

AWARENESS

Accounting and Auditing Development ISSUE 02 - MARCH 2010

AUDIT OFFICE UPDATE

Auditor-General's Report to Parliament: Working With Children Check

About the audit

The Working With Children Check (WWCC) is to protect children through reducing the risk of abuse in the work place. It excludes people from working with children because of convictions for serious sexual or child-related violence (referred to as prohibited people). It also identifies and advises employers of people who although not prohibited, may still pose a risk to children because of their past conduct.

For child-related employment, the WWCC requires:

- employers to request pre-employment checks of paid employees
- self-employed people to obtain a certificate to show they are not prohibited people
- volunteers to sign a declaration to state that they are not prohibited people.

In this audit we assessed whether the WWCC reliably identifies those people who may pose a risk to children. We examined whether the NSW Commission for Children and Young People (the Commission):

- ensures that required employers are requesting checks and employers check everyone they should
- ensures that information on applicants is reliable and complete and that background checks by screening agencies are consistent
- monitors employees who may pose a significant risk and manages subsequent offences.

Audit conclusion

To be effective the WWCC has to be thorough. Gaps in the checking process such as employers not checking everyone they should mean that people who may pose a risk to children are not identified. We found that the WWCC does not reliably identify all those who may pose a risk to children.

In addition, we found the Commission does not monitor the compliance of employers, the self-employed or volunteer organisations with their obligations or have a formal strategy to promote awareness of the WWCC.

It is estimated that in New South Wales over 1.3 million volunteers are working with children. We found the Commission does not know whether all volunteer organisations are requiring Prohibited Employment Declarations. Where they do, these are filed away and rarely checked by the Commission. Organisations rely on the applicant to be truthful.

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THE AUDIT OFFICE
OF NEW SOUTH WALES

There is also a likely risk around the recently introduced checking of self-employed people. The Commission anticipates it will issue around 10,000 self-employed certificates each year however over the first six months they only issued about 1,600.

Employers also need to identify which positions should be checked. For example, school cleaners who work outside school hours do not need to be checked whereas those who work during school hours should be checked. A 2005 review of applications for the WWCC found that up to 22 per cent of checks were for positions that did not need to be checked.

In addition, some individuals are over checked. Employers who recruit short term or seasonal staff such as casual teachers and swimming coaches are requesting WWCCs for each period of employment.

When a check is done and a record that is relevant is found, the screening agency works out how much risk that person may be to children in a workplace. They use a risk estimate model developed by the Commission called A Workplace and Applicant Risk Estimate (AWARE).

We found the outcomes of risk estimates are not always consistent. In 2009 a review on the use of the AWARE model found problems in 19 of 21 completed cases. For example there were errors in recording data and guidelines were not followed.

Finally, whatever the risk a person poses to children, as long as they are not prohibited, the Commission cannot stop employers from hiring them. Employers determine who to employ. For example, in 2008-09, 14 people assessed as significant risk were employed.

The type of relevant records that have triggered a significant risk rating includes:

- a dismissed charged for common assault on a 17 year old male
- evidence of accessing child pornography on a number of occasions.

The ongoing management of the employee and risks to children are a matter for the employer. The Commission advises employers on how to mitigate the risk a person may bring to a position and an organisation. But it does not have any ongoing role to make sure its advice is followed.

This is unique to New South Wales. In other jurisdictions, the agencies undertaking the check make the decision on whether a person is appropriate to work with children.

In addition, only the self-employed are checked to see if they have committed subsequent offences that pose a risk to children. There is no guarantee that new offences committed by paid employees or volunteers after employment will be picked up.

We also found the Commission has responsibility for multiple and sometimes conflicting roles. For example it is both the regulator of the WWCC and an operator, providing about 40 per cent of checking services to New South Wales employers while regulating activities of other screening agencies. The government may consider that the community may be better served if these roles were separated.

Recommendations

We recommend that the Commission:

- reduces the risk of prohibited people working with children including moving to direct electronic lodgement to the Commission of the Prohibited Employment Declaration by volunteers
- improves compliance with the WWCC including undertaking regular audits to ensure all employers who are required to request the check are in fact doing so
- improves risk estimate outcomes including ensuring consistent practices amongst screening agencies
- manages risks following employment including ensuring employers of significant risk employees implement Child Safe Child Friendly strategies
- improves the reliability of checks by reviewing its approach to collecting and analysing relevant employment information.

