

Financial Management (Periodic and Annual Financial Statements) Guidelines 2010

Disallowable instrument DI2010–153

made under the

Financial Management Act 1996, s133 (Guideline-making power)

EXPLANATORY STATEMENT

Outline

These guidelines are issued in accordance with section 133 of the *Financial Management Act 1996* (the Act).

This instrument, *Financial Management (Periodic and Annual Financial Statements) Guidelines 2010* prescribes the level of reporting required in the periodic and annual financial statements.

The guidelines have been clarified in relation to the requirement for departments and prescribed territory authorities to produce operating statements for each appropriation unit and each class of outputs. These operating statements need only disclose income and expenses which are included in the operating result. Other comprehensive income need not be disclosed in these statements.

Other comprehensive income is movements in balance sheet items which are not reflected in the operating result. An example of comprehensive income is the movement in an agency's asset revaluation surpluses.

These movements have never been disclosed below agency level and are not required by accounting standards to be disclosed below agency level. This clarification requires agencies to continue to produce the same level of information as previously reported. It does not result in less information being provided at appropriation unit and class of output level.

This clarification was required due to a change in accounting standards applicable from 2009-10 which requires this movement information, called other comprehensive income, to be disclosed at the bottom of agency operating statements rather than the statement of changes in equity.

This guideline replaces *Financial Management (Periodic and Annual Financial Statements) Guidelines 2008*, notified on the legislation register on 18 July 2008.

Details of the Financial Management (Periodic and Annual Financial Statements) Guidelines 2010

Clauses 1 and 2 are formal requirements. They refer to the name and the commencement date.

Clauses 3 to 8 prescribes the level of reporting required by the Territory, departments, territory authorities.

Clause 9 revokes the *Financial Management (Periodic and Annual Financial Statements) Guidelines 2008*, which is replaced by provisions made under this guideline.

End