

# The Importance of Accounting to the Crown Balance Sheet

What gets measured gets managed, and what is recognised on the Crown balance sheet, and how those items are measured depends on accounting rules as determined in Generally Accepted Accounting Practice (GAAP).

Far from being a dry technical process, the establishment of these rules is fraught with passion, competing ideologies, entrenched lobby groups and political power plays. When financial and economic shocks occur, the searchlight seeking fault always reaches out for those whose job it is to determine what is true and fair. These are game-changing times. This presentation will identify the changes that are occurring and put them in context.

Ken Warren, a member of the International Public Sector Accounting Standards Board will take the international view – reporting on the developments of accounting conceptual frameworks, initially in the private sector and now in train for the public sector, and the organisational and structural changes afoot.

Mark Hucklesby will take the New Zealand perspective, commenting on the Financial Reporting Bill going through the House, the development of Public Benefit Entity standards for the public sector and not-for-profits, and the transition that will occur.

Issues that will be covered include:

- Is decision useful reporting (to capital providers) different to providing an account (to resource providers)?
- What does profit or surplus, or for that matter, financial performance mean?
- Should there be a measurement objective?
- Accounting for Social Obligations: How important is this?
- What about when service potential doesn't generate cash?
- Can anything be done to make current reporting requirements more understandable, and if so, what?

This seminar will be of particular value to those who use accounting information in the public sector context.

Date: Friday 22 November 2013  
Time: 1.00pm – 2.30pm  
Location: New Zealand Treasury  
1 The Terrace  
Level 5

RSVP: "Accounting Seminar"  
to Serah Vai at  
serah.vai@treasury.govt.nz  
by 12 November 2013,  
as seating numbers are limited.

## Ken Warren

### Chartered Accountant



Ken is a member of the International Public Sector Accounting Standards Board, the body that develops International Public Sector Accounting Standards. He has represented New Zealand at a number of international accounting forums including Financial Management and OECD symposiums.

Ken Warren is the New Zealand Treasury's Chief Accounting Advisor, in which role he co-ordinates and provides advice on the Government's accounting policies and practices. In addition he has responsibility for Public Finance Act matters dealing with reporting and appropriations.

Ken joined the New Zealand Treasury in 1990 to manage the preparation of the Financial Statements of the Government of New Zealand (including the preparation of the first audited balance sheet for the New Zealand Government). Previously, he had nine years auditing experience in both the private and public sectors. This included three years auditing experience in London with Arthur Young (the forerunner firm to Ernst Young)

## Mark Hucklesby

### Chartered Accountant



Mark is Grant Thornton's National Technical Director and is the firm's financial reporting expert. He has spent the last 20 years working full-time in New Zealand and in the UK on either creating, interpreting or commenting on standards in a number of business reporting domains: IFRS, XBRL, audit and Integrated Reporting.

He has worked with organisations in all sectors of the New Zealand economy to efficiently and effectively resolve complex financial and annual reporting issues. Mark was a member and then the Deputy Chair of the NZICA's Financial Reporting Standards Board between 2001 and 2006 and is currently a member of NZICA's Special Purpose Financial Reporting working group.

A regular presenter and Chair of many accounting and finance conferences, Mark has an excellent understanding of New Zealand's financial reporting requirements and he has used this experience to be an expert witness to the High Court on financial reporting matters.