Ouagadougou, March 29, 2023

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| Mr/Madam CIPFA |

**V/Réf**. :

**N/Réf.** : **2022-XXX/ONECCA/YT**

**Subject :** ED: INPAG

Dear **Sir/Madam**

We appreciate the opportunity to comment on the Exposure Draft CIPFA/ED/2022/1 International Non-Profit Accounting Guidance.

We have read the draft with interest and have greatly appreciated that any stakeholder is given chance to express his view.

This letter and the bellow appendix represent the views of, the ONECCA-BF on the subjected matter.

If you have any questions regarding its content, please do not hesitate to contact us at [y.traore@oneccabf.org](mailto:y.traore@oneccabf.org) or [secretariat@oneccabf.org](mailto:secretariat@oneccabf.org) .

Sincerely yours

The President

Yacouba TRAORE

**APPENDIX**

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| **Question 1: General comments** | **References** |
| a) Is the structure of INPAG helpful? If not, how could it be improved?  **We agree.** Members found the structure of the INPAG helpful and welcomed the inclusion of application materials and guidance.  b) Do you have any other comments (including regulatory, assurance or cost/ benefit) relating to this INPAG Exposure Draft? If so, explain the rationale for any points you wish to make.  **Members shows concerns** on the scope of the INPAG, its scalability and applicability to very small NPOs which impair cost/benefit during adoption. | GP22-GP24 |

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| **Question 2: Description of NPOs and users of INPAG** | **References** |
| a) Do you agree with the description of the broad characteristics of NPOs? Does the term 'providing a benefit to the public' include all entities that might be NPOs? If not, what would you propose and why?  **We agree** with the description of the broad characteristics of the NPOs.  b) Does Section 1, together with the Preface, provide clear guidance on which NPOs are intended to benefit from the use of INPAG? If not, what would be more useful?  **Yes they do.** | G1.2-G1.5 |

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| **Question 3: Concepts and pervasive principles** | **References** |
| a) Do you agree with the range of primary users and the description of their needs? If not, what would you propose and why?  **Yes we do.** We found the range of primary users complete and the description of the users needs clear and sufficient. | G2.3-G2.12 |
| b) Do you agree with the qualitative characteristics of useful information? If not, what would you change and why?  **Yes we do.** We encourage not to deviate unless another optimal choice is available, from qualitative characteristics set in the IFRS for education and global consistency purposes in the international standards setting. | G2.13-G2.32, AG2. 1-AG2.3 |
| c) Do you agree with the components of net assets? If not, why not?  **Yes we do.** | G2.73, Figure 2.2 |
| d) Do you agree with the inclusion of equity as an element? If not, what would you propose and why? What type of equity might an NPO have?  **Yes we do.** | G2.141, AG2.6-AG2.9 |
| e) Do you agree with the categorisation of funds between those with restrictions and those without restrictions in presenting accumulated surpluses and deficits? If not, what would you propose and why?  **Yes we do**. Members suggested a clear definition of the words “with restrictions” and “without restrictions” should be provided in the standards as well as in application materials and guidance. | G2.74-G2.75, AG2. 4-AG2.5 |
| f) Do you agree that funds set aside from accumulated surpluses for the holders of equity claims can be part of funds with restrictions and funds without restrictions and that they should be transferred to equity prior to distribution? If not, what would you propose and why?  **Yes we do.** We think materiality and scalability should be taken into when it comes to smallest NPOs as cost/benefit issues (“undue cost and effort”) in preparing the financial statements using this requirement may lead to difficulties in implementation for that NPOs. | G2.142, AG2.8-AG2.9 |
| g) Do you agree that 'service potential' should be introduced into Section 2? If not, why not?  **Yes we agree** because the nature and objectives of the NPOs make inappropriate the use of “profit and lost” in the case of these entities. | G2.51, G2.54, G2.58, G2.67-G2.68, G2.103, G2.108-G2.110, G2.115-G2.117, G2.122 |
| h) Do you agree that the provisions for 'undue cost and effort' used in the *IFRS for SMEs* Accounting Standard should be retained? If not, why not?  **No we disagree**. As said in paragraph f) above, we and members believe the standard may depart from the “*IFRS for SME”* and provide some narrowed specifics reliefs in the requirements (standards and disclosures) on *“undue cost and effort”* to the smallest NPOs. | G2.33-G2.36 |
| i) Is the NPO as a reporting entity clear? Does the process for identifying branches in the Application Guidance support the principles? If not, what would be more useful?  **Yes we find the NPO as a reporting entity clear.**  The process for identifying branches in the application guidance **support the principles,** however our members uggest for completeness purposes that the phrase **“**is not required to provide separate general purpose financial reports**” being reworded as “**is not required **either by regulations or internal requirements,** to provide separate general purpose financial reports” | G2.43-G2.49, AG2.10-AG2.24. |

