



THE NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS
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Date: 25th July, 2021

Head of Programme, IFR4NPO
Chartered Institute of Public Finance and Accountancy
77 Mansell Street
London, E1 8AN
United Kingdom

Dear Sir/Madam

**RE: CONSULTATION PAPER: INTERNATIONAL FINANCIAL REPORTING FOR
NON PROFIT ORGANISATIONS**

Refer to the heading above.

NBAA is supportive with the of the IFR4NPO initiative and the following are our comments on the areas identified in the consultation paper.

General matters for comment 1

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

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?

Yes, we do agree with the proposed characteristics in chapter 1 as they are comprehensive enough for describing NPOs

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.

- 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?

Yes, we do agree with the proposed groups of users they are as well aligned with those in IPSASs.

- 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?

Yes, we do agree with the proposal but we think another area of concern should be on sustainability and value creation.

- 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, which you would wish to highlight?

Yes, we do agree the issues identified.

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.

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

The challenge, would be only on impacting accrual-based knowledge to stakeholders involved.

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

The challenge, would be on limiting the scope of reporting non-financial information.

General matters for comment 4

Chapter 4 has highlighted that 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.

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

Yes, we do agree with the use of the international framework as the starting.

- Do you agree with the criteria that have been used to assess the suitability of the existing international frameworks? If not, why not and what other criteria do you believe could be used and why?

Yes, we do agree with the criteria.

- Do you agree with the high-level assessment of the existing international frameworks against these criteria? If not, why not? What assessment would you make and why?

Yes, we do agree with the assessment.

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.

- 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?

Yes, we do agree with the proposed guidance model, but the challenge we see is for multinational NPOs with complex transactions might be facing a lack of comprehensive guidance to their specific circumstances.

If you require any clarification on our comments, please contact the undersigned.

Thank you in advance for your cooperation.

Yours sincerely,



CPA Angyelile V. Tende

For: EXECUTIVE DIRECTOR



Member of International Federation of Accountants (IFAC) & Pan African Federation of Accountants (PAFA)



All communication to be addressed to the Executive Director NBAA

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