14 September 2026

The International Public Sector Accounting Standards Board (IPSASB)
277 Wellington Street West
Toronto, ON M5V 3H2
Canada

RE: IPSASB CONSULTATION PAPER ON *PRESENTATION OF FINANCIAL STATEMENTS*

INTRODUCTION

1. The South African Institute of Chartered Accountants (SAICA) welcomes the opportunity to make submissions on the IPSASB's Consultation Paper on *Presentation of Financial Statements* (Consultation Paper).

2. SAICA is South Africa's pre-eminent accountancy body and is widely recognised as one of the world's leading accounting institutes. The Institute provides a wide range of support services to more than 64 000 members and associates who are chartered accountants [CAs(SA)], associate general accountants [AGAs(SA)] and accounting technicians [ATs(SA)] whom amongst them hold positions as chief executive officers, managing directors, board members, entrepreneurs, chief financial officers, internal and external auditors, risk officers and leaders in their respective spheres of operation.

3. Our work in the public sector goes beyond member support but also includes a significant focus on advocacy and capacity building to support and encourage an improvement in public finance management.

EXECUTIVE SUMMARY

4. SAICA broadly supports the IPSASB's initiative to develop a new IPSAS Standard to replace IPSAS 1, *Presentation of Financial Statements*, using IFRS 18 as an appropriate reference point where its principles are relevant and capable of being adapted to the public sector context.

5. SAICA agrees with certain of the IPSASB's preliminary views, including the retention of existing IPSAS 1 presentation requirements, the inclusion of appropriate definitions, the continued flexibility in the presentation of the Statement of Financial Position, the separate presentation of goodwill, and the proposed improvements to the Statement of Changes in Net Assets/Equity and disclosures in the notes.

6. While SAICA supports the overall direction of the Consultation Paper, SAICA emphasises that alignment with IFRS 18 should not be approached as a simple convergence exercise. The new IPSAS Standard should be developed through a public sector-focused assessment that appropriately reflects the objectives of public sector financial reporting, including accountability, fiscal sustainability, stewardship, service delivery and the use of public resources. In particular, SAICA recommends that the IPSASB carefully consider whether IFRS 18 concepts that are primarily designed for profit-oriented entities are suitable for application by public sector entities as defined in paragraph 4.1 of the Conceptual Framework for General Purpose Financial Reporting.

7. SAICA also raises specific concerns regarding the proposed requirement to present an additional Statement of Financial Position when comparative information has been materially affected by restatement or reclassification, as well as aspects of the proposed categorisation of revenue and expenses and the possible use of mixed presentation of expenses by nature and function. SAICA is of the view that these proposals may introduce additional complexity, judgement and reporting burden without necessarily improving the usefulness of financial statements. Accordingly, SAICA recommends that the IPSASB provide clear public sector-specific application guidance, supported by illustrative examples, where new presentation requirements are introduced.

OVERALL CONCLUSION

8. Overall, SAICA supports the IPSASB's objective of improving the presentation and communication effectiveness of public sector financial statements. However, SAICA encourages the IPSASB to ensure that the new IPSAS Standard replacing IPSAS 1 remains firmly grounded in the public sector context and does not result in automatic alignment with IFRS 18 where such alignment may not be necessary, proportionate or appropriate for public sector entities.

9. SAICA recommends that the IPSASB retain the public sector focus of IPSAS Standards by ensuring that any new or revised presentation requirements enhance transparency, accountability, comparability and decision-usefulness without imposing unnecessary complexity or reporting burden.

10. Our detailed comments relating to the specific matter for comment and the preliminary views are included in **Annexure A** of this letter.

11. SAICA would welcome the opportunity to engage further with the IPSASB on the matters raised and would be pleased to discuss our comments, if required. Please do not hesitate to contact Odwa Benxa at odwab@saica.co.za in this regard.

