

AWARENESS

Accounting and Auditing Developments ISSUE 4 - MAY/JUNE 2008

AUDIT OFFICE UPDATE

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

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

Special Review - Former Department of Natural Resources

Water management invoices for 2005-06 and 2006-07 totalling approximately \$15.0 million each year are being issued in stages during 2008. These invoices are issued to water users (largely primary producers) covering regulated, unregulated and groundwater water sources.

University Overview

Six of the State's ten universities meet the four Australian benchmarks for university financial performance.

The State's universities now control 124 separate entities increasing the universities' compliance costs and governance risks.

Six universities have been using pre-retirement employment contracts. The universities need to liaise with the Australian Government's Department of Education, Employment and Workplace Relations on the extent of use of these contracts.

Charles Sturt University

The expansion of the overseas campus activities has significantly increased the University's compliance requirements.

Macquarie University

A private hospital and a clinical services building is to be constructed on the University's campus at a cost of \$112 million.

The University of Sydney

The University's Nicholson and Macleay Museum assets need to be revalued.

Annual Leave balances for 1,671 academic and general staff exceed the maximum allowed threshold.

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THE AUDIT OFFICE
OF NEW SOUTH WALES

University of New South Wales

The closure of the University's Singapore campus resulted in the University assuming \$47.6 million of UNSW Asia's liabilities and closure costs in 2007.

A number of employment related issues were identified by management requiring 'Notices of Voluntary Disclosures Pending' being sent to authorities advising of possible underpayment of taxes and superannuation obligations.

The University's investigation into matters relating to Co-operative Research Centre for Eye Research and Technology started five years ago and is still incomplete.

University of Technology, Sydney

To increase the University's oversight of its main subsidiary, Insearch Limited's Board was reconstituted in 2007 to enhance corporate governance.

The University submitted to the Minister of Planning its concept plan to re-zone the Ku-ring-gai campus site to permit a wider range of uses, including residential.

Game Council of New South Wales

The Council continues to experience challenges in ensuring its ongoing financial viability.

Further information

The full report is available from the Audit Office's website: www.audit.nsw.gov.au.

Auditor-General's Report to Parliament: Working with Hotels and Clubs to reduce alcohol-related crime

About the Audit

Both the NSW Police Force (Police) and the Office of Liquor, Gaming and Racing (OLGR) have a role to play in reducing alcohol-related crime on or near licensed premises. One way to do this is to stop people from reaching high levels of intoxication. To help achieve this pubs and clubs must serve alcohol responsibly.

In this audit we wanted to find out whether Police and OLGR work with hotels and clubs to reduce alcohol-related crime. Specifically we wanted to know whether they:

- work with licensed premises to promote responsible service of alcohol
- take appropriate action for breaches of responsible service of alcohol laws.

Key Findings

Excluding domestic violence incidents, the number of alcohol-related assaults has almost doubled over the last ten years from 10,305 in 1997-98 to 20,475 in 2006-07. Almost a third of these occur on licensed premises such as hotels and clubs.

Although alcohol-related crime is increasing, we found that the number of alcohol-related assaults had reduced or stabilised in 14 per cent of police commands over the last two years. OLGR has also had success in reducing alcohol-related assaults in a number of licensed premises.

A balance between education and enforcement is most likely to help licensees comply with responsible service of alcohol laws and reduce drunken behaviour. This means supporting licensees to serve alcohol responsibly, then taking appropriate action when offences occur.

We found that both Police and OLGR work with pubs and clubs to promote and enforce responsible service of alcohol laws. However Police tend to rely more on enforcement rather than preventing breaches from occurring in the first place.

One of the key problems the audit identified was inconsistencies in how each agency dealt with offences. For example, one licensing officer might take a licensee to court for a practice that another issued a warning for. It is only in recent years that Police and OLGR have focused on reducing intoxication. This includes taking action against licensees.

Patrons also need to be educated about responsible drinking and their obligations under the liquor laws. Although patron education campaigns have been run in some regions, more is needed statewide.

We have recommended a joint approach to licensing, more patron education, better guidance on working with licensees, and public reporting on action taken against problem pubs and clubs.

Both agencies support our recommendations and have projects underway to address many of the issues raised in our report.

Further Information

For further information, please contact Jane Tebbatt, Director Performance Audit on +61 2 9275 7274. The full report is available on the Audit Office's website (www.audit.nsw.gov.au).

Auditor-General's Report to Parliament: Protecting our Rivers

About the Audit

Our 2003 'Protecting our rivers' audit examined whether the water quality of New South Wales rivers was efficiently and effectively protected against unacceptable levels of pollution. In this follow up audit we examined whether there had been progress in addressing the recommendations of our 2003 audit. We also examined whether a monitoring system had been established to measure river health and water quality of New South Wales rivers.

Our 2003 audit found there were significant gaps in the monitoring and evaluation of water quality.

We recommended that the Government establish a lead entity with an appropriate governance structure and resources for implementing the State's objectives for water quality. The lead entity should develop:

- a framework for coordinated management of rivers
- a State river health and water quality strategy including a monitoring system for river water quality
- a plan to limit and reduce pollution in rivers, particularly diffuse source pollution.

We also recommended that the Government establish an independent environmental audit of river water quality.

