



Project:	Service Concession Arrangements	Meeting	AASB October 2015 (M148)
Topic:	Field Test Draft Project Plan	Agenda Item:	6.2
Contact(s):	Daen Soukseun dsoukseun@aasb.gov.au (03) 9617 7633	Project Priority:	High
		Decision-Making:	High
		Project Status:	Initial deliberation

Introduction and objective of this paper

- 1 The objective of this paper is to obtain Board approval of the draft project plan for the field test of the requirements of ED 261 *Service Concession Arrangements: Grantor*¹.
- 2 This paper is structured as follows:
 - (a) Summary of staff recommendations (paragraph 3);
 - (b) Background (paragraphs 4); and
 - (c) Field test description and objective (paragraphs 5-10).

Summary of staff recommendations

- 3 Staff recommend the Board approve the draft project plan for the field test of the requirements of ED 261.

Background

- 4 At the September 2015, the Board approved the project plan² for progressing the project on service concession arrangements from a grantor's perspective. A component of the project plan was to undertake a field test of the requirements of ED 261.

¹ Link to ED 261 *Service Concession Arrangements: Grantor*
http://www.aasb.gov.au/admin/file/content105/c9/ACCED261_05-15.pdf

² Link to Exposure Draft 261 *Service Concession Arrangements: Grantor* – Draft Project Plan September 2015
http://www.aasb.gov.au/admin/file/content102/c3/M147_6.3_Draft_Project_Plan_SCA.pdf

Field test description and objective

- 5 The draft project plan in paragraph 9 below details the proposed steps and timing for undertaking a field test of the proposals in ED 261.
- 6 The objective of the field test is to gain a deeper understanding of the issues in accounting for service concession arrangements to assist the Board in finalising the service concession arrangements project.
- 7 Staff expect that the field test may result in the inclusion of additional guidance and complex examples to address areas of concerns that constituents expressed during the comment period.
- 8 The field test comprises of the following key steps:
 - (a) Step 1: establish the composition of the participants to be involved in the field test and the terms of reference for the project;
 - (b) Step 2: field test participants apply the proposals in ED 261 to their specific service concession arrangement fact patterns. The participants will be requested to provide the AASB with the relevant service concession arrangement fact patterns and/or examples along with comments on the:
 - (i) likely accounting treatment for the specific fact patterns/examples;
 - (ii) issues experienced in applying the proposals of ED 261; and
 - (iii) suggested guidance that can be incorporated in the final Standard that would be useful in the application of the final Standard;
 - (c) Step 3: staff use the information from Step 2 to develop guidance and blended examples for possible inclusion in the final Standard; and
 - (d) Step 4: present the findings and proposed guidance to the Board for consideration and decision for their inclusion in the final Standard.

Draft detailed field test project plan and timetable

9 The table below details the major steps and timing of the field test.

	Project step	Responsibility	Estimated completion time
1	Establish field test participants (FTP) and terms of reference		
1.1	Determine the role and draft composition of FTP	Staff	30/10/15
1.2	Establish terms of reference for field test	Staff, Academic	30/10/15
1.3	Confirm FTP	Staff	30/10/15
2	Conduct field test – Application of proposed requirements in ED 261 to FTP fact patterns		
2.1	Meetings (teleconferences) with FTP to discuss: (a) Terms of reference of field test including participants' role; and (b) Scope of issues to be explored in field test	Staff, Academic, FTP	Early/Mid November 2015
2.2	FTP apply the proposals in ED 261 to their specific service concession arrangement fact patterns	FTP	Mid November – Mid December 2015
2.3	Meet with FTP to discuss outcomes of application of ED 261 to fact patterns.	Staff/Academic	December 2015 / January 2016
3	Develop guidance and blended examples		
3.1	Analyse comments and examples received from steps 2.2 and 2.3	Staff/Academic	Early February 2016
3.2	Present preliminary findings of field test to the Board	Staff	23-24 Feb 2016
3.3	Draft guidance and blended examples	Staff/Academic	24/3/16
3.4	Comments on draft guidance and blended examples from FTP members and Advisory Panels	FTP/Advisory Panels	15/4/16
3.5	Collate comments on draft guidance and blended examples and finalise guidance and blended examples	Staff/Academic	6/5/16
3.6	Prepare Staff Paper for June 2016 Board meeting	Staff	27/5/16
4	Present finding and guidance for Board consideration and decision	Staff	21-22 June 2016

Staff recommendation

10 Staff recommend the Board approve the draft project plan for the field test of the requirements of ED 261.

Question to the Board

Does the Board agree with the draft project plan for the field test of the requirements of ED 261?