Further information

The full report is available on the [Audit Office of New South Wales website](#).

Auditor-General's Report to Parliament: Improving Road Safety: School Zones - Roads and Traffic Authority of New South Wales

About the audit

The Roads and Traffic Authority (RTA), in conjunction with the NSW Police Force and the Department of Education and Training, introduced a number of initiatives to improve the safety of children around schools over past decades.

Reduced speed limits around some schools were introduced in New South Wales in 1992 to improve safety of school children. By the beginning of 2003 40 km/h school zones had been installed around all 3,154 New South Wales schools.

The objective of this audit is to assess whether school zone initiatives have made a difference to safety around schools. Our lines of inquiry were:

- are there practical approaches to address road safety issues around schools?
- have these approaches contributed to improved road safety around schools?

Audit conclusions

The RTA has reviewed approximately one quarter of New South Wales school zones. This shows that road crash casualties - fatalities and injuries - involving school age pedestrians between 5 and 16 years decreased significantly between 1998 and 2008.

The number of school zone casualties is small, between six and 29 each year in the sample reviewed, equivalent to an estimated 60 annually in all New South Wales school zones. By comparison, on average there were 2,000 school age casualties each year on the New South Wales road system.

The largest reduction over the ten years was for school aged pedestrians. This reduction was greater than for overall road casualties and all pedestrian casualties.

In the last decade two child pedestrian fatalities in school zones have been recorded. Another occurred where a school zone was subsequently installed. None of these fatalities was caused by speeding, and one was at least partly due to unsafe parking practices.

Despite the use of school zone signs with flashing lights and fixed speed cameras, motorists continue to exceed the 40 km/h speed limit in school zones. The RTA school zone speed survey in 2008 showed that in only two schools out of 12 surveyed were vehicle speeds close to the speed limit. An NRMA survey of 11 Sydney schools in 2005 found only half of the motorists were obeying the 40 km/h speed limit during school zone hours.

Enforcement of the 40 km/h school zone speed limit in school zone times is almost entirely dependent on fixed speed cameras. The 44 school zones fitted with speed cameras represent less than one per cent of school zones, yet account for 93 per cent of school zone speeding infringements.

Unsafe parking may also contribute to the hazards around schools, and illegal and unsafe parking can be routinely observed in many school zones. Most councils do little or no enforcement of parking restrictions in New South Wales school zones.

The 65 speed cameras in school zones generated fines worth \$31.1 million in 2007-08 and \$22.3 million in 2008-09. The Minister had promised in 2006 that all revenue from the initial 50 fixed and mobile speed cameras in school zones would be reinvested in road safety projects. We have not been able to obtain enough information to form an opinion on whether all this revenue is allocated to road safety.

Recommendations

We made a number of recommendations directed at improving awareness of school zones and compliance with speed limits and at improving their effectiveness. We also recommended that the RTA publish progress on the commitments made by the Minister for Roads in 2006 to reinvest school zone speed camera revenue in road safety projects and on the use of mobile speed cameras in school zones, and that the RTA should retain existing school zone facilities.

The RTA accepted almost all of our recommendations.

Further information

The full report is available on the [Audit Office of New South Wales website](#).

Auditor-General's Report to Parliament: Improving the Performance of Metropolitan Bus Services

About the audit

All scheduled bus services in the Sydney metropolitan area - including both public and private companies - are provided under Metropolitan Bus Service Contracts managed by NSW Transport and Infrastructure (NSWTI). The contracts were introduced in 2005 and are worth \$5.6 billion over seven years.

Importantly, they allow NSWTI to determine exactly what bus services are provided and to whom. Previously such decisions were made by individual contract operators.

In this audit we wanted to determine how well NSWTI manages the performance of metropolitan bus services.

Audit conclusions

The 2004 *Review of Bus Services in NSW* always envisaged that there would be a transition period as the new bus contracts were introduced. NSWTI has developed and implemented the new arrangements, and pursued a range of new initiatives including the network improvement program, strategic corridors and uniform bus fares and concessions.

The new contracts provided for a performance management regime to hold operators accountable. But this is still being developed four years after the bus contracts came into effect and it remains unproven as a basis for ensuring value for money from the contracts - each of which guarantees monopoly rights to the operators.

