



<b>Project:</b>	<b>Australian Financial Reporting Framework</b>	<b>Meeting</b>	AASB March 2018 (M163)
<b>Topic:</b>	<b>Public Sector Project Update</b>	<b>Agenda Item:</b>	6.0
<b>Contact(s):</b>	Maggie Man <a href="mailto:mman@asb.gov.au">mman@asb.gov.au</a> 03 9617 7646  Shachini Dassanayake <a href="mailto:sdassanayake@asb.gov.au">sdassanayake@asb.gov.au</a> 03 9617 7633  Christine Helliar <a href="mailto:chelliar@asb.gov.au">chelliar@asb.gov.au</a> 03 9617 7628	<b>Project Priority:</b>	High
		<b>Decision-Making:</b>	High
		<b>Project Status:</b>	In progress

## Introduction and objective of this meeting

- 1 The objective of this paper is to update the Board in relation to:
  - (a) the AASB Staff Research Report No. X *Financial Reporting requirements for Public Sector entities*
  - (b) the Illustrative frameworks: *Possible options for Improving the Financial Reporting Framework for Australian Public Sector Entities*, (excluding data analysis);and obtain input from the Board on key issues, as noted below.
- 2 The Board is asked to:
  - (a) consider whether the issues with the current financial reporting framework for the public sector convey that there are problems with the present framework as presented in the Research Paper
  - (b) respond to the specific questions for board in relation to the Discussion paper.

## Attachments

Agenda Paper 6.1 [WORKING DRAFT] AASB Staff Research Report No. X *Financial Reporting requirements for Public Sector entities*;

Agenda Paper 6.2 [WORKING DRAFT] Illustrative framework: *Possible options for Improving the Financial Reporting Framework for Australian Public Sector Entities*;

**Background**

- 3 Paper 6.1 is the near-final Research Paper that has been provided to relevant Heads of Treasury for fact-checking. Financial information has been requested from each Heads of Treasury, including the cost of preparing and auditing financial statements, for departments and agencies/statutory bodies. In line with the Board direction at the last meeting, the document now includes the background and further information to substantiate the issues identified. The objective is to publish the document before the Australasian Council of Public Accounts Committees meeting in April 2018.
- 4 Paper 6.2 is a draft of the illustrative frameworks for the proposed for the purpose of the Discussion Paper which provides a table of possible options for a revised financial reporting framework for public sector entities and the relative merits of each. The data to be applied to the illustrative frameworks are still being provided by each of the states/territories and remains to be done.

**Staff questions to the Board:**

1. In relation Paper 6.1 Research Paper:
  - (a) Do the issues with the current financial reporting framework for the public sector convey that there are problems with the present framework?
2. In relation to Paper 6.2 (draft illustrative frameworks):
  - (b) Do Board members agree with the proposed illustrative framework models, or are there other alternatives that should be included in the analysis?
3. Do Board members agree to delegate the approval of the Discussion Paper: *Possible options for Improving the Financial Reporting Framework for Australian Public Sector Entities*; to the Chair?