Audit opinion

At the time of our 2003 audit agencies were unable to measure the water quality in New South Wales rivers as they had not established a comprehensive monitoring system for water quality. Agencies are now developing a monitoring system to measure the progress against the State Plan 2006 target to improve the condition of riverine ecosystems by 2015.

It may not be possible to identify an overall trend in the condition of riverine ecosystems by the State Plan target date of 2015. This is because riverine ecosystems do not respond rapidly to change in the environment. A long period of time is required to collect sufficient data to establish a baseline for all indicators being used and to determine trends, particularly given the prolonged drought.

The State Plan 2006 river ecosystems target to improve the condition of riverine ecosystems by 2015 will provide a clearer basis for agency accountability than the previous guidelines on selection of water quality and river flow objectives.

Agencies are now implementing the recommendations of our 2003 audit as part of their program to achieve the State Plan 2006 target for the condition of riverine ecosystems.

The Government has appointed a lead entity, the Natural Resources and Environment CEOs Cluster Group (NR&E CEO Cluster Group) to coordinate achieving the 13 natural resource targets in the State Plan 2006, including the target for the condition of riverine ecosystems. The NR&E CEO Cluster Group is striving to achieve this target. In our view the NR&E CEO Cluster Group lacks the governance structure and resources for the long program required as it has no direct funding and cannot direct agency priorities. However, the agencies advise that the NR&E CEO Cluster Group is responsible to the Premier for achieving the natural resources targets.

The Natural Resources Commission (NRC) is currently required to report against the 13 statewide natural resources targets in the State Plan 2006. The NRC has legislative capacity to undertake audits of other natural resource management plans and issues, as required by the Minister. We believe that the NRC would be an appropriate entity to undertake such reviews.

Further Information

For further information, please contact Sean Crumlin, Director Performance Audit on +61 2 9275 7286. The full report is available on the Audit Office's website www.audit.nsw.gov.au.

Auditor-General's Report to Parliament: Recycling and Reuse of Waste by the NSW Public Sector

About the Audit

The Waste Reduction and Purchasing Policy (WRAPP) was introduced in September 1997 to encourage New South Wales Government agencies to minimise waste generation and reduce the amounts of waste going to landfill.

Specifically, the policy required each government agency to minimise, reuse and recycle generated wastes and to give priority to buying materials with recycled content where they are cost and performance competitive. The policy applies to four key areas: paper products; office equipment and components; vegetation materials such as leaves, tree clippings and prunings; and construction, demolition and excavated materials.

This audit assessed whether the Department of Environment and Climate Change (DECC) had successfully supported the policy and whether its implementation had been effective in reducing waste and improving reuse and recycling. The audit did not focus on individual agency performance on waste reduction, but rather the results achieved across the public sector.

Audit opinion

The WRAPP program has been successful. Public sector recycling and the use of materials with recycled content have both increased since the introduction of WRAPP. For example, the proportion of waste reused or recycled increased from 73 per cent in 2001 to 92 per cent in 2007. The proportion of paper purchased with recycled content increased from 27 per cent in 2001 to 35 per cent in 2007.

DECC has done a good job in promoting the implementation of WRAPP by public sector agencies. It:

- developed a program to achieve the government's policy objectives
- communicated the program requirements to each agency
- provided support to agencies through seminars, publications and contact officers
- monitored, evaluated and reviewed progress at agency and whole-of-government levels
- publicly reported whole-of-government progress and results in 2004 and 2006.

Agencies have also done well in implementing WRAPP. Most of them have met program requirements to:

- produce and implement plans to minimise waste and increase recycling
- submit data and information to DECC on progress with WRAPP on a biennial basis
- reported on WRAPP progress in their annual report.

We identified some opportunities to further improve the program.

DECC reviewed and provided feedback to agencies on their initial WRAPP plans and reports, but regular review would provide more assurance that these are up-to-date.

There are targets for waste reduction, reuse and recycling, but no targets for purchasing materials with recycled content.

Some relevant State Contracts do not contain specific clauses to encourage the purchase of price and performance competitive recycled content products.

The WRAPP program was the first of its kind in Australia when introduced in 1997, and DECC has expanded the range of materials covered by it since then. Given the increased opportunities for recycling and reuse which have emerged over the last decade, and the continued pressure on the public sector to reduce waste, DECC should undertake a review of WRAPP to determine appropriate improvements.

Further Information

For further information, please contact Jane Tebbatt, Director Performance Audit on +61 2 9275 7274. The full report is available on the Audit Office's website (www.audit.nsw.gov.au).

ACCOUNTING UPDATE

Australian Accounting Standards Board (AASB)

AASB 2008-4 Amendments to Australian Accounting Standard - Key Management Personnel Disclosures by Disclosing Entities

Disclosing entities that are companies (listed or unlisted) will continue to only disclose the remuneration of key management personnel in their directors' report, and will not be required to duplicate the information in financial reports. This is a result of *AASB 2008-4 Amendments to Australian Accounting Standard - Key Management Personnel Disclosures by Disclosing Entities*, which amends *AASB 124 Related Party Disclosures*. For listed companies, this relief was previously contained in regulation 2M.6.04, which has been repealed. The AASB is now extending this relief to disclosing entities that are unlisted companies.

