



Project:	Australian Financial Reporting Framework	Meeting	AASB December 2017 (M161)
Topic:	Public Sector Reporting Framework	Agenda Item:	8.2
Contact(s):	Maggie Man mman@asb.gov.au 03 9617 7646	Project Priority:	High
		Decision-Making:	High
		Project Status:	Planning

Objective

- 1 To obtain Board's decision in relation to timelines proposed in staff's project plan for the publication of a research report and discussion paper on the financial reporting framework for public sector entities.

Project rationale, objective(s) and link to AASB strategy

Project objective

- 2 The overall objective of the project is to clarify and simplify the Australian financial reporting framework for the public sector by:
 - establishing consistent clear and objective criteria and thresholds that support transparency and openness
 - specified financial reporting requirements based on needs of users matched with the level of public interest and external users (proportionate and fair)
 - appropriate level of assurance matched with the reason why a public sector entity is reporting
- 3 The outcome of the project is to complete and issue
 - (a) A research report that benchmarks and summarises financial reporting requirements of public sector entities in Australia and other jurisdictions. The report would identify and document any rationales and principles used to justified the current reporting requirements (in appendixes) to potentially inform the Board decisions in the future; and
 - (b) A Discussion Paper that outlines options for potential changes to the current reporting framework (and related outreach events).

Linking to AASB Strategies

- 4 This project fits into AASB Strategies 2 and 4:
- (a) With the AUASB, play a leading role in reshaping the Australian external reporting framework by working with regulators to develop objective criteria on:
 - (i) who prepares external reports (including financial reports)
 - (ii) the nature and extent of assurance required on these external reports.
 - (b) Attain significant levels of key stakeholder engagement, through collaboration, partnership and outreach

Project plan

- 5 Staff have identified the following as key milestones of the project:

Key dates	Major project milestones	Staff comment
Interim (Dec17- Feb18)	Prepare draft research report.	To draft research report that benchmarks and summarises financial reporting requirements of public sector entities in Australia and other jurisdictions similar to the recent charities report including assurance research.
	Provide an overview of the project to AUASB Staff: <ul style="list-style-type: none">(a) identify key elements that AUASB input will be required; and(b) agree to timeline of document completion Provide an overview of the project to NZASB Staff and request feedback on their own experience in establishing their public sector framework	
M162 Feb 2018	Present draft public sector Research Report to AASB Board	Staff will ask the Board for feedback on any gaps which may require further research
Interim (Feb18- Mar18)	Conduct further research into key issues	Dependant on Board decisions at Feb 2018 meeting.
	Identify and contact relevant stakeholders to review and comment on the near final draft of the Research Report	

Key dates	Major project milestones	Staff comment
M163 Mar 2018	Present draft version 2 of Public Sector Research Report to the Board (if Board wants to review it again).	Staff expect this version to be close to final and will ask Board members to identify any fatal flaws in the version which would not allow it to be published (if Board wants to review it).
M163 Mar 2018	Skeleton of consultation paper to be provided to the Board	Document expected to follow a similar structure to the charities consultation paper.
Mar – April 2018	Update Research Report for board comments and provide Research Report to key stakeholders for comment	Staff expect this to take 2-3 weeks as dependent on stakeholders having capacity.
	Respond to comments by stakeholders and prepare near final version of the Research Report for publication	Staff effort will be dependent on feedback received.
April 2018	Finalise research report in time for the April 2018 Australasian Council of Public Accounts Committees (ACPAC) meeting.	
April and May 2018	Meetings with interested stakeholders regarding options for the consultation paper	Targeted outreach to interested stakeholders
	Obtain data to illustrate framework options	Data may not be as easily sourced as ACNC data.
M164 May 2018	Present draft Consultation Paper with initial Framework options to Board	Illustrative frameworks
M164 May 2018	Research Report provided to Board for noting	Prior to publishing version provided for Board information only.
Interim (May-Jun18)	Update Consultation Paper for board comments and complete all sections	Staff effort will be dependent on feedback received.
	Provide updated Consultation paper to targeted stakeholders	Staff effort will be dependent on feedback received.
	Publish Research Report	
M164 Jun 2018	Consultation Paper provided to board for noting	Final fatal flaw version
June/July 2018	Publication of the Consultation paper	Extent of staff effort is dependent on the communications strategy
July/August 2018	Outreach conducted	Smaller group of stakeholders compared to charities sector.

Key project risks

Risk	Impact	Mitigation
Project milestones not met	Medium	Detailed project plan prepared, all staff on project are made aware of key dates such as ACPAC meeting.
Unfavourable response to project from stakeholders	High	Key stakeholders to be engaged early.

Questions for Board members

1. Do Board members agree with the proposed timelines in project plan set out in paragraph 5?
2. Do Board members agree that the Research Report should cover the same jurisdictions (New Zealand, United Kingdom, Hong Kong, Singapore, South Africa and Canada) as covered in the Research Report No. 5 for the charities sector as well as the United States of America?
3. Do Board members think there is any other countries that staff should consider?