

October 24, 2021

Ross Smith
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International Public Sector Accounting Standards Board
227 Wellington Street
West Toronto, ON M5V 3H2
Canada

Dear Sir/Madam,

COMMENTS ON INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD (IPSASB) EXPOSURE DRAFTS (ED) 78 – PROPERTY, PLANT AND EQUIPMENT

The Financial Reporting Council of Nigeria (FRC) hereby avails its input alongside its constituents in Nigeria on the IPSASB Exposure Drafts (ED) 78.

In view of the responses received from the constituents in Nigeria, the Council wishes to comment on the exposure draft (ED 78) as hereunder:

Specific Matter for Comment 1:

The IPSASB decided to propose an improvement to the existing requirements in IPSAS 17-ED 78 by relocating generic measurement guidance to ED 77 (see paragraphs 21–25) and adding guidance for accounting for heritage assets and infrastructure (see paragraphs BC10–BC12)

Do you agree with the proposed restructuring of IPSAS 17 within ED 78 (see paragraphs BC1– BC60)? If not, please explain your reasons.

Our response:

We agree with the proposed restructuring of IPSAS 17 within ED 78 for the public sector. The restructuring also gives room for more guidance on heritage assets and infrastructure assets.

Specific Matter for Comment 2:

The IPSASB decided to propose an option of measuring a class of PPE either at current operational value or fair value for entities that chooses the current value model as their its accounting policy (see ED29– ED30). — —

Do you agree with the IPSASB's decision? If not, please explain your reasons.

Our response:

We agree with the IPSASB's decision to include the option to choose between current operational value or fair value for entities that uses the current value model accounting policy.

Specific Matter for Comment 3:

The IPSASB seeks to enquire if there are other additional characteristics of heritage assets that have not been included in the application guidance section of ED 78 but presents complexities in practice (see Application Guidance AG3). —

Please explain your reasons. Clearly stating any additional characteristics not already discussed in the Application Guidance.

Our response:

We are not aware of any additional characteristics of heritage asset in practice and as such we agree with the characteristics already listed in the application guidance section AG3 of ED 78 on heritage assets.

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Specific Matter for Comment 4:

The IPSASB seeks to enquire if there are other additional characteristics of infrastructure assets that have not been included in the application guidance section of ED 78 but presents complexities in practice (see Application Guidance AG5).

Please explain your reasons. Clearly stating any additional characteristics not already discussed in the Application Guidance.

Our response:

We are not aware of any additional characteristics of infrastructure asset in practice and as such we agree with the characteristics already listed in the application guidance section AG5 of ED 78 on infrastructure assets.

Specific Matter for Comment 5:

The IPSASB decided to propose required disclosures in respect of heritage property, plant and equipment that is not recognized in the financial statement because at initial measurement, its cost or current value cannot be reliably measured. (see Application Guidance AG44-AG45).

Do you agree with the IPSASB's decision? If not, please explain your reasons clearly stating the most appropriate scope for the disclosure

Our response:

We agree with IPSASB's decision to propose required disclosures in respect of heritage property, plant and equipment that is not recognized in the financial statement because at initial measurement, its cost or current value cannot be reliably measured.

Specific Matter for Comment 6:

The IPSASB seeks to confirm if we agree with the implementation guidance developed in the exposure draft for heritage asset (see implementation guidance 1– 40).

Do you agree with the IPSASB's decision? If not, please explain your reasons stating clearly what changes are required to the IG on heritage assets.

Our response:

We agree with the IPSASB's implementation guidance developed in the exposure draft for heritage asset.

Specific Matter for Comment 7:

The IPSASB seeks to confirm if we agree with the implementation guidance developed in the exposure draft for Infrastructure assets (see implementation guidance 1– 40).



FINANCIAL REPORTING COUNCIL OF NIGERIA

Federal Ministry of Industry, Trade and Investment

Do you agree with the IPSASB's decision? If not, please explain your reasons stating clearly what changes are required to the IG on Infrastructure assets.

Our response:

We agree with the IPSASB's implementation guidance developed in the exposure draft for Infrastructure assets.

If you require any further information or clarification, do not hesitate to contact the Head, Directorate of Accounting Standards (Public Sector) on:
ioanyahara@financialreportingcouncil.gov.ng

Yours faithfully,

Iheanyi O. Anyahara, PhD
Head, Directorate of Accounting Standards – Public
For: Executive Secretary/CEO