The revised AASB 124 exempts these companies from complying with paragraphs Aus 25.2- Aus 25.6, Aus 25.7.1 and Aus 25.7.2 in their financial reports as long as this information, duplicated in Section 300A of the *Corporations Act 2001* and Regulation 2M.3.03, is disclosed in the directors' report as required by this section.

However the requirements of paragraphs Aus 25.7 and Aus 25.7.3 to Aus 25.9.3 remain applicable to all disclosing entities. While a number of respondents to ED 162 also requested relief from these paragraphs, no further changes will be made until the AASB concludes its ongoing discussions with Treasury regarding all the Australian 'Aus' paragraphs in this standard.

This amending standard is applicable to annual reporting periods ending on or after 30 June 2008, subject to such an annual reporting period not beginning before 30 June 2007. The Board has decided to allow disclosing entities that are companies to apply this standard to annual reporting periods beginning on or after 30 June 2007 that end before 30 June 2008.

KPMG's Flash Report on the May 2008 AASB meeting contains a useful chart [see Appendix 1] showing which reporting periods are covered by either the amendments to AASB 124 or the old Regulation - <http://www.kpmg.com.au/Default.aspx?TabID=695&KPMGArticleItemID=3101>.

Note that non-corporate disclosing entities still apply AASB 124 paragraphs Aus 25.1 to Aus 25.9.3 as before.

Source: Accounting & Assurance News Today (ANT) Issue 22 (13 June 2008), and AASB Media Release (6 June 2008).

AASB Exposure Drafts and Invitations to Comment

AASB ITC 15 Comment on IPSASB Exposure Draft and Consultation Paper on Social Benefits

The AASB released ITC 15 on IPSASB ED 34 'Social Benefits: Disclosure of Cash Transfers to Individuals or Households' and IPSASB Consultation Paper 'Social Benefits: Issues in Recognition and Measurement' which the IPSASB issued in March 2008.

The exposure draft proposes:

- disclosure requirements for amounts to be paid to beneficiaries as part of social benefits programs, as well as information about those programs
- requirements for determining the amounts to be disclosed.

The IPSASB consultation paper sets out its strategy for developing approaches to address the issues involved in accounting for social benefits, including recognition and measurement.

The ITC is available on the AASB website: www.aasb.com.au and comments were due to the AASB by 16 June 2008. Comments are due to the IPSASB by 15 July 2008.

AASB ITC 16 Comment on IPSASB Consultation Paper on accounting for public / private infrastructure arrangements

The AASB released ITC 16 to invite comments on an IPSASB Consultation Paper regarding Service Concession Arrangements. ITC 16 outlines proposals for the accounting by public sector organisations for the infrastructure created by private sector organisations. In Australia, service concession arrangements (often referred to as public / private partnerships) have been used, for example, to develop toll roads, railway stations and water treatment plants.

In February 2007, the AASB issued Interpretation 12 'Service Concession Arrangements', which outlines how the private sector operator should account for the infrastructure that it has developed and operates. The AASB has since decided that Interpretation 12 does not determine the flip-side accounting for the government organisation that contracts with the operator to provide the public infrastructure.

The IPSASB Consultation Paper proposes that the government typically should recognise the infrastructure as an asset, but that is not how governments are necessarily accounting for it at present.

The ITC is available on the AASB website: www.aasb.com.au and comments were due to the AASB by 30 June 2008. The comments are due to IPSASB by 1 August 2008.

Source: AASB Media Release - 24 April 2008

AASB Meeting Highlights - 17 April 2008

At its meeting the AASB discussed the following items:

- *Interpretation D23 'Distributions of Non-cash Assets to Owners'* - The Board considered a draft AASB submission on IFRIC Draft Interpretation D23.

The Board noted that, in practice, the majority of distributions of non-cash assets to owners are common control transactions and providing an Interpretation might provide a solution to the common control accounting issue. Accordingly, the Board agreed to acknowledge the need for accounting guidance in this area.

- *Interpretation - D24 Customer Contributions* - The Board decided to make the following comments in its submission to the IFRIC Draft Interpretation D24:
 - the scope should be narrower and more clearly defined, or the IFRIC should not issue an Interpretation on this topic
 - it disagrees with the proposal that revenue, in all cases, should be recognised in respect of customer contributions only as ongoing access to a supply of goods or services is provided
 - the appropriate accounting treatment of a customer contribution should depend on the circumstances, such as whether the customer is entitled to remain connected to the network as a result of making the contribution, and whether there are supply price differentials arising from the customer contribution.

The Board also discussed Key Management Personnel Disclosures, and Superannuation Plans and ADFs.

Source: AASB Action Alert 113 (18 April 2008).

AASB Meeting Highlights - 21-22 May 2008

At its meeting the AASB discussed the following items:

- *GAAP/GFS Harmonisation for Entities within the General Government Sector (GGS) of the Federal, State and Territory Governments* - The Board discussed the implications of applying the principles in AASB 1049 'Whole of Government and General Government Sector Financial Reporting' and formed tentative views on a range of issues for the purpose of drafting an ED that will be considered by the Board at a future meeting.

