (IIA)	C	
6	Italy – CNDC & CNR	A	CNDC & CNR believe that the financial statements should disclose the casis in which IPSAS 7 should have been applied, as well as the conomic efficit when “fair value” is applies instead of the equity method.
7	Japanese Institute of CPAs (JICPA)	A	
9	Institute of Cost and Management Accountants of Pakistan	A	
10	South Africa – ASB & SAICA	A	
11	South Africa – IPFA	A	
12	Sweden – FAR	B	FAR is of the view that investments in controlled entities, jointly controlled entities and associates should be accounted for at cost because in the public sector these are not held as a financial instrument but a long term investment.
17	Canada – Treasury Board Secretariat (CTBS)	A	

19	France – Ministry of Economy, Finance and Industry (MEFI)	A	
20	New Zealand – The Treasury	A	
22	Sweden – National Financial Management Authority	C	
24	Switzerland – Zurich University of Applied Sciences Institute for Public Management on behalf of the Swiss Federal office of Finance and the Conference of Cantonal Ministers of Finance (Swiss)	A	
26	Malta – National Audit Office (MNAO)	A	
29	France – Jean Bernard Mattret	C	
30	Mohamed Osman Medani & Co (MOMC)	A	

**aSPECIFIC MATTER FOR COMMENT IPSAS 12, Question 1**

Do you agree that IPSAS 12 should be revised as proposed to converge with the equivalent IAS 2 (December 2003)?

Agree	A	14
Disagree	B	0
No clear view expressed	C	2
<b>TOTAL</b>		<b>16</b>

	<b>NAME</b>	<b>VIEW</b>	<b>COMMENT</b>
1	Australian Accounting Standards Board Staff (AASB)	A	
5	Indonesian Institute of Accountants (IIA)	A	
6	Italy – CNDC & CNR	A	
7	Japanese Institute of CPAs (JICPA)	A	
9	Institute of Cost and Management Accountants of Pakistan	A	
10	South Africa – ASB & SAICA	A	
11	South Africa – IPFA	A	
12	Sweden – FAR	A	
17	Canada – Treasury Board Secretariat (CTBS)	A	
19	France – Ministry of Economy, Finance and Industry (MEFI)	A	
20	New Zealand – The Treasury	A	

22	Sweden – National Financial Management Authority	C	
24	Switzerland – Zurich University of Applied Sciences Institute for Public Management on behalf of the Swiss Federal office of Finance and the Conference of Cantonal Ministers of Finance (Swiss)	A	
26	Malta – National Audit Office (MNAO)	A	
29	France – Jean Bernard Mattret	C	
30	Mohamed Osman Medani & Co (MOMC)	A	

**ASPECIFIC MATTER FOR COMMENT IPSAS 12, Question 2**

It is proposed that biological assets related to agricultural activity and agricultural produce at the point of harvest that are accounted for in accordance with the relevant international or national accounting standard dealing with agriculture are excluded from the scope of the proposed IPSAS 12.

Do you agree with this exclusion (see paragraph 2(c))?

Agree	A	13
Disagree	B	0
No clear view expressed	C	3
<b>TOTAL</b>		<b>16</b>

	<b>NAME</b>	<b>VIEW</b>	<b>COMMENT</b>
1	Australian Accounting Standards Board Staff (AASB)	A	
5	Indonesian Institute of Accountants (IIA)	C	
6	Italy – CNDC & CNR	A	CNDC & CNR believe that agricultural products should be measured at their fair value.
7	Japanese Institute of CPAs (JICPA)	A	
9	Institute of Cost and Management Accountants of Pakistan	A	
10	South Africa – ASB & SAICA	A	
11	South Africa – IPFA	A	
12	Sweden – FAR	A	
17	Canada – Treasury Board Secretariat (CTBS)	A	
19	France – Ministry of Economy, Finance and Industry (MEFI)	A	
20	New Zealand – The Treasury	A	

22	Sweden – National Financial Management Authority	C	
24	Switzerland – Zurich University of Applied Sciences Institute for Public Management on behalf of the Swiss Federal office of Finance and the Conference of Cantonal Ministers of Finance (Swiss)	A	
26	Malta – National Audit Office (MNAO)	A	
29	France – Jean Bernard Mattret	C	
30	Mohamed Osman Medani & Co (MOMC)	A	

**SPECIFIC MATTER FOR COMMENT IPSAS 13, Question 1**

Do you agree that IPSAS 13 should be revised as proposed to converge with the equivalent IAS 17 (December 2003)?