Kind regards,

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Milton Segal CA(SA)
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Chairperson: National Public Sector Committee

ANNEXURE A – COMMENTS ON PRELIMINARY VIEWS AND SPECIFIC MATTER FOR COMMENT

No.	Preliminary View/Specific Matter for Comment	SAICA Comments	Recommendation
1.	**Preliminary View 1—Chapter 1: Development of New Presentation Standard** The IPSASB's Preliminary View is that the development of a new IPSAS Standard to replace IPSAS 1, Presentation of Financial Statements should consider IFRS 18, Presentation and Disclosure in Financial Statements, with appropriate adaptations to reflect the objectives of financial reporting by public sector entities. Do you agree with the IPSASB's Preliminary View? If not, please provide your reasons and clearly explain what you consider should be changed in the development approach.	SAICA acknowledges that IPSAS Standards are generally developed with reference to equivalent IFRS Accounting Standards, where appropriate, to promote consistency between private and public sector financial reporting. SAICA further acknowledges that, in accordance with the IPSASB's standard-setting processes, IFRS Accounting Standards are adapted to reflect the public sector context. On this basis, SAICA agrees that IFRS 18 should be considered as an appropriate reference point in the development of the new IPSAS Standard replacing IPSAS 1. SAICA, however, cautions that any adaptation of IFRS 18 should be undertaken with careful and comprehensive consideration of the public sector context, to ensure that relevant public sector nuances are appropriately reflected. The IPSASB should therefore carefully assess whether concepts drawn from IFRS 18 are suitable for a public sector accountability environment. Unlike private sector entities, public sector entities exist primarily to deliver services and discharge accountability and stewardship responsibilities, rather than to generate profits. Accordingly, performance communication that is predominantly profit-oriented in the private sector may not always faithfully represent public sector activities, particularly where revenues arise from taxes, grants and other transfer arrangements. SAICA is of the view that any alignment with IFRS 18 should preserve the accountability of public sector entities for the stewardship and use of public resources, while maintaining comparability across diverse public sector entities. The adaptation of IFRS 18 should	SAICA recommends that the IPSASB ensure that the development of the new IPSAS 1 gives appropriate and comprehensive consideration to the public sector context. In particular, the Standard should not be developed in a manner that is predominantly profit-oriented, but should instead reflect the accountability and stewardship responsibilities of public sector entities in relation to the use of public resources, while maintaining comparability across diverse public sector entities. SAICA further recommends that the IPSASB monitor the implementation of IFRS 18 to identify any practical implementation issues that may arise for preparers, auditors and users of financial statements. Any such issues should be appropriately considered and factored into the development of the IFRS 18-aligned IPSAS Standard replacing IPSAS 1. This assessment should further consider jurisdictional capacity constraints and the additional capabilities required for the adoption of sustainability reporting standards, as overly onerous requirements may risk slowing or reversing the IPSAS adoption rate should it be found to be onerous.

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		therefore not be approached as a simple convergence exercise, but rather as a public sector-focused assessment of which principles would genuinely enhance transparency, accountability and decision-usefulness for users of public sector financial statements. SAICA further cautions that, as IFRS 18 is only effective for annual reporting periods beginning on or after 1 January 2027, the IPSASB may not yet have sufficient implementation experience to inform the development of the new IPSAS Standard replacing IPSAS 1. Consequently, practical implementation challenges arising from IFRS 18 may not be fully identified or appropriately reflected in the proposed IPSAS requirements. SAICA therefore recommends that the IPSASB monitor IFRS 18 implementation and take into account practical issues identified by preparers, auditors and users of financial statements when developing and finalising the new IPSAS 1. This assessment should also consider jurisdictional capacity constraints and the additional capabilities required for the adoption of sustainability reporting standards, as overly onerous requirements may risk slowing or reversing the IPSAS adoption rate should it be found to be onerous.	
2.	**Preliminary View 2—Chapter 2: General Presentation Requirements** The IPSASB's Preliminary View is to continue providing definitions on financial statement elements (aligned with the IPSASB Conceptual Framework and IFRS 18) in the new IPSAS Standard, and to provide other definitions that support the understanding and application of presentation requirements.	SAICA supports the inclusion of definitions drawn from the IPSASB Conceptual Framework and IFRS 18 that are not currently included in IPSAS 1, as these definitions would promote a clearer understanding of the presentation and disclosure requirements in the new IPSAS Standard replacing IPSAS 1. SAICA is of the view that such definitions would also support more consistent application by preparers of financial statements, provided that they are appropriately adapted to reflect the public sector context.	No further recommendations have been identified on this Preliminary View.

