

23 June 2009

Chief Financial Officer

Tertiary Education Institution Sector Consolidation

Introduction

The Tertiary Education Commission (TEC) and the Ministry of Education are combining our templates to complete both the Tertiary Advisory Monitoring Unit (TAMU)'s information requirements and the Tertiary Education Institution (TEI) sector consolidation for the Crown Financial Statements.

You will generally find the data requested for the balance sheet is very similar in format and content to that requested in earlier NZ IFRS consolidation reports.

To pull together the information required from the TEI sector for the Crown Financial Statements, the Ministry:

- will model existing and public data where possible
- has asked a few questions in the template to enhance our understanding of several key issues.

However, in adopting this approach there may still be some instances where we need to follow up on a specific area with a TEI. To minimise disruption we have also asked for a specific contact at each institution in respect to accounting issues.

Process and Timeline

There is a specific worksheet called "MoE Crown Consol" as part of the TAMU 2009 half-year template. We would appreciate if you could fill out the worksheet and return it together with the TAMU template by **31 July 2009**.

The Ministry of Education and TAMU combined request will be available from the TEC web site:

<http://www.tec.govt.nz/upload/downloads/tamu-template-half-year-2009-final.xls>

The Ministry especially, as part of the Crown financial statements process, is working to a very tight timeline to consolidate the sector information, obtain audit clearance and transmit it to Treasury. Your cooperation in providing the detailed information requested on time is essential to us meeting this deadline and getting the necessary sign-offs.

If you have any queries about the consolidation process please contact Peter Hay (Ministry) 04 463 8120 or peter.hay@minedu.govt.nz .

There is also a specific mailbox that will answer common questions
tamu.info@tec.govt.nz

NZIFRS Financial Statements for Tertiary Education Institutions Sector Consolidation.

The main assumptions underlying the Ministry request are that:

1. The data from the TAMU return will feed the Ministry NZ IFRS requirements for the Cash Flow and Statement of Financial Performance;
2. Institutions will provide information on material adjustments that need to be accounted for in the NZ IFRS consolidation. Refer “Additional Information” section of the “MoE Crown Consol” worksheet. This includes a breakdown of research funding as first requested in 2008;
3. The NZ IFRS balance sheet will require more detail than can be obtained from the high level data in the normal TAMU return and as such is included as a separate sheet – refer “MoE Crown Consol” worksheet.

The Balance Sheet information sought is the audited balance sheet position as at 31 December 2008 and the current 30 June 2009 data.

The line by line analysis is consistent with the detail requested by the Ministry in relation to the 30 June NZ IFRS position previously.

In addition there are several supplementary questions to assist with the consolidation and audit process.

Small enhancements in the analysis this year include::

- an extra line added for analysis of deposits
- slightly reordering the notes on property, plant and equipment and extending the analysis of additions to include land additions
- adding an option for funding taken directly to equity in the analysis of research funding
- showing cells where you are asked to chose a value from a list as Complete!

To assist this data collection there is an open spreadsheet (refer to the “Workpapers” tab) where you can paste in your local work paper if this is easier than summarising them into the notes on the “*MoE Crown Consolidation*” worksheet.

You should note that as this information is feeding into the financial statements for the Crown there are relatively high materiality thresholds. While we need the most accurate information available, we realise there are timeliness and cost considerations for TEIs in providing their information.

If any line or question is not applicable to your institution please enter a zero or N/A. It is really important that TEIs respond to each section of the report so there are no gaps in the data provided. Any gaps have to be followed up with the institution concerned and can in advertently slow down the consolidation work.

If we can assist you with any questions on this area of the return please contact the following people at the Ministry of Education:

Peter Hay - (04) 463 8120 or peter.hay@minedu.govt.nz

Jason Fernandes - (04) 463 8133 or jason.fernandes@minedu.govt.nz

Conclusion

Thank you for your continued assistance with the sector consolidation work.

To assist our communication, please ask the person responsible for compiling this return to contact Kevin Fisher at tamu.info@tec.govt.nz to confirm the TEI is able to deliver this information by 31 July 2009.

The combined return is to be sent to tamu.info@tec.govt.nz by Friday 31 July 2009. However, receiving any returns prior to that date would be very helpful.

Thank you

Peter Hay
Manager External Reporting
Finance
Ministry of Education