Agree	A	14
Disagree	B	0
No clear view expressed	C	2
<b>TOTAL</b>		<b>16</b>

	<b>NAME</b>	<b>VIEW</b>	<b>COMMENT</b>
1	Australian Accounting Standards Board Staff (AASB)	A	
5	Indonesian Institute of Accountants (IIA)	A	
6	Italy – CNDC & CNR	A	
7	Japanese Institute of CPAs (JICPA)	A	
9	Institute of Cost and Management Accountants of Pakistan	A	
10	South Africa – ASB & SAICA	A	
11	South Africa – IPFA	A	
12	Sweden – FAR	A	
17	Canada – Treasury Board Secretariat (CTBS)	A	
19	France – Ministry of Economy, Finance and Industry (MEFI)	A	
20	New Zealand – The Treasury	A	

22	Sweden – National Financial Management Authority	C	
24	Switzerland – Zurich University of Applied Sciences Institute for Public Management on behalf of the Swiss Federal office of Finance and the Conference of Cantonal Ministers of Finance (Swiss)	A	The Swiss ad-hoc committee agree to all the proposed changes except to the classification of leases of land and buildings. It is very difficult to separate the lease of land and buildings in the Swiss jurisdiction, because lease contracts do not make this distinction. Contract information is therefore unavailable and all the necessary information would have to be based on special estimates. The additional cost would far exceed the additional benefit.
26	Malta – National Audit Office (MNAO)	A	
29	France – Jean Bernard Mattret	C	
30	Mohamed Osman Medani & Co (MOMC)	A	

**SPECIFIC MATTER FOR COMMENT IPSAS 13, Question 2**

The proposed IPSAS 13 should not be applied as the basis of measurement for biological assets held by lessees under finance leases and biological assets provided by lessors under operating leases that are accounted for in accordance with the relevant international or national accounting standard dealing with agriculture. Do you agree with these exclusions (see paragraph 2(c) and (d))?

Agree	A	13
Disagree	B	0
No clear view expressed	C	3
<b>TOTAL</b>		<b>16</b>

	<b>NAME</b>	<b>VIEW</b>	<b>COMMENT</b>
1	Australian Accounting Standards Board Staff (AASB)	A	If the summary of main changes is retained, recommend the phrase “which is normally at the commencement of the lease term” be added to the last bullet point.
5	Indonesian Institute of Accountants (IIA)	C	
6	Italy – CNDC & CNR	A	The current version of IPSAS 13 lacks the comparative information required by IAS 17.
7	Japanese Institute of CPAs (JICPA)	A	
9	Institute of Cost and Management Accountants of Pakistan	A	
10	South Africa – ASB & SAICA	A	
11	South Africa – IPFA	A	
12	Sweden – FAR	A	
17	Canada – Treasury Board Secretariat (CTBS)	A	
19	France – Ministry of Economy, Finance and Industry (MEFI)	A	
20	New Zealand – The Treasury	A	

22	Sweden – National Financial Management Authority	C	
24	Switzerland – Zurich University of Applied Sciences Institute for Public Management on behalf of the Swiss Federal office of Finance and the Conference of Cantonal Ministers of Finance (Swiss)	A	
26	Malta – National Audit Office (MNAO)	A	
29	France – Jean Bernard Mattret	C	
30	Mohamed Osman Medani & Co (MOMC)	A	

**SPECIFIC MATTER FOR COMMENT IPSAS 14, Question 1**

Do you agree that IPSAS 14 should be revised as proposed to converge with the equivalent IAS 10 (December 2003)?

Agree	A	13
Disagree	B	1
No clear view expressed	C	2
<b>TOTAL</b>		<b>16</b>

	<b>NAME</b>	<b>VIEW</b>	<b>COMMENT</b>
1	Australian Accounting Standards Board Staff (AASB)	A	
5	Indonesian Institute of Accountants (IIA)	B	There is no dividend or distribution to owners in government/public sector in Indonesia.
6	Italy – CNDC & CNR	A	
7	Japanese Institute of CPAs (JICPA)	A	Suggest that paragraph 30 (second line) be amended: “economic decisions of users” should be changed to “decisions or assessments of users” consistent with the definition of “material” in IPSAS 1.
9	Institute of Cost and Management Accountants of Pakistan	A	
10	South Africa – ASB & SAICA	A	
11	South Africa – IPFA	A	
12	Sweden – FAR	A	
17	Canada – Treasury Board Secretariat (CTBS)	A	
19	France – Ministry of Economy, Finance and Industry (MEFI)	A	
20	New Zealand – The Treasury	A	