This is particularly significant as:

- services are not always reliable. A 2009 survey found 25 per cent of bus users said they were delayed by 10 minutes or more at least once a week and 24 per cent of bus users said they were left standing at the bus stop at least once a week
- there are wide variations in service levels, with services in privately operated areas likely to be less frequent and less accessible. They average 23 km per head of population with 75 per cent in walking distance of a bus stop, compared to 44 km per head in government bus areas and 90 per cent within walking distance of a bus stop
- the new bus contracts were directly negotiated with existing operators, using a cost and profit benchmarking process, in the absence of an open competitive tender.

Recommendations

We have recommended NSWTI further increases pressure to improve performance and drive costs down by:

- specifying a range of performance objectives for each contract region (eg. cost per passenger kilometre, service quality and accessibility) with a clear focus on the needs of bus users
- comprehensively benchmarking performance to hold bus operators accountable, with penalties for poor performance
- strengthening controls on operator self-reporting to ensure that performance information is accurate
- publicly reporting operator performance by route and by region
- conducting more frequent bus customer satisfaction and usage surveys, including the use of Mystery Shoppers.

Further information

The full report is available on the [Audit Office of New South Wales website](#).

ACCOUNTING UPDATE

Australian Accounting Standards Board (AASB) Pronouncements, Exposure Drafts and Invitations to Comment

AASB 2010-1 'Amendments to Australian Accounting Standards - Limited Exemption from Comparative AASB 7 Disclosures for First-time Adopters'

This standard makes minor amendments to AASB 1 'First-time Adoption of Australian Accounting Standards' and AASB 7 'Financial Instruments: Disclosures' as a consequence of amendments to IFRS 1 and IFRS 7.

These amendments extend the transitional provisions of AASB 2009-2 'Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments' to first-time adopters of Australian Accounting Standards.

This standard is applicable to annual reporting periods beginning on or after 1 July 2010 with earlier adoption permitted.

Source: [AASB website](#).

ED 192 'Revised Differential Reporting Framework'

This exposure draft aims to introduce a second tier of requirements to reduce the burden on most entities, including SMEs preparing general-purpose financial statements.

Under the proposals, publicly accountable, for-profit private entities would continue to have to apply full IFRS, but non-publicly accountable, for-profit private entities and private, not-for-profit entities would be able to apply the reduced disclosure regime (RDR).

Public sector entities, except Federal, State and Territory Governments, local Governments and universities; would also be able to apply the RDR if the relevant regulator agrees.

The exposure draft should be read in conjunction with the [consultation paper](#). Submissions to the AASB are due by 23 April 2010.

Source: [AASB website](#).

ITC 22 - IPSASB Consultation Paper 'Reporting on the Long-Term Sustainability of Public Finances'

The AASB has issued an invitation to comment on the IPSASB consultation paper that recommends practice for reporting by governments on the long-term sustainability of public finances in general purpose financial reports. See the December 2009 issue of [Awareness](#) for more information on the IPSASB consultation paper.

Submissions to the AASB and IFAC are due by 1 April 2010 and 30 April 2010 respectively.

Source: [AASB website](#).

AUDITING UPDATE

Auditing and Assurance Standards Board (AUASB) Publication

'Explanatory Guide: Auditors' Reports'

This explanatory guide was updated and re-issued in February 2010. It provides information to auditors on the new 'Clarity' suite of reporting standards that form part of the Australian Auditing Standards operative for financial reporting periods commencing on or after 1 January 2010.

Source: [AUASB website](#).

AUASB Meeting Highlights - 22 February 2010

At its meeting, the AUASB discussed the following:

