



To:	AASB members	Date:	13 April 2011
From:	Jim Paul and Joanne Scott	Agenda Item:	9.1
Subject:	IPSASB Conceptual Framework	File:	

Actions

- Provide staff with directions for developing a Board submission on each of the IPSASB Conceptual Framework consultative documents, based on the issues and broad views set out in the attached staff papers
- Consider a process for finalising the Board's submissions

Attachments

Agenda Papers	Title
9.2	Draft Comments to IPSASB on Key Issues in Conceptual Framework Phase 1 ED
9.3	Draft Submission on IPSASB Conceptual Framework Consultation Paper <i>Elements and Recognition in Financial Statements</i> [Note: this agenda paper is prepared in the style of a FRSB agenda paper and therefore goes into greater detail than would normally be considered by the AASB in session. Despite this, we ask the AASB to focus on the broad thrust of the draft comments, rather than detailed drafting, and particularly consider the previously unresolved issues identified in the Overview section below]
9.4	Draft Comments to IPSASB on Key Issues in Conceptual Framework Consultation Paper <i>Measurement of Assets and Liabilities in Financial Statements</i>

* Copies of the IPSASB consultative documents were included in the agenda papers for the Boards' joint meeting in March 2011. If Board members need a copy, please contact Jim Paul at jpaul@asb.gov.au or Joanne Scott at Joanne.Scott@nzica.com.

Overview

Staff anticipates that the primary emphasis of Board discussion will be on key issues/questions not discussed in detail at the Boards' joint meeting in March 2011. Those key issues/questions are:

- (a) Agenda Paper 9.2—the 'Reporting Entity' issues, and overview of Specific Matters for Comment, on pages 4 – 5;

- (b) Agenda Paper 9.3—Specific Matters for Comment numbers 8 – 19; and
- (c) Agenda Paper 9.4— Specific Matters for Comment numbers 3 – 5.

Background

Each of the three IPSASB documents was issued in December 2010 with a due date for comments of 15 June 2011. The AASB and FRSB discussed the documents at their joint meeting in March 2011 and made a number of decisions, as set out in the draft minutes (AASB Agenda Paper 2.1 for this meeting).

At their joint meeting in March 2011, in relation to the IPSASB Consultation Paper on Elements and Recognition, AASB and FRSB members agreed to provide to project staff out of session any additional arguments (or other comments) on the ‘asset and liability-led approach’ and the ‘revenue and expense-led approach’ to defining and recognising the elements of financial statements. Staff did not receive any comments out of session.

Additional Issues

A key objective of this Board meeting session is to consider staff’s depiction of the Board’s views on the issues set out in the attached papers. There was insufficient time at the March meeting to consider some issues covered in the attached papers. Accordingly, the ‘views’ set out on those issues in those papers are staff’s recommendations. Issues in Agenda Papers 9.2 and 9.4 not previously deliberated by the Boards (also identified in the Overview section above) are identified with an asterisk and headed as ‘Staff Comments’.

Process to Finalise Submissions

After receiving directions from the Board on the issues and views thereon, staff will draft a submission on each IPSASB document. Board members are requested to consider whether all Board members should consider out of session the draft submissions, or whether they should be reviewed by the Board’s project Subcommittee, before being cleared by the Chairman.

Staff understand some constituents plan to provide the AASB with comment letters on the IPSASB documents before the AASB’s 8 – 9 June meeting. Staff plan to provide those comment letters to the Board for consideration at its June meeting. Staff suggests pressing ahead with the preparation and review of the draft AASB submissions in the meantime, and treating the consideration of comment letters received as a ‘sweep issues’ session.