

## SCOPE

This standard only applies to the New Zealand Government in its consolidated financial statements.

A government that prepares and presents consolidated financial statements and elects to disclose financial information about the general government sector in those statements shall do so in accordance with the requirements of this Standard.

## STATISTICAL BASES OF FINANCIAL REPORTING

- The objectives of financial statements prepared in accordance with PBE Standards are to provide information useful for decision making, and to demonstrate the accountability of the entity for the resources entrusted to it and which it controls.
- The purpose of financial statements prepared in accordance with statistical bases of financial reporting is to provide information suitable for analysing and evaluating fiscal policy, especially the performance of the GGS and the broader public sector of any country.
- Refer to PBE IPSAS 22 paras 9 - 11 for further information.

## ACCOUNTING POLICIES

- This Standard allows, but does not require, the disclosure of information about the GGS. Whether or not disclosure of information about the GGS will be made in financial statements will be determined by the government or other appropriate authority in each jurisdiction.
- Financial information about the GGS shall be disclosed in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the government, except as required by the below two points:
  - In presenting financial information about the GGS, entities shall not apply the requirements of PBE IPSAS 6 *Consolidated and Separate Financial Statements* in respect of entities in the PFCs and public NFCS sectors.
  - The GGS shall recognise its investment in the PFC and public NFCS sectors as an asset, and shall account for that asset at the carrying amount of the net assets of its investees.

## DEFINITIONS

- **General Government Sector (GGS):** comprises all organisational entities of the general government as defined in statistical bases of financial reporting.
- **The Public Financial Corporations (PFC) Sector:** comprises resident government-controlled financial corporations, quasi-corporations, and non-profit institutions that primarily engage in financial intermediation and the provision of financial services for the market. Included within this sector are government-controlled banks, including central banks, and other government financial institutions that operate on a market basis.
- **The Public Non-Financial Corporations (PNFC) sector:** comprises resident government-controlled non-financial corporations, quasi-corporations, and non-profit institutions that produce goods or non-financial services for the market. Included within this sector are entities such as publicly owned utilities and other entities that trade in goods and services.

## DISCLOSURES

- Disclosures made in respect of the GGS shall include at least the following:
  - Assets by major class, showing separately the investment in other sectors;
  - Liabilities by major class;
  - Net assets/equity;
  - Revenue by major class;
  - Expenses by major class;
  - Surplus or deficit;
  - Other comprehensive revenue and expense;
  - Total comprehensive revenue and expense;
  - Cash flows from operating activities by major class;
  - Cash flows from investing activities; and
  - Cash flows from financing activities.
- The manner of presentation of the GGS disclosures must be no more prominent than the government's financial statements prepared in accordance with PBE Standards.
- Entities preparing GGS disclosures must disclose the significant controlled entities that are included in the GGS, and any changes in those entities from the prior period, together with an explanation of the reasons why any such entity that was previously included in the GGS is no longer included.
- The GGS disclosures must be reconciled to the consolidated financial statements of the government, showing separately the amount of the adjustment to each equivalent item in those financial statements.