

AWARENESS

Accounting and Auditing Developments ISSUE 1 - FEBRUARY 2008

AUDIT OFFICE UPDATE

Auditor-General's Report to Parliament: Financial Audits Volume Six - 2007

This volume summarises the results of a number of our financial audits. Significant items include:

New South Wales Aboriginal Land Council (NSWALC)

The NSWALC determines funding of Local Aboriginal Land Councils based on audit results. Of the 121 local councils, 26 per cent of financial reports were unsatisfactory or not received for the year ended 30 June 2006.

Aus Health International Pty Limited

The company continues to incur losses from continuing operations and has net liabilities of \$2.7 million (\$3.1 million).

Department of Primary Industries

PROfarm continues to conduct training programs for farmers. Over the past year 503 PROfarm courses were completed by 5,760 participants.

Forestry Commission of New South Wales (trading as Forests NSW)

The financial report of the Commission for 2006-07 was qualified due to uncertainty over the valuation of its Native Forest Timber assets.

The Commission is to undertake a full review of the valuation methods it applies to all its timber assets during 2007-08.

Roads and Traffic Authority of New South Wales

Sydney Harbour Tunnel Company toll receipts are decreasing and tunnel expenses are increasing.

Department of Water and Energy

Invoices for water management charges have not been issued for the last two years.

Further information

The full report is available from our Internet site: www.audit.nsw.gov.au.

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**THE AUDIT OFFICE
OF NEW SOUTH WALES**

Auditor-General's Report to Parliament: Financial Audits Volume One - 2008

This volume also summarises the results of a number of our financial audits. Significant items include:

Health overview

The financial report of the consolidated entity was received late. Also the financial reports of some of its controlled entities were not completed and received by the Department in time for consolidation within the statutory time frame.

A number of Area Health Services and the Royal Alexandra Hospital for Children have a large number of items of plant and equipment that are fully depreciated. For example, Sydney West Area Health Service has fully depreciated assets with an original cost of \$144 million, representing 47.3 per cent of the gross value of its plant and equipment. We understand that many of the fully depreciated assets at Area Health Services and the Hospital are still in use. This indicates that the accounting assessment of their useful lives may not be appropriate. Some of these assets are quite old. The Department and its controlled entities should determine if they need to be replaced, particularly where the continued use of these fully depreciated assets might affect the efficient and effective provision of health services.

Critical care triage categories T1 to T3 relate to life threatening situations. All Areas met the T1 and T2 benchmarks. Five Areas did not meet the benchmark for the other life threatening category (T3) in 2007.

New South Wales triage performance is equal to or better than the National average in four of the five categories. It continues to be marginally behind the National average for category T3. Significant improvement has been made in category T2, with NSW now comparing favourably to the National average.

The budgeted expenditure for the New South Wales Health Service has increased steadily over the past five years from \$9.5 billion in 2003-04 to an estimated \$12.5 billion in 2007-08. As a percentage of total budgeted New South Wales state spending, New South Wales Health expenditure has increased from 26.3 per cent in 2003-04 to an estimated 28.1 per cent for 2007-08.

Department of Health

The Department needs to implement appropriate policies and procedures to ensure all inventory items are captured in the financial report.

Health Administration Corporation

HealthSupport has not documented the policies and procedures it uses in the provision of services to health entities controlled by the Department of Health. Also, Service Partnership Agreements between HealthSupport and its clients were not finalised during the year.

HealthSupport cannot measure some Key Performance Indicators included in the Service Partnership Agreements with the health entities it services. HealthSupport does not currently have systems in place to capture this information.

Residual Business Management Corporation

The Treasury ought to increase its oversight of the Corporation and its entities.

Further information

The full report is available from our Internet site: www.audit.nsw.gov.au.

Auditor-General's Report to Parliament: Department of Education and Training - Ageing Workforce - Teachers

Background

NSW State agencies are faced with changes in the demand for their services as the population ages. Demand is expected to increase for some, and decline for others. They also have an increasingly aged workforce facing retirement.

In 2003-04, 47 per cent of teachers were aged 45-64, the highest proportion of mature age workers in any occupation.

Our audit has focused on how the NSW Department of Education and Training, including TAFE NSW, is managing the impact of an ageing workforce on the educational services it delivers.

Specifically we examined whether:

- the impact of an ageing teaching workforce on the delivery of educational services had been identified and assessed
- policies and measures had been developed to reduce the impact of an ageing teaching workforce
- the Department is dealing with the impact of an ageing teaching workforce on its educational services.

