



Warren Allen  
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External Reporting Board  
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16 February 2017

***Exposure Draft NZASB 2016-9: Approved budget***

Dear Warren

The New Zealand Accounting Standards Board (NZASB) has sought submissions relating to *Exposure Draft NZASB 2016-9: Approved budget (Proposed amendments to PBE IPSAS 1)* (ED 2016-9).

PwC New Zealand is pleased to present its submission.

We welcome the proposed changes to PBE IPSAS 1 *Presentation of Financial Statements* in order to remove the ambiguity surrounding the practical application of paragraph 21(e) of PBE IPSAS 1.

Many public sector entities in New Zealand make plans or budgets publicly available. Since these plans and budgets are not usually referred to as an 'approved budget', use of this term in PBE IPSAS 1 has caused some confusion.

Adding to the difficulty with the use of this term is the fact that IPSAS 24 *Presentation of Budget Information in Financial Statements*, the standard that defines this term, is not included in the PBE Standards. We understand that the decision to not adopt IPSAS 24 in New Zealand was made on the basis that the objective of the standard is already addressed by requirements in legislation.

We consider that the removal of the reference to 'approved budget' is consistent with the decision not to incorporate IPSAS 24 into the PBE Standards.

We also support the proposed amendments to clarify that, when an entity is required to present a comparison of prospective and actual financial statements, it can do so either on the face of the financial statements or in the notes to the financial statements.

Apart from the above, we have no comments in response to the specific questions for respondents in the invitation to comment on ED 2016-9.

Should you wish to discuss the above, please do not hesitate to contact Lyn Hunt on (09) 355 8863.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Jonathan Freeman', with a long horizontal line extending to the right.

Jonathan Freeman  
Partner  
Assurance Leader