



Memorandum

To:	AASB members	Date:	12 May 2015
From:	Clark Anstis	Agenda Item:	11.1
Subject:	Australian Financial Reporting Framework	Project Priority:	High
Project Status:	Initial deliberations	Decision-Making:	Low

Action for this meeting

To consider and discuss the scope of the project and the project plan.

Background

The draft AASB research strategy arising out of the Board's strategy discussion in February 2015 outlines four key areas: the Australian financial reporting framework, the conceptual framework, a post-implementation review of the adoption of IFRSs in Australia, and alliances. The research strategy is addressed in the papers for agenda item 9 for this meeting of the Board.

This agenda item (item 11) is to put before the Board the developing project plan for the initial phases of the first research strategy area listed – the Australian financial reporting framework. The objective of this agenda item is to update the Board as to the approach undertaken to date and to give Board members the opportunity to comment.

Overall, the Australian financial reporting framework project is intended to achieve reforms in financial reporting that appropriately balance costs and benefits and result in 'fit for purpose' information. The objective of the project is to clarify and simplify the Australian financial reporting framework, so that objective criteria determine which entities would be required to prepare general purpose financial statements and the level of the reporting requirements, without individual entities having to apply the reporting entity concept.

Attachments

11.2 Project plan (May 2015).

Overview of agenda papers

Agenda paper 11.2 – Project plan

This agenda paper addresses the initial, related phases of the financial reporting framework project: corporate and non-corporate financial reporting, including requirements for Tier 2 entities (the

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reduced disclosure requirements, or RDR). The focus is on financial information reported publicly through general purpose financial statements (GPFSs) and the types of entities that ought to present GPFSs. Through considering reporting thresholds, the project ultimately could result in some entities that currently prepare GPFSs or special purpose financial statements (SPFSs) not being required to prepare such financial statements. It could also result in some entities that currently prepare SPFSs being required to prepare GPFSs instead.

The project plan sets out the work planned to be carried out in developing proposals regarding which entities should be required to report publicly and the appropriate reporting requirements. The necessary due process procedures have not been included in the plan.

The project plan does not address the following topics included in the draft research strategy under the financial reporting framework strategy: a post-implementation review (PIR) of RDR, control (phase 2) issues, group information (i.e. information in group financial statements on entities within the group) and the Australian XBRL taxonomy. These topics are generally self-contained, although the PIR of RDR would be assisted by the work performed for the initial phases.

Agenda Paper 11.2 includes the following Question to Board members:

Q1 Does the Board support the project plan and have suggestions for its amendment?