



To:	AASB members	Date:	13 October 2010
From:	Robert Keys & Emma O'Brien	Agenda Item:	4.1
Subject:	GAAP/GFS harmonisation for not-for-profit entities within the GGS	File:	

Action

- Review the attached issues papers with a view to providing staff with directions for drafting the related aspects of a draft Exposure Draft.
- Decide whether to form a sub-committee to undertake the initial review of the draft Exposure Draft prior to a pre-ballot draft being sent to all Board members for out of session review.

Background

Exposure Draft ED 174 *Amendments to Australian Accounting Standards to facilitate GAAP/GFS Harmonisation for Entities within the GGS [AASBs 101, 107 and 1052]* was issued for public comment in January 2009. After considering the comments on the proposals in ED 174 at a number of meetings, the Board decided at its April 2010 meeting to develop a further ED that adopts GAAP/GFS harmonisation principles to the extent they improve the quality of financial reporting by not-for-profit entities within the GGS. At its July 2010 meeting, the Board made further progress in determining the proposals to be included in the ED. Following the discussion at that meeting, there remained three outstanding issues, which are addressed in the attached agenda papers:

- (a) How to give effect to the GFS distinction between transactions and other economic flows in a GAAP reporting entity context (see agenda paper 4.2);
- (b) What the format and content of a GAAP/GFS harmonisation note about controlled and administered items should be (see agenda paper 4.3); and
- (c) How to facilitate orderly adoption of future amendments to the ABS GFS Manual (see agenda paper 4.4, which includes, as Appendix C, a letter from the AASB Chairman to the

Australian Statistician – advice from ABS staff is that the letter is still being considered by the ABS).

Each of these agenda papers provide further background to their issue.

Process for finalising the ED

Once the Board has provided directions to staff on how to address the above issues in the ED, we will proceed to prepare a complete draft Exposure Draft, accompanying illustrative example and basis for conclusions as a pre-ballot draft for out of session review, unless the Board decides that a sub-committee of the Board should be formed to initially review a draft.

Attachments

- Agenda paper 4.2: Issues paper: Giving effect to the GFS distinction between transactions and other economic flows in a GAAP reporting entity context.
- Agenda paper 4.3: Issues paper: Note disclosure of GAAP/GFS harmonised information about controlled and administered items.
- Agenda paper 4.4: Issues paper: Facilitating orderly adoption of future amendments to the ABS GFS Manual.