22	Sweden – National Financial Management Authority	C	
24	Switzerland – Zurich University of Applied Sciences Institute for Public Management on behalf of the Swiss Federal office of Finance and the Conference of Cantonal Ministers of Finance (Swiss)	A	
26	Malta – National Audit Office (MNAO)	A	
29	France – Jean Bernard Mattret	C	
30	Mohamed Osman Medani & Co (MOMC)	A	

**SPECIFIC MATTER FOR COMMENT IPSAS 16, Question 1**

Do you agree that IPSAS 16 should be revised as proposed to converge with the equivalent IAS 40 (December 2003)?

Agree	A	15
Disagree	B	0
No clear view expressed	C	1
<b>TOTAL</b>		<b>16</b>

	<b>NAME</b>	<b>VIEW</b>	<b>COMMENT</b>
1	Australian Accounting Standards Board Staff (AASB)	A	
5	Indonesian Institute of Accountants (IIA)	A	
6	Italy – CNDC & CNR	A	
7	Japanese Institute of CPAs (JICPA)	A	
9	Institute of Cost and Management Accountants of Pakistan	A	
10	South Africa – ASB & SAICA	A	
11	South Africa – IPFA	A	
12	Sweden – FAR	A	
17	Canada – Treasury Board Secretariat (CTBS)	A	However, CTBS disagrees with the concept that if a property interest held by a lessee under an operating lease is classified as an investment property, and therefore accounted for at fair value, that the result is that the entire investment portfolio is accounted for at fair value. CTBS agrees that there should be consistency in the investment portfolio, either all at cost or fair value. CTBS is of the view that the requirements of paragraph 43 are unnecessary.

19	France – Ministry of Economy, Finance and Industry (MEFI)	A	
20	New Zealand – The Treasury	A	
22	Sweden – National Financial Management Authority	A	
24	Switzerland – Zurich University of Applied Sciences Institute for Public Management on behalf of the Swiss Federal office of Finance and the Conference of Cantonal Ministers of Finance (Swiss)	A	Some members of the Swiss ad-hoc committee would like to point out that in the Swiss jurisdiction the economic concept of accounting for property interests held by a lessee as an investment property is in clear contradiction to the legal concept, which makes a distinction between possession and ownership. The ad-hoc committee members would invite the IPSASB to take this distinction , which’s more important in countries with a jurisdiction based on Roman Law, into consideration when developing the final IPSAS.
26	Malta – National Audit Office (MNAO)	A	
29	France – Jean Bernard Mattret	C	
30	Mohamed Osman Medani & Co (MOMC)	A	

**SPECIFIC MATTER FOR COMMENT IPSAS 17, Question 1**

Do you agree that IPSAS 17 should be revised as proposed to converge with the equivalent IAS 16 (December 2003)?

Agree	A	16
Disagree	B	0
No clear view expressed	C	0
<b>TOTAL</b>		<b>16</b>

	<b>NAME</b>	<b>VIEW</b>	<b>COMMENT</b>
1	Australian Accounting Standards Board Staff (AASB)	A	
5	Indonesian Institute of Accountants (IIA)	A	
6	Italy – CNDC & CNR	A	
7	Japanese Institute of CPAs (JICPA)	A	
9	Institute of Cost and Management Accountants of Pakistan	A	
10	South Africa – ASB & SAICA	A	
11	South Africa – IPFA	A	
12	Sweden – FAR	A	
17	Canada – Treasury Board Secretariat (CTBS)	A	CTBS disagrees with the definition of residual value as the current amount to obtain an asset of the age expected at disposal – this seems to bring even more subjectivity into the value than estimating the worth at the end of its useful life. CTBS also disagrees that the cost of major inspections should be capitalized, and related costs to previous inspections derecognized. Normal recurring inspections are more in the nature of maintenance, to be expensed as incurred.

19	France – Ministry of Economy, Finance and Industry (MEFI)	A	
20	New Zealand – The Treasury	A	
22	Sweden – National Financial Management Authority	A	
24	Switzerland – Zurich University of Applied Sciences Institute for Public Management on behalf of the Swiss Federal office of Finance and the Conference of Cantonal Ministers of Finance (Swiss)	A	
26	Malta – National Audit Office (MNAO)	A	
29	France – Jean Bernard Mattret	A	
30	Mohamed Osman Medani & Co (MOMC)	A	

**SPECIFIC MATTER FOR COMMENT IPSAS 17, Question 2**

Do you agree with the inclusion of Implementation Guidance 1 on the frequency of revaluation of property, plant and equipment in the proposed IPSAS 17 (see paragraph 49 and Implementation Guidance 1)?

