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E-mail to: [StephenieFox@ifac.org](mailto:StephenieFox@ifac.org)

30 July 2013

Ref.: PSC/AKI/TSI/SRO

Dear Ms Fox,

**Re: IPSASB Exposure Draft 4: Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Presentation in General Purpose Financial Reports**

FEE (the Federation of European Accountants) is pleased to provide you below with its comments on IPSASB Exposure Draft 4: Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Presentation in General Purpose Financial Reports (“ED”).

FEE strongly supports the Board’s intention to finalise the Conceptual Framework with a high priority. This is particularly important since the development of the existing standards and many proposals for future standards depend on its finalisation.

We also support the Board’s intention to maintain the alignment of IPSASs with IFRSs on matters which are common to both to private and public sectors. However, as rightly pointed out by the Board, the development of the *Conceptual Framework* should not be an IFRS convergence project.

We agree with the concepts that are set out in the ED for the presentation of information in the GPFRs. In particular:

- We agree with the proposed descriptions of “presentation”, “display”, and “disclosure” and the relationships between them in Section 1 (Specific Matter for Comment 1).
- We agree with the identification of three presentation decisions (selection, location and organisation) in section 1 (Specific Matter for Comment 2).
- We agree with the proposed approach to making presentation decisions in Section 1 (Specific Matter for Comment 3).
- We agree with the description of information selection in Section 2, both in the financial statements and in other GPFRs (Specific Matter for Comment 4).

- We agree with the description of information location in Section 3 (Specific Matter for Comment 5).
- We agree with the description of information organisation in Section 4 (Specific Matter for Comment 6).
- We consider that the ED contains sufficient detail on concepts applicable to presentation in GPFRs, including the financial statements, of governments and other public sector entities (Specific Matter for Comment 7). We particularly welcome the simplification of the concepts in the ED compared to the Consultation Paper, and the removal of the distinction between core and supporting information.

However, we would like to draw the Board's attention to the current trends of an increasing length and complexity of the financial statements taking place in the private sector. The information overload, particularly in the notes to the financial statements, has many times decreased the usefulness of the information, and obscured important and key disclosures from the eyes of the users.

Against the trend of ever more disclosures, there have been several attempts to address these issues whilst increasing the quality and focus of the information disclosed. For instance, the IASB has put the Conceptual Framework project back on the agenda and considers the development of a disclosure framework on its own. Therefore, we welcome the IPSASB's approach to information selection, which recognises that too much information may make it difficult for users to understand the overall situation, and undermine achievement of the objectives of financial reporting. We also encourage the IPSASB to review the disclosures in its existing standards in the light of this approach.

For further information on this letter, please contact Petra Weymueller, Senior Manager from the FEE Secretariat, on +32 2 285 40 75 or via e-mail at [petra.weymuller@fee.be](mailto:petra.weymuller@fee.be).

Yours sincerely,



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