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	Do you agree with the IPSASB's Preliminary View? If not, please provide your reasons, and clearly explain what you consider should be changed from a public-sector perspective.		
3.	**Preliminary View 3—Chapter 2: General Presentation Requirements** The IPSASB's Preliminary View is to retain the existing requirements regarding comparative information, and to add the requirement for an additional Statement of Financial Position at the beginning of the preceding period when previously reported information has been materially impacted by a restatement or reclassification into IPSAS Standards, aligned with IFRS 18 requirements. Do you agree with the IPSASB's Preliminary View? If not, please provide your reasons and clearly explain what you consider should be changed from a public-sector perspective.	SAICA notes that IPSAS 3.33 and IPSAS 3.34 already require disclosure when an entity changes an accounting policy, whether on the initial application of a Standard or as a voluntary change in accounting policy. These requirements include disclosure of the amount of the adjustment for the current period and each prior period presented, to the extent practicable, for each financial statement line item affected, as well as the amount of the adjustment relating to periods before those presented, where practicable. The entity is also required to disclose the nature of the change in accounting policy. Similarly, SAICA notes that IPSAS 3.54 requires an entity to disclose prescribed information when correcting a material prior period error. These disclosures include the nature of the prior period error and, for each prior period presented, to the extent practicable, the amount of the correction for each financial statement line item affected, as well as the amount of the correction at the beginning of the earliest prior period presented. SAICA notes that IPSAS 1.55 already requires comparative amounts to be reclassified when the classification of items in the financial statements is amended, unless such reclassification is impracticable. The paragraph further requires disclosure of the nature of the reclassification, as well as the amount of each item or class of items reclassified in the financial statements. SAICA is of the view that the existing IPSAS requirements already provide users with appropriate information regarding	SAICA recommends that the IPSASB retain the existing requirements relating to comparative information and not introduce a requirement to present an additional Statement of Financial Position at the beginning of the preceding period where previously reported information has been materially affected by a restatement or reclassification. In SAICA's view, the existing requirements in IPSAS 1 and IPSAS 3 already provide an appropriate basis for users to understand the nature and effect of such changes without imposing an additional reporting requirement. SAICA further recommends that the IPSASB consider promoting the use of Recommended Practice Guideline 2, *Financial Statements Discussion and Analysis* (RPG 2), as a means of assisting users to understand an entity's financial position, financial performance and cash flows as presented in the financial statements. RPG 2 already encourages the presentation of relevant comparative information in financial statement discussion and analysis where such information is necessary to understand the current period analysis. This would enable entities to explain changes made to comparative information, including their effect on previously reported information, in a manner that is clear, contextual and useful to users.

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		changes made to previously reported information in the financial statements, including sufficient explanation of the nature, rationale and financial effect of such changes. In this regard, the disclosure requirements in IPSAS 1 and IPSAS 3 provide a basis for users to understand restatements, reclassifications and changes in accounting policies without requiring an additional Statement of Financial Position. SAICA also notes the IPSASB's acknowledgement in the Consultation Paper that requiring an additional Statement of Financial Position may be excessive in light of the existing requirements in IPSAS 3. While SAICA acknowledges the potential benefits of presenting an additional Statement of Financial Position, we believe that the existing requirements in IPSAS 1 and IPSAS 3, as outlined above, already enable users to analyse changes to previously reported information over an extended period. These requirements provide users with information necessary to understand the impact of such changes on an entity's financial position and financial performance. SAICA further notes that the IPSASB's IFRS alignment process should be applied with appropriate consideration of the public sector context and should not result in the automatic incorporation of IFRS requirements into IPSAS Standards where those requirements are not necessary or proportionate. Accordingly, SAICA does not support the introduction of a requirement to present an additional Statement of Financial Position at the beginning of the preceding period where comparative information has been materially affected by a restatement or reclassification. In SAICA's view, the existing disclosure framework is sufficient to support users' understanding of such changes and the proposed additional statement may impose unnecessary reporting burden without a commensurate improvement in the usefulness of the financial statements.	

