

Professor David Boymal
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17 August 2007

Dear David

Exposure Draft ED 155 *Financial Reporting by Whole of Governments*

We write in response to the request for comments contained in the May 2007 Australian Accounting Standards Board (AASB) Exposure Draft 155 *Financial Reporting by Whole of Governments* (ED 155).

We support the general approach taken in the exposure draft. Whole of government financial reports should be prepared using the same accounting principles as are applied in other financial reports. Where there is a conflict between the accounting principles in the accounting standards and the Government Finance Statistics (GFS), the accounting standards should prevail. Additional disclosures may be provided to satisfy the GFS requirements, together with a reconciliation between the two frameworks. In particular, we agree that all controlled entities should be consolidated on a line by line basis.

We support requiring information which is additional to that required by other accounting standards to be included on the face of the financial statements, so that information is presented about key fiscal aggregates in a manner that is consistent with the information presented in GFS financial reports.


We also agree that the requirements of AASB 1049 *Financial Reporting of General Government Sectors by Governments* should be combined with the proposals in ED 155 in due course so that one accounting standard specifies requirements for both whole of government financial reports and General Government Sector (GGS) financial reports.

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We would welcome the opportunity to discuss our views at your convenience. Please contact me on (02) 8266 8099 if you would like to discuss this further.

Yours sincerely



Wayne Andrews

Partner

Assurance

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