The Board decided that the broad principles of harmonisation currently applicable to GGSs and whole of governments through AASB 1049 should be applied to not-for-profit entities within the GGS. This would mean, for example, that financial reports of not-for-profit entities within the GGS should be prepared on a GAAP basis, modified particularly from a presentation and disclosure perspective to accommodate harmonisation with GFS. This would include:

- presenting a statement of comprehensive income that distinguishes between transactions and other economic flows
- presenting key fiscal aggregates, such as net lending/borrowing, on the face of the financial statements and disclosing reconciliations to GFS measures of those same key fiscal aggregates
- disclosing sector-like information
- disclosing information about the recognised expenses, excluding losses, included in operating result and assets that are reliably attributable to broad functions (determined to the ABS GFS Manual four-digit level of classification shown in Appendix 3 of that Manual)
- disclosing budgetary information consistent with the requirements in AASB 1049 if a budget has been made publicly available.

The Board also tentatively decided that:

- it should consider as part of its Differential Reporting Project whether it is appropriate that not-for-profit entities within the GGS be relieved from the full effect of the harmonisation principles, perhaps using size-based criteria
- a net cost of services format for the statement of comprehensive income should continue to be allowed
- in light of its decision relating to disaggregated disclosures based on GFS functional classifications, the requirements in AASB 1052 Disaggregated Disclosures should no longer be mandatory for government departments. A subsequent Board review of AASB 1052 should consider what the appropriate segment-like reporting requirements should be for not-for-profit entities
- the current accounting treatment for administered items under AASB 1050 Administered Items should continue to apply (when the Board undertakes its separate Administered Items Project, it will have regard to GAAP/GFS harmonisation issues)
- the AASB 1004 Contributions requirements for 'compliance with appropriations' disclosure should co-exist with the GAAP/GFS harmonisation budgetary information disclosure requirements
- for the purpose of the first draft of an ED, requirements for not-for-profit entities within the GGS should be incorporated into AASB 1049 rather than issued as a separate Standard
- an illustrative example (using a net cost of services format for the statement of comprehensive income) should be provided with the ED or shortly after the ED is issued
- sufficient time should be allowed before the proposed Standard becomes operative to allow for appropriate training, education and systems development to take place.

It is planned to issue an ED early in 2009 and a Standard in early 2010.

- *Superannuation Plans and ADFs* - The Board agreed on various disclosure principles, including using the fair value disclosure requirements of AASB 7 as a basis for fair value disclosures for all classes of assets and using AASB 7 and AASB 101 disclosures as a basis for members' benefits disclosures.
- *Amendments to AASB 1049* - The Board agreed to issue an Exposure Draft to make amendments to AASB 1049 'Whole of Government and General Government Sector Financial Reporting' as a result of the issuance of the revised AASB 101 Presentation of Financial Statements and to clarify certain issues raised by constituents. The proposed amendments to AASB 1049 will bring it in line with the requirements of AASB 101, which implies that a statement of changes in equity will now be required and the title of the Operating Statement may change. The comment period for this ED will be one month.
- *Differential Reporting/SMEs* - The Board considered differential reporting in the public sector and not-for-profit areas and tentatively agreed on the following:
 - for private not-for-profit entities, there is to be only one tier (i.e. no size thresholds would be imposed), with three options being full IFRS, IFRS for SMEs or the recognition and measurement of full IFRS with reduced disclosures of the SME standard
 - for the public sector, full IFRS would be required for federal, state and territory governments. For local governments, universities and other public sector entities, the above options as outlined for not-for-profits would be available subject to any specific jurisdictional reporting requirements.
- *Not-for-Profit Entities* - It was noted that the submissions received on ITC 14 generally did not support the use of the term or the definition of public benefit entity. Constituents also felt that the not-for-profit definition was not adequate as it implied that an entity could never make a profit/surplus. The Board agreed to reconsider the issue and develop a more suitable alternative along with appropriate guidance on not-for-profit entities.

- *Key Management Personnel Disclosures* - The Board agreed to issue a proposed Accounting Standard AASB 2008-4 'Amendments to Australian Accounting Standard - Key Management Personnel Disclosures by Disclosing Entities' removing the remuneration disclosures that are already outlined in s300A of the *Corporations Act 2001*.

Source: AASB Action Alert 114 (23 May 2008), and Accounting & Assurance News Today (ANT) Issue 15 (15-24 April 2008).

The Commonwealth Treasury revises 'Uniform Presentation Framework' for AASB 1049

The Commonwealth Treasury revised and reissued its 2008 version of the 'Uniform Presentation Framework', which provides guidance on the common core of financial information to be presented by all levels of government in their budget papers.

The changes incorporate amendments approved by the Australian Loan Council in March 2002, March 2003 and March 2008, and in particular reflect changes made in response to the revision and release by the AASB of its revised government accounting standard AASB 1049 'Whole of Government and General Government Sector Financial Reporting'.

The new standard aims to harmonise Government Finance Statistics (GFS) and Generally Accepted Accounting Principles (GAAP), thereby improving the clarity and transparency of government financial statements.

The Framework is available on the Commonwealth Treasury website:

http://www.treasury.gov.au/documents/1371/PDF/2008_UPF.pdf .

Source: Accounting & Assurance News Today (ANT) Issue 16 (2 May 2008), and PS News (30 April 2008).

