

# AWARENESS

Accounting and Auditing Developments ISSUE 3 - APRIL 2008

## AUDIT OFFICE UPDATE

### Auditor-General's Report to Parliament: Efficiency of the Office of the Director Prosecutions

#### *About the audit*

The Office of the Director of Public Prosecutions (ODPP) prosecutes the most serious criminal cases on behalf of the people of New South Wales. It is a critical component of the justice system, sitting between the Police who investigate crimes and the courts who adjudicate cases and sentence the guilty.

The ODPP has the independence to make prosecutorial decisions without fear or favour, which is a cornerstone of our justice system. This independence does not remove the need for the ODPP to manage public resources appropriately, to be accountable for its performance and deliver value for money. The ODPP must assist stakeholders to determine 'what price justice'?

In this audit we examine whether the ODPP can demonstrate how efficient it is and whether it has adopted good management practices.

#### *Audit opinion*

The ODPP says it is efficient. We acknowledge that the ODPP has many skilful and committed staff who work very hard to achieve good results for the people of NSW. It could not, however, provide sufficient evidence for us to reach a conclusion on its efficiency. We also identified some significant opportunities for ODPP to improve its management practices.

Several reviews over the last decade have identified similar deficiencies. To illustrate, despite the need being identified almost a decade ago, and attempts having been made to measure costs, the ODPP still does not have good information on the costs of its services and activities. Such information is essential for both ensuring and demonstrating efficiency. Other legal firms and agencies cost their services and activities as a matter of course.

We also came to the view that changes to how it allocates and processes cases could lead to savings, but the deficiencies in the ODPP's information stopped us testing options for improvement. Such changes have also been suggested by several reviews over the last decade.

The ODPP's reluctance to change its methods without evidence of a better way is understandable, but the lack of evidence results from an apparent incapacity to keep pace with reforms to public sector and legal practice management and accountability.

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**THE AUDIT OFFICE  
OF NEW SOUTH WALES**

To break the impasse and help the ODPP catch up, we concluded that the Office needs a very senior, professional manager with a clear mandate to ensure wise spending, introduce better management and accountability systems, improve measurement and reporting and strengthen liaison with NSW Treasury and other agencies.

While it has no control over the quality of NSW Police briefs and listing practices of the courts, the ODPP tells us these external factors create inefficiencies for the ODPP. Previous reviews have also reported this, but the problem remains and the ODPP cannot quantify the extent of inefficiency. It was outside the scope of this audit to assess whether these inefficiencies were offset by efficiencies elsewhere in the justice system. The government might look at this issue.

### *Summary of recommendations*

We recommend a series of measures to assist the ODPP, including:

- continuing to build on recent improvements to service and efficiency indicators. ODPP should ensure reporting on its indicators include comparisons over time, against benchmarks and to targets, with narrative to clearly explain performance
- collect accurate and comprehensive information about the costs of its services and activities and use this to improve its service delivery, efficiency and resource allocation
- improve its management of workload and workflow
- adopt a more systematic approach to capturing and quantifying the impact of the practices of other agencies on its efficiency
- introduce an executive management position of Executive Director
- implement a systematic process to address staff concerns and improve morale.

### *Further information*

Sean Crumlin, Director Performance Audit: [sean.crumlin@audit.nsw.gov.au](mailto: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](http://www.audit.nsw.gov.au).

## **Auditor-General's Report to Parliament: Managing the Amalgamation of the Greyhound and Harness Racing Regulatory Authority**

### *About the audit*

The Greyhound and Harness Racing Regulatory Authority (the Authority) was created in October 2004 to safeguard the integrity of the two racing industries. The Authority was a merger of the regulatory functions of the former Greyhound Racing Authority and Harness Racing Authority and was expected to achieve operating efficiencies. Earlier in February 2003, the commercial functions of the two former authorities were transferred to Harness Racing NSW and Greyhound Racing NSW.

The audit's objective was to assess if the Authority is realising the intended benefits of amalgamation.

