



**JUNTA DE DECANOS DE  
COLEGIOS DE CONTADORES  
PÚBLICOS DEL PERÚ**

MIEMBROS  
DE:



**LETTER N°679 -2024-JDCCPP/CD.**

*Lima, Dec 10, 2024*

**MR. IAN CARRUTHERS**

**Chairman,**

*International Public Sector Accounting Standards Board IPSASB,  
The International Federation of Accountants,  
277 Wellington Street West,  
Toronto, Ontario M5V 3H2 CANADA*

**Re: Comments on the ED 91**

*Dear Ian Carruthers,*

*Receive a cordial greeting and thanks for the support of the IPSASB. We are pleased to provide comments on the “ED 91, Limited-scope Updates to First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSAS)” issued by the International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC). Our comments on the aforementioned Exposure Draft are attached to this letter.*

*If you need any additional clarification, do not hesitate to contact us through the email [jaranibar@mef.gob.pe](mailto:jaranibar@mef.gob.pe) with Prof. Juan Francisco Aranibar Romero, Chair of the Government Accounting and International Public Sector Accounting Standards National Technical Committee of our represented Board of Deans of Colleges of Public Accountants of Peru.*

*Thanking you,*

*Yours sincerely,*



*Teodosio Paulino Ramírez Chávez*

**Teodosio Paulino Ramírez Chávez**  
Chair  
Board of Deans of Colleges of  
Public Accountants of Peru



*Helmer Gregorio Rivas Benites*

**Helmer Gregorio Rivas Benites**  
Secretary  
Board of Deans of Colleges of  
Public Accountants of Peru

[www.jdccpp.org.pe](http://www.jdccpp.org.pe)

Jr. Emilio Althaus N° 374 Lince, Lima – Perú  
T: (51)949 349 015 – E-mail: [juntadecanos@jdccpp.org.pe](mailto:juntadecanos@jdccpp.org.pe)



***Comments on the ED 91  
Limited-scope Updates to First-time Adoption of Accrual Basis  
International Public Sector Accounting Standards (IPSAS)  
(Amendments to IPSAS 33)***

***Specific Matter for Comment 1***

*The IPSASB agreed to undertake this limited scope project to address stakeholder concerns in the application of IPSAS 33, to improve its effectiveness and user-friendliness. In response, the IPSASB propose to amend IPSAS 33 as follows:*

- (a) To revise authoritative text and Basis for Conclusions by rearranging the guidance by topic;*
- (b) To revise guidance to improve understandability and reduce duplication;*
- (c) To revise relevant guidance to encourage the first-time adopter to apply IPSAS incrementally and as soon as possible by emphasizing the choice to elect to apply or not apply the available exemptions;*
- (d) To add non-authoritative guidance (particularly under implementation guidance) to support the understanding and application of IPSAS 33; and (e) To add non-authoritative guidance on the pre-adoption planning and preparation phase of the transition to accrual basis IPSAS.*

*Do you agree with the proposed amendments? If not, please explain your reasons.*

***Opinion:***

*We agree with the proposed amendments.*

***Considerations:***

***(a) Authorized text and the Basis for Conclusions reorganized by topic***

*Organizing the content by topics provides a more comprehensible structure, benefiting users by offering clarity in the interpretation of standards and facilitating more structured access to information. This improvement enhances the usability and understanding of the standards for adopters. Additionally, it is crucial to retain paragraph FC15, which defines the term "attributed cost" present in IPSAS 46, Measurement. Notably, IPSAS 46 removed this definition from IPSAS 33. However,*



*given the importance of attributed cost in the exemptions under IPSAS 33 and the fact that IPSAS 33 precedes IPSAS 46, the IPSASB decided to reintegrate the definition into IPSAS 33, aligning it with IPSAS 46.*

**(b) Guidance to enhance understanding and reduce duplication**

*Reducing redundancy is essential to improve the efficiency of the guidance, eliminating confusion, and ensuring that users do not encounter repetitive information. Revising the guidance also aims to promote faster adoption of exemptions by addressing delays in the recognition and measurement of essential elements.*

**(c) Gradual implementation as soon as possible, emphasizing the option to apply or not the available exemptions**

*Allowing gradual implementation and emphasizing the choice to apply exemptions is a practical measure, especially for jurisdictions with limited resources or facing significant challenges in their transition to IPSAS. This approach encourages early adoption without compromising compliance. Additionally, it is recommended that paragraph B.2 on the transition period specify that adopting entities may consider a preparatory period longer than the standard three-year transition period.*

**(d) Non-authoritative guidance (particularly within the implementation guidance framework) to support the understanding and application of IPSAS 33**

*Including non-authoritative guidance focused on implementation and pre-planning is an excellent strategy to facilitate the initial adoption of the standards. This provides practical support to entities, helping them address specific issues and properly plan their transition. Specific guidelines for the gradual implementation of IPSAS 33 are recommended to improve accountability and support decision-making based on reliable financial information. This approach should begin with a preparatory stage that includes awareness-building on the standards, as well as cleanup and adjustment processes to verify and correct balances of assets and liabilities.*

**(e) Non-authoritative guidance on the planning and preparatory phase before adopting accrual-based IPSAS**

*These proposals directly address adopters' needs in terms of ease of use and the effectiveness of IPSAS 33, representing a balanced response by the IPSASB. Additionally, administrative guidelines should be included to direct the cleanup and reconciliation processes, ensuring a solid starting point for the transition to IPSAS.*



