FRR 5E  Commitments

INTRODUCTION

Policy items, indicated by shaded bold print, form the Minimum Reporting Requirements (MRRs) referred to in sections 42(1) and 43(1) of the Financial and Performance Management Standard 2009 (FPMS). These are mandatory for departments. Statutory bodies must also have regard to these requirements and apply them where they are considered relevant in the circumstances.

Application Guidance, indicated by plain text under the “Application Guidance” sub-headings, provides support on interpreting and applying the mandatory policy items and other matters.
5E.1 DISCLOSURE REQUIREMENTS FOR COMMITMENTS

REFERENCES

- AASB 101 *Presentation of Financial Statements*
- AASB 116 *Property Plant and Equipment*
- AASB 117 *Leases*
- AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*
- AASB 138 *Intangible Assets*
- AASB 140 *Investment Properties*

POLICY

- Commitments required to be disclosed by applicable accounting standards must be shown in total for each class of commitment in the following time bands according to the time that is expected to elapse from the reporting date to their expected date of settlement:
  - Within twelve months
  - twelve months or longer and not longer than five years; and
  - longer than five years

- The value of commitments disclosed must be inclusive of any GST that will not be recouped by the agency.

APPLICATION GUIDANCE

Commitments

Q-Fleet lease agreements generally in the form of Memoranda of Understanding with Government agencies are, in the majority of instances, uniform agreements which are cancellable. As such, cancellable Q-Fleet leases are not to be included as part of non-cancellable operating lease commitments.