Audit opinion

The Department of Education and Training, including TAFE NSW, is faced with:

- the loss of large numbers of retiring teachers and their associated skills
- the need to replace this loss in an increasingly competitive labour environment.

While the overall impact of the ageing workforce is likely to be gradual, there is still a risk of shortages. This will particularly apply to specialist secondary school teachers and TAFE teachers in certain skill sets or at specific locations.

TAFE NSW has identified, and has started to assess, the potential impact of the ageing teacher workforce. It is starting to use age profile and retirement data to focus on teaching skills most at risk. For schools, the Department already uses age profile and retirement data to project future supply and demand to assess the likely impact and identify potential shortages.

The Department has focused considerable effort on recruiting and retaining younger teachers. There is also a focus on attracting new teachers to areas of critical shortage and improving the quality of teaching for new teachers.

There is a limited but increasing focus on retaining the critical knowledge and skills of staff who are about to retire. There are also moves to introduce phased retirement. There is good guidance material available from the Department of Premier and Cabinet on workforce planning and mature aged retention strategies.

Summary of recommendations

We encourage the Department including TAFE NSW to continue to develop:

- a clearer picture of how big and where its shortages are likely to be
- new measures to address potential shortages in the workforce
- additional ways of encouraging mature aged teachers to stay on particularly in targeted areas of shortage.

Further information

Sean Crumlin, Director Performance Audit: sean.crumlin@audit.nsw.gov.au or phone: 02 9275 7286. The full report is available from our Internet site: www.audit.nsw.gov.au.

ACCOUNTING UPDATE

New and revised pronouncements

The Australian Accounting Standards Board (AASB) has made several new pronouncements arising from its review of the requirements of AAS 27, AAS 29 and AAS 31. Copies of all new and revised pronouncements are available from the AASB's website: www.aasb.com.au.

AASB 1050 'Administered Items'

This Standard requires government departments to disclose:

- administered income, expenses, assets and liabilities, showing major classes separately
- amounts of income and expenses reliably attributable to each of the department's activities, as well as those amounts not attributable to activities, applying the principles in AASB 1052 'Disaggregated Disclosures'
- details of the broad categories of recipients of transfer payments and the amounts transferred to those recipients.

AASB 1050 applies to annual reporting periods beginning on or after 1 July 2008, with early adoption permitted.

AASB 1051 'Land Under Roads'

Under AASB 1051, entities can elect to recognise or not recognise land under roads acquired before the end of the first reporting period ending on or after 31 December 2007. An election to recognise this land as an asset is subject to meeting asset recognition criteria. In certain circumstances, entities can also elect to adopt a fair value as deemed cost. Any adjustments arising from an election are made against accumulated surplus (or deficiency).

AASB 1051 applies to local government, government departments, general government sectors and whole of governments. It applies to annual reporting periods beginning on or after 1 July 2008, with early adoption permitted.

AASB 1052 'Disaggregated Disclosures'

This Standard applies only to local government and government departments. Local governments are required to disclose:

- financial information by function or activity
- the nature and objective of each function/activity
- income and expenses reliably attributed to each function/activity
- a reconciliation of the above disclosures to related information in the complete set of financial statements.

Government departments are required to disclose:

- financial information about service costs and achievements
- the identity and purpose of each major activity undertaken
- a summary of the department's objectives, if not otherwise disclosed
- expenses that are reliably attributed to each major activity, showing major classes separately
- income that is reliably attributable to each major activity, showing major classes of user charges, income from government and other income separately
- assets deployed and liabilities incurred that are reliably attributed to each activity.

AASB 1052 applies to annual reporting periods beginning on or after 1 July 2008, with early adoption permitted.

AASB 1004 'Contributions'

AASB 1004 applies to annual reporting periods beginning on or after 1 July 2008. Early adoption is permitted provided other relevant pronouncements issued at about the same time and listed in the Standard are also adopted, as applicable.

The revised AASB 1004:

- prescribes recognition and measurement criteria for contribution income received by not-for-profit entities
- provides guidance on the recognition of contributions other than contributions by owners, requires contributions of services to be recognised under certain circumstances and prescribes disclosures about contributions recognised as income
- requires that certain contributions by, and distributions to, owners be accounted for as a direct adjustment to equity
- defines, specifies accounting treatment, and requires disclosures about administrative arrangement restructures
- provides guidance for government departments on the treatment of taxes collected and parliamentary appropriations
- specifies accounting treatment and disclosures required when a department's liabilities are assumed by another entity
- specifies disclosures for compliance with parliamentary appropriations and other externally imposed requirements.

