

I PURPOSE AND SCOPE

Reissued: 24 March 2009

- APS 1.1** The Department of Treasury and Finance has issued 6 Accounting Policy Frameworks. They are: *Purpose and Scope*; *General Purpose Financial Statements Framework*; *Asset Accounting Framework*; *Financial Asset and Liability Framework*; *Income Framework* and *Definitions*. Each of the Frameworks contain Accounting Policy Statements issued by the Treasurer on selected accounting and reporting issues. An APS prefix identifies those paragraphs within an Accounting Policy Framework which are Accounting Policy Statements.
- APS 1.2** Accounting Policy Statements are issued pursuant to Section 41 of the *Public Finance and Audit Act, 1987*. They are applicable to all public authorities that are reporting entities.
- APS 1.3** Accounting Policy Statements are designed to ensure consistent application of Australian Accounting Standards by all controlled public authorities in the presentation of their general purpose financial statements.
- APS 1.4** In addition to the Accounting Policy Statements (mandatory elements) the frameworks contains guidance and preferred financial reporting policies, which are shaded grey.
- APS 1.5** An overriding principle of financial reporting is that the reporting reflects the reality or substance of transactions over their legal form.
- APS 1.6** Before release, a draft of the Accounting Policy Statement will, where considered necessary, be distributed to the Auditor-General's Department and selected public authorities for comment. The comments received will be reviewed and the draft amended, as appropriate, before being issued.
- APS 1.7** In the event of an inconsistency between an Accounting Policy Statement and an Australian Accounting Standard, the requirements of the Accounting Policy Statement will prevail.
- APS 1.8** Terms defined in the Accounting Policy Statement will have the same meaning as those in the Australian Accounting Standards unless defined in the *Definitions Framework*.
- APS 1.9** The Accounting Policy Frameworks listed in APS 1.1 become operative for the first reporting period beginning on or after 1 January 2005.
- APS 1.10** Unless otherwise stated, references in an Accounting Policy Framework to an APS refer to an APS within the same Accounting Policy Framework.