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4.	**Preliminary View 4—Chapter 2: General Presentation Requirements** The IPSASB's Preliminary View regarding the other general presentation requirements is to: a) Retain existing IPSAS 1 guidance, without updates: i. The responsibility of financial statements (paragraphs 2.9-2.10); b) Retain existing IPSAS 1 guidance, with updates to align with IFRS 18 for the public sector context: i. The objective of financial statements (paragraphs 2.4-2.8); ii. The complete set financial statements (paragraphs 2.11-2.13); iii. Identification of financial statements (paragraphs 2.20-2.21); iv. Material information (paragraphs 2.33-2.34); v. The other general presentation requirements in Table 2 (paragraphs 2.41-2.44); c) Add new guidance, aligned with IFRS 18 and the IPSASB's Conceptual Framework: i. The roles of the financial statements and notes (paragraphs 2.14-2.19); and ii. The other general presentation requirements in Table 2 (paragraphs 2.41-2.44). Do you agree with the IPSASB's Preliminary View?	SAICA supports the IPSASB's Preliminary View in respect of the other general presentation requirements, including the retention of existing IPSAS 1 guidance on the responsibility for financial statements and the alignment of relevant IPSAS 1 guidance with IFRS 18, where appropriate, in relation to the objective of financial statements, the identification of financial statements, material information and other general presentation requirements. This support, however, does not extend to the proposed requirements relating to the presentation of an additional Statement of Financial Position at the beginning of the preceding period where an entity applies accounting policies retrospectively, makes retrospective restatements of items in the financial statements or reclassifies items in the financial statements. As set out in SAICA's comments under Preliminary View 3, SAICA does not support the introduction of this additional statement requirement, as the existing requirements in IPSAS 1 and IPSAS 3 already provide an appropriate basis for users to understand the nature and effect of restatements, reclassifications and changes in accounting policies.	Please refer to our comments under Preliminary View 3 for our recommendations.

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	If not, please provide your reasons and clearly explain what you consider should be changed in the development approach		
5.	**Preliminary View 5—Chapter 3: Statement of Financial Position** The IPSASB's Preliminary View is to retain: a) The current/non-current approach as the general approach for classifying assets and liabilities on the face of the Statement of Financial Position; b) The order of liquidity approach as a permitted approach on an exception basis; and c) The mixed approach, to allow some assets and liabilities to be presented using the current/non-current classification, and others are presented in order of liquidity. Do you agree with the IPSASB's Preliminary View? If not, please provide your reasons and clearly explain what you consider should be changed regarding the classification of assets and liabilities on the Statement of Financial Position.	SAICA supports the IPSASB's Preliminary View to retain the current/non-current approach as the general basis for classifying assets and liabilities on the face of the Statement of Financial Position, while continuing to permit the order of liquidity approach on an exception basis and allowing a mixed presentation approach where appropriate. In SAICA's view, this approach provides an appropriate balance between promoting consistency in presentation and preserving the flexibility necessary to reflect the nature of different public sector entities and the information needs of users of their financial statements.	No further recommendations have been identified on this Preliminary View.
6.	**Preliminary View 6—Chapter 3: Statement of Financial Position** The IPSASB's Preliminary View is that the specific line items required in IPSAS 1 should be carried forward, with enhancements limited to adding a new line for goodwill (to align with IFRS 18).	SAICA supports the IPSASB's Preliminary View to retain the specific line items currently required by IPSAS 1 and to introduce goodwill as an additional line item on the Statement of Financial Position. In SAICA's view, the separate presentation of goodwill is appropriate given its distinct nature from other intangible assets. Goodwill arises only in the context of acquisition transactions and is subject to specific recognition, measurement and impairment considerations that differ from those applicable to identifiable intangible assets.	No further recommendations have been identified on this Preliminary View.