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| **Question 4: Principles to enable comparability of financial statements** | **References** |
| a) Do you agree with the proposed changes to terminology from the *IFRS for SMEs* Accounting Standard? If not, what would you propose and why?  **Yes we do.** | Sections 3-10 |
| b) Do you agree that comparatives should be shown on the face of the primary statements? In particular, do you agree with the proposed comparatives for the Statement of Income and Expenses? If not, what do you propose and why?  **Yes we agree** that comparatives should be shown. **We also agree** the proposed comparatives for the Statement of Income and Expenses. | G3.14, G3.19, AG3.9-AG3.11, BC5.11 |
| c) Do the proposals for expressing compliance with INPAG create unintended consequences? If so, what are your key concerns?  **No we do not think so.** | G3.3-G3.7, AG3.3-AG3.5 |

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| **Question 5: Scope and presentation of the Statement of Financial Position** | **References** |
| a) Do you agree that all asset and liability balances should be split between current and non-current amounts (except where a liquidity-based presentation has been adopted)? If not, why not?  **Yes we do.** | G4.5-G4.9, AG4.4 |
| b) Do you agree with the proposal that not all categories of asset and liability balances should be split between those with and those without restrictions? If not, which categories of asset and/or liability should be split?  **Yes we do.** In our view, presenting all categories of asset and liability balances split between those with and those without restrictions, would not necessary be useful for a fair presentation of the Financial Position and it could even impair is understandability. | G4.13-G4.14, AG4.5-AG4.7 |

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| **Question 6: Scope and presentation of the Statement of Income and Expenses** | **References** |
| a) Do you agree with the name of the primary statement being 'Statement of Income and Expenses'? If not, why not?  **Yes we do.**. | BC5.1-BC5.5 |
| b) Do you agree that the terms surplus and deficit should be used instead of profit or loss? If not, why not?  **Yes we do.** It is our shared view that “Deficit” and “Surplus” are more appropriate and fit better the nature, activities and objectives of the NPOs. | G5.5, BC5.6 |
| c) Do you agree that amounts on each line of revenue and expenses should be split between those with and those without restrictions on the face of the primary statement? If not, what alternative approach would you propose and why?  **Yes we do.** NPOsStakeholder already used to ask for that kind of information and cannot obtain it otherwise. That is still the case in our jurisdiction. | G5.3, AG5.4-AG5.6, BC5.9-BC5.12 |
| d) Do you agree that NPOs should be able to choose whether to present either income items or expense items first to get to a surplus or deficit? If not, what alternative approach would you propose and why?  **Yes we do.** | Implementation guidance |

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| **Question 7: Scope and presentation of the Statement of Changes in Net Assets** | **References** |
| a) Do you agree with the proposal that there is no Other Comprehensive Income (OCI), and that an expanded Statement of Changes in Net Assets would allow an equivalent to the OCI being produced. If not, why not?  **Yes we do.** However we and members have some concerns on the use of this Statement of Change in Net Assets by the smallest NPOs. Therefore, we suggest the introduction of relief option for those NPOs. | G6.2, BC5.13-BC5.16, BC6.1-BC6.5 |
| b) Do you agree that funds are split between those with and those without restrictions on the face of the primary statement? If not, what alternative approach would you propose and why?  **Yes we do.** NPOsStakeholder already used to ask for that king of information and cannot obtain it otherwise. That is still the case in our jurisdiction. | G6.4 |