NSW Public Sector Community of Financial Professionals

In April 2008, the NSW Public Sector Community of Financial Professionals was created as one of the initiatives flowing from the Accountancy Skill Shortage Strategy Group, which has been working for some time on measures to promote better the NSW public sector as an employer of choice for finance professionals, and to retain those people in the sector. The Community's mission is to generate and maintain an active community of finance professionals encompassing all organisations in the NSW public sector that will:

- foster and promote the sector as a place to work and build a professional career
- assist people working in the sector in accounting and finance roles to:
 - build contacts and a support network
 - expand their career opportunities
 - keep their technical knowledge up to date and have easy access to information about emerging best practice in their areas of interest
 - share their ideas and experience to help others
 - draw upon others to solve problems more efficiently and effectively
 - actively contribute to improving strategies and practices for accounting and financial management across the sector
 - add further value within their organisation through generating ongoing improvements in its accounting and financial management.

To join, subscribe on the Community's website: www.finacc.net.au.

Financial Reporting Council (FRC) Meeting Highlights - 9 April 2008

At its meeting the FRC discussed the following items:

- update on XBRL
- update on recent international stakeholder meetings
- discussion paper on the role of the auditor in relation to the preparation of a prospectus for an audit client
- possible post-implementation review of the adoption of IFRS in Australia
- reports from standards setters and committees.

For further details, go to the [FRC website](#).

Source: FRC Bulletin - Issue 2008/02 (9 April 2008).

National Standard Setters Group (NSS) Meeting Highlights - 27-28 March 2008

The NSS Group meeting was recently held in Melbourne for the first time, hosted by the AASB. The NSS is a grouping of national accounting standard-setters from around the world, plus other organisations that have a close involvement in financial reporting issues. The group meets twice a year; normally once in the UK and once in an alternate country.

At its meeting the NSS discussed the following items:

- Structure and purpose of the NSS group
- IASB Work Programme
- Intangible Assets research project
- Accounting and Reporting by Retirement Benefit Plans
- Conceptual Framework: project status
- Rate-regulated Operations
- Measurement
- Complexity in corporate reporting
- Non-Consolidated Information.

A summary of the matters discussed at the meeting are available on the AASB website: http://www.aasb.com.au/misc_docs/NSS_Meeting_Report_3-08.pdf.

Source: Transparency - AASB eNewsletter (May 2008).

AUDITING UPDATE

Australian Auditing & Assurance Standards Board (AUASB)

AUASB Meeting Highlights - 14 April 2008

At its meeting the AUASB discussed the following items:

- *Approval of Pronouncements and Exposure Drafts* - The AUASB approved for release as exposure drafts the following Standards for comments due by 30 May 2008:
 - ASRE 2400 'Reviews of Financial Reports Performed by an Assurance Practitioner Who is Not the Auditor of the Entity'
 - ASRE 2405 'Review of Historical Financial Information Other than a Financial Report'
 - ASA 2008-1 'Amendments to Australian Auditing Standards (Amendments to ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity)'

The Board also approved issuance of the 'Explanatory Guide to Review Engagements', which describes the background, development and application of these standards leading to the eventual withdrawal of AUS 902 'Review of Financial Reports'.

The above standards will be applicable for reporting periods and engagements commencing on or after 1 July 2008.

- *Interim Guidance on Reporting Pursuant to APRA Prudential Reporting Requirements for Authorised Deposit-Taking Institutions (ADIs)* - It was agreed to develop draft interim guidance, which includes an example report format to be used by ADI auditors reporting pursuant to APRA's proposed revised APS 310 reporting requirements for reporting periods ending 31 March 2008 and 30 June 2008. This guidance will be finalised and made available to auditors of advanced ADIs as required.
- *Audit Implications of AASB 1049 'Whole of Government and General Government Sector Financial Reporting'* - The Board discussed the project issues on the audit implications of AASB 1049. An upcoming meeting with the Chair of the Heads of Treasury will be held to discuss and understand their expectations on crucial issues.
- The AUASB approved project plans to update, amend, revise and reissue the following Guidance Statements as appropriate:
 - AGS 1038 'Access to Audit Working papers' (update and reissue)
 - AGS 1042 'Reporting on Control Procedures at Outsourcing Entities' (amend)
 - AGS 1054 'Auditing Revenue of Charitable Entities' (revise and reissue).
- The AUASB approved the withdrawal of superseded pronouncements on service organisations (more detail below).
- ASA Redrafting (Clarity Format).

Source: AUASB Meeting Highlights (14 April 2008).

AUASB Meeting Highlights - 2-3 June 2008

At its meeting the AUASB discussed the following items:

- *Approval of Pronouncements*
 - ASAE 3100 'Compliance Engagements' - the Board considered revisions to the proposed standard based on comments received on ED 5/07 and regulatory impact statement requirements. The AUASB agreed to change the application date to reporting periods or engagements commencing on or after 1 October 2008, with early adoption permitted. The standard will be released in late June.
 - Standards on Review Engagements ASRE 2400, ASRE 2405 and ASA 2008-1 - comments to date are generally supportive and the AUASB are considering all comments and proposed amendments. Final revisions of the proposed standards will be considered for out of session approval later this month and it is anticipated that the standard will be released in late June.
 - Proposed Guidance Statement on Reporting on Remuneration Disclosures - The AUASB considered a draft Guidance Statement on the auditor's reporting responsibilities regarding the Remuneration Report required under section 300A of the *Corporations Act 2001*.

