



TECHNICAL UPDATE

UPCOMING FINANCIAL REPORTING CHANGES AFFECTING THE AGED CARE INDUSTRY

NEW FINANCIAL REPORTING ARRANGEMENTS ARE BEING INTRODUCED FOR RESIDENTIAL AGED CARE AND HOME CARE PACKAGE PROVIDERS, WITH PROVIDERS WHO REPORT ON A 30 JUNE FINANCIAL YEAR-END BASIS NEEDING TO SUBMIT THEIR REPORTS BY 31 OCTOBER 2017.

What are the key changes?

- Residential Aged care providers will now submit an audited General Purpose Financial Report (GPFR) and an unaudited Aged Care Financial Report (ACFR)
- The ACFR is a new single report (template included on the Department's website under *More Information*: <https://agedcare.health.gov.au/programs/residential-care/changes-to-financial-reporting-arrangements-for-residential-and-home-care-providers>) that will consolidate the following:
 - Annual Prudential Compliance Statement (APCS)
 - Building Activity component of the Survey of Aged Care Homes (SACH)
 - Home Care Financial Report (HCFR)
- The ACFR is not required to be audited
- Providers of home care who do not also provide residential care will not be required to submit a GPFR
- The ACFR and the GPFR should be submitted at the same time via a new online portal. The ACFR is to be completed in the portal also.

The changes also include flexibility around the inclusion of mandated line items in either their GPFR or ACFR.

SECTOR

Audit & Assurance

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BDO comment

BDO welcomes changes designed to improve financial reporting efficiency for this important sector, particularly in relation to the consolidations of reporting requirements and flexibility to include mandated line items in their GPFR. Providers must be wary though of the choices they make regarding the treatment of mandated line items in their GPFR for compliance with Australian Accounting Standards. They must also keep in mind that each individual component of the ACFR must be completed in its entirety in either the ACFR or the GPFR, however there is flexibility in presenting this data in the GPFR.

If a Provider elects to present mandated data in the GPFR, the provider needs to refer to this when completing the ACFR. BDO recommends providers seek assistance from the auditors to ensure they meet relevant requirements and to ensure that the information contained in the ACFR is consistent with the audited GPFR.

MORE INFORMATION

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