



**FMOs 2011-12 SECOND DRAFT -
 SUMMARY OF SIGNIFICANT CHANGES
 FROM 2010-11 FMOs**

Type	Changes	Impact on accounting/disclosures
Specific changes	<ul style="list-style-type: none"> > Division 2: added information on the Content and Philosophy of the FMOs. > Division 23: the following changes were made in response to feedbacks/concerns raised on the Executive Remuneration Note: <ul style="list-style-type: none"> o simplified Table B (substantive senior executive) both in term of the disclosures and measurement; o aligned Table C (other highly paid staff) with Table B; and o senior executives and other highly paid staff who worked wholly or mainly outside Australia are now within scope of Division 23; and o for-profit <i>CAC Act</i> Authorities are now within scope. > Division 85: Administered Reporting (and related provisions in Part I) – aligned with departmental reporting. 	<ul style="list-style-type: none"> > No impact. > Impact: <ul style="list-style-type: none"> o Table B – disclose remuneration as per payment summary, showing a separate column for bonus paid. No longer require to split into fix and variable components. o Table C – disclosed as per Table B. Previously, only number of staff was required. <p>See Division 23 and PRIMA Forms for more details. Further guidance will be provided by Finance through Accounting Guidance Notes.</p> > Impact: administered reporting now follows departmental reporting. Schedule of Administered Items have been replaced with Administered Financial Statements and schedules. Specifically: <ul style="list-style-type: none"> o removed Administered Reconciliation Table o added Administered Cash Flow Reconciliation Table o added Administered Changes in Equity Statement (and added administered equity items as part Administered Balance Sheet) o moved the portion below Administered Cash Flow

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		<ul style="list-style-type: none"> statement into the cash flow statement i.e. as operating, investing and financing activities ○ reformatted Administered Comprehensive Income Statement to Net Cost of Service format ○ third balance sheet requirements now also apply to administered reporting ○ see guidance in Division 85 for information on the changes to accounting treatments regarding administered reporting
	<ul style="list-style-type: none"> > Division 100: clarified that quarantining has no impact on recognition/disclosure. See section 100.77G for more information. 	<ul style="list-style-type: none"> > No Impact.
	<ul style="list-style-type: none"> > Division 104: <ul style="list-style-type: none"> ○ Table A Annual appropriations – where applicable, a list of determinations by the Finance Minister supporting numbers disclosed in the table showing date of effect and amounts. ○ Table B Unspent annual appropriations – new requirement to disclose unspent administered annual appropriations (in line with departmental requirements). ○ Table E Reduction in Administered Items – removed the split between spent and retention for the amount required. 	<ul style="list-style-type: none"> > Impact: disclose information on Finance Minister’s determinations supporting departmental appropriations as well as administered appropriations. Previously, this requirement was for departmental appropriations only. > Impact: additional disclosure of administered annual appropriations by act and by year in Table B.
	<ul style="list-style-type: none"> > Division 120: <ul style="list-style-type: none"> ○ Table A - more detailed disclosures. ○ Table B - simplify the disclosures on investments made under section 39 of the FMA Act into a single table. 	<ul style="list-style-type: none"> > Impact: <ul style="list-style-type: none"> ○ all special accounts are now disclosed in a single table; ○ split the amount debited from special account into departmental, administered and Special Public Money ○ see PRIMA Forms on special accounts for more details.

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Other Changes to PRIMA Forms	<ul style="list-style-type: none"> > Division 123: Competitive Neutrality (CN) and Cost Recovery – these disclosures are no longer part of outcomes note, they will be disclosed in a new note. Furthermore, income subject to Cost Recovery Policy is now required to be disclosed by ‘activity’. 	<ul style="list-style-type: none"> > Impact: disclose CN and Cost Recovery separately from outcomes note. See guidance to PRIMA Forms – note 39 for more information.
	<ul style="list-style-type: none"> > Pre-2009 loans – align with policy in FinanceBrief 38 – <i>Reporting of pre-2009 loans to other government bodies</i> 	<ul style="list-style-type: none"> > Impact: see FinanceBrief 38 for more information.
	<ul style="list-style-type: none"> > Summary of Significant Accounting Policies (Note 1) – will now be published by Finance as an attachment to the PRIMA Forms. 	<ul style="list-style-type: none"> > No impact: entities continue to disclose Note 1 as part of their notes to Financial Statements.
	<ul style="list-style-type: none"> > Schedule of Asset Additions – removed. 	<ul style="list-style-type: none"> > Impact: back to reporting per 2009-10 – report additions as part of the asset reconciliation of opening and closing balances table.
	<ul style="list-style-type: none"> > Comprehensive income (loss) attributable to the entity – removed. > Restructuring Note (Note 12) – reformatted into a table format. 	<ul style="list-style-type: none"> > Impact: no longer required to disclose. > Impact: disclose restructuring note in accordance with PRIMA Forms Note 12. Note that income and expenses are only required for the functions assumed by the gaining entity.
Annual improvements	<ul style="list-style-type: none"> > Removal of information which is inconsistent with philosophy of the FMOs. The FMOs: <ul style="list-style-type: none"> o will not duplicate or re-state accounting standards; o are not a “training tool”; o should be logically arranged; and o should be written as close to “plain English” as is feasible for a technical document. 	<ul style="list-style-type: none"> > No impact.
	<ul style="list-style-type: none"> > Reassessment of level of information (black letter/policy/guidance). 	
	<ul style="list-style-type: none"> > Removal of specific references to CAC/FMA where not required in order to close loopholes and ensure items are reported by entities that have them (move toward ‘functional FMOs’). 	

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	<ul style="list-style-type: none"><li data-bbox="327 240 1196 448">> Clarify 'have regard to' concept - in the context of the FMOs, the phrase 'have regard to' (as used in section 8.2(b)) imposes a positive obligation to consider – entities must 'turn their minds' to the principle. This means entities must take the principles contained in relevant documents into account, consider them and give due weight to them as a fundamental element in making the decision.<li data-bbox="327 464 696 513">> General editorial changes.	