



<b>To:</b>	<b>AASB Members</b>	<b>Date:</b>	2 April 2015
<b>From:</b>	<b>Joanna Spencer</b>	<b>Agenda Item:</b>	4.1 (M144)
<b>Subject:</b>	<b>Reporting Service Performance Information</b>	<b>Project Priority</b>	High
<b>Project Status:</b>	<b>Drafting – ED Q2 2015</b>	<b>Decision-Making:</b>	High

## Action for this meeting

To review draft Exposure Draft (ED) 2XX and to provide staff with directions in relation to the content of this ED and in particular:

- (a) whether the definition of ‘not-for-profit entity’ needs amending (see Agenda Paper 4.2);
- (b) possible ‘Specific Matters for Comment’ to include in ED 2XX (see Agenda Paper 4.2);
- (c) the specific questions noted in the comments highlighted in the attached draft ED; and
- (d) to note the project timetable (see attached Appendix).

## Link to project summary

[http://www.aasb.gov.au/admin/file/content102/c3/SPR\\_Project\\_Summary.pdf](http://www.aasb.gov.au/admin/file/content102/c3/SPR_Project_Summary.pdf)

## Attachments

Agenda Paper 4.2     AASB Staff Issues Paper – Draft ED 2XX *Reporting Service Performance Information*

Agenda Paper 4.3     Draft ED 2XX *Reporting Service Performance Information*

## Update on project

The Board last discussed the Reporting Service Performance Information project in December 2014. Since then staff have worked directly with NZASB staff in January 2015 to develop principles for a Standard. AASB and NZASB staff have continued to liaise via telephone and have participated in Board Advisory/Subcommittee meetings and Board meetings where appropriate. At this stage, it appears that the Australian and New Zealand projects have diverged somewhat, with

Australia focussing on inputs, outputs, outcomes, efficiency and effectiveness in relation to service performance objectives, whereas the New Zealand project has focussed only on outputs and outcomes in relation to service performance objectives. Despite this divergence, AASB and NZASB staff intend to review their respective near final drafts at a later date to make a comparison of the similarities and differences.

It should also be noted that the IPSASB issued Recommended Practice Guideline RPG 3 *Reporting on Service Performance Information* on 31 March 2015. Agenda Paper 4.2 contains some content from the IPSASB's draft RPG which was presented at the March 2015 IPSASB meeting and staff will review that text to determine whether it differs from the final text and if so whether it needs revising.

## Overview of Agenda Papers

### *Agenda Paper 4.2     AASB Staff Issues Paper – Draft ED 2XX Reporting Service Performance Information*

Agenda Paper 4.2 considers two issues raised in conjunction with draft ED 2XX (Agenda Paper 4.3). This first issue is whether the definition of a not-for-profit entity currently used in Australian Accounting Standards should be amended. The second issue is in regards to the Specific Matters for Comment to be included in [draft] ED 2XX.

#### **Agenda Paper 4.2 includes the following Questions to Board members:**

##### **Question 1 for the Board**

Does the Board agree with the staff recommendation that the AASB should add a limited scope project to its agenda to review whether the definition of a NFP entity should be revised?

##### **Question 2 for the Board**

- (a) Does the Board agree with the issues identified by staff to be included as SMCs for constituents?
- (b) Are there any additional issues/questions Board Advisors think should be included as SMCs?

### *Agenda Paper 4.3     Draft ED 2XX Reporting Service Performance Information*

Agenda Paper 4.3 is the first draft the Board has reviewed for an ED for the Reporting Service Performance Information project. The Board Advisors' Group reviewed a previous draft in early March 2015 and whilst staff have incorporated their comments into this draft, it is substantially different from the one previously reviewed.

Agenda Paper 4.3 contains a number of questions highlighted in comment boxes which staff will refer to as the Board reviews the draft ED. These questions relate to the following issues:

- definition of a not-for-profit entity;

- application exclusion for entities preparing whole-of-government or general government sector financial statements;
- possible application exclusion for entities preparing consolidated financial statements;
- proposed application date;
- service performance information reported on a differing reporting period to the financial statements;
- ‘complete’ information as a characteristic of faithful representation;
- definition of accountability;
- inclusion of Application Guidance; and
- inclusion of Illustrative Examples.

## Project Timetable

The timetable for this project is as follows:

Date	Action
April 2015 Board Meeting	Review first draft of ED 2XX (ED text, Appendix A – Definitions, Appendix C - Illustrative Examples) and provide comments to staff
May 2015 Board Meeting	Review second draft of ED 2XX – All sections drafted (Preface, ED text, Appendix A – Definitions, Appendix B – Application Guidance, Appendix C – Illustrative Examples and Basis for Conclusions) and provide comments to staff.
Mid June 2015	Pre-ballot draft of revised draft ED 2XX to Board for review – comments by 30 June 2015
Early July 2015	Circulate ballot draft ED 2XX to Board for voting – Board vote by 24 July 2015
End July 2015	Issue ED 2XX for Comment