



MEMORANDUM

ITEM: AASB AGENDA PAPER 10.1; FRSB AGENDA PAPER B10.1

DATE: 3 December 2010

TO: MEMBERS OF THE AUSTRALIAN ACCOUNTING STANDARDS BOARD AND THE FINANCIAL REPORTING STANDARDS BOARD

FROM: JIM PAUL and JOANNE SCOTT

SUBJECT: *IPSASB Conceptual Framework ED and Consultation Papers*

Purpose

1. The purpose of this item is to provide the Boards with a summary of the recently approved IPSASB conceptual framework documents and, where possible, the differences between the proposals in these documents and current IASB thinking.

Background

2. At its November 2010 meeting the IPSASB approved three conceptual framework documents for release. The documents are all expected to be issued in December 2010 with the comment period expiring on June 30, 2011. The documents are:

Exposure Draft – Phase 1

- This phase of the project includes the scope of general purpose financial reporting (GPFR), the objectives (including users and their information needs), qualitative characteristics and the reporting entity.

Consultation Paper (CP) – Phase 2

- Phase 2 of the project addresses the definition and recognition of the elements of financial statements.

Consultation Paper – Phase 3

- Phase 3 of the project addresses measurement of the elements of financial statements.

3. The IPSASB also considered further issues on the presentation and disclosure phase of the conceptual framework project (Phase 4). The discussion of issues will continue at the March 2011 IPSASB meeting.
4. As these agenda papers were developed before the release of the IPSASB documents they are based on the versions discussed at the November IPSASB meeting. Extracts from the IPSASB agenda papers for that meeting (comprising just the draft documents) are set out in three files in the AASB members' area of the AASB website (under the December board papers). In view of their length and the fact that they are not finalised consultation documents, those IPSASB files were excluded from the Board papers for this meeting. They are provided as reference material.

Materials for this Board meeting

5. A staff analysis of the components of the IPSASB Phase 1 ED that deal with the Objectives and Qualitative Characteristics is provided in Agenda Paper 11.4 for the AASB's meeting. That paper serves a dual purpose of also being background material for the draft revised AASB Conceptual Framework.
6. A staff paper by Joanne Scott on the IPSASB's Consultation Paper on the Elements (Phase 2) is attached as AASB Agenda Paper 10.2 (FRSB Agenda Paper B10.3).
7. The other components of the IPSASB consultation documents will be covered by slides to be presented by staff at the Board meetings. (Those slides will also cover the attached staff papers.)

Next steps

8. Staff will update the Boards on any noteworthy changes in the IPSASB consultation documents after they become available and seek further feedback from the Boards prior to drafting submissions on the IPSASB ED and CPs.