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| **Question 8: Scope and presentation of the Statement of Cash Flows** | **References** |
| a) Do you agree with the separate presentation of cash donations and grants on the face of the statement? If not, what alternative approach would you propose and why?  **Yes we do.** | G7.4 a) |
| b) Do you agree that donations or grants received for the purchase or creation of property, plant and equipment should be treated as investing activities? If not, what alternative would you propose and why?  **Yes we do.** | G7.5 b) |
| c) Do you agree that both the direct method and indirect methods for the cash flow statement should be permitted? If not, why not?  **Yes we do** becauseallowing the two methods would be helpful for preparers as the use of a method could be impracticable in some specific circumstances. | G7.7-G7.9 |

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| **Question 9: Principles underpinning the notes to the financial statements** |  |
| a) Do you agree that there are no NPO specific considerations for this Section? If not, what changes would you propose and why?  **Yes we do**, the NPO specific considerations into the concepts, principles, financial statements and other requirements and guidance would impact directly the contain of the Notes. No further principles underpinning the Notes would be therefore relevant. |  |

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| **Question 10: Approach to Consolidated and separate financial statements** | **References** |
| a) Is the Application Guidance to apply the control principles sufficient? If not, what changes or additions would you propose and why?  **Yes we think so.** | AG9.1-AG9.14 |
| b) Do you agree that a rebuttable presumption relating to control should be retained? Is the current drafting sufficient? If not, what would you propose and why?  **Yes we do.** A rebuttable presumption about control simplifies application and is aligned within the best practice in standard setting and we have identified no NPO specific considerations preventing its use. | G9.17 |
| c) Is the Application Guidance sufficient to apply the fundamental characteristics of faithful representation and relevance to consolidation? If not, what additions would you propose and why?  **Yes it does.** | G9.21-G9.22, AG9.17-AG9.19 |
| d) Do you agree with the use of the terms 'controlling NPO', 'controlled entity' and 'beneficial interest' instead of 'parent', 'subsidiary' and 'investment'? If not, what would you propose and why?  **Yes we do.** It is our view that “controlling NPO'”, “'controlled entity” and “beneficial interest” are more appropriate and fit better the nature, activities and objectives of the NPOs. | G9.7, G9.24 |

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| **Question 11: Approach to accounting policies, construction of estimates and accounting for errors** |  |
| a) Do you agree with the updates to Section 10 and that there are no additional NPO specific considerations that need to be addressed in this Section? If not, what changes or additions would you propose and why?  **Yes we do.** |  |

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| **Question 12: Scope and content of narrative reporting** | **References** |
| a) Do you agree with the principles proposed to underpin narrative reporting? If not, what would you propose to change and why?  **Yes we do.** In our jurisdiction, there are as many narrative reporting frameworks as donors and/or NPOs. Thus the principles proposed, which include, what is already on the ground are a great starting point that can be furthering during implementation. | G35.3-G35.7 |
| b) Do you agree with the scope of the minimum mandatory requirement, with additional information, such as sustainability reporting to be optional? If not, what changes should be made and why?  **Yes we do. See also comment on b)** | G35.8-G35.19, G35.30, AG35.2-AG35.13 |
| c) Do you agree with the proposals that sensitive information can be excluded from narrative reports? If not, what alternative would you propose and why?  **Yes we do.** We share the consideration raided in paragraph G35.7 | G35.7 |
| d) Should a two-year transition period for narrative reporting be permitted to assist in overcoming any implementation challenges? If not, what alternative would you propose and why?  **Yes we do.** In our view, a two-year transition period would be sufficient to overcome implementation challenges. |  |