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	Do you agree with the IPSASB's Preliminary View? If not, please provide your reasons and clearly explain what line items should be added or removed from the list provided in Table 3.	Separate presentation would therefore enhance transparency, support accountability for acquisition-related transactions, improve comparability across entities, and enable users of financial statements to distinguish goodwill from other intangible assets recognised by the entity.	
7.	**Preliminary View 7—Chapter 3: Statement of Financial Position** The IPSASB's Preliminary View is that the new IPSAS Standard should retain IPSAS 1 requirements to: a) Not prescribe a specific structure (i.e., order or format) for presenting the Statement of Financial Position; and b) Not require the presentation of specific subtotals on the Statement of Financial Position. Do you agree with the IPSASB's Preliminary View? If not, please provide your reasons and clearly explain what you consider should be changed regarding the structure and the presentation of specific subtotals.	SAICA supports the IPSASB's Preliminary View not to prescribe a specific format, structure or order for presenting the Statement of Financial Position. In SAICA's view, retaining this flexibility is appropriate, as it enables jurisdictions to determine a presentation structure and any relevant subtotals that best reflect the nature of the operations, financial position and the information needs of users of the financial statements for respective public sector entities.	No further recommendations have been identified on this Preliminary View.
8.	**Preliminary View 8—Chapter 4: Statement of Financial Performance** The IPSASB's Preliminary View is to present revenue and expense items recognized in surplus or deficit in categories on the Statement of Financial Performance. The categorization requirements are aligned with IFRS 18	SAICA acknowledges the IPSASB's view that categorising revenue and expense items on the Statement of Financial Performance may enhance the communication effectiveness of public sector financial statements. As noted in the Consultation Paper, such categorisation has the potential to reduce diversity in reporting practices, improve comparability across entities and jurisdictions, provide users with a clearer understanding of how entities manage resources and achieve	While a categorisation framework may improve communication in certain circumstances, SAICA recommends that the IPSASB carefully assess whether the benefits of increased structure outweigh the risks of complexity, inconsistent application and reduced comparability arising from the significant judgement required to apply the proposed model.

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	requirements, with additional public sector guidance. Do you agree with the IPSASB's Preliminary View? If not, please provide your reasons and clearly explain what you consider should be changed (for example, if you prefer a specific public-sector specific categorization, such as those considered in paragraph 4.30, please explain why it would meet the criteria in paragraph 4.29).	service delivery objectives, and better support accountability, decision-making and public financial management. SAICA further notes that the separate presentation of operating, investing and financing activities may provide a more structured and understandable summary of financial performance, assist users in assessing the sustainability of service delivery and public finances, and improve the usefulness of financial statements as a tool for oversight and stewardship. While SAICA acknowledges these potential benefits, SAICA has concerns regarding the practical application of the proposed categorisation model in the public sector. Public sector entities operate in diverse environments and pursue varied service delivery objectives, which may make it challenging to apply a single categorisation framework consistently across different types of public sector institutions, including public entities and municipalities. In particular, SAICA is of the view that the distinction between operating, investing and financing activities may not always be clear in a public sector context. For example, tax revenues are a primary funding source for many governments and are fundamental to service delivery activities, yet they do not fit naturally within a financing category despite often forming part of a government's broader funding strategy. Similarly, revenue and expenses arising from government programmes, including property portfolios held to support public service delivery, may require significant judgement to determine whether they should be presented as operating, investing or financing activities. SAICA further notes that the proposed reliance on identifying an entity's main operating activities may reduce, rather than enhance, comparability. For example, one government may classify investment property income as operating income	SAICA recommends that the IPSASB develop detailed application guidance, supported by illustrative public sector-specific examples, to assist preparers in applying the proposed categorisation requirements consistently and appropriately. In particular, such guidance should address the identification of operating activities, as this area is likely to require significant judgement in practice where for example, an entity receives both operational and capital grants. The guidance should further address the linkage between the proposed categorisation of revenue and expenses in the Statement of Financial Performance and the current categorisation in the Cash Flow Statement. SAICA further recommends that the guidance clearly demonstrate how the proposed categorisation model should be applied in a manner that appropriately reflects the public sector context.