- **ASA Redrafting (Clarity Format)** - The Board approved the final version of the revised Framework for Assurance Engagements, for release in March 2010.
- **Guidance Statements** - The Board approved for release in March 2010, the final versions of:
 - GS 001 'Concise Financial Reports'
 - GS 006 'Electronic Publication of the Auditor's Report'
 - GS 008 'The Auditor's Report on a Remuneration Report Pursuant to Section 300A of the Corporations Act 2001'.
- **Exposure Draft - Standard on Assurance Engagements** - The Board considered a draft of proposed ASAE 3402 'Assurance Reports on Controls at a Service Organisation' to replace AGS 1042 'Reporting on Control Procedures at Outsourcing Entities'. An exposure draft is expected for release in March 2010.
- **GS 007 Project Plan** - The Board approved a plan to revise Guidance Statement 007 'Audit Implications of the Use of Service Organisations for Investment Management Services'. The revised Guidance Statement is to be released with ASAE 3402.
- **ASRE 2400 Project Plan** - Due to the impending reforms outlined in the draft Corporate Law Reform Bill, the Board agreed to start revising ASRE 2400 for the reviews of financial reports of companies limited by guarantee.
- **International Matters** - The Board:
 - received a report on the recent activities of the IAASB and an update on other international audit and assurance related matters.
 - received updates on IAASB projects 'Reviews and Compilations' and 'Pro Forma Information in Prospectuses'.
 - noted submissions lodged to the IAASB on consultation papers; Proposed ISAE 3410 'Assurance on a Greenhouse Gas Statement' and Complex Financial Instruments.

- **National Greenhouse and Energy Reporting Scheme (NGERS) and Carbon Pollution Reduction Scheme (CPRS)** - The Board received an update on the liaison between the Department of Climate Change (DCC) and the AUASB regarding NGERS, CPRS, the Emissions-intensive Trade-exposed (EITE) assistance program under CPRS and the Electricity Sector Adjustment Scheme (ESAS). The Board noted that the NGERS Audit Regulations and NGERS Audit Determination were approved in December 2009.
- **Bank Confirmation Requests** - The Board received an update on the project to revise AGS 1002 'Bank Confirmation Requests'. They will consider a draft of the proposed guidance statement at the April 2010 AUASB meeting, for release in June 2010.
- **Fundraisings and Comfort Letters Projects** - The Board received updates on the projects to issue guidance statements on Fundraisings and Comfort Letters.
- **Corporate Law Reform Bill** - The Board noted a submission on the proposed Corporate Law Reform Bill and considered the implication of proposed reforms on Auditing Standards.

Source: [AUASB meeting highlights](#) (22 February 2010).

Information Systems Audit and Control Association (ISACA)

G41 'Return on Security Investment (ROSI)'

This guideline provides guidance in applying Standard S10 'IT Governance' to assist IT audit and assurance professionals in reviewing return on security investments (ROSI) while carrying out audit assignments.

The need of this guideline arose because enterprises are increasingly finding it challenging to make a case to invest in IT security. Clearly defining ROSI is critical for enterprises to attain business objectives. To obtain a reasonably accurate estimation of ROSI, the enterprise needs to determine its security requirements and the most appropriate measure of ROSI, and establish metrics to collect information to measure ROSI. Business operations today recognise the significance of security measures as well as the risks and consequences involved in ignoring the impact of security to business operations. Decision makers are required to quantify, review and modify security metrics periodically to ensure effectiveness of the security measure. Additionally, internal, external and regulatory compliance require maintaining continuous improvement of security goals.

Source: [ISACA website](#).

G42 'Continuous Assurance'

This guideline assists IT audit and assurance professionals in applying the relevant IT audit and assurance standards during the planning, implementation and maintenance of continuous assurance processes and systems within an enterprise. IT audit and assurance professionals can add value by leveraging the unique combination of business and technical skills and experience necessary to implement continuous assurance processes and systems.

Traditionally, the testing of controls was performed on a retrospective and cyclical basis, often many months after business activities have occurred. The testing procedures were often based on a sampling approach and included activities such as reviews of policies, procedures, approvals and reconciliations. Continuous assurance is a method used to perform control and risk assessments automatically on a more frequent basis. The main benefit of this approach is the intelligent and efficient continuous testing of controls and risks that result in timely notification of gaps and weaknesses to allow immediate follow-up and remediation.

Source: [ISACA website](#).

ETHICS UPDATE

Accounting Professional and Ethical Standards Board (APESB)

APESB Meeting Highlights - 8 February 2010

At its meeting, the APESB discussed the following:

- The '2010 Issues Register' is available for download on the [APESB website](#).
- Pronouncements APS 11 'Statement of Forensic Accounting Standards', GN 2 'Forensic Accounting' and F2 'Prospectus and Reports on Profit Forecasts' are not longer effective. Revised APES 320 'Quality Control for Firms' is effective from 1 January 2010.
- Reviews of Standards - The Board noted reviews of APES 215 'Forensic Accounting Services', APES 345 'Prospectuses and Reports on Profit Forecasts', APES 225 'Valuation Services' and APES 315 'Compilation of Financial Information'.
- APES 230 'Financial Advisory Services' - the taskforce will further consider the strategic aspects of the standard such as: integration of the fiduciary concept; the scope of financial advice; definition of client; application to Members in Business and transitional measures.
- ED 01/10 APES 310 'Client Monies' - the proposed revised standard is to be issued as an exposure draft.
- APES GN 20 'Outsourcing Accounting Services' further work on proposed principles and consideration of whether or not the pronouncement should be a standard or a guidance note.

