



Improving not-for-profit financial reporting

A new report gives Australian stakeholders a valuable resource to identify further improvements to not-for-profit (NFP) financial reporting, particularly the public sector.

The AASB Staff Report, [AASB and IPSASB Pronouncements – A comparison](#) is a comprehensive analysis of how Australia's accounting standards (AASBs) differ from International Public Sector Accounting Standards (IPSASs). The International Public Sector Accounting Standards Board (IPSASB) issues IPSASs, generally based on IFRSs, for NFP public sector entities such as local councils and government departments.

This report aims to identify areas in AASBs that could be considered by the AASB for further modification, guidance and examples to better meet the needs of the NFP sector.

[AASB Research Report No 4: Review of Adoption of International Financial Reporting Standards in Australia](#) (March 2017) found that extra support appears to be warranted for NFP entities.

It is appropriate to compare AASBs and IPSASs because the public sector makes up a substantial number of Australia's NFP entities, and because of their applicability to private sector NFPs, as is practice in New Zealand where IPSASs have been adopted in both NFP public and private sectors.

AASB Chair Kris Peach said, "The AASB is responsible for ensuring accounting standards meet the objectives of financial reporting for all entities. The AASB's agenda consultation and IFRS review projects identified the need to consider whether further modifications, guidance and examples are warranted for the NFP sector and we want to take action on this. This report will be used as a basis for informed discussion on how we can further assist the NFP sector."

Heads of Treasuries Accounting and Reporting Advisory Committee Chair David Nicol said, "I congratulate the AASB staff on the work they've undertaken to clearly identify the differences between AASBs and IPSASs. This report is a welcome step for further discussion and informed debate with regard to what – if any – additional NFP modifications to the existing AASBs are required."

Stakeholder feedback on this report is encouraged in order to continue this important conversation.

The report can be downloaded via [the AASB website](#).

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