AASB 2007-9 'Amendments to Australian Accounting Standards arising from the review of AAS 27, AAS 29 and AAS 31'

AASB 2007-9 amends several standards as a result of the review of AAS 27, AAS 29 and AAS 31. In AASB 3 'Business Combinations', the definition of a reporting entity is extended to explicitly include local governments, governments, and most, if not all, government departments.

There are consequential amendments in AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' to reflect:

- the transfer of requirements for restructures from AAS 27 and AAS 29 to AASB 3 and AASB 5
- the introduction of AASB 1050.

AASB 8 'Operating Segments' now clarifies that for-profit government departments are outside the scope of that standard.

AASB 101 'Presentation of Financial Statements' now deals with circumstances where compliance with Australian Accounting Standards by for-profit government departments will not lead to compliance with IFRS.

Amendments to AASB 114 'Segment Reporting' clarify that for-profit government departments are outside the scope of that Standard.

AASB 116 'Property, Plant and Equipment' is amended to address heritage and cultural assets.

The amendments to AASB 127 'Consolidated and Separate Financial Statements' incorporate guidance from AAS 31 on the concept of control in the public sector.

The amendments to AASB 137 'Provisions, Contingent Liabilities and Contingent Assets' address obligations arising from public policies, budget policies, election promises or statements of intent. This occurs via relocation of AAS 31 content to AASB 137.

AASB 2007-9 applies to annual reporting periods beginning on or after 1 July 2008. Early adoption is permitted provided other relevant standards issued at about the same time and listed in AASB 2007-9 are also adopted, as applicable.

Interpretation 1038 'Contributions Made to Wholly-Owned Public Sector Entities'

Interpretation 1038 applies to annual reporting periods beginning on or after 1 July 2008. Early adoption is permitted provided other relevant standards issued at about the same time and listed in the Interpretation are also adopted, as applicable.

This interpretation differs from the previous version in that it does not apply to a government-controlled not-for-profit entity or a for-profit government department in respect of a restructure of administrative arrangements.

Exposure drafts and invitations to comment

ED 160 'Proposed Amendments to AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards and AASB 127 Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'

The proposals in this exposure draft address the treatment of:

- the deemed cost of an investment in a subsidiary, jointly controlled entity or associate on first-time adoption of IFRSs
- dividends received from a subsidiary, jointly controlled entity or associate and the elimination of the cost method
- restructures involving the creation of a new parent between the operating entity and its shareholders, and the measurement of the cost in the separate financial statements of the new parent entity.

Comments were requested by 13 February 2008.

ED 161 'Proposed Amendments to AASB 2 Share-based Payment and AASB Interpretation 11 AASB 2 - Group and Treasury Share Transactions - Group Cash-Settled Share-based Payment Transactions'

The proposals in this exposure draft provide guidance on how a group entity that receives goods or services from suppliers (including employees) should account for the following arrangements:

- the entity's suppliers receive cash payments which are linked to the price of the equity instruments of the entity, or
- the entity's suppliers receive cash payments that are linked to the price of the equity instruments of the entity's parent.

In each case, another entity in the group makes the cash payment to the supplier.

Comments are requested by 29 February 2008.

ITC 14 'Proposed Definition and Guidance for Not-for-Profit Entities'

The proposals in this invitation to comment are intended to clarify the definition of a not-for-profit entity. The basis for the ITC is material issued by New Zealand's Financial Reporting Standards Board on 'public benefit entities'.

The material identifies a public benefit entity as a reporting entity whose primary objective is to provide goods or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return to equity holders.

Comments are requested by 31 March 2008.

Draft Interpretations D23 'Distributions of Non-cash Assets to Owners' and D24 'Customer Contributions'

The AASB has called for input into its submissions to the International Financial Reporting Interpretations Committee on these proposals. The AASB is expected to release interpretations equivalent to these international interpretations.

Once the IFRIC release a final interpretation dealing with customer contributions, the AASB is expected to withdraw Interpretation 1017 'Developer and Customer Contributions for Connection to a Price-Regulated Network'.

The AASB has requested comments on D23 by 7 April 2008 and on D24 by 26 March 2008. Further information on these international developments appears later in this publication.