### *Audit opinion*

The Authority has achieved staff reductions and salary related savings in line with targets. It has achieved salary savings in excess of \$850,000 during 2007-08. This is better than the \$800,000 per annum savings set as an amalgamation target. In September 2007 the Authority sold its surplus building and moved into its newly refurbished Bankstown building.

In implementing the amalgamation, there were inherited difficulties which affected the timely achievement of amalgamation objectives. These included the need to: deal with high levels of bad debts; continue disciplinary actions against two senior stewards; improve internal reporting; revise operating procedures; and address staff morale issues.

That said, the amalgamation was not project managed effectively. It has been slow to implement some of its key objectives against plans and the costs of the amalgamation have increased to the extent that it is unable to meet key objectives. Stakeholders are dissatisfied with the amalgamation outcomes. This dissatisfaction would have been mitigated with better communication. The Authority's approach to implementing the amalgamation varied from that originally proposed by government. But it did not record the changed approach in an amalgamation plan.

The racing industry bodies largely fund the Authority and had owned the two buildings transferred to the Authority. Both the government and the stakeholders expected that the racing industries would receive:

- a return from the proceeds of the sale of the surplus building, after the payment of amalgamation costs (these included building refurbishment, redundancies and a new IT system)
- annual savings of \$800,000 based on staff reductions.

However, they received:

- a 'bill' for \$267,000 being the excess of total refurbishment costs (including building, establishment and furniture and fittings costs) over the proceeds of the building sale
- no reduction in their contributions, with salary savings absorbing compulsory award increases for remaining staff and the funding of racing integrity initiatives
- a small (\$133,000) contribution towards the new IT system.

The Authority has identified \$400,000 in cash reserves as excess to its current needs. This sum is largely being applied to the building costs deficit, with the excess of \$133,000 to help fund the new greyhound registration system. The excess comprises funding for capital replacement and past operating surpluses by prior greyhound racing authorities. The Authority's approach disadvantages the greyhound racing industry, as the harness racing industry is not asked to fund a portion of the building costs deficit. The Authority has advised that it is reviewing its approach and is advising the industries accordingly.

The Authority's structure is yet to be finalised and integration of activities completed. Outstanding amalgamation issues are the installation of a greyhound registration IT system to consolidate racing administration activities and revision of the structure to reduce the number of staff directly reporting to the CEO.

We consider that the Authority would have better managed the implementation if it had had a formal amalgamation plan to achieve objectives, including a timetable to achieve savings. This would have provided a sound platform on which to communicate with stakeholders on its targets and progress against them.

### *Summary of recommendations*

The report recommends that the Authority resolve outstanding amalgamation issues, with specific attention to finalising its structure and reporting on the amalgamation's costs and benefits. Other recommendations focus on the Authority integrating its planning and budget processes, including efficiency dividends agreed with Minister and a strategy for communicating progress with stakeholders. The Authority accepted all recommendations.

### *Further information*

Sean Crumlin, Director Performance Audit: [sean.crumlin@audit.nsw.gov.au](mailto: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](http://www.audit.nsw.gov.au).

# ACCOUNTING UPDATE

## New and revised pronouncements

### *AASB 3 'Business Combinations'*

The AASB has issued a revised version of AASB 3 'Business Combinations', which clarifies some of the accounting requirements for mergers and acquisitions.

Incorporating the recently revised IFRS 3 'Business Combinations', AASB 3 ensures that Australian accounting standards continue to align with international accounting standards.

The revised standard provides a choice to measure a non-controlling interest at fair value or at its proportionate share of the acquired entity's net assets. Measuring the non-controlling interest at fair value will result in goodwill attributable to the non-controlling interest being reflected in the balance sheet.

Merger and acquisition activity may affect income statements more significantly. The Standard requires that incidental costs of acquisition be expensed. Liabilities recognised for contingent payments will be measured at fair value at the acquisition date, and any subsequent changes to the fair value may be reflected in the income statement, rather than against goodwill on the balance sheet.

The requirements for acquisitions made over a period of time in a target entity are simplified in the revised standard, and guidance is included to assist entities in determining which transactions form part of a business acquisition.

