

28 July 2021

Ref: 0305/PDS/07/2021

IFR4NPO
London
United Kingdom

Dear Sir/Madam,

RE: ICPAR COMMENTS ON IFR4NPO CONSULTATION PAPER PART 1: GENERAL NPO FINANCIAL REPORTING ISSUES

The Institute of Certified Public Accountants of Rwanda (ICPAR) is delighted to submit its comments on the IFR4NPO Consultation Paper Part 1: General NPO financial reporting issues.

Our responses to questions for general matters for comments are provided below:

General Matters for Comment 1

Chapter 1 has outlined a broad characteristics approach to describing NPOs for developing the Guidance:

1.A Do you agree with the broad characteristics proposed in Chapter 1 for describing NPOs? If not, why not? Which alternative characteristics would you propose, and why?

Response:

We agree with the broad characteristics proposed in Chapter 1 for describing NPOs in developing the Guidance.

General Matters for Comment 2

Chapter 2 has examined NPO external stakeholders, what information those external stakeholders need for accountability and decision-making purposes, and issues with current arrangements.

2.a Do you agree that NPOs are accountable to service users, resource providers, and regulators and have societal accountability? If not, why not? What alternative groups would you propose NPOs can be accountable to, and why?

2. b. Do you agree that external stakeholders require information on an NPO's achievement of objectives, economy efficiency and effectiveness compliance with restrictions and regulations, and longer-term financial health, for accountability and decision-making purposes? If not, why not? What alternative areas would you propose and why?

2.c Do you agree with the issues that have been identified with current accountability and decision-making arrangements for NPOs? If not, why not? Are there any other issues with current accountability and decision-making arrangements, particularly financial accountability to donors, that you would wish to highlight?

Response:

We agree that NPOs are accountable to service users, resource providers, and regulators and have societal accountability. We also agree with the provisions of 2.b and 2.c as shown above and as detailed in Chapter 2.

General Matters for Comment 3

Chapter 3 explains the two key premises for developing the Guidance so that it supports the provision of information that is useful for accountability and decision-making.

3.a What, if any, do you see as the main challenges with Guidance that is accrual-based?

3.b What, if any, do you see as the main challenges with Guidance that includes non-financial information reporting?

Response:

The main challenge identified relate to those highlighted in the guidance, including associated costs; lack of technical expertise and the general acceptance of the guidance by donors and different stakeholders.

General Matters for Comment 4

Chapter 4 has highlighted those limitations on time and resource mean that the Guidance must draw on existing frameworks. International financial reporting frameworks are proposed as the basis of the Guidance, with each having its advantages and disadvantages.

4.a Do you agree that international frameworks are the best start point for the Guidance? If not, why not?

Response:

We agree that international frameworks should be the starting point for the Guidance.

General Matters for Comment 5

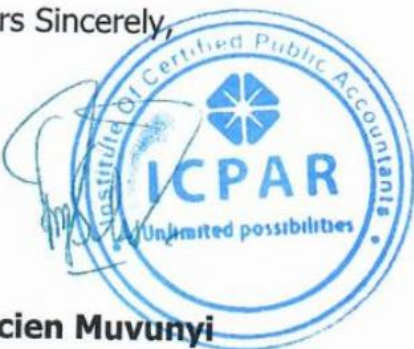
Chapter 5 has put forward a proposed model for developing the Guidance. The proposal uses the IFRS for SMEs Standard as the foundational framework and draws on full IFRS Standards, IPSAS and jurisdictional-level standards to develop the Guidance.

5.a What do you see as the main challenges, if any, with the proposed Guidance model and the use of the IFRS for SMEs Standard as the foundational framework? What, if any, alternative model and/or foundational framework do you suggest would be more suitable and why?

Response:

We agree with the proposed model of using the IFRS for SMEs Standard as the foundational framework and drawing on full IFRS Standards, IPSAS and jurisdictional-level standards to develop the Guidance. We can foresee that it will be a thorough process but it is the best in the circumstances.

Yours Sincerely,



The logo of the Institute of Certified Public Accountants (ICPAR) is circular. It features a blue star-like emblem in the center, with the acronym 'ICPAR' in large blue letters below it. The full name 'Institute of Certified Public Accountants' is written in a smaller font around the top inner edge of the circle, and the tagline 'Unlimited possibilities' is at the bottom. A handwritten signature in blue ink is written over the left side of the logo.

Felicien Muvunyi
Chair – ICPAR Professional Standards Committee

CC: - ICPAR CEO
- ICPAR President