Copies of the exposure drafts and invitation to comment are available from the AASB's website: www.aasb.com.au.

Australian Accounting Standards Board (AASB) meeting 12-13 December 2007

At its meeting, the AASB discussed the following matters:

Review of AAS 27, AAS 29 and AAS 31

The AASB released several pronouncements following the proposals in ED 156 'Proposals arising from the Short-term Review of the Requirements of AAS 27, AAS 29 and AAS 31'. Further information on these pronouncements appears previously in this publication.

Not-for-profit entity definition

The AASB approved an invitation for comment on this issue. Further information on the invitation to comment appears previously in this publication.

Service Concession Arrangements - public sector grantors

AASB Interpretation 12 'Service Concession Arrangements' does not specify accounting treatment by grantors. The AASB had previously appointed an advisory panel to consider issues facing public sector grantors when accounting for service concession arrangements. The AASB considered the advisory panel's report.

The AASB concluded that, in accordance with AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', public sector grantors are required to consider Interpretation 12 when determining their accounting treatment.

The Board noted that the International Public Sector Standards Board (IPSASB) is developing a Consultation Paper on grantor accounting. The AASB agreed to issue an Invitation to Comment on the Paper once it is published by the IPSASB.

Changes to AASB 101 'Presentation of Financial Statements'

The Board approved amending standard AASB 2007-10 'Further Amendments to Australian Accounting Standards arising from AASB 101'. The term 'financial report' will be replaced with 'financial statements'.

Exposure draft on cost of an investment

The AASB approved an exposure draft on this issue, reproducing international proposals. Further information on the exposure draft appears previously in this publication.

Other matters

The Board considered issues relating to key management personnel disclosures for managed investment schemes. The Board decided to refer an issue to the International Financial Reporting Interpretations Committee and hold discussions with Treasury.

The Board received a report on the IPSASB's November meeting. The IPSASB approved several documents for issue. Once these are published, the AASB will take various actions.

The Board agreed to continue the long term joint project with New Zealand on income from non-exchange transactions. The Board also formed the view that some short term solutions to issues are required. The AASB staff was instructed to develop some short term solutions.

The Board continued its consideration of how to account for superannuation plans and approved deposit Funds.

Source: AASB Action Alert 110, 14 December 2007.

Australian Accounting Standards Board (AASB) meeting 7 February 2008

At its meeting, the AASB discussed the following matters:

Definition of not-for-profit entity

The Board noted that Roundtables seeking constituent input on ITC 14 'Proposed Definition and Guidance for Not-for-Profit Entities' will be held in March 2008.

Income from non-exchange revenue

The Board discussed potential alternative short-term approaches to amending requirements for not-for-profit entities in relation to accounting for income from non-exchange transactions. The AASB staff will develop a modified version of IPSAS 23 'Revenue from Non-Exchange Transactions (Taxes and Transfers)' for the Board's future consideration.

Service concession arrangements - accounting by public sector grantors

The Board will publish an Agenda Decision on this topic on its website.

Social benefits

The Board approved an invitation to comment on documents the International Public Sector Standards Board is expected to issue shortly. These documents are:

- ED 34 'Social Benefits: Disclosure of Cash Transfers to Individuals and Households'
- Consultation Paper 'Social Benefits: Issues in Recognition and Measurement'.

Other matters

The Board noted alternative approaches for considering when a departure from IFRS is appropriate by not-for-profit entities and will further consider this issue in April 2008.

The Board considered changes to existing standards in respect of business combinations and will further consider the issue and draft amendments at a future meeting.

The Board continued its consideration of issues relating to superannuation plans and approved deposit funds.

The Board considered its draft response to the international exposure draft proposing amendments to the cost of an investment in a subsidiary, jointly controlled entity or associate.

The Board noted international draft interpretations D23 and D24 and agreed on action required. Further information on this action and the draft interpretations appears previously in this publication.

The Board noted that the International Accounting Standards Board will shortly issue an exposure draft of amendments to its 'Framework for the Preparation and Presentation of Financial Statements'.

Source: AASB Action Alert 111, 8 February 2008.

Australian Accounting Standards Board (AASB) Public Sector Policy Paper

The AASB has updated its Policy Paper for recent developments. The updated Paper is available from the AASB's website: www.aasb.com.au.