The Guidance Statement will replace the pre-existing AUASB guidance which has become redundant with the introduction of new reporting requirements under section 308 (3C).

The main objective of the Guidance Statement is to provide an example auditor's report which practitioners will be able to use for the upcoming financial year-end reporting. The Guidance Statement will be approved out of session and is expected to be issued soon after the changes to AASB 124 have been approved by the AASB.

- *ASA Redrafting (Clarity Format)* - The AUASB considered supporting papers and draft versions, in clarity format, of the following proposed auditing standards:
 - ASA 230 'Audit Documentation'
 - ASA 240 'The Auditor's Responsibilities relating to Fraud in an Audit of a Financial Report'
 - ASA 260 'Communicating with Those Charged with Governance'
 - ASA 300 'Planning an Audit of a Financial Report'
 - ASA 315 'Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and its Environment'
 - ASA 600 'Special Considerations in Audits of Group Financial Statement Reports (Including the Work of Component Auditors)'.
- Final redrafts of the standards listed above together with six other redrafted standards will be considered at the 21-22 July AUASB meeting, for approval to release as exposure drafts.
- *Guidance Statement GS 009 'Financial and Compliance Audits of Self Managed Superannuation Funds'* - The Board resolved that the Guidance Statement will be finalised when the Australian Taxation Office issues the approved form of auditor's report for self managed superannuation funds and other related documents.
 - *ASIC Regulatory Guide 69 'Debentures - Improving Disclosures for Retail Investors'* - the Board was briefed that ASIC is in the process of redrafting the Guide to establish the requirement to audit against each of the eight benchmarks outlined in the Guide. The AUASB will liaise with and advise ASIC on the new audit requirements.
 - *2008-2009 Business Plan* - the Board approved the Plan for submission to the FRC at its meeting on 11 June 2008.

Source: AUASB Meeting Highlights (2-3 June 2008).

AUASB withdraws superseded pronouncements on Service Organisations

AGS 1026 'Superannuation Funds - Auditor's Reports on Externally Managed Assets' and AUS 522 'Audit Evidence Implications of Externally Managed Assets of Superannuation, Provident or Similar Funds' have been withdrawn with effect for periods commencing on or after 1 July 2008 and the applicability of AGS 1042 'Reporting on Control Procedures at Outsourcing Entities' has been limited from that period onwards.

GS 007 *Audit Implications of the Use of Service Organisations for Investment Management Services*, issued in March 2008, replaces the guidance in AGS 1026 and AUS 522, which applied primarily to superannuation funds using service organisations. AGS 1042, which has wide application to any type of service organisation, will be limited to exclude investment management services, which are covered by GS 007.

Source: 'Independence' AUASB eNewsletter - May 2008

Auditing for Climate Change

The AUASB is currently working with the Department of Climate Change on drafting proposed auditing requirements and guidelines, which external auditors will need to comply with when conducting audits under Australia's *National Greenhouse and Energy Reporting Act 2007*.

It is anticipated that the proposed requirements would be based on Assurance Standard ASAE '3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information', and proposed Assurance Standard ASAE 3100 'Compliance Engagements'. Once completed, the AUASB will consider whether further guidance is required in this area.

Source: 'Independence' AUASB eNewsletter - May 2008

Updates on Redrafting ASAs

The AUASB is creating a unique area on its website devoted to publishing news regarding the redrafting of the ASAs in Clarity format. This will be your one-stop-shop for all the latest information on the redrafting process.

Source: 'Independence' AUASB eNewsletter - May 2008

Changes to Internal Audit in NSW public sector

The Department of Premier and Cabinet (DPC) has released a new report on a review of internal audit capacity in the NSW public sector. The Report includes a number of actions that will impact agencies and the Audit Office. The Report can be accessed at: http://www.dpc.nsw.gov.au/_data/assets/pdf_file/0015/20166/IA_Report-Final_16_April_2008.pdf.

Key actions include updating Treasurer's Directions for minimum standards for internal audit. This includes requiring:

- Audit and Risk Committees with independent chair and members
- Action plans for following up internal audit recommendations.

The Audit Office has committed to testing agency compliance with the new requirements in the future.

There are plans to share internal audit resources across agencies. In addition, government will create internal audit networks and an internal audit human resources strategy.

DPC has created a Steering Committee responsible for ensuring implementation of the Report's recommendations. The Audit Office has a representative on this Committee.

DPC's Report was produced by the Performance Review Unit (PRU). PRU was established in August 2007 and is a central agency capacity to review service delivery performance as part of the State Plan accountability structures. For more information go to: http://www.dpc.nsw.gov.au/about_the_department/our_structure/performance_review_unit.

Source: Department of Premier & Cabinet

NSW Public Sector Audit & Risk Practitioner Network

In May 2008, the NSW Public Sector Audit & Risk Practitioner Network was created as one of the initiatives flowing from the Performance Review of Internal Audit Capacity in the NSW Public Sector undertaken by the New South Wales Department of Premier and Cabinet. The Network's mission is to generate and maintain an active network of internal audit and risk assurance practitioners encompassing all organisations in the NSW public sector that will assist individuals to:

- build contacts and a support network
- expand their career opportunities
- keep up to date
- contribute to sector-wide financial management improvement
- access information, knowledge and experience to help them improve financial management within their organisation.