As a consequence of issuing AASB 3, the AASB has also issued amended standard AASB 127 'Consolidated and Separate Financial Statements' and amending standard AASB 2008-3 'Amendments to Australian Accounting Standards Arising from AASB 3 and AASB 127'. These standards also ensure that Australian accounting standards continue to be aligned with the standards of the IASB.

The revisions are effective 1 July 2009, with early adoption permitted for for-profit entities only. The AASB is conducting further research into the suitability of the revised AASB 3 requirements for mergers and acquisitions among not-for-profit entities.

Source: AASB Media Release, 26 March 2008.

### *Compiled Interpretations - Interpretation 1 and 12*

The AASB has released the following compiled Interpretations:

- Interpretation 1 'Changes in Existing Decommissioning, Restoration and Similar Liabilities'
- Interpretation 12 'Service Concession Arrangements'.

Both are effective 1 January 2009 with early adoption allowed.

The compiled Interpretations include the amendments necessitated by the revisions made to AASB 123 'Borrowing Costs' in omnibus amending standard 2007-6 issued in June 2007. However, the new compilations do not include the consequential amendments arising from the revision of AASB 101 'Presentation of Financial Statements' issued as omnibus AASB 2007-8 in September 2007.

Source: Accounting & Assurance News Today (Issue 10, 20 March 2008).

## INTERNATIONAL UPDATE

### International Accounting Standards Board (IASB)

*10-14 March 2008 Meeting*

At this meeting, the IASB discussed:

- Annual improvements - the IASB re-affirmed four of the ten proposed amendments published in the October 2007 exposure draft. The proposed amendments are: presentation of finance costs (IFRS 7), components of borrowing costs (IAS 23), measurement of subsidiary held for sale in separate financial statements (IAS 27) and disclosure of estimates used to determine recoverable amount (IAS 36). The IASB discussed six other proposed amendments and tentatively decided to issue final amendments subject to drafting changes.
- Financial statement presentation - the IASB discussed its view that income taxes should be presented as a separate section in each of the financial statements rather than allocated as required by IAS 12 'Income Taxes'. The IASB tentatively decided to issue an initial discussion document that explores and illustrates both views (separate income tax section and income tax allocation) in order to solicit comments on the issue.
- Fair value measurement - the IASB has decided not to establish a working group for the fair value measurement project. Instead, the IASB will form an informal technical advisory group that will provide practical input on valuation issues.
- IFRS for small and medium-sized entities - no decisions were made. The IASB discussed the main issues raised in the submissions received on the exposure draft. The issues are summarised in the Update. The IASB plans to review a revised draft standard in September or October of this year.
- IAS 19 'Employee Benefits' - the IASB decided to revise the definition of contribution-based promises to clarify that vesting and demographic risks do not preclude a benefit promise from being contribution-based
- First-time adoption of IFRSs - the IASB tentatively decided to consider amendments to IFRS 1 raised by the Canadian Accounting Standards Board, including introducing a principle prohibiting retrospective estimates that could be affected by hindsight.

Source: IASB Update (March 2008), and Accounting & Assurance News Today (Issue 11, 28 March 2008).

### International Public Sector Accounting Standards Board (IPSASB)

*Technical updates to IPSAS 4*

The IPSASB has released a technical update to IPSAS 4 'The Effects if Changes in Foreign Exchange Rates'. The update was issued as part of the IPSASB's global convergence program and reflects the latest amendments to the corresponding IFRS issued by the IASB.

The revised IPSAS clarifies the requirements for public sector entities to convert foreign currency transactions and balances into their reporting currency.

The revised IPSAS 4 is available on the IFAC website: [www.ifac.org/store](http://www.ifac.org/store).

Source: IFAC News Release, 10 April 2008.