Source: [APESB meeting highlights](#) (8 February 2010).

CLIMATE CHANGE UPDATE

Greenhouse and Energy Auditor Registration System

The 'National Greenhouse and Energy Reporting (Auditor Registration) Instrument 2010' is now available on the [Department of Climate Change website](#).

The instrument is the final piece of audit-related legislation in a suite that includes the *National Greenhouse and Energy Reporting (NGER) Act 2007*, the 'NGER Regulations 2008' and the 'NGER (Audit) Determination 2009'. The instrument allows stakeholders to finalise preparations for the registration of greenhouse and energy auditors and the subsequent conduct of greenhouse and energy audits.

Source: Accounting and Assurance News Today, Issue 4 (5 February 2010).

SEC guidance on climate change disclosures

The US Securities & Exchange Commission (SEC) released interpretive guidance on the potential impact of climate change and climate change regulation on businesses. The guidance does not create new legal requirements or modify existing ones. However, it does outline four areas where the commission says issuers should examine their disclosure obligations. While the guidance has no formal application in Australia, the principles it advocates are worthy of consideration by those in Australia who are preparers of climate change disclosures.

The guidance recommends that issuers should:

- assess the impact of legislation and regulation (both existing and potential regulations that could be implemented in the future)
- evaluate the effects on its business of international accords and treaties that relate to climate change, or govern greenhouse gas emissions

- consider actual and potential indirect consequences of climate change-related regulation or business trends
- consider actual and potential impacts of the physical effects of climate change on their businesses.

Source: [SEC website](#) and Accounting and Assurance News Today, Issue 5 (12 February 2010).

AUSTRALIAN PRUDENTIAL REGULATORY AUTHORITY (APRA) UPDATE

Prudential Practice Guide PPG 234 ‘Management of Security Risk in Information and Information Technology’

This [practice guide](#) is designed to provide guidance to senior management, risk management and IT security specialists and addresses key topics such as:

- the importance of an overarching framework
- systematic IT asset life-cycle management
- effective monitoring processes
- robust IT security reporting
- assurance mechanisms.

Source: Accounting and Assurance New Today, Issue 4 (5 February 2010).

AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION (ASIC) UPDATE

10-12AD ‘Margin lending licensing commences’

Issuers and advisers of margin lending facilities must apply for an Australian Financial Services licence (AFSL), or a variation to an existing licence before 30 June 2010. Industry participants who fail to do so will have to cease providing such services.

The new conduct and disclosure requirements for issuers and advisers of margin lending facilities, and the new responsible lending and margin call notification requirements, will take effect from 1 January 2011.

Source: [ASIC website](#).

Information Sheet 99 ‘Disclosure of credit ratings in Australia’

This [information sheet](#) clarifies how credit ratings issued by licensed credit rating agencies may be disclosed in Australia, for example in a prospectus or continuous disclosure announcement.

It explains circumstances in which a person may or may not disclose a credit rating and, how restrictions on disclosure interact with a person’s other obligations.

Source: Accounting and Assurance News Today, Issue 5 (12 February 2010).

Report 184 'Overview of decisions on relief applications (April 2009 to July 2009)'

This report outlines ASIC's decisions on relief applications during the period 1 April 2009 to 31 July 2009. It summarises situations where ASIC have exercised, or refused to exercise, exemption and modification powers from the financial reporting, managed investments, takeovers, fundraising or financial services provisions of the *Corporations Act 2001*.

Source: [ASIC website](#).

DEPARTMENT OF PREMIER AND CABINET UPDATE

The following recent Premier's Department Circular and Ministerial Memoranda are available at www.dpc.nsw.gov.au.

