











We note that there are certain key areas considered in this ITC that are highly judgemental (such as the assessment of control including the identification of variable returns) which significantly impact the requirement to prepare consolidated financial statements, this may make obtaining sufficient appropriate audit evidence to support the judgments challenging in practice. However, we believe that the audit of such judgments is commonplace and would not consider any changes to be necessary purely for the purposes of auditability.

**Question 20. Overall, do the requirements considered in this ITC result in financial statements that are more useful to users of NFP entity financial statements?**

We believe that on overall, the requirements considered in this ITC will result in financial statements that are more useful to users of NFP entity financial statements, but we echo our comments raised above that there is a call for more practical guidance to be issued by the Board on the highly judgemental areas. We note that while the current guidance makes sense in theory, it is complex to apply in practice and thus it is important for the Board to issue guidance that are user-friendly that caters to the different NFP entity organisational structures commonly seen in NFP sector.

**Question 21. In your view, do the benefits of applying the requirements considered in this ITC exceed the implementation and ongoing application costs for NFP entities?**

We believe that with additional guidance to be issued by the Board around the highly judgemental areas, the benefits of applying the requirements considered in this ITC will exceed the implementation and ongoing application costs for NFP entities.

**Question 22. Are there any other matters that should be brought to the attention of the AASB as it undertakes this PIR?**

We have no further comments.