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		where the management of property portfolios supports its service delivery objectives, while another government may classify similar income as investing income. Such outcomes could result in economically similar transactions being classified differently across entities and jurisdictions, thereby reducing consistency and comparability in practice. SAICA is also concerned that the proposed categorisation model may introduce a structure that is more closely aligned with private sector business models than with public sector accountability objectives.	
9.	**Preliminary View 9—Chapter 4: Statement of Financial Performance** The IPSASB's Preliminary View is to present totals and subtotals, and to permit entities to present additional subtotals, on the Statement of Financial Performance, as listed in paragraph 4.35. The total and subtotal requirements are aligned with IFRS 18 requirements, adapted for the public sector. Do you agree with the IPSASB's Preliminary View? If not, please provide your reasons and clearly explain what you consider should be changed.	SAICA supports the IPSASB's Preliminary View to require the presentation of totals and subtotals, and to permit entities to present additional subtotals, on the Statement of Financial Performance. In SAICA's view, the presentation of appropriate totals and subtotals has the potential to enhance the structure, understandability and usefulness of the Statement of Financial Performance by assisting users to better assess an entity's financial performance and the relationship between different categories of revenue and expenses.	SAICA recommends that the IPSASB provide clear guidance that ensures that additional subtotals are presentedused only where they enhance the understandability and usefulness of the Statement of Financial Performance. In SAICA's view, such subtotals should not be presented in a manner that obscures an entity's financial performance or unduly influences users towards a particular interpretation or outcome. SAICA further recommends that entities be required to disclose the rationale for presenting any additional subtotals, including how those subtotals contribute to a clearer understanding of the entity's financial performance. SAICA notes that the proposed categories are not required to be labelled. While the categorisation of revenue and expenses may support comparability in the Statement of Financial Performance, SAICA is of the view that requiring clear labels for each category would further enhance understandability by enabling users to distinguish between the different categories presented. SAICA therefore recommends that the IPSASB consider requiring entities to label the categories on the face of the Statement of Financial

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			Performance, in a manner similar to the presentation of categories in the Statement of Cash Flows under IPSAS 2.
10.	**Preliminary View 10—Chapter 4: Statement of Financial Performance** The IPSASB's Preliminary View is to maintain the minimum requirements regarding the presentation of line items on the face of the Statement of Financial Performance, with additional guidance. The minimum line item presentation requirements are aligned with IFRS 18 requirements, with additional public sector guidance. Do you agree with the IPSASB's Preliminary View? If not, please provide your reasons and clearly explain what you consider should be changed.	SAICA supports the IPSASB's Preliminary View to maintain the minimum requirements regarding the presentation of line items on the face of the Statement of Financial Performance, together with additional guidance to support the alignment with IFRS 18. In SAICA's view, such alignment should be undertaken with appropriate consideration of the public sector context, to ensure that the presentation requirements remain relevant, understandable and useful for users of public sector financial statements.	No further recommendations have been identified on this Preliminary View.
11.	**Preliminary View 11—Chapter 5: Statement of Changes in Net Assets/Equity** The IPSASB's Preliminary View is to maintain – 1. requirements to present revenue and expense items recognized outside surplus or deficit directly in net assets/equity, on the Statement of Changes in Net Assets/Equity, and 2. requirements related to reclassification adjustments. Do you agree with the IPSASB's Preliminary View? Are there additional enhancements to these IPSAS 1 requirements the IPSASB should	SAICA supports the IPSASB's Preliminary View to retain the current requirements for presenting revenue and expense items recognised outside surplus or deficit, together with related reclassification adjustments, directly in net assets/equity on the Statement of Changes in Net Assets/Equity. In SAICA's view, retaining the current presentation approach is appropriate, particularly as the IPSASB has not identified feedback from users of financial statements indicating that the existing presentation is not useful or does not support accountability by public sector entities. SAICA further notes that presenting these items outside the current framework may create confusion for users by implying that such amounts represent resources available for service delivery or other use, which may not be the case.	No further recommendations have been identified on this Preliminary View.

