



## CONSELHO FEDERAL DE CONTABILIDADE

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May 31, 2012

The Technical Director  
International Public Sector Accounting Standards Board  
International Federation of Accountants  
277 Wellington Street West, 6th Floor  
Toronto, Ontario M5V 3H2  
Canada

**RE: Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Presentation in General Purpose Financial Reports**

Dear IPSASB Members,

**Conselho Federal de Contabilidade - CFC** welcomes the opportunity to help you in defining the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities.

This letter summarizes the issues identified in our research, which was based on collection of initial views from our local Public Sector Accounting Standards Working Group, composed by many regulator and stakeholder members.

If you have any questions about our comments, please contact Mrs. Verônica Souto Maior, CFC Technical Vice-President, and coordinator of the Public Sector Accounting Standards Working Group.

Yours sincerely,

**Juarez Domingues Carneiro**  
President of CFC



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### Guide for Respondents

The IPSASB welcomes comments on all of the matters discussed in this CP. Comments are most helpful if they indicate the specific paragraph or group of paragraphs to which they relate, and contain a clear rationale, including reasons for agreeing or disagreeing. If you disagree, please provide alternative proposals.

The Specific Matters for Comment requested in the CP are provided below.

#### **Specific Matter for Comment 1** (See paragraphs 2.1 to 2.18)

With respect to the descriptions of —presentation||, —display||, —disclosure||, —core information||, and —supporting information||, and the proposed relationships between these terms:

(a) Do you agree that the proposed descriptions and relationships are appropriate and adequate?

**We agree in part. In fact, the concepts of "core information" and "support information" should be better defined and exemplified. The alternative view presented on section 2.19 is better.**

(b) Do you agree that identification of core and supporting information for GPFRs should be made at a standards level rather than as part of the Conceptual Framework?

**The identification should be part of the conceptual framework. The standards should contain specific guidance for their statements, in harmony with the general guidelines of the conceptual framework. We suggest that the definition of core or support information should be made on Conceptual Framework.**

#### **Specific Matter for Comment 2** (See paragraphs 3.1 to 3.12)

With respect to the IPSASB's approach to presentation of information:

(a) Do you agree with the development of presentation concepts that can be adopted for the more comprehensive scope of GPFRs including, but not restricted to, financial statements?

**Yes, because the financial statements and supplementary information of each country may not be restricted to those required by IPSAS. In the Brazilian public sector, other information is required from public agencies (primarily by control agencies, major users of accounting information).**

(b) Do you agree with the approach of (i) focusing on user needs to identify presentation objectives, (ii) application of the qualitative characteristics (QCs) to presentation decisions, and (iii) separate presentation concepts?

**Yes.**

#### **Specific Matter for Comment 3** (See paragraphs 4.1 to 4.5)

This CP discusses the importance of developing presentation objectives as part of standard setting.

(a) Do you agree that presentation objectives should be developed?

**We agree, because it prevents dispersion on statements' creation.**



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(b) If so, in your view, should they be developed at a standards level, or as part of the Conceptual Framework?

**The goals should be developed in general and exemplary form on Conceptual Framework. The standards must develop specific goals for their financial statements in harmony with the overall goals of the Conceptual Framework.**

### **Specific Matter for Comment 4** (See paragraphs 6.1 to 6.27)

This CP proposes three presentation concepts. Please provide your views on these concepts, in particular whether:

(a) Any of these concepts should be excluded from the Conceptual Framework; and

**No, the concepts are good selected.**

(b) The description of each concept could be improved and, if so, indicate how.

**The terms "location" and "organization" are confused regarding to Item 6.13 (c) "link different items of information that contribute together towards achievement of a particular user need or presentation objective", and 6.19 "linking related information helps users to find information important for faithful representation, understandability, and verifiability". The terms "core information" and "support" also appear in the two settings. There is need to clarify what is to "locate" and "organize" for these two types of information.**

### **Specific Matter for Comment 5** (See paragraphs 6.1 to 6.27)

In addition to the three concepts proposed in Section 6, please provide your views on:

(a) Whether there are further concepts that should be included in the Conceptual Framework; and

**The concept of presentation "select" includes aspects of meeting the needs of users, cost-benefit and opportunity. Another aspect is legislation that requires the submission of certain information or support financial statements. The component of legality is very strong in some countries and it influences the selection process.**

(b) What those further concepts should be.

**To attend the requirements of legislation and local regulations.**

### **Specific Matter for Comment 6** (See paragraphs 6.12, 6.17, 6.24, and 6.27)

Each presentation concept refers to the possibility of developing criteria to determine the presentation techniques to be used in setting accounting standards. Please provide:

(a) Your views on whether it would be useful and workable for the IPSASB to apply such techniques; and

**The presentation techniques help on degree of compliance and standardization of the information displayed and disclosed, and should be treated by IPSAB in a more exemplary and illustrative form.**

(b) Any suggestions you have for developing these techniques.

**No suggestions.**