



Australian Government
Australian Accounting Standards Board

Australian Financial Reporting Framework – Not-for-Profit Public Sector Entities

AASB meeting
17-18 September 2019

Purpose of today

Provide update to Board members on:

1. Discussions with principal stakeholders about options in AASB DP *Improving Financial Reporting for Australian Public Sector*
2. FRC's Public Sector Working Group
3. Next steps and proposed timeline



Objective

- Clarify and simplify the Australian financial reporting framework for the Australian Public Sector
- Develop objective criteria to determine which public sector entities should be required to prepare and publish general purpose financial statements (GPFS)
- Determine the financial reporting requirements that would apply to the financial statements

Papers issued

- [Research Report No 6 – Financial Reporting Requirements Applicable to Australian Public Sector Entities](#) (May 2018)
- [Discussion Paper – Improving Financial Reporting for Australian Public Sector](#) (June 2018)



Staff have held discussions with the following stakeholders:

- The Financial Reporting and Accounting Committee (FRAC) of the Australasian Council of Auditors-General (ACAG) on 17 May 2019
- The Heads of Treasuries Accounting and Reporting Advisory Committee (HoTARAC) on 4 July 2019
- Various discussions with FRC's Public Sector Working Group (comprises Stein Helgeby, David Nicol, Roger Simnett and Kris Peach)



Verbal update



- The working group will now lead this project
- Allows a more co-ordinated approach so that financial reporting regulators, auditors and Treasury officials would be involved in managing the change process
- The project will be achieved in three phases
 - Phase 1: Research and initial consultations
 - Phase 2: Detailed discussions and further design work
 - Phase 3: Review, acceptance and approval
- Phase 1 is underway. AASB staff will work with the Commonwealth Department of Finance to prepare material to illustrate the possible financial reporting requirements of each reporting tier



- Phase 2: Detailed discussions and further design work
 - To be undertaken in 2020-21
 - Develop recommendations for change for Commonwealth, State and local government jurisdictions, factor in feedback from Phase 1
 - Conduct testing of recommendations with key stakeholders
- Phase 3: Review, acceptance and approval
 - Fine tuning the recommendations based on feedback in Phase 2
 - Present the final proposal, obtain clearance by relevant decision-makers, and include in legislative programs
 - This phase could take 24-36 months (2021-24) depending on the complexity of change and the legislative programs in each jurisdiction

Next steps and proposed timeline – Phase 1

Tasks	Timing
Initial discussion with Heads of Treasuries	August/September 2019
AASB and Department of Finance to prepare templates for alternative reporting tiers	December 2019
Consultation with Auditors-General/ACAG	December 2019 – January 2020
Engagement with local government representatives	First half of 2020
Awareness-raising with public accounts committees	First half of 2020
Consider how the project should relate to other forms of reporting	First half of 2020
Consider project plan and communication plan for Phase 2	First half of 2020