AUDITING UPDATE

Australian Auditing and Assurance Standards Board (AUASB)

New pronouncement

The AUASB has issued Guidance Statement GS 006 'Electronic Publication of the Auditor's Report'. This pronouncement provides guidance to auditors on matters relating to the electronic publication of the auditor's report. The guidance statement is effective from the date of issue, 17 December 2007. A copy of GS 006 is available from the AUASB's website: www.auasb.gov.au.

Source: AUASB media release, 19 December 2007.

Exposure drafts

The AUASB issued proposed standard ASAE 3100 'Compliance Engagements' on 14 December 2007. ASAE 3100 is designed to address audits and reviews of an entity's compliance with certain criteria, for example, legislation, regulation, company policies, statutory requirements and enforceable contractual requirements. Comments on this exposure draft were requested by 15 February 2008. A copy of the proposals is available from the AUASB's website: www.auasb.gov.au.

Source: AUASB media release, 14 December 2007.

Meeting 3 December 2007

At its meeting, the AUASB:

- considered comments received on exposure draft ED 4/07 'ASRE 2400 Review of Financial Reports and Other Financial Information'. The Board agreed that the pronouncement on review engagements would be issued as two separate standards: ASRE 2400 'review of Financial Reports' and ASRE 2405 'Review of Other Historical Information'. However, the Board will delay release of these Standards until it has considered recent changes to the international standard on review engagements
- considered a further revision of a draft exposure draft, ASAE 3500 'Performance Engagements'
- considered a further revision of a draft exposure draft, GS 007 'Audit Implications on the Use of Service Organisations for Investment Management Services'
- agreed to issue the exposure draft on compliance engagements (refer above for more details).

Source: AUASB meeting highlights 3 December 2007, AUASB 'Independence' newsletter, December 2007.

ETHICAL UPDATE

Australian Professional and Ethical Standards Board (APESB)

Revised standards

In December 2007, the APESB revised:

- APES 110 'Code of Ethics for Professional Accountants'
- APES 205 'Conformity with Accounting Standards'
- APES 305 'Terms of Engagement'.

These revised standards apply from 1 July 2008.

APES 110 was further revised on 15 February 2008. This revision amends auditor independence requirements. These new requirements apply from 15 February 2008.

Copies of all revisions are available from the APESB's website: www.apesb.org.au.

Source: APESB media releases, 5 December 2007, 15 February 2008.

Exposure drafts

The Board has released ED 07/07 'Business Valuation'. The proposals mandate the minimum requirements of a valuation report and require professional accountants to appropriately document the work performed in delivering the valuation service.

Comments on ED 07/07 are requested by 4 April 2008. A copy of the exposure draft is available from the APESB's website: www.apesb.org.au.

Source: APESB media release, 5 December 2007.

Pronouncements under review

The Board is currently reviewing the following standards:

- APS 7 'Statement of Insolvency Standards'
- APS 8 'Statement of Management Consulting Standards'
- APS 9 'Statement of Compilation of Financial Reports'
- APS 10 'Trust Accounts'
- APS 11 'Statement of Forensic Accounting Standards'
- APS 12 Statement of Financial Advisory Service Standards'.

As part of the review of APS 8, the APESB proposes withdrawing that standard. Comments expressing support or objection to its withdrawal can be made by 18 April 2008.

The Board is currently reviewing the following guidance statements:

- GN 1 'Members in Business Guidance Statement'
- GN 2 'Forensic Accounting'
- GN 3 'Operation of Trust Accounts'.

Source: APESB website, APESB media release, 21 February 2008.

INTERNATIONAL UPDATE

International Accounting Standards Board (IASB)

Meeting 11-14 December 2007

At this meeting, the IASB discussed:

- agenda proposals, including intangible assets, emission trading schemes, common control transactions, management commentary
- as part of the annual improvements project, disclosure requirements of segment assets
- also as part of that project, three issues related to IAS 39 'Financial Instruments: Recognition and Measurement': application of the fair value option; embedded foreign currency derivatives; and reclassification of gains or losses regarding cash flow hedges
- the fair value measurement project, deferring further discussion till March or April 2008
- the revenue recognition model that proposes recognition of revenue based on increases and decreases in contract assets and liabilities, specifically how those increases and decreases should be presented in profit and loss
- responses to the exposure draft proposing amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'
- the Conceptual Framework, specifically the definition of a liability
- issues arising from review of a draft discussion paper on post employment benefits
- whether IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' should be applied to non-current assets that are held for distribution to owners
- its joint project on liabilities and equity with the Financial Accounting Standards Board
- derecognising assets and liabilities
- consequential amendments to the 'Preface', which were approved.

