

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.

DELOITTE CONTACTS



Megan Strydom

Partner, Audit & Assurance

megstrydom@deloitte.com.au

+61 8 9365 8012



Soter Tiong

Partner, Audit & Assurance

stiong@deloitte.com.au

+61 3 9671 8195

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms or their related entities (collectively, the "Deloitte organisation") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organisation"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our global network of member firms and related entities in more than 150 countries and territories (collectively, the "Deloitte organisation") serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 312,000 people make an impact that matters at www.deloitte.com.

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which are separate and independent legal entities, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

The Australian partnership of Deloitte Touche Tohmatsu is a member of Deloitte Asia Pacific Limited and the Deloitte organisation. As one of Australia's leading professional services firms, Deloitte Touche Tohmatsu and its affiliates provide audit, tax, consulting, risk advisory, and financial advisory services through approximately 8000 people across the country. Focused on the creation of value and growth, and known as an employer of choice for innovative human resources programs, we are dedicated to helping our clients and our people excel. For more information, please visit our web site at <https://www2.deloitte.com/au/en.html>.

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.