



AASB 1055 BUDGETARY REPORTING

FACT SHEET

This fact sheet is based on existing requirements as at 31 December 2015 and it does not take into account recent standards and interpretations that have been issued but are not yet effective.

IMPORTANT NOTE

This Standard is an Australian specific standard with no international equivalent. The application date included below is the effective date of the initial version of the Standard.

AASB APPLICATION DATE

AASB 1055 is applicable for annual reporting periods commencing on or after 1 July 2014.

OBJECTIVE

The objective of AASB 1055 is to specify budgetary disclosure requirements for the whole of government, General Government Sector (GGs) and not-for-profit entities within the GGS of each government.

Disclosures made in accordance with AASB 1055 provide users with information relevant to assessing performance of an entity, including accountability for resources entrusted to it.

DISCLOSURES

Refer to Appendix 1 for a detailed checklist to assist with AASB 1055 disclosure requirements.

REDUCED DISCLOSURE REQUIREMENTS (RDR)

On 30 June 2010, the Australian Accounting Standards Board published AASB 1053 *Application of Tiers of Australian Accounting Standards* (and AASB 2010-2 *Amendments to Australian Accounting Standards* arising from Reduced Disclosure Requirements) which established a differential reporting framework, consisting of two Tiers of reporting requirements for preparing general purpose financial statements:

- a. Tier 1: Australian Accounting Standards; and
- b. Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements.

A Tier 2 entity is a 'reporting entity' as defined in SAC 1 *Definition of the Reporting Entity* that does not have 'public accountability' as defined in AASB 1053 and is not otherwise deemed to be a Tier 1 entity by AASB 1053.

RDR is applicable to annual periods beginning on or after 1 July 2013.

When developing AASB 1053, the AASB concluded that the Australian Government and state, territory and local governments should be subject to Tier 1 requirements. The AASB also decided that General Government Sectors of the Australian Government and state and territory governments should continue to apply AASB 1049 *Whole of Government and General Government Sector Financial Reporting*, without the reduction in disclosures provided by Tier 2. Other public sector entities are able to apply Tier 2 reporting requirements.

Disclosure requirements under Tier 2 are the same as those under Tier 1 for this standard.

DEFINITIONS

ABS GFS Manual	Australian Bureau of Statistics (ABS) publications <i>Australian System of Government Finance Statistics: Concepts, Sources and Methods, 2005</i> (ABS Catalogue no. 5514.0) and <i>Amendments to Australian System of Government Finance Statistics, 2005</i> (ABS Catalogue No. 5514.0) published on the ABS website.
Entity within the GGS	Any legal, administrative, or fiduciary arrangement, organisational structure or other party (including a person) within the GGS having the capacity to deploy scarce resources in order to achieve objectives.
General Government Sector (GGS)	Institutional sector comprising all <i>government units</i> and <i>non-profit institutions</i> controlled and mainly financed by government. Defined in the ABS GFS Manual (Glossary, page 256).
Government	The Australian Government, the Government of the Australian Capital Territory, New South Wales, the Northern Territory, Queensland, South Australia, Tasmania, Victoria or Western Australia.
Government units	Unique kinds of legal entities established by political processes which have legislative, judicial or executive authority over other institutional units within a given area and which: (i) provide goods and services to the community and/or individuals free of charge or at prices that are not economically significant; and (ii) redistribute income and wealth by means of taxes and other compulsory transfers. Defined in the ABS GFS Manual (Glossary, page 257).
Institutional unit	An economic entity that is capable, in its own right, of owning assets, incurring liabilities and engaging in economic activities and in transactions with other entities. Defined in the ABS GFS Manual (Glossary, page 257).
Non-profit institution	A legal or social entity that is created for the purpose of producing or distributing goods and services but is not permitted to be a source of income, profit or other financial gain for the units that establish, control or finance it. Defined in the ABS GFS Manual (Glossary, page 260).

APPENDIX 1 – DISCLOSURE CHECKLIST

This checklist can be used to review your financial statements. You should complete the “Yes / No / N/A” column about whether the requirement is included. To ensure the completeness of disclosures, provide an explanation for “No” answers.

CODE		YES / NO / N/A	EXPLANATION (If required)
AASB 1055.6	<p>Where an entity's budgeted:</p> <ul style="list-style-type: none"> a. statement of financial position; b. statement of profit or loss and other comprehensive income; c. statement of changes in equity; or d. statement of cash flows; <p>reflecting controlled items is presented to parliament and is separately identified as relating to that entity, has the entity disclosed for the reporting period:</p> <ul style="list-style-type: none"> • that original budgeted financial statement presented to parliament, presented and classified on a basis that is consistent with the presentation and classification adopted in the corresponding financial statement prepared in accordance with Australian Accounting Standards; and • explanations of major variances between the actual amounts presented in the financial statements and the corresponding original budget amounts? 		
AASB1055.7	<p>Where an entity within the GGS's budgeted financial information reflecting major classes of administered income and expenses, or major classes of administered assets and liabilities, is presented to parliament and is separately identified as relating to that entity, has the entity disclosed for the reporting period:</p> <ul style="list-style-type: none"> e. that original budgeted financial information presented to parliament, presented and classified on a basis that is consistent with the presentation and classification adopted for the corresponding information about administered items disclosed in accordance with AASB 1050 <i>Administered Items</i>; and f. explanations of major variances between the actual amounts disclosed in the financial statements in accordance with AASB 1050 and the corresponding original budget amounts? 		

OTHER MATTERS

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