## International Federation of Accountants (IFAC)

### *Translation of IFAC Standards*

To increase the accessibility of its standards and guidance to accountants worldwide, the IFAC Board has approved a proposal to move to one quality translation of IFAC standards per language and to consult with IFAC members, associates and other interested parties on the process to achieve this. As a result, IFAC has released a consultation paper entitled, 'Translation of IFAC Standards' that outlines a proposed translation process. The new process is designed to facilitate the ability of member bodies and other qualified organisations to translate IFAC standards and to ensure the timeliness and quality of such translations.

The consultation paper is available on the IFAC website: [www.ifac.org/eds](http://www.ifac.org/eds) and comments are due by 30 June 2008.

Source: IFAC News Release, 4 April 2008.

### *Financial Reporting Supply Chain Report*

In 2007, IFAC commissioned a project called the 'Financial Reporting Supply Chain Project' that focused on exploring the current state of financial reporting globally, whether or not it had improved in recent years, and whether it is now more relevant, reliable and understandable.

The final report from this project was published in March 2008 and is available on the IFAC website: [www.ifac.org](http://www.ifac.org).

Source: Accounting & Assurance News Today (Issue 13, 11 April 2008).

## International Ethics Standards Board of Accountants (IESBA)

### *Independence Revisions*

The IESBA has approved revisions to the independence requirements in the Code of Ethics resulting from its December 2006 exposure draft. Revisions include providing a definition of 'public interest entities' and extending the listed entity provisions to all public interest entities. Additionally, the IESBA is considering comments received on its July 2007 independence exposure draft. These proposed revisions cover the provision of internal audit services, relative size of fees from an assurance client, and contingent fees.

These changes are expected to be included in the next revision of Australia's independence requirements by the APESB.

Source: Accounting & Assurance News Today (Issue 13, 11 April 2008).

## International exposure drafts and invitations to comment

### *IASB Discussion Paper - 'Reducing Complexity in Reporting Financial Instruments'*

The existing requirements for the reporting of financial instruments are widely regarded as difficult to understand, interpret and apply and constituents have urged the IASB to develop standards that are principle-based and less complex. This discussion paper is the first step in an IASB project that would replace IAS 39.

The discussion paper analyses the main causes of complexity in reporting financial instruments and proposes possible intermediate approaches to address some of them. Those approaches seek to improve and simplify measurement and hedge accounting by amending or replacing the existing requirements.

Furthermore the discussion paper sets out the arguments for and against a possible long-term approach that would use one measurement method for all types of financial instruments in the scope of a financial instruments standard.

The discussion paper is available on the IASB website: [www.iasb.org](http://www.iasb.org) and comments are due by 19 September 2008. The AASB has also released this discussion paper for comment. Comments to the AASB for input into an Australian submission are due by 22 August 2008.

Source: IASB Media Release 19 March 2008, & Accounting & Assurance News Today (Issue 11, 28 March 2008).

### *IASB Discussion Paper - IAS 19 Employee Benefits*

The IASB released a discussion paper on IAS 19 'Employee Benefits' for comment. The paper sets out the IASB's preliminary views on how the accounting for some post-employment benefits, including pensions, could be improved.

The discussion paper addresses the main concerns expressed by a wide range of interested parties that the accounting model set out in IAS 19 is inadequate and should be reviewed. Constituents have pointed out that:

- the deferral of the recognition of gains and losses leads to misleading figures in the statement of financial position
- the multiple options for deferring recognition lead to poor comparability across companies
- the lack of clarity in the definitions of benefit promises lead to inconsistencies and poor comparability for those benefit promises that include a promised return on contributions linked to an asset or an index
- the required measurement method is inadequate for those benefit promises that include a promised return on contributions linked to an asset or an index.

The IASB's preliminary views on how to address those main issues are:

- to remove the options for deferred recognition of gains and losses in defined benefit plans
- to introduce a new classification of benefit promises into contribution-based promises and defined benefit promises, with a new measurement attribute for contribution-based promises.

The IASB plans to redeliberate the issues and publish an exposure draft of proposed amendments to IAS 19, with a view to issuing a revised standard by 2011.

The discussion paper is available on the IASB website: [www.iasb.org](http://www.iasb.org) and comments are due by 26 September 2008.

