

**DRAFT REVISED PROJECT PLAN
 CONTROL IN THE PUBLIC AND NOT-FOR-PROFIT PRIVATE SECTORS**

TIMETABLE:

The steps and potential timing for progressing the Phases of the project are provided in the following table.

The estimated timing is subject to a range of factors that are beyond the control of the project team.

Step	Estimated Timing
<i>Phase 1: determine the extent of the issues in current practice</i>	
<u>Part 1.</u>	
Identify the current issues arising from the application of control in the public sector. The issues should include the relationship of regulation to control; the relationship of state governments to local governments; administered items; the recognition of elements; the relationship of governments to universities; participatory rights and protective rights; trusts; and special purpose entities (including variable interest entities) in the public sector.	
1. Review relevant academic and other literature critiquing consolidation in the public sector.	February – September 2010 [DONE]
2. Identify relevant interviewees in Australian Commonwealth, States and NZ Government agencies (particularly Treasuries and Auditors-General).	February – September 2010 [DONE]
3. Conduct interviews with constituents to identify user needs, explore inter-entity relationships, consider practical implementation issues.	February – September 2010 [DONE]
4. Prepare a written report summarising information received from the interviews and literature review and identifying perceived extent of problems. Distribute to joint sub-committee for comment.	Draft report late October 2010 [DONE]
5. Amend the draft report to incorporate joint sub-committee members' comments on content (but not structure) and the manner in which some of the issues are articulated.	December 2010
<u>Part 2.</u>	
Identify the current issues arising from the application of control in the not-for-profit (NFP) private sector.	
1. Review relevant academic and other literature critiquing consolidation in the NFP private sector.	February – May 2011
2. Identify relevant interviewees in charities, member-based organisations, religious organisations (eg churches) and private schools, and auditors thereof.	February – March 2011
3. Conduct interviews with constituents to identify user needs, explore inter-entity relationships, consider practical implementation issues.	April – July 2011
4. Incorporate findings into the draft report referred to in Steps 4 or 5 of Part 1 above.	July – September 2011

Step	Estimated Timing
Phase 2: IFRS X Consolidated Financial Statements	
<p>Undertake a paragraph-by-paragraph review of IFRS X <i>Consolidated Financial Statements</i> with a view to:</p> <ul style="list-style-type: none"> (a) determining whether there is a need to supplement the definition of control with additional guidance in a public sector and NFP private sector context; and, if so, (b) developing proposals for public sector and NFP private sector material to be included in the domestic standards that will incorporate the IFRS. <p>This will involve</p> <ul style="list-style-type: none"> (a) assessing the definition of control to be included in the IFRS against the issues identified in Phase 1; and (b) considering whether approaches currently adopted for dealing with control in the public sector in jurisdictions with similar conceptual frameworks throw any light on the public and NFP private sector material that could be usefully incorporated into the domestic standards that will incorporate the IFRS. 	
<p>1. Prepare reports:</p> <ul style="list-style-type: none"> (a) evaluating the revised IFRS definition of control relative to outcomes of Phase 1 and make recommendations for amending Australian and New Zealand standards, having regard to the <i>Process for Modifying IFRSs for PBE/NFP</i>; and (b) identifying known application issues that should not give rise to domestic paragraphs at this stage, but could be the subject of Phases 3+. (Substantive issues will be brought to the Boards' attention as they are identified, even before they are incorporated into a report). 	<p>November 2010 – June 2011</p> <p>May 2012</p>
<p>2. Draft and issue an ED containing proposals relating to 1(a) immediately above for a 3-month comment period.</p>	<p>July – September 2011</p>
<p>3. Consider submissions on the ED.</p>	<p>January – February 2012</p>
<p>4. Issue Standard incorporating outcome of ED process.</p>	<p>March 2012</p>

Step	Estimated Timing
<i>Phases 3+: to be determined</i>	
<p>Further phases of the project would be considered after outcomes of Phases 1 and 2 are known. A later phase might arise from an assessment that the outcome of Phase 2 does not adequately address the issues identified in Phase 1.</p> <p>A later phase might include, for example, consideration of:</p> <ul style="list-style-type: none"> • whether control is an appropriate basis for identifying the boundaries of a reporting entity within a whole of government entity. This could be undertaken in the context of the disaggregation of a whole of government reporting entity, and might have implications for the current treatment of common control; and/or • relevant issues from the not-for-profit perspective. <p>Potential deliverables could include:</p> <ul style="list-style-type: none"> • Issue a Consultation Paper/ED. • Consider submissions on the Paper/ED as appropriate. • Issue amending Standards as necessary (e.g., AASB 127, Reporting Entity, and AASB 3 <i>Business Combinations</i> as amended by AASB 2008-11 <i>Amendments to Australian Accounting standard – Business Combinations Among Not-for-Profit Entities</i>). 	<p>Subject to:</p> <ul style="list-style-type: none"> • Outcome and timing of Phases 1 and 2; and • Progress on the IASB/FASB and IPSASB Conceptual Framework projects.

AASB COMMUNICATIONS PLAN

The following is an outline of a plan for communicating with constituents – particularly to address possible perceptions that public sector issues are not being given adequate attention because the scope of the project includes both the NFP private sector and the public sector and Phase 2 is limited to adapting IFRS rather than fundamentally reviewing its requirements.

Communications objective: help interested constituents understand the reason for the scope and approach of the project and keep them informed of progress throughout the project.

Actions, to be undertaken as the project progresses, will include:

1. AASB Chairman write to relevant public sector constituents (eg HOTARAC and ACAG) advising them of the Board’s decisions and reasons relating to the scope and approach of the project.
2. AASB project staff offer to attend HOTARAC and ACAG meetings to explain the Board’s scope and approach to the project.
3. Explicitly refer to this project in discussions with public sector constituents in relation to the AASB’s public sector agenda.
4. Provide progress reports to each Board at each meeting – this will provide an early warning if substantial issues will not be resolved under Phase 2.
5. Post progress reports on the AASB website.
6. Maintain a project summary on the AASB website, to be updated shortly after each Board meeting at which substantive decisions are made, and include links to relevant Board papers, Action Alerts and Approved Minutes.
7. AASB project staff make themselves available to speak at relevant conferences (for example, National Local Government Financial Management Forum, CPAA Public

Sector or Private Sector Not-for-Profit Conferences, NIA Public Sector or Private Sector not-for-Profit Conferences).

8. AASB project staff make themselves available to respond to media enquiries, in accordance with AASB policy.