

Our Ref: T/11

15 May 2019

The Technical Director,
International Public Sector Accounting Standards Board,
International Federation of Accountants,
277 Wellington Street,
Toronto, Ontario M5V 3H2,
CANADA.

Dear Sir/ Madam,

**EXPOSURE DRAFT 67, COLLECTIVE AND INDIVIDUAL SERVICES AND
EMERGENCY RELIEF (AMENDMENTS TO IPSAS 19)**

The Institute of Certified Public Accountants of Uganda (ICPAU) welcomes the opportunity to provide comments to **Exposure Draft 67, Collective and Individual Services and Emergency Relief (Amendments to IPSAS 19)**.

Our comments are provided in the attached Appendix.

We hope you will find our comments useful.

Yours sincerely,


CPA Derek Nkajja
SECRETARY / CEO

Appendix: Comments on Exposure Draft 67, Collective and Individual Services and Emergency Relief (Amendments to IPSAS 19).

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INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF UGANDA

EXPOSURE DRAFT 67, COLLECTIVE AND INDIVIDUAL SERVICES AND EMERGENCY RELIEF (AMENDMENTS TO IPSAS 19)

RESPONSES TO SPECIFIC MATTERS FOR COMMENT

Specific Matter for Comment 1:

Do you agree with the definitions of collective services and individual services that are included in this Exposure Draft?

Below are our concerns regarding the two definitions included in the ED;

- a) The definition of individual services includes provision of goods, but this is not captured in the terminology used. We suggest adding an explicit reference to goods in the terminology.
- b) The concept of 'addressing the needs of society as a whole' in the two definitions may be difficult to interpret. For example, individual services are provided to individuals and/or households (how does this address the needs of society as a whole?). We also know that collective and individual services do not necessarily benefit everyone equally.
- c) More examples would be welcome to illustrate the variety of these services (collective & individual), and their specific features to help distinguish them from social benefits.
- d) We also note the difficulties that would exist in practice to classify transactions, between collective or individual services; yet the accounting guidance proposed in the ED is the same and there are no specific presentation or disclosure requirements proposed that would require such classification. Simplifying the requirements by regrouping both types of expenses would facilitate implementation.

Specific Matter for Comment 2:

Do you agree that no provision should be recognized for collective services? If not, under what circumstances do you think a provision would arise?

We generally support the proposed accounting treatment for collective services.

Specific Matter for Comment 3:

Do you agree that no provision should be recognized for individual services? If not, under what circumstances do you think a provision would arise?

We considered the role the eligibility criteria would play in the guidance on whether a provision should be recognized or not for individual services. For instance, the

provision of free education services where eligibility criteria has to be met. In this case, government/ the public sector entity has a present obligation for as long as these individuals meet the eligibility criteria.

Specific Matter for Comment 4:

Do you agree with the proposed accounting for emergency relief? If not, how do you think emergency relief should be accounted for?

We generally agree with the proposed accounting treatment for emergency relief. However, further guidance in assessing whether or not a present obligation exists, and a provision is to be recognized or contingent liability disclosed should be included in the amendments.

Para. AG20 refers to 'government announcements' giving rise to a present obligation. We are not sure whether, government announcements across jurisdictions are enforceable and would entail the recognition of a liability. The Board may want to revise this.

GENERAL COMMENTS

This ED forms part of the Board's broader project to provide guidance on accounting for non-exchange expenses.

The Board issued IPSAS 42, Social Benefits narrowing its scope to cash transfers. This ED proposes guidance for non-cash transfers that are outside the scope of IPSAS 42, which is a welcome amendment.

It is our hope though that for purposes of enhancing consistency in application, the proposed amendments be looked at wholesomely for the entire project of accounting for non-exchange transactions.