

Changes to the Australian Reporting Framework Are you Ready?

KEY IMPACTS OF REMOVAL OF SPECIAL PURPOSE FINANCIAL STATEMENTS



Complying with the Australian Financial Reporting Framework in an environment that is ever increasing in complexity while maintaining compliance with accounting standards, rules and regulations is becoming more challenging for organisations. Some of the key changes* include:

- The removal of the ability to prepare special purpose financial reports (SPFR) for some for-profit entities
- The introduction of a new Tier 2 'Simplified Disclosure' Standard (Tier 2 (SD)) which replaces the existing 'Reduced Disclosure Requirements' (RDR)
- The removal of the exemption from consolidation because an entity is not considered a 'reporting entity'.

Early planning and co-ordination of your organisation's response to the changes will be critical in managing reporting deadlines and identifying opportunities to streamline reporting obligations to avoid unnecessary bottlenecks at year end.

* Effective 1 July 2021 but early adoption is available - [click here](#) for more information

THE DELOITTE DIFFERENCE



Multi-disciplinary team of experts in accounting change to assist with all aspects of implementation of the new requirements



Codified and scalable implementation approach to maintain compliance with financial reporting obligations



Standardised reporting and control procedures to enable consistency in delivery and efficiency in the implementation process



Streamlined methodology and technology resources to efficiently automate financial statements

HOW CAN WE HELP?

Deloitte can assist you with every aspect of implementation of the new reporting requirements, from impact assessment through to financial statement preparation:



Impact assessment

Consideration of how your organisation may be impacted by the changes in reporting requirements.



Disclosure and data gap assessment

Perform a detailed disclosure and data gap assessment for organisations transitioning between reporting requirements, such as:

- SPFR → GPFR Tier 2 SD
- GPFR Tier 2 RDR → GPFR Tier 2 SD
- First time consolidation and/or equity accounting.



Process redesign

Consider impacts on year end close process / calendar
Creation of financial statement templates
Preparation of supporting work papers.



Technology

Providing accounting subject matter expertise and input into system design, implementation decisions and validating or testing of outputs.



First time consolidation and equity accounting

Consideration of available transition options
Preparation of opening balance sheet
Identification of eliminations
Preparation of first time consolidation workbooks and disclosures.



Outsourced financial statement preparation

Compilation of Australian Accounting Standards Board / International Financial Reporting Standards compliant reports
Development of accounting policies
Assistance with accounting standards and disclosures.

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