Premier's Circulars

C2010-04 'Making It Our Business: The NSW Aboriginal Employment Action Plan 2009-2012'

This action plan was launched in December 2009 as part of the New South Wales Government's commitment to the 'COAG National Partnership Agreement on Indigenous Economic Participation'. It sets out the New South Wales Government's strategic intent on strengthening Aboriginal employment and career development in the New South Wales public sector.

The plan focuses on three key strategies:

- recruitment - improving the recruitment experience for Aboriginal applicants
- retention - valuing and keeping our Aboriginal employees
- career development - helping our Aboriginal employees build careers in the New South Wales public sector.

The action plan for 2009-2012 sets specific targets, time frames and accountabilities. Agencies are requested to report on their progress in the Equal Employment Opportunity section of their annual reports.

This circular supersedes C2006-36 and is applicable to all public sector agencies other than State Owned Corporations.

C2010-05 'Staffing Freeze'

The staffing freeze specified in Premier's memorandum [M2009-15](#) remains in place.

Jobs that are directly associated with capital works (except IT projects), Commonwealth stimulus funded programs and entry level jobs (apprenticeships, traineeships, cadetships and graduate programs) are exempt from the freeze.

Under limited circumstances, the relevant Director General of one of the thirteen departments may grant an exemption to the freeze. Agencies must retain documentation on exemption requests and decisions for audit purposes.

This circular supersedes [M2009-15](#) and is applicable to all public sector agencies other than State Owned Corporations.

C2010-06 'Child Wellbeing and Child Protection - New South Wales Interagency Guidelines'

The [Child Wellbeing and Child Protection NSW Interagency Guidelines](#) are a guide for government and non-government agencies that deliver services to children and young people in New South Wales aged from 0 -18 years.

The Guidelines are currently being redrafted and progressively published following the changes brought about by the release of the New South Wales Government Plan to reform child protection in New South Wales - 'Keep Them Safe: A shared approach to child well being.' The Guidelines apply to government and non-government agencies alike.

Other Premier's Circular

[C2010-07](#) 'Implementation in NSW of Emergency Alert, the national telephone emergency warning system'.

Ministerial Memoranda

M2010-03 'Strengthening Aboriginal Employment Opportunities and Community Partnerships'

The New South Wales Government announced the following important initiatives aimed at strengthening employment opportunities for Aboriginal people and fostering community partnerships:

- **public sector jobs** - all government agencies are required to develop an Aboriginal Employment Strategy by June 2010
- **partnership community program** - Chief Executive Officers are to ensure their staff are aware of the partnership community program as a State Plan priority
- **support for significant events** - all agencies are to continue to support the pooled funding for specified cultural events
- **remote service delivery national partnership agreement** - Chief Executive Officers are to ensure their agencies provide maximum support to the Remote Service Delivery National Partnership Agreement.

THE TREASURY UPDATE (NEW SOUTH WALES GOVERNMENT)

Treasury Research and Information Paper

TRP 10-01 'Interstate Comparison of Taxes 2009-10'

This annual Research and Information Paper provides a brief description of each tax to facilitate interstate comparisons.

Source: Treasury website.

INTERNATIONAL UPDATE

International Accounting Standards Board (IASB)

Exposure Draft 'IFRS Taxonomy 2010'

The International Accounting Standards Committee (IASC) Foundation published for public comment an exposure draft of the International Financial Reporting Standards (IFRSs) Taxonomy 2010. The proposed taxonomy is consistent with IFRSs and the IFRS for Small and Medium-sized Entities (SMEs).

Comment period for the exposure draft and accompanying materials ends on 22 April 2010. The final version is due for release at the end of April 2010.

For further information, go to the [IASB website](#).

Source: IASB press release (9 February 2010).

Joint IASB/FASB Meeting Highlights - 2 February 2010

At its meeting, the IASB/FASB discussed the following:

- presentation of other comprehensive income
- financial instruments with characteristics of equity
- financial instruments: hedge accounting
- leases.

Source: [IASB update](#) (2 and 10 February 2010).

Joint IASB/FASB Meeting Highlights - 10 February 2010

At its meeting, the IASB/FASB discussed the following:

- annual improvements (IASB only meeting)
- financial instruments: classification and measurement
- insurance contracts.

Source: [IASB update](#) (2 and 10 February 2010).

IASB Meeting Highlights - 15, 17-19 February 2010

At its meeting, the IASB discussed the following:

- consolidation
- de-recognition
- joint ventures
- post-employment benefits
- rate-regulated activities.

