



Australian Government

**Australian Accounting
Standards Board**

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Invitation to attend AASB Roundtables
ED 212 Not-for-Profit Entities within the General Government Sector
ED 214 Extending Related Party Disclosures to the Not-for-Profit Public Sector

The AASB seeks input from its constituents on issues raised in Exposure Drafts ED 212 *Not-for-Profit Entities within the General Government Sector* and ED 214 *Extending Related Party Disclosures to the Not-for-Profit Public Sector* through roundtables scheduled as follows:

<p><u>Sydney</u> Tuesday, 4 October 2011 1:00 pm – 5:00 pm Venue: The Portside Centre Symantec House 207 Kent Street, Sydney</p>	<p><u>Melbourne</u> Tuesday, 18 October 2011 1:00 pm – 5:00 pm Venue: The Australian Accounting Standards Board Level 7, 600 Bourke Street, Melbourne</p>
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Registration

Those wishing to attend a roundtable meeting as a participant or an observer are asked to register by completing the electronic application form by Friday, 16 September 2011.

Roundtables

The purpose of the roundtable meetings is to promote dialogue between constituents and the AASB that will assist the AASB in its deliberations on the proposals in ED 212 for financial reporting by NFP entities within the General Government Sector (GGS) and the proposal in ED 214 to extend the application of AASB 124 *Related Party Disclosures* to NFP public sector entities.

A copy of [ED 212](#) and [ED 214](#) can be downloaded from the AASB website. The AASB is seeking written comments on ED 212 by 31 October 2011 and on ED 214 by 31 January 2012.

Questions

The issues on which the AASB seeks input at the roundtable meetings are set out below. Where relevant, the questions include cross-references to paragraphs of the Exposure Drafts.

ED 212

	Question	ED 212 Reference
1	<p>Recognition and measurement principles ED 212 proposes to limit recognition and measurement options to those that align with GFS and thereby require the same accounting policies as those adopted under AASB 1049 for whole of governments and the GGSs. What are your views on this proposal?</p>	Paragraphs 10-12 and BC16-BC25
2	<p>Classification principles ED 212 proposes to require disclosure, either in the financial statements or in the notes, of information based on GAAP/GFS harmonised classification and presentation principles for controlled items and, separately, administered items (including classification of income and expenses as transactions and other economic flows). What are your views on this proposal? In addition, what is your view on whether: A. the on-the-face or in-the-notes presentation option should be allowed? Do you think on-the-face presentation of GAAP/GFS harmonised classified information should be prohibited given the potential for complexity; and B. the disclosures of GAAP/GFS harmonised classification information should be at a line item level, where it is presented in the notes? Do you think information at the line item level would be more beneficial than at the GFS category level?</p>	Paragraphs 13-18, 22 and BC26-BC35
3	<p>Budgetary reporting ED 212 proposes to require disclosure of: A. any original budgeted financial statements reflecting controlled or administered items presented to parliament, recast to align with the presentation and classification adopted in the primary financial statements and accompanying information about administered items or the GAAP/GFS harmonisation note (whichever is judged to be the more useful); and B. an explanation of variances. What is your view on this proposal?</p>	Paragraphs 23-29 and BC40-BC42
4	<p>Tier 2 disclosure requirements ED 212 proposes that Tier 2 entities be subject to all disclosure requirements except for the proposed requirement to disclose the most recent version of the ABS GFS Manual and its impact on the financial statements where an entity has adopted an earlier version. What are your views on this proposal?</p>	Shown as shaded text in ED 212
5	<p>Transitional provisions ED 212 provides no specific transitional requirements, except to require an entity to change the elections it previously made under AASB 1 <i>First-time Adoption of Australian Accounting Standards</i> to the extent necessary to comply with the ABS GFS Manual. What is your view on this proposal?</p>	Paragraphs 33-35 and BC44-BC47
6	<p>Operative date The proposed operative date is 3 years after the issue of a Standard. What is your view on this proposal?</p>	Paragraphs 3, 4 and BC48
7	<p>Other issues Are there any other issues relating to ED 212 that you wish to raise?</p>	

ED 214

	Question	ED 214 Reference
1	<p>Extending AASB 124 to the NFP public sector The version of AASB 124 issued in December 2009 incorporated a revised definition of ‘related parties’ and a partial exemption from disclosure requirements for entities that are related by virtue of being controlled, jointly controlled or significantly influenced by the same government. The AASB considered that this version of AASB 124 provides a more appropriate basis for application by NFP public sector entities than earlier versions, as transactions between government-related entities of the same jurisdiction are exempted partially from disclosure. Therefore, in furtherance of the AASB’s policy of promulgating transaction-neutral Standards to the extent feasible, ED 214 proposes to extend AASB 124 (December 2009) to the NFP public sector. What is your view on this proposal?</p>	Preface
2	<p>Amendments to disclosure requirements Do you think any amendments need to be made to the requirements (Tier 1 or Tier 2) for application by NFP public sector entities?</p>	
3	<p>Transactions with Ministers The AASB considered providing an exemption for entities from disclosing related party transactions involving Ministers. However, it was considered not warranted, given the role of materiality and the aggregated nature of the disclosures. What is your view?</p>	Paragraphs BC6-BC12
4	<p>Definition of ‘Key Management Personnel’ (KMP) The AASB considered whether an amendment of the definition of KMP for the NFP public sector would be necessary to facilitate a decision to remove the NFP public sector exemption from AASB 124, but decided that the present definition was suitable. What is your view?</p>	Paragraphs BC13-BC14
5	<p>Definition of ‘business’ The AASB considered whether an alternative definition (to that in Appendix A of AASB 3) for the term ‘business’ in paragraph 5 of AASB 124 was necessary and decided it was not required. What is your view?</p>	Paragraph BC15
6	<p>Additional disclosures for public sector KMP The AASB considered requests for additional disclosures (such as salary banding disclosures) for KMP in the public sector. It was decided not to propose any additional disclosures for NFP public sector entities due to the transaction-neutral policy. What is your view?</p>	Paragraph BC16
7	<p>Tier 2 disclosure requirements ED 214 proposes that Tier 2 NFP public sector entities should be subject to the disclosure requirements in AASB 124 as amended by AASB 2010-2 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>. While AASB 2010-2 was prepared in the context of AASB 124 not being applicable to NFP public sector entities, it is proposed that the conclusions reached also apply to NFP public sector entities. What are your views on this proposal?</p>	Preface
8	<p>Transitional provisions No transitional provisions are proposed in ED 214 and therefore comparatives for related party disclosures would be required when AASB 124 is first applied by NFP public sector entities. What is your view on this proposal?</p>	Preface
9	<p>Operative date It is proposed that this Standard be applicable to annual reporting periods beginning on or after 1 July 2013 with early adoption permitted. What is your view on this proposal?</p>	Paragraphs 3 and 4
10	<p>Other issues Are there any other issues relating to ED 214 that you wish to raise?</p>	