

EXTRACT FROM MINUTES: AASB 28-29 MAY 2003 MEETING

GAAP/GFS CONVERGENCE

Agenda Item 12

Members had before them:

- (a) a memorandum from Robert Keys dated 15 May 2003 (Agenda paper 12.1); and
- (b) a memorandum from Robert Keys dated 21 May 2003 updating the memorandum dated 15 May 2003 (Agenda paper 12.2).

Members reviewed the progress reports and noted the significant progress made towards convergence by the HoTARAC GFS/GAAP Convergence Working Group and also noted issues yet to be resolved by the Working Group, including:

- (a) achieving convergence if IASB projects (including performance reporting project) that show promise in facilitating convergence are not completed on a timely basis;
- (b) the relationship of General Government Sector financial reports and general purpose financial reporting; and
- (c) the consequences of principles adopted by the IASB in its performance reporting project (and how the IASB distinguishes “profit before remeasurements” items from “remeasurements” items) where they differ from GFS (and how GFS distinguishes Statement of Government Operations items from Statement of Other Economic Flows items).

Members noted that the AASB’s implementation plan was posted on the AASB’s website in April 2003 reflecting a two phase approach, with government departments included in Phase 2. Some Members expressed the view that government departments should be included within the scope of Phase 1 (because government departments are included within the General Government Sector, which is included within the scope of Phase 1). Members noted that this would have staff resource implications and some members expressed a concern that the review of AAS 27 and AAS 29, which was commenced before the FRC’s GFS convergence strategic direction was issued, would be unduly delayed. Members agreed that this issue should be raised at the next Board meeting, and until then, the implementation plan should remain unchanged.

Action:

Staff