Agree	A	14
Disagree	B	1
No clear view expressed	C	1
<b>TOTAL</b>		<b>16</b>

	<b>NAME</b>	<b>VIEW</b>	<b>COMMENT</b>
1	Australian Accounting Standards Board Staff (AASB)	A	
5	Indonesian Institute of Accountants (IIA)	A	
6	Italy – CNDC & CNR	A	The Implementation Guidance should include further examples of specific interest to the public sector, referring especially to those sources that may determine potential value loss, such as the impact of political trends and the necessity of maintaining current levels of employment.
7	Japanese Institute of CPAs (JICPA)	A	
9	Institute of Cost and Management Accountants of Pakistan	A	
10	South Africa – ASB & SAICA	A	ASB & SAICA are of the view that the issue of implementation guidance goes beyond the scope of the projects as BC1 states that the IPSASB's policy is to converge the accrual basis IPSASs with the IFRSs. The implementation guidance is useful, therefore the Basis for Conclusions should be expanded to explain the inclusion of the implementation guidance.
11	South Africa – IPFA	A	
12	Sweden – FAR	A	
17	Canada – Treasury Board Secretariat (CTBS)	A	

19	France – Ministry of Economy, Finance and Industry (MEFI)	A	
20	New Zealand – The Treasury	B	NZ Treasury oppose the inclusion of this implementation guidance as it is not part of the convergence with the IFRSs.
22	Sweden – National Financial Management Authority	C	
24	Switzerland – Zurich University of Applied Sciences Institute for Public Management on behalf of the Swiss Federal office of Finance and the Conference of Cantonal Ministers of Finance (Swiss)	A	
26	Malta – National Audit Office (MNAO)	A	
29	France – Jean Bernard Mattret	A	
30	Mohamed Osman Medani & Co (MOMC)	A	

**SPECIFIC MATTER FOR COMMENT IPSAS 17, Question 3**

Do you agree that it is appropriate to require public sector entities to depreciate separately each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item (see paragraphs 59 – 61)?

Agree	A	14
Disagree	B	1
No clear view expressed	C	1
<b>TOTAL</b>		<b>16</b>

	<b>NAME</b>	<b>VIEW</b>	<b>COMMENT</b>
1	Australian Accounting Standards Board Staff (AASB)	A	
5	Indonesian Institute of Accountants (IIA)	C	
6	Italy – CNDC & CNR	A	
7	Japanese Institute of CPAs (JICPA)	A	
9	Institute of Cost and Management Accountants of Pakistan	A	
10	South Africa – ASB & SAICA	A	
11	South Africa – IPFA	A	
12	Sweden – FAR	A	
17	Canada – Treasury Board Secretariat (CTBS)	A	There may be major practical issues with separating out the components of an item.
19	France – Ministry of Economy, Finance and Industry (MEFI)	A	Distinguishing components should be an option not an obligation: the cost of this information is not well known in a large number of situations (heavy military assets, roads, airplanes) and the application of this provision should be related to deeper professional analysis.
20	New Zealand – The Treasury	A	

22	Sweden – National Financial Management Authority	A	NFMA is not convinced that the cost of distinguishing an item into component parts is worth the benefits gained, particularly by small agencies. This method should only be used by entities that have major investments in property, plant and equipment.
24	Switzerland – Zurich University of Applied Sciences Institute for Public Management on behalf of the Swiss Federal office of Finance and the Conference of Cantonal Ministers of Finance (Swiss)		
26	Malta – National Audit Office (MNAO)	A	
29	France – Jean Bernard Mattret	A	
30	Mohamed Osman Medani & Co (MOMC)	B	MOMC does not agree that it is appropriate to require public sector entities to depreciate separately each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item. Difficulties will be faced in recording and monitoring each of these detailed parts.

### **Additional Comments**

#### **29. Jean-Bernard Mattret**

The chart on reconciliations (Implementation Guidance) contains arithmetic errors and needs to be modified.

#### **Others**

The respondents listed below provided detailed additional comments which cannot be easily summarized without distorting their intent. Please refer to their comment letters:

- South Africa – ASB & SAICA
- South Africa – IPFA
- Switzerland – Swiss ad-hoc committee