The Network of Audit and Risk professionals will operate as a collective of practitioners and interested parties to serve as a networking and self-help group, and to share information and experiences in dealing with the challenges of corporate governance and management improvement.

To join, subscribe on the Network's website: www.auditrisk.net.au.

ETHICS UPDATE

Australian Professional and Ethical Standards Board (APESB)

APESB Meeting Highlights 12 - 13 May 2008

At its meeting the APESB discussed the following items:

- agreed to issue one compiled version of APES 110 'Code of Ethics for Professional Accountants' in June 2008 with an effective date of 15 February 2008. This will incorporate recent changes to the network firm definition (and corresponding operative dates) and Corporations Act amendments enacted in June 2007 by the Simplified Regulatory System (SRS) legislation
- considered responses of ED 01/08 'Compilation of Financial Information' and agreed that the standard will be effective for engagements commencing on or after 1 January 2009
- agreed exposure drafts will be issued for the following:
 - ED 0X/08 'Conformity with Auditing and Assurance Standards' (current APES 410)
 - ED 0X/08 'Reporting on Prospective Financial Information' developed by the Prospectus and Reports on Profit Forecasts Taskforce
 - ED 0X/08 'Forensic Accounting Services' developed by the Forensic Accounting Taskforce
- considered responses of ED 07/07 'Business Valuation' and agreed that the standard will be effective for engagements or assignments commencing on or after 1 January 2009
- a draft of proposed standard APES 325 'Client Monies' will be presented for consideration by the Board at their August 2008 meeting. This proposed standard will replace current APS 10 'Members' Trust Accounts'
- agreed to withdraw:
 - APS 8 'Statement of Management Consulting Service Standards' effective 30 June 2008
 - APS 1 'Conformity with Accounting Standards and UIG Consensus Views' effective from the operative date of its replacement APES 205 'Conformity with Accounting Standards' (1 July 2008)
 - APS 2 'Terms of Engagement' effective from the operative date of its replacement APES 305 'Terms of Engagement' (1 July 2008)
 - APS 6 'Statement of Taxation Standards' effective from the operative date of its replacement APES 220 'Taxation Services' (1 July 2008).

Source: APESB Meeting Highlights (12-13 May 2008).

APESB's revised definition of network firms

The revised definition of network firm strengthens independence requirements for audit and assurance engagements conducted by accounting firms who are part of a network. It will also ensure that independence requirements are implemented network-wide and provide greater clarity for firms about their responsibilities.

Source: APESB Media Release (12 June 2008).

APESB Exposure Drafts

The APESB has issued the following exposure drafts:

- ED 02/08 'Proposed Standard APES 345 Reporting on Prospective Financial Information included in a Disclosure Document', which outlines the principles and mandatory requirements for members in public practice to abide by when they undertake reporting service engagements for clients.

APES 345 will replace Professional Statement F.2 'Prospectuses and Reports on Profit Forecast', and anticipated to be effective for engagements commencing on or after 1 January 2009, with early adoption permitted. Comments are due by 16 July 2008.

- ED 03/08 'Proposed Standard APES 210 Conformity with Auditing and Assurance Standards' which outlines the principles and mandatory requirements for members to abide by when involved in the conduct of assurance engagements and related services engagements. APES 210 will replace APES 410 of the same name. Comments are due by 4 July 2008.

- ED 04/08 'Proposed Standard APES 215 'Forensic Accounting Services' which outlines the mandatory requirements and guidance for members who provide forensic accounting services. It will apply to members in public practice, as well as members in business - the previous standard only applied to members in public practice.

APES 215 will replace APS 11 'Statement of Forensic Accounting Standards' and GN 2 'Forensic Accounting' and is designed to provide forensic accountants with additional guidance about their ethical responsibilities. APES 215 has also been updated in accordance with recent court rulings concerning the conduct of forensic accountants and includes some mandated requirements that were previously only guidance under the old standards.

It is anticipated it will be effective from 1 July 2009. Comments are due by 29 August 2008.

Source: APESB Media Releases (3 June 2008).

ASIC UPDATE

Results of ASIC's audit inspection program

ASIC released the latest results of its audit inspection program. ASIC's general observations are that Australia has a skilled audit profession committed to independence and audit quality. The report summarises the results of ASIC's audit regulation activities from 1 July 2006 to 31 December 2007, which included audit inspections of 19 firms.

The review of engagement files extended beyond monitoring compliance with the specific regulatory requirements and includes an assessment of whether sufficient and appropriate evidence is on file to support key decisions and significant judgements regarding the audit.

The future focus of ASIC's inspections will include those firms who audit significant public interest entities, and how firms are complying with the legally enforceable auditing standards.

Specific areas of focus in the next inspection period will include technical consultations, using the work of experts, particularly in relation to fair value measurements, sectors that are at risk given the current market turbulence and using the work of other auditors.

ASIC will also continue to liaise with the Public Company Accounting Oversight Board of the United States of America (PCAOB) and other international audit oversight bodies with the intention to conduct work jointly with them or on their behalf to minimise the regulatory burden on Australian audit firms.

Source: ASIC Media Release 08-121 (12 June 2008).