*The process of cleanup and reconciliation involves activities aimed at identifying the actual existence of an entity's assets and liabilities, ensuring their proper measurement so that financial statements comply with the principles of relevance and faithful representation. This includes eliminating book values that do not meet recognition criteria, incorporating those that do, and reclassifying accounts based on their nature. Key stages include balance identification, data collection, analysis and evaluation, decision-making, and preserving the results obtained.*

<b>Items</b>	<b>Description</b>
<i>Identification of accounting accounts</i>	<i>Determining each accounting account subject to cleanup to confirm the existence and validity of balances. This identification will be documented in cleanup and reconciliation records.</i>
<i>Data collection</i>	<p><i>Gathering sufficient documentary evidence to support the cleanup and reconciliation process. This results in the preparation of a cleanup and reconciliation file, which involves the following actions:</i></p> <p><b><i>Level 1 actions:</i></b> <i>General actions to search for information about balances, including an exhaustive review of supporting documents, both internal and external, in physical and digital formats.</i></p> <p><b><i>Level 2 actions:</i></b> <i>Complementary actions to address the lack of supporting documentation, including procedures to locate, reconstruct, substitute, or replace missing documents.</i></p> <p><b><i>Level 3 actions:</i></b> <i>Extraordinary actions when documentation cannot be obtained through Levels 1 and 2. These include preparing reports supported by technical, legal, or administrative arguments in the absence of accounting records.</i></p>
<i>Analysis and evaluation</i>	<i>Reviewing documentary evidence and analyzing technical proposals. This includes administrative and legal procedures, where applicable, to conduct the necessary registrations for cleanup and reconciliation.</i>



**Conclusion:**

*Organizing guidance by topic, reducing duplications, and enabling gradual implementation provide a structured and accessible framework for adopters, particularly those with limited resources. Moreover, incorporating non-authoritative guidance and preparatory and cleanup directives offers practical tools to ensure an efficient transition and enhance transparency in public resource management.*

*Finally, emphasizing cleanup and reconciliation processes reinforces the relevance and faithful representation of financial statements, guaranteeing a robust foundation for adopting IPSAS and promoting clear and effective accountability.*

**Specific Matter for Comment 2**

*The definition of “deemed cost” was previously deleted from the IPSAS 33 as a consequential amendment through IPSAS 46, Measurement. The IPSASB agreed that the definition of “deemed cost” is important for the understanding of the exemptions in the Standard relating to the use of deemed cost, and therefore propose to include a copy of the IPSAS 46 definition of deemed cost in IPSAS 33.*

*Do you agree with the inclusion of the definition of “deemed cost”? If not, please explain your reasons.*

**Opinion:**

*We agree with the inclusion of the definition of "deemed cost" in IPSAS 33.*

**Considerations:**

**(a) Conceptual coherence:**

*The definition of "attributed cost" is key to understanding the exemptions related to this concept, such as the initial measurement of assets in transition processes. Its reintegration strengthens regulatory clarity and ensures alignment between IPSAS 33 and IPSAS 46.*

**(b) Support for early adopters:**

*Early adopters often face challenges in interpreting technical terms. Having this definition within the standard provides a direct reference, reducing the need to consult other IPSASs and facilitating the adoption of the standards.*



**(c) Prevention of regulatory gaps:**

*The prior removal of this definition could have caused confusion among users. Its reintegration ensures there are no ambiguities when applying the exemptions related to the concept of "attributed cost."*

**Conclusion:**

*The reintegration of the definition of "attributed cost" into IPSAS 33 is an essential measure that strengthens conceptual coherence between standards, facilitates technical interpretation for early adopters, and prevents confusion or regulatory gaps. This decision ensures a clearer and more effective transition to IPSAS, improving both the understanding and practical application of the exemptions related to this concept.*

**Recommendations:**

- It is proposed that the future standard include guidelines with illustrative examples to demonstrate its applicability, particularly in determining the attributed cost of property, plant, and equipment assets. These examples should cover specific cases related to buildings and structures, especially when reliable supporting documentation for historical cost is lacking.*
- To ensure the feasibility of the adoption process, it is suggested to include a cost-benefit analysis that allows adopting entities to forecast and allocate the necessary financial resources within their government budget frameworks. Additionally, it is crucial to strengthen internal control systems, facilitating efficient implementation and ensuring compliance with regulatory objectives.*
- It is imperative to promote scientific research that documents and systematizes best practices in the implementation of IPSAS. This effort should consider the particularities of subnational governments, where significant variations in adoption levels have been observed, with the goal of promoting more homogeneous and efficient application.*



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*Finally, we request that the aforementioned considerations be evaluated in a way that aligns with the specific needs of the public sector.*

*Sincerely*

**Juan Francisco Aranibar Romero**

*Chair*

*Government Accounting and International Public Sector  
Accounting Standards National Technical Committee  
Board of Deans of Colleges of Public  
Accountants of Peru*

#### **National Technical Committee**

JUAN FRANCISCO MARTIN ARANIBAR ROMERO  
ROSALIN SOLEDAD HUAMAN PORTAL  
JHON MILNER GAMBOA LOPEZ  
JUAN CARLOS CAMPOS ALBORNOZ  
NELSON PRISCILO RAMIREZ URBINA  
JOSE ALBERTO CHOCANO FIGUEROA

#### **Government Accounting and IPSAS Team**

(Tacna)	Chair
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(Cajamarca)	Member
(Huánuco)	Member
(La Libertad)	Member
(Ucayali)	Member