Source: IASB Media Release, 27 March 2008.

### *IASB - XBRL Taxonomy*

The International Accounting Standards Committee (IASC) Foundation's XBRL Team released the near final version of the IFRS Taxonomy 2008.

The IFRS Taxonomy 2008 is a complete translation of IFRSs as published in the IFRS Bound Volume 2008 into XBRL, an eXtensible Markup Language (XML) language that is used to communicate information between businesses. The IFRS Taxonomy 2008 is published in the same languages as the IFRS Bound Volume 2008.

The specific characteristics of XBRL will provide users of the IFRS Taxonomy 2008 with easier filing, access to and comparison of financial data.

The near final version of the IFRS Taxonomy 2008 is available on the IASB website: [www.iasb.org/xbrl/taxo.asp](http://www.iasb.org/xbrl/taxo.asp) and comments are due by 30 May 2008. The final version is expected to be released at the end of June 2008.

Source: IASB News Release, 31 March 2008.

### *IPSASB - New Project on Long-Term Fiscal Sustainability*

In developing its project on social benefits, the IPSASB has concluded that financial statements alone may not provide users with enough information to assess the long-term viability of social benefit programs. It has, therefore, launched a new project to develop a framework for reporting on the long-term fiscal sustainability of governmental programs and finances.

The project brief is available on the IFAC website: [www.ifac.org](http://www.ifac.org) and comments on the project brief are due by 15 July 2008.

Source: IPSASB eNews, 11 April 2008.

## ETHICAL UPDATE

### **Australian Professional and Ethical Standards Board (APESB)**

#### *Notice to Withdraw APS 8 'Statement of Management Consulting Services Standards'*

The APESB has agreed in principle to the withdrawal of Miscellaneous Professional Statement APS 8 'Statement of Management Consulting Services Standards'.

APS 8 was originally issued 24 years ago to communicate the requirements of the professional accounting bodies in relation to the provision of management consulting services. Significant changes in the business environment, together with the recent issue of APES 110 'Code of Ethics for Professional Accountants', have effectively made this standard redundant.

The APESB is seeking comments from interested parties who support or object to the withdrawal of the standard.

APS 8 is available on the APESB website: [www.apesb.org.au](http://www.apesb.org.au) and comments are due by 18 April 2008.

Source: APESB Media Release, 21 February 2008.

## AUSTRALIAN SECURITIES AND INVESTMENT COMMISSION (ASIC) UPDATE

### **New online reporting system for dual-regulated institutions**

The Australian Prudential Regulation Authority (APRA) and ASIC released a new online breach reporting system for dual-regulated institutions.

The online system simplifies the reporting process for regulated institutions. It also reduces duplication faced by institutions regulated by both APRA and ASIC.

The new system enables:

- all APRA-regulated institutions — authorised deposit-taking institutions, general insurers, life insurance companies, friendly societies and superannuation licensees — to report breaches to APRA online
- those institutions regulated by both APRA and ASIC to report breach notifications required to be lodged with both regulators through a single electronic breach report to APRA.

This eliminates the requirement for dual-regulated institutions to provide separate breach reports for the same incident to both regulators.

This initiative follows the passage through Parliament, in late 2007, of the *Financial Sector Legislation Amendment (Simplifying Regulation and Review) Act 2007*. The Act introduces a consistent definition of reportable breaches across all institutions in APRA-regulated industries and all ASIC-regulated Australian Financial Services licensees.

Further details are available on the APRA website: <http://www.apra.gov.au/breach/> and the ASIC website: [www.asic.gov.au](http://www.asic.gov.au).

Source: ASIC Information Release (IR 08-04), 11 March 2008.

### **Class Order CO 08/10 'Share and interest sale facilities'**

This class order provides relief from provisions of the *Corporations Act* (the Act) to facilitate the operation of certain share and interest sale facilities.

ASIC has also released Regulatory Guide 161 'Share and interest sale facilities' (RG 161), which explains the relief given in CO 08/10, and ASIC's approach for sale facilities not covered by the class order.