Source: IASB Update December 2007.

Meeting 22-24 January 2007

At this meeting, the IASB discussed:

- tentative decisions on the project to amend IAS 33 'Earnings per Share'
- as part of the annual improvements project, disclosures required for non-current assets (or disposal groups) classified as held for sale or discontinued operations
- a revenue recognition model called the 'customer consideration model' and the nature of performance obligations
- responses to the exposure draft 'State-controlled Entities and the Definition of a Related Party', which proposed amendments to IAS 24 'Related Party Disclosures'.

The Board also:

- received an update on IFRIC activities
- made some tentative decisions about the liabilities and equity project the IASB is involved in with the Financial Accounting Standards Board. The Board expects to publish a discussion paper in the first quarter of 2008
- had an education session on measuring insurance liabilities.

Source: IASB Update January 2008.

International Financial Reporting Interpretations Committee

Meeting 10-11 January 2008

At this meeting, the IFRIC discussed:

- comments received on Draft Interpretation D21 'Real Estate Sales'
- comments received on Draft Interpretation D22 'Hedges of a Net Investment in a Foreign Operation'
- IAS 19 'Employee Benefits'
- whether obligations to return deposits on returnable containers should be accounted for under IAS 39 'Financial Instruments: Recognition and Measurement'
- agenda proposals, including death in service benefits, plan assets and pension promises based on performance hurdles, all in the context of IAS 19 'Employee Benefits', foreign exchange and capitalisation of borrowing costs under IAS 23 'Borrowing Costs', and the scope of IAS 39 'Recognition and Measurement: Financial Instruments'.

Source: IFRIC Update January 2008.

Draft Interpretation D23 'Distributions of Non-cash Assets to Owners'

The proposals in this draft interpretation address how to value non-cash dividends payable to shareholders or owners.

Comments are requested by 25 April 2008. A copy of D23 is available from the International Accounting Standards Board's website: www.iasb.org.

Draft Interpretation D24 'Customer Contributions'

The proposals in this draft interpretation address the measurement of assets contributed to a service provider by customers and the timing of when the contributed assets should be recognised as revenue.

Comments are requested by 25 April 2008. A copy of D24 is available from the International Accounting Standards Board's website: www.iasb.org.

MISCELLANEOUS PUBLICATIONS

Australian Capital Territory Auditor-General's Office

- 2006-07 Financial Audits

This publication is available at www.audit.act.gov.au.

Australian National Audit Office

- Management of the IT Refresh Programme
- Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2007
- Administration of the Automotive Competitiveness and Investment Scheme
- Accuracy of Medicare Claims Processing
- Regional Delivery Model for the Natural Heritage Trust and the National Action Plan for Salinity and Water Quality.

These publications are available at www.anao.gov.au.

Victorian Auditor-General's Office

- Results of Financial Statement Audits for Agencies with 30 June 2007 Balance Dates
- Local Government: Results of the 2006-07 audits
- Auditor-General's Report on the Annual Financial report of the State of Victoria, 2006-07
- Program for Students with Disabilities: Program Accountability
- Improving our Schools: Monitoring and Support
- New Ticketing System Tender
- Discovering Bendigo Project
- Audits of 2 major 'Partnerships Victoria' Projects
- Funding and delivery of Two Freeway Upgrade Projects.

These publications are available at www.audit.vic.gov.au.

Independent Commission Against Corruption

- Report on an investigation into allegations of bribery relating to Wollongong City Council
- Report on an investigation into corrupt conduct of an officer at the Department of Housing's Miller office and other persons
- Use and misuse of public sector resources - Tip sheet for managers
- Use and misuse of public sector resources - Tip sheet for employees
- Bribery, corrupt commissions and rewards - Tip sheet
- Corruption risk management - Tip sheet
- Corruption Matters Issue No 30 November 2007
- Section 11 report guidelines for principal officers.

This publication is available at www.icac.nsw.gov.au.

Australian Securities and Investment Commission

ASIC has updated Regulatory Guide 34 Auditor's obligations: reporting to ASIC (RG 34). RG 34 provides guidance to auditors on reporting contraventions of the *Corporations Act 2001*. It has been updated to include guidance for auditors of Australian Financial Services licensees.

This publication is available at www.asic.gov.au.

LEGISLATIVE UPDATE

Insurance Premiums Order (January - June) 2008

This Order is made under the *Workers Compensation Act 1987*. It fixes the manner in which premiums payable by employers are calculated.

