



Fri 18/11/2016 3:09 p.m.

Brett Story <Brett.Story@auditnz.govt.nz>

ED NZASB 2016-8 2016 Omnibus Amendments to PBE Standards

To submissions

Cc Robert Cox

Message

PBE FRS 42 Editorial Correction.docx

Hi Warren,

Apologies for the delay in providing our response on ED NZASB 2016-8 *2016 Omnibus Amendments to PBE Standards*. We have had some building access issues as a result of the earthquakes.

Overall, we are comfortable with the changes proposed by the ED.

We however note that for the proposed changes to PBE IPSAS 12 and PBE IPSAS 17, the distinction between military inventories (previously ammunitions) and weapons systems (previously specialist military equipment) in some cases will be difficult. We consider the principle of ongoing service of deterrence against aggressors as helpful guidance for classifying military equipment as property, plant, and equipment. However, how this principle applies to different missile types to distinguish missiles as inventory or property, plant, and equipment will not always be clear and will require judgement. More guidance to help with the distinction between inventory and property, plant, and equipment classification for missiles would be useful.

We have also attached a suggested editorial correction to paragraph 31(i) of PBE FRS 42 *Prospective Financial Statements* that we have recently identified.

If you have any queries on these comments, please contact myself (details below) or Robert Cox on 021 222 6107.

Kind regards,

Brett

Associate Director, Technical
Audit New Zealand *Mana Arotake Aotearoa*
Level 1, 100 Molesworth Street, Thorndon
Ph: 021 222 6247 www.auditnz.govt.nz

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Attachment

31. As a minimum, the prospective statement of comprehensive revenue and expense shall separately disclose:

.....

- (h) Each component of other comprehensive revenue and expense classified by nature (excluding amounts in (i));
- (i) Share of the other comprehensive revenue and expense ~~income~~ of associates and joint ventures accounted for using the equity method; ~~and total comprehensive revenue and expense~~; and
- (j) Total comprehensive revenue and expense.