Source: ASIC Information Release (IR 08-06), 18 March 2008.

### **Changes to Class Order 98/1418 'Wholly-owned entities'**

ASIC announced a number of changes to Class Order 98/1418 'Wholly-owned entities', which provides certain wholly-owned subsidiaries with relief from the requirement to prepare financial reports. The changes will enable more companies to rely on the relief and reduce the administrative work for group companies.

Source: ASIC Information Release (IR 08-08), 31 March 2008.

### **Class Order 08/15 'Disclosing entities - half-year financial reporting relief'**

This class order relieves a disclosing entity from the requirement to prepare and lodge a half-year financial report and directors' report during the first financial year of the entity, where that first financial year lasts for eight months or less.

Source: ASIC Information Release (IR 08-08), 31 March 2008.

### **Compensation Requirements in section 912B *Corporations Act 2001***

The compensation requirements in s912B of the *Corporations Act 2001* commence, for most Australian Financial Services (AFS) licensees, on 1 July 2008.

Many licensees will comply with these requirements by obtaining professional indemnity (PI) insurance. Those licensees who are seeking ASIC's approval of alternative arrangements will need to apply to ASIC for approval. Regulatory Guide 126 'Compensation and insurance arrangements for AFS licensees' (RG 126) states that licensees hoping to rely on alternative arrangements for compliance by 1 July 2008 should allow enough time:

- for their application to be assessed by ASIC
- to obtain the required PI insurance if their alternative arrangements are not approved.

ASIC's updated version of RG 126 clarifies the following:

- the scope of coverage required for fraudulent and dishonest acts
- that adequate PI insurance policies do not need to explicitly refer to liability for breaches of 'Chapter 7 of the Corporations Act'. However, they must have the effect of providing cover for breaches of Chapter 7
- our expectations about reinstatements
- the language used in RG 126 where feedback indicates that our requirements did not fully reflect current insurance industry terminology or could be made clearer.

A marked up version of RG 126 will be released to enable licensees to easily identify these clarifications.

Source: ASIC Information Release (IR 08-10), 28 March 2008.

For further information, go to the ASIC website: [www.asic.gov.au](http://www.asic.gov.au).

## MISCELLANEOUS PUBLICATIONS

### AS 8001—2008 'Fraud and Corruption Control'

In March 2008, Standards Australia released Australian Standard AS 8001 - 2008 'Fraud and Corruption Control' superseding AS 8001—2003. The revised Standard reflects recent changes in the approach to controlling fraud and corruption in the Australian economy made necessary by technological advancement and the way business is conducted.

The objective of this Standard is to provide an outline for a suggested approach to controlling the risk of fraud and corruption within a wide range of entities across all industry sectors and in government.

Major revisions to the Standard include:

- increased consideration of information systems as an enabler of fraud and corruption and as a means of detecting fraud and corruption
- expanded guidance on the suggested role of the internal audit function in controlling the risk of fraud and corruption
- separate consideration of corruption and the ways in which corruption risk can be managed
- increased emphasis on example setting by senior executives as an important element of an entity's integrity framework
- upgraded fraud risk assessment methodology (to bring it into line with changes to AS/NZS 4360:2004)
- upgraded employment screening guidelines
- new customer and supplier vetting guidelines
- reference to the role of the external auditor in fraud detection.

This Standard is available on the SAI Global website: [www.saiglobal.com](http://www.saiglobal.com).

Source: AS 8001-2008 Preface.

## LEGISLATIVE UPDATE

### Revisions proposed to NSW Incorporated Associations Legislation

The NSW Office of Fair Trading released for public comment a draft of the revisions it is proposing to the *NSW Incorporated Associations Act (1984)*. The Associations Incorporation Bill 2008 is the result of a comprehensive review to update the provisions of this legislation.