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	consider (for example, whether to enhance disclosure requirements to help users better understand the nature and composition of material revenue and expense items recognized outside of surplus or deficit)? If you do not agree, please provide your reasons and clearly explain what you consider should be changed.		
12.	**Preliminary View 12—Chapter 5: Statement of Changes in Net Assets/Equity** The IPSASB's Preliminary View is to maintain the presentation requirements regarding the Statement of Changes in Net Assets/Equity, and revise the reconciliation requirement to require the reconciliation be displayed on the face of the Statement. Do you agree with the IPSASB's Preliminary View? If not, please provide your reasons and clearly explain what you consider should be changed.	SAICA supports the IPSASB's Preliminary View to retain the existing presentation requirements for the Statement of Changes in Net Assets/Equity and to revise the reconciliation requirement so that the reconciliation is presented on the face of the Statement, rather than permitting presentation either in the notes or on the face of the Statement. In SAICA's view, requiring presentation on the face of the Statement would enhance comparability and consistency in the presentation of information, both across reporting periods within an entity and across public sector entities. SAICA further notes that this approach would support the appropriate alignment of IPSAS 1 with IFRS 18, while promoting a clearer and more transparent presentation of movements in net assets/equity for users of financial statements.	No further recommendations have been identified on this Preliminary View.
13.	**Preliminary View 13—Chapter 5: Statement of Changes in Net Assets/Equity** The IPSASB's preliminary view is that guidance based on IFRIC 17 *Distribution of Non-cash Assets to Owners* should not be incorporated into the IPSAS Standards, as the relevant transactions are not prevalent in the international public sector.	SAICA supports the IPSASB's Preliminary View not to incorporate guidance based on IFRIC 17, *Distribution of Non-cash Assets to Owners*, into IPSAS Standards. In SAICA's view, this approach is appropriate given the IPSASB's assessment that such transactions are not prevalent in the international public sector and, therefore, do not warrant specific guidance within IPSAS Standards at this stage.	No further recommendations have been identified on this Preliminary View.

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	Do you agree with the IPSASB's Preliminary View? If not, please provide your reasons and clearly explain what you consider should be changed.		
14.	**Preliminary View 14—Chapter 6: Disclosure of Information in the Notes** The IPSASB's Preliminary View is to retain existing IPSAS 1 requirements for the disclosure of information in the notes to the financial statements, and incorporate the IASB's amendments to IAS 1 (as presented in paragraphs 6.7 and 6.12) which would align with equivalent IFRS Accounting Standards guidance. Do you agree with the IPSASB's Preliminary View? If not, please provide your reasons and clearly explain what you consider should be changed.	SAICA supports the IPSASB's Preliminary View to retain the existing IPSAS 1 requirements relating to the disclosure of information in the notes to the financial statements, and to incorporate the IASB's amendments to IAS 1, as appropriate, to align IPSAS requirements with the equivalent IFRS Accounting Standards guidance. In SAICA's view, this approach is appropriate as it preserves the existing IPSAS disclosure framework while supporting greater consistency with IFRS 18, where such alignment is relevant and suitable for the public sector context.	No further recommendations have been identified on this Preliminary View.
15.	**Preliminary View 15—Chapter 6: Disclosure of Information in the Notes** The IPSASB's Preliminary View is to not incorporate the IFRS 18 definition and disclosure requirements for management-defined performance measures (MPMs) into the IPSAS Standards. Do you agree with the IPSASB's Preliminary View? If not, please provide your reasons and clearly explain what you consider should be changed.	SAICA supports the IPSASB's Preliminary View not to incorporate the IFRS 18 definition and disclosure requirements for management-defined performance measures (MPMs) into IPSAS Standards. In SAICA's view, this approach is appropriate, particularly as the IPSASB has already issued RPG 2, which provides guidance on the preparation and presentation of financial statement discussion and analysis to assist users in understanding an entity's financial position, financial performance and cash flows as presented in the financial statements.	No further recommendations have been identified on this Preliminary View.

