

expect there to be significant changes to your CFISnet submissions or the financial statements of the Government (FSG). However, you will need to determine the impacts on your own entity. Some entities may have significant issues to consider.

5. We are currently finalising the updated Crown accounting policies that will be applicable for the current financial year. We don't expect there to be any major changes to the policies themselves, rather the changes are likely to be more editorial in nature. We plan to complete the work in May.
6. There are two substantive outstanding issues with regards to the FSG that we are currently discussing with the Office of the Auditor-General:
 - Initial recognition of non-exchange receivables (e.g. fines receivables)
 - Related party disclosures in the FSG for Ministers of the Crown.
7. With regard to these outstanding issues, the Treasury is recommending no change to current practice.
8. We will publish information on the resolution of these issues, and the finalised Crown accounting policies, on the website (<http://www.treasury.govt.nz/publications/guidance/reporting/ipsas>) over the coming weeks. The updated accounting policies will also be included in the year end Treasury circular.

Transition guidance

9. We expect each entity to manage the transition to NZ PBE standards for their individual entity.
10. To assist you with the transition the Treasury website (noted in paragraph 8 above) includes a number of useful tools to enable you to quickly determine any potential areas of difference. These resources include:
 - A comparison between NZ IFRS and NZ PBE standards at the transition date (1 July 2014) (<http://www.treasury.govt.nz/publications/guidance/reporting/ipsas/comparison-nzifrs>)
 - An analysis of the changes to both NZ IFRS and NZ PBE standards between June 2011 and November 2014. This analysis shows there have been some minor amendments to the transition suite of PBE standards but nothing significant impacting the current financial year. <http://www.treasury.govt.nz/publications/guidance/reporting/ipsas/pbe>
11. In July we will be providing an updated analysis of accounting standards changes between December 2014 and June 2015 (again any changes are expected to be minor in the short term).
12. In addition to the resources that the Treasury provide, Audit New Zealand also have a number of resources available (<http://www.auditnz.govt.nz/publications-resources/public-sector-auditing/model-financial-statements/index.htm>).

13. They offer some helpful advice on putting together a transition plan at <http://www.auditnz.govt.nz/publications-resources/public-sector-auditing/model-financial-statements/preparing-for-pbe-standards>.
14. In particular Audit New Zealand is currently working on model financial statements for Departments which fully comply with NZ PBE accounting standards. These are also a good source of disclosure information for related party disclosures.
15. In the meantime Audit New Zealand has completed model financial statements for Crown Entities which will be very similar to the department financial statements (<http://www.auditnz.govt.nz/publications-resources/public-sector-auditing/model-financial-statements/updated-model-financial-statements>).
16. We strongly recommend that you engage with your auditors early, if you have not already done so.

Year end reporting requirements

17. Your year end CFISnet June submission (due mid July) must comply with NZ PBE standards.
18. Any opening equity adjustments required should be recorded in CFISnet schedule 1:51:0 (or schedule 1:71:0 for non-department), line 6045 (other movements). It will be important to include a text description identifying the adjustment as relating to the PBE transition.
19. At this stage we do not require restated comparative information for 2013/14. However, if we find that, in total, the adjustments are material at a whole-of-Crown level we may seek more information from you to allow us to make an adjustment to the 2013/14 results.
20. In addition, if you find that when completing your own analysis you have material changes¹ to your comparative information, please contact either Angela or Emma (contact details are above).
21. We will continue to update the Treasury website on a regular basis. If you have any questions please feel free to contact Angela or Emma (contact details are at the beginning of this circular).

Nicola Haslam
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¹ More than \$10 million to an individual line in your annual report.