

5 November 2019

Ms Kris Peach  
Chair  
Australian Accounting Standards Board  
PO Box 204  
Collins St West Victoria 8007  
AUSTRALIA

Dear Ms Peach


***Fatal Flaw Review – AASB 2019-X Amendments to Australian Illustrative Examples for Not-for-Profit Entities accompanying AASB 15***

The Australasian Council of Auditors-General (ACAG) welcomes the opportunity to provide comments on the fatal flaw review of *AASB 2019-X Amendments to Australian Illustrative Examples for Not-for-Profit Entities accompanying AASB 15* (the Standard). The views expressed in this submission represent those of all Australian members of ACAG.

ACAG acknowledges the Board's efforts to clarify how the requirements in paragraph 35(a) of AASB 15 *Revenue from Contract with Customers* should be interpreted for research grants, specifically noting the intended application of the principles outlined in the proposed illustrative examples in AASB 2019-X. Within the context of auditing universities' financial statements, we will assess the impact on the accounting for research grants when applying the principles outlined in the proposed illustrative examples in AASB 2019-X. Where we come across any potential unintended consequences from the application of those principles, we will advise the Board of such.

ACAG appreciates the opportunity to comment.

Yours sincerely



Rod Whitehead  
**Chairman**  
**ACAG Financial Reporting and Accounting Committee**