Among the changes being proposed is the introduction of reporting thresholds for these associations. Those with annual turnover above \$200,000 (deemed large) will be required to lodge annual accounts with the Commissioner of Fair Trading that must be prepared in accordance with Australian accounting standards and be audited. When lodged, these statements must be accompanied by any resolutions made at the AGM about them and a summary of the association's affairs in the format specified by the regulations. Lodgement within one month of the AGM and 7 months after the end of the previous financial year is required. Those below this threshold (deemed small) must still lodge their financial statements, AGM resolutions and financial affairs summary within the above timeframes, but need not have an audit. Associations will now also be required to have either a 30 June or 31 December year-end.

The Bill also proposes:

- extending the Commissioner's powers to require an association to change its name if it implies links to the Crown
- to include residency requirements and statutory duties of care and honesty for management committees
- to allow technology to be used for meetings at multiple venues.

The term public officer will be replaced by secretary, whose role and responsibilities must be addressed in the association's constitution.

A copy of the media release, summary of changes and the draft legislation can be found on the Office of Fair Trading website: <http://www.fairtrading.nsw.gov.au>. Submissions closed on 11 April 2008.

Source: Accounting & Assurance News Today (Issue 10, 20 March 2008).

## PREMIER'S DEPARTMENT UPDATE

### Premier's Department Circulars

#### *C2008-09 Community Language Allowance Scheme*

This circular advises that Clause 52 of the *Crown Employees (Public Service Conditions of Employment) Reviewed Award 2006* (the Award) and section 7-3 Community Language Allowance Scheme (CLAS) of the Personnel Handbook (the Handbook) have been varied.

#### *C2008-10 Assistance For People With Writing Disabilities*

This circular instructs agencies to review their disability and customer service policies having regard to the principle that where agencies require something in writing they should provide appropriate assistance for people with writing difficulties.

Premier's Department Circulars are available at: [www.dpc.nsw.gov.au](http://www.dpc.nsw.gov.au).

## Premier's Memoranda

### *M2008-04 Chief Executive Performance Agreement Guidelines*

The State Plan outlines new responsibilities for Lead Chief Executive Officers (CEOs) and the performance agreement guidelines and template have been updated to reflect this change. The updated documents highlight specific priorities and links between government priorities, agency achievements and personal performance. While the guidelines and template specifically apply to Lead CEOs, all other Chief Executives are encouraged to use the revised template as a basis of their annual performance review and agreement with their Minister(s).

### *M2008-05 Guide to Better Regulation*

This Memorandum explains arrangements for best practice regulation making including how to comply with the requirements in the Guide to Better Regulation and for Regulatory Impact Statements under the *Subordinate Legislation Act 1989*.

It has been produced to help agencies apply the seven better regulation principles to avoid the creation of red tape in new regulatory proposals and to reduce existing red tape as legislation is reviewed. It also provides information about the roles of the Minister for Regulatory Reform and the Better Regulation Office.

### *M2008-06 State Property Authority and Government Property Principles*

To assist the State Property Authority to achieve its legislated objectives, the Government has approved a new property policy framework. The framework outlines the relationship between agencies and the State Property Authority in the acquisition, management, maintenance and disposal of property. The key initiatives of the framework are detailed in the Memorandum.

The Government Property Principles outline details of the property policy framework as well as other considerations relating to property title, preferred office locations, provision of car parking, lease pre commitments, sale and lease back proposals and fit out amortisation.

The requirements outlined in this Memorandum and the Government Property Principles apply immediately to all General Government Sector agencies and Public Trading Enterprises (excluding State Owned Corporations).

Premier's Memoranda are available at: [www.dpc.nsw.gov.au](http://www.dpc.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](http://www.audit.nsw.gov.au).

Title of Guide	Date issued
Monitoring and Reporting on Audit Recommendations	March 2008
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	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
ASEA	Australian Standard on Assurance Engagements
ASIC	Australian Securities and Investments Commission
ASRE	Australian Standard on Review Engagements
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](http://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](http://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](http://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](http://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](mailto:publications@iasb.org) or Internet [www.iasb.org](http://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](http://www.legislation.nsw.gov.au).

Treasury publications may be viewed by visiting the NSW Treasury web site at [www.treasury.nsw.gov.au](http://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](http://www.dpc.nsw.gov.au).

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