Source: [IASB update](#) (February 2010).

Joint IASB/FASB Meeting Highlights - 16, 17-19 February 2010

At its meeting, the IASB/FASB discussed the following:

- consolidation
- fair value measurement
- financial instruments: classification and measurement
- financial instruments: hedge accounting
- financial instruments with characteristics of equity
- financial statement presentation
- insurance contracts
- leases
- revenue recognition
- right of offset.

Source: [IASB update](#) (February 2010).

Joint IASB/FASB Meeting Highlights - 3 March 2010

At its meeting, the IASB/FASB discussed the following:

- financial instruments: hedge accounting (IASB only meeting)
- financial statement presentation
- fair value measurement.

Source: [IASB update](#) (3 March 2010).

International Valuation Standards Council (IVSC)

[GN 4 'Valuation of Intangible Assets \(Revised 2010\)'](#)

This GN was updated and re-issued in February 2010. It identifies the principal techniques for the valuation of intangible assets such as brands, intellectual property and customer relationships. It also gives guidance on how to apply these techniques.

Source: Accounting and Assurance News Today, Issue 8 (5 March 2010).

[GN 17 'The Valuation of Investment Property under Construction'](#)

This document provides internationally recognised principles for estimating the market value of investment property under construction. It may assist auditors and investors especially as more partially completed buildings come to market over the next 12 months.

Source: Accounting and Assurance News Today, Issue 6 (19 February 2010).

MISCELLANEOUS PUBLICATIONS

Report on Government Services 2010

This [report](#) discusses the performance of government services across the country. There have been improvements in this year's report, including:

- alignment of education and training performance indicators with those in the related National Agreements
- information on access to aged care residential services for veterans
- juvenile justice performance indicators
- enhancement of the Health preface to include data on risk factors
- data on housing access and affordability
- enhanced reporting of participation by Indigenous people in the VET system
- reporting of Indigenous recipients of Extended Aged Care at Home Dementia services.

Source: [Productivity Commission website](#), Media Release (29 January 2010).

Research Report 'Contribution of the Not-for-Profit Sector'

This Productivity Commissions Report reports a need for wide-ranging reforms to remove unnecessary burdens and costs faced by the not-for-profit sector and improve its accountability.

To consolidate regulatory oversight and enhance transparency, the Commission proposes a 'one-stop shop' for Commonwealth-based regulation in the form of a Registrar for Community and Charitable Purpose Organisations.

Source: [Productivity Commission website](#), Media Release (11 February 2010).

Recordkeeping in Brief - Checklist for assessing business systems

The Recordkeeping in Brief is designed to assist public offices with managing the recordkeeping risks that might exist in relation to business conducted using business systems. It provides a basic methodology for the determination of recordkeeping requirements, the assessment of a system and the development of remedial strategies. The checklist itself is based on the requirements of the Standard on digital recordkeeping and includes examples of compliance in real systems used in the New South Wales public sector.

Agencies should be preparing to assess any systems supporting high-risk business processes in order to meet the deadlines in the compliance timetable for the Standard on digital recordkeeping.

For more information, go to the [State Records Authority website](#).

Source: State Records Authority website, Latest News (28 February 2010).

Capital Raising in Australia: Experiences and Lessons from the Global Financial Crisis

This [information paper](#), published by the ASX, examines the Australian and International capital raising processes in light of the global economic downturn.

The paper describes the existing framework for raising capital, the methods used by companies, and how these methods were employed throughout the financial downturn. The paper concludes that overall, the Australian structures coped very well with the economic conditions. However, it also examines the criticisms levelled at particular capital raising mechanisms, and draws a number of conclusions and recommendations.

For more information, go to the [ASX website](#).

Source: Accounting and Assurance News Today, Issue 4 (5 February 2010).

GAA report 'Making financial reporting simpler and more useful: The way forward'

This [report](#), released by the Global Accounting Alliance (GAA), is part of an ongoing research project to improve the quality of financial reporting internationally. The project concentrates on two key financial reporting themes:

- the structure and culture of accounting standards, often termed the 'principles versus rules' debate
- the growing complexity and detail contained in company financial statements.

This report follows the GAA's first report (issued in December 2008) entitled '[Getting to the Heart of the Issue: Can Financial Reporting be made Simpler and More Useful?](#)'

For more information, go to the [GAA website](#).