(GG 179, 7 December 2007 page 8795)

Insurance Premiums Order 2007 - 2008 Further Amendment Order 2007

This Order is made under the *Workers Compensation Act 1987*. It amends the application of the Insurance Premiums Order 2007-2008.

(GG 179, 7 December 2007 page 9249)

Public Sector Employment and Management (Ministers) Further Amendment Order 2007

This Order is made under the *Public Sector Employment and Management Act 2002*. It amends the shareholdings of Rail SOCs.

(GG 180, 7 December 2007 page 9267)

Annual Reports (Departments) Amendment Regulation 2007

This Regulation amends the Annual Reports (Departments) Regulation 2005:

- providing for small Departments to report on certain matters triennially
- providing for specific information in the Department of Education and Training's annual report
- requiring that Department annual reports appear on internet sites.

(GG 185, 21 December 2007 page 9820)

Annual Reports (Statutory Bodies) Amendment Regulation 2007

This Regulation amends the Annual Reports (Statutory Bodies) Regulation 2005:

- providing for small agencies to report on certain matters triennially
- requiring that statutory body annual reports appear on internet sites.

(GG 185, 21 December 2007 page 9824)

PREMIER'S DEPARTMENT UPDATE

Premier's Department Circulars

C2007-54 Motor Vehicle Policy

This Circular advises of amendments to the 'Motor Vehicle Policy for NSW Government Agencies' in respect of log books. The Circular supersedes C2005-30 and updates C2002-45.

C2008-01 Leave for Staff Affected by Northern NSW Floods - January 2008

This Circular sets out specific leave provisions and suggests a flexible approach for staff affected by floods in northern NSW in January 2008. The Circular supersedes C2002-35 and updates C2000-62.

C2008-02 Removal of Common Selection Criteria

This Circular advises that the requirement that all applicants address Common Selection Criteria ceased as of 31 January 2008. The Circular supersedes C2002-35 and updates C2000-62.

C2008-03 Accessing Leave Entitlements and Flexible Work Hours

This Circular advises days of religious significance and highlights the Government's commitment to accommodate the culturally diverse nature of the public sector workforce. The Circular supersedes C2007-06.

C2008-04 Accessing Leave Entitlements and Flexible Work Hours Arrangements - Australian Government Apology to the Stolen Generations

This Circular reminds agencies to be sensitive in accommodating the needs of staff participating in events that mark the official apology.

C2008-05 International Women's Day 2008

This Circular encourages agencies to promote International Women's Day and attendance at related functions.

Premier's Department Circulars are available at: www.premiers.nsw.gov.au.

Premier's Memoranda

M2007-20 State Plan Priority F4: Embedding the principle of prevention and early intervention

This Memorandum introduces the Government's program for delivering on its commitment to embed the principle of prevention and early intervention into government decision making.

M2007-21 Water and Sewerage Leaks on Government-owned Property

This Memorandum reminds Ministers and Chief Executives of the importance of having procedures in place to quickly attend to and repair leaking water and sewerage infrastructure located on Government-owned property.

M2008-01 Staged Repeal of Statutory Rules

This Memorandum explains arrangements for statutory rules (including regulations) due for staged repeal under the *Subordinate Legislation Act 1989* on 1 September each year. It replaces Premier's M98-34.

Premier's Memoranda are available at: www.premiers.nsw.gov.au.

TREASURY UPDATE

Treasury Circulars

TC 07/18 Procurement Economic Development Guidelines Amendment to the Price Preference Schemes

The Procurement Price Preference Schemes will cease to apply to large enterprises from 1 January 2008. These Schemes comprise the Australia New Zealand Price Preference Margin and Country Industries Preference Scheme. This change facilitates consistency with NSW obligations under the Australia United States Free Trade Agreement.

TC 07/19 Funding for Redundancy Payments made by Budget Dependent Agencies

This Circular advises that the Crown will only provide additional funding for redundancy costs where the redundancies are associated with an ongoing reduction in Budget support.

TC 07/20 Equal Employment Opportunity (EEO) Disclosure Requirements

This Circular prescribes new EEO information required in agency annual reports for reporting years ending after 31 December 2007. Reporting requirements have altered as a result of changes to the *Anti-Discrimination Act 1977*.

Treasury Circulars are available at www.treasury.nsw.gov.au.