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16.	**Preliminary View 16—Chapter 6: Disclosure of Information in the Notes** The IPSASB's Preliminary View is to not include an amended IFRS 18 MPM concept for application in the public sector (thereby not introducing an amended version of the IFRS 18 MPM definition or disclosure requirements into the IPSAS Standards). Do you agree with the IPSASB's Preliminary View? If not, please: a) Provide your reasons, and provide specific examples of alternative performance measures that are defined by management and provided in public communications outside the financial statements; and **b)** Clearly explain why there is a need for greater transparency of those measures that warrants new guidance in the IPSAS Standards.	For the reasons set out under Preliminary View 15, SAICA supports the IPSASB's Preliminary View not to include an amended IFRS 18 management-defined performance measures (MPM) concept for application in the public sector. In SAICA's view, introducing an amended version of the IFRS 18 MPM definition or related disclosure requirements into IPSAS Standards is not necessary at this stage, particularly given the existing guidance in RPG 2, which already provides a framework for explaining financial performance in a manner that is useful to users of public sector financial statements. SAICA further notes that the purpose of the IFRS 18 management-defined performance measures requirements is to provide transparency around measures used by management to communicate aspects of an entity's financial performance to users outside the financial statements. In a private sector context, such measures are often intended to assist investors in understanding management's view of performance. SAICA is of the view that this rationale does not translate directly to the public sector context, where the primary accountability relationship is not with an investor community, but with government, legislatures, oversight bodies and the public. In IFRS 18, it is envisaged that the fundamental purpose to disclose MPMs is to allow management additional opportunity to further explain certain operating performance to an investor community – an MPN requirement is that it must be information that management uses to discuss performance outside of the routine company communications. To this end, the decision to not include MPM disclosure is appropriate in the public sector as the shareholder or investor is traditionally the government itself and accordingly, SAICA agrees with the IPSASB's Preliminary View not to incorporate MPM-related definition and disclosure requirements into IPSAS Standards at this stage.	No further recommendations have been identified on this Preliminary View.

No.	Preliminary View/Specific Matter for Comment	SAICA Comments	Recommendation
17.	**Specific Matter for Comment 1—Chapter 4: Statement of Financial Performance** The IPSASB proposes to maintain the requirements to present expenses by the nature of the expenses or by their function to the entity on the face of the Statement of Financial Performance, in alignment with IFRS 18 requirements, with additional guidance. In your view, should the new IPSAS Standard replacing IPSAS 1 permit mixed presentation, where some expense line items are presented by nature, while others are presented by function? Would mixed presentation result in a useful structured summary of those expenses for users of financial statements in your jurisdiction? Please provide the reasoning behind your view.	SAICA does not support permitting mixed presentation in the Statement of Financial Performance, whereby certain expenses are presented by nature while others are presented by function. While SAICA acknowledges that mixed presentation may provide flexibility and may, in certain circumstances, reflect how an entity manages its activities, SAICA is concerned that such an approach could reduce comparability, consistency, understandability and transparency across public sector entities and this may also create challenges with National consolidations. In particular, users may find it difficult to obtain a clear view of both the nature of resources consumed and the functions or services to which those resources relate where expenses are presented on different bases within the same statement. This may obscure relevant information, reduce the usefulness of trend and inter-entity analysis, and make it more challenging for users to assess stewardship, service delivery and accountability. SAICA further notes that permitting mixed presentation would introduce additional judgement in determining which expenses should be classified by nature or by function, which may result in inconsistent application in practice. Accordingly, SAICA is of the view that a single presentation basis, supplemented by appropriate note disclosures where necessary, would provide a clearer and more understandable structured summary of an entity's financial performance and would better support the accountability objectives of public sector financial reporting.	SAICA recommends that expenses be presented on a single basis, either by nature or by function, depending on which basis provides the most relevant and faithfully representative information about the entity's financial performance. In SAICA's view, a single presentation basis would better support comparability, consistency and understandability across public sector entities. Where the basis selected does not provide users with sufficient information to understand both the nature of resources consumed and the functions or services to which those resources relate, SAICA recommends that appropriate additional disclosures be provided in the notes to the financial statements. While SAICA generally prefers a single presentation basis in order to preserve comparability, consistency and understandability, SAICA acknowledges that mixed presentation may, in limited circumstances, provide more relevant information where it better reflects the substance of an entity's operations. Should the IPSASB permit mixed presentation, SAICA recommends that the IPSASB establish clear principles and application guidance, supported by appropriate disclosure requirements, to promote consistent application and maintain the transparency and accountability objectives of public sector financial reporting.