Source: Accounting and Assurance News Today, Issue 5 (12 February 2010).

Towards a Seamless National Economy, 2009 Review of Regulatory Reform

This publication, published by the Organisation for Economic Cooperation and Development (OECD), is a review of regulatory reform in Australia.

The report identifies four areas that would strengthen Australia's regulatory framework and improve productivity. The initiatives include:

- better business engagement
- better analysis of regulatory impacts
- improved transparency
- better inter-jurisdictional regulatory governance.

For more information, go to the [OECD website](#).

Source: Accounting and Assurance News Today, Issue 7 (26 February 2010).

CPA Australia educational DVD: ABC Learning collapse - a global case study

This DVD on the collapse of ABC Learning, once the world's largest child care provider, is an example of what happens when a company ignores the fundamentals of sound accounting. The DVD will be distributed to accounting educators across Australia and the Asia-Pacific and is available on CPA Australia's YouTube channel.

Source: [CPA Australia website](#), Media Release (12 February 2010)

Australian National Audit Office (ANAO) Publications

The publications below are available on the [ANAO website](#).

- 'thirtysomething' - developments in performance auditing.
- Illegal Foreign Fishing in Australia's Northern Waters.
- Geoscience Australia.
- Opinions (December 2009).

Northern Territory Auditor-General's Office Publication

The publication below is available on the [NT Audit Office website](#).

- February 2010 - Report to the Legislative Assembly.

New Zealand Office of the Auditor-General Publications

The publications below are available on the [AOG website](#).

- Local authorities: Planning to meet the forecast demand for drinking water.
- Central government: Results of the 2008/09 audits.
- Auckland City Council: Management of footpaths contracts.

Tasmanian Audit Office Publication

The publications below is available on the [TAS Audit Office website](#).

- Special Report - Statement in the Public Interest.

Victorian Auditor-General's Office Publications

The publications below are available on the [VAGO website](#).

- Management of Concessions by the Department of Human Services.
- Tendering and Contracting in Local Government.

Independent Commission against Corruption (ICAC) Publications

The publications below are available on the [ICAC website](#).

- Minimising corruption risks in land dealings - Guide for Local Aboriginal Land Councils.
- Our Statement of business ethics.

Independent Pricing and Regulatory Tribunal (IPART) Publications

The publications below are available on the [IPART website](#).

- Final Consultant Report - Atkins-Cardno - Review of the Weighted Average Asset Life of State Water Corporation Assets.
- Final Consultant Report - Atkins-Cardno - Strategic Management Overview and Review of Operating and Capital Expenditure - State Water Corporation.

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 [Audit Office of New South Wales website](#).

Title of Guide	Date issued
Monitoring and Reporting on Audit Recommendations	May 2009
Implementing Successful Amalgamations	5 March 2008
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	3 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
Debtors Administration	September 1996
Administration of Grants	December 1995
Joint operations in the Education Sector	September 1995
Fraud Control: developing an effective strategy: Volume 1: conceptual framework Volume 2: strategy Volume 3: diagnostics Volume 4: Fraud control self audit kit	March 1994 March 1994 March 1994 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
ASEA	Australian Standard on Assurance Engagements
ASIC	Australian Securities and Investments Commission
ASAE	Australian Standard on Review Engagements
AOSSG	Asian-Oceanian Standard Setters Group
AUASB	Auditing and Assurance Standards Board
BRCWG	Business Regulation and Competition Working Group
ED	Exposure Draft
FASB	Financial Accounting Standards Board (USA)
FCAG	Financial Crisis Advisory Group
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
IASC	International Accounting Standards Committee
IASCF	International Accounting Standards Committee Foundation
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
ISACA	Information Systems Audit and Control Association
ISQC	International Standards on Quality Control
IVSC	International Valuation Standards Council
PCAOB	Public Company Accounting Oversight Board

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 New South Wales Government Information Service (telephone 9743 7200).

Publications of the Australian Auditing and Assurance Standards Board (AUASB) including auditing and assurance standards, guidance statements, and 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 New South Wales Government legislation including changes to legislation can be purchased from the New South Wales Government Information Service. The legislation is also on the Internet at www.legislation.nsw.gov.au.

Treasury publications may be viewed by visiting the New South Wales 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.dpc.nsw.gov.au.

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