AUDIT OFFICE BETTER PRACTICE GUIDES

The Audit Office produces guides to better practice to assist agencies. The following is a list of those guides and the dates that they were published. All these guides are available on the Audit Office website at www.audit.nsw.gov.au.

Title of Guide	Date issued
Fraud Control Improvement Kit - Meeting your Fraud Control Obligations	20 July 2006
Fraud Control: Current Progress and Future Directions	9 February 2005
Shared Corporate Services: Realising the Benefits	November 2004
Management of Intellectual Property	October 2001
E-ready, e-steady, e-government: e-government readiness assessment guide	September 2001
Monitoring and Reporting on Performance Audit Recommendations	June 2001
Internal Financial Reporting	June 2001
Reporting Performance: A guide to preparing performance information for annual reports	November 2000
Contracting Out Review Guide	June 1999
Public Sector Corporate Governance - ready reckoner	April 1999
Methodology for the review of Residential Services for People with Disabilities	June 1998
On Board: guide to better practice for public sector governing and advisory boards	April 1998
The Corporate Credit Card: guidelines for internal control	January 1997
Ambulance Service of New South Wales: debtors administration	September 1996
Ethnic Affairs Commission: administration of grants	December 1995
Joint operations in the Education Sector: a review of establishment, management and effectiveness issues	September 1995
Fraud Control: developing an effective strategy	
Volume 1: conceptual framework	March 1994
Volume 2: strategy	March 1994
Volume 3: diagnostics	March 1994
Volume 4: Fraud control self audit kit	March 1998

ACRONYMS AND ABBREVIATIONS

AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
AIFRS/AEIFRS	Australian Equivalents to International Financial Reporting Standards
APRA	Australian Prudential Regulation Authority
ASA	Australian Auditing Standard
ASIC	Australian Securities and Investments Commission
AUASB	Auditing and Assurance Standards Board
ED	Exposure Draft
FASB	Financial Accounting Standards Board (USA)
GAAP	Generally Accepted Accounting Principles
GFS	Government Finance Statistics
GG	Government Gazette
GG SS	Government Gazette Special Supplement
GGs	General Government Sector
GPFR	General Purpose Financial Report
IAASB	International Auditing and Assurance Standards Board
HoTARAC	Heads of Treasuries Accounting and Reporting Advisory Committee
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IFAC	International Federation of Accountants
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IPSASB	International Public Sector Accounting Standards Board
ISA	International Standards on Auditing
ISQC	International Standards on Quality Control
PCAOB	Public Company Accounting Oversight Board
UIG	Urgent Issues Group

COPIES OF REPORTS AND PUBLICATIONS

All performance audit reports are available on The Audit Office web site at www.audit.nsw.gov.au and can be purchased from the NSW Government Information Service (telephone 9743 7200).

Publications of the Australian Auditing and Assurance Standards Board (AUASB) including auditing and assurance standards, guidance statements, other guidance and exposure drafts are available direct from the AUASB as follows:

Australian Auditing and Assurance Standards Board
Phone: (03) 8080 7400
Fax: (03) 8080 7450
Postal Address: PO BOX 204 Collins Street West, Victoria 8007
Website: www.auasb.gov.au.

Publications of the Australian Accounting Standards Board (AASB), including Accounting Standards and Exposure Drafts are available direct from the AASB as follows:

Phone: (03) 9617 7600
Fax: (03) 9617 7608
Postal Address: PO BOX 204 Collins Street West, Victoria 8007
Website: www.aasb.com.au

Copies of International Federation of Accountants (IFAC) publications may be obtained direct from IFAC, 535 Fifth Avenue, 14th Floor, New York, NY 10017, USA (tel 212/286.9344 or fax 212/286.9570 or by visiting the IFAC web site at www.ifac.org.

Copies of International Accounting Standards, Exposure Drafts and International Accounting Standards Board (IASB) publications may be obtained direct from the IASB, 30 Cannon Street, London EC4M 6XH, United Kingdom (tel +44 (020) 7332-2730 or fax +44 (020) 7332-2749 or email publications@iasb.org or Internet www.iasb.org).

Copies of NSW Government legislation including changes to legislation can be purchased from the NSW Government Information Service. The legislation is also on the Internet at www.legislation.nsw.gov.au.

Treasury publications may be viewed by visiting the NSW Treasury web site at www.treasury.nsw.gov.au

Copies of Premier's Department Circulars and Premier's Memoranda may be viewed by visiting the Premier's Department website at www.premiers.nsw.gov.au.

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