ASIC focus for the upcoming reporting period

Mr. Lee White, the Chief Accountant of ASIC, has identified the financial reporting and auditing areas of interest in relation to the forthcoming 30 June reporting period. The financial reporting topics identified include:

- the use of and disclosure of off balance sheet arrangements - international experience has revealed numerous off balance sheet arrangements where the market turbulence has returned substantially the risks to the initiator
- impairment of asset values - there will be more pressure on understanding, measuring and documenting the triggers of impairment
- determining fair market values - challenges in valuation practices and disclosures exist with the market turmoil and illiquid markets. There should be a focus on valuation methodologies and processes and the disclosure of key assumptions, risks and uncertainties
- going concern - appropriateness of going concern assumption should be assessed and where relevant, disclosure of levels of uncertainty
- significant judgements - all significant judgements used in preparing the financial statements and sources of estimation uncertainty should be disclosed
- classification of debt - it is essential that the classification of the maturity of debt is accurate and loan covenants are well understood particularly in terms of triggers
- foreign currencies - there may be greater stress on currencies with wider, sharper movements bringing focus to foreign currency management and related hedging activities, and
- other areas of focus for ASIC when reviewing financial reports will be the reported timing recognition of revenue and deferred expenses.

At the National Institute of Accountants Tasmanian State Congress, Mr White identified auditing areas of interest in relation to the forthcoming 30 June reporting period which include:

- approval and provision of non-audit services
- rotation of audit partners
- standards poorly applied (analytical review, fraud, sampling, compliance, risk)
- new network firm definition in the context of APES 320 systems and processes, and
- documentation.

Source: ASIC Media Release 08-131 (24 June 2008), GAAP Alert No. 8/2008 (15 May 2008).

Consultation paper on cross border recognition of financial regulation

The Commonwealth Treasury and ASIC issued a joint consultation paper, 'Cross border recognition: Facilitating access to overseas markets and financial services'. The consultation paper invites comment on proposals for cross border recognition of financial markets, financial services and disclosure about investments.

The last three decades have seen Australia's financial markets and services industries experience substantial changes owing to international trends in cross border capital flows and international regulatory reform. These events and the unrelenting pressure of global financial integration have led Treasury and ASIC to believe that it is timely to propose and refine measures to improve Australia's approach to safely harnessing the benefits of cross border capital flows.

The joint consultation paper contains proposals to:

- refine ASIC's current framework of unilateral recognition as stated in ASIC Regulatory Guide 54 Principles for cross border financial services regulation: Making the regulatory regime work in a cross border environment
- develop a mutual recognition framework for application in agreements between Australia and an overseas jurisdiction that ensures the integrity of financial markets and protects investors.

The consultation paper seeks to obtain the views of the users and providers of financial services, financial markets and those involved in raising capital about how the initiatives outlined in the consultation paper will assist Australian investors and enhance Australia's position in the global economy.

The consultation paper is available on the ASIC website: www.asic.gov.au and comments are due by 25 July 2008.

Source: ASIC Information Releases IR 08-15 (16 June 2008).

INTERNATIONAL UPDATE

International Financial Reporting Interpretations Committee (IFRIC) Meeting Highlights - 8 May 2008

The following significant areas were discussed:

- *IFRIC D11 'Real Estate Sales'* - Re-deliberations of this interpretation were completed. IFRIC confirmed the consensus for issue in June, subject to final drafting changes. Its application will be retrospective and will first be applicable for entities with financial periods commencing on or after 1 January 2009.
- *IFRIC D22 'Hedges of a Net Investment in a Foreign Operation'* - Re-deliberations of this interpretation were completed. IFRIC confirmed the consensus for issue in June, subject to final drafting changes. The interpretation will become effective for financial periods commencing on or after 1 October 2008.
- *IFRS 2 'Share-based Payment' and IFRIC 11 'IFRS 2 Group Treasury Share Transactions - Group Cash-settled Share-based Payment transactions'* - the IFRIC reviewed the comment letters received on the exposure draft. They identified that further deliberation is required on:
 - the scope
 - the classification and measurement for these arrangements as cash-settled transactions when the entity does not have an obligation
 - the attribution of the parent's liability and re-measurement by the subsidiary.

In addition the IFRIC instructed staff to outline a project plan for 'rate regulated liabilities'. This issue considers whether regulated entities could or should recognise a liability (or an asset) as a result of price regulation by regulatory bodies or governments. The IFRIC also published agenda rejection decisions in respect of 'Deposits on returnable containers' and 'Employee benefits - settlements' noting that these areas are unlikely to result in a significant diversity in practice.

Source: Accounting & Assurance News Today (ANT) Issue 16 (8 May 2008), and IFRIC Update (May 2008).

International Accounting Standards Board (IASB)

IASB Workplan Updated - projected timetable as at 30 June 2008

The IASB published an updated version of its Work Plan as approved during the June Board meeting. The updated plan shows the projected timetable for the publication of due process documents and final standards.

The workplan is available on the IASB website: www.iasb.org.

Source: IASB New Release (20 June 2008).

IASB issues amendments to IFRS 1 and IAS 27

The IASB issued amendments to IFRSs for determining the cost of an investment in the separate financial statements.

The amendments to IFRS 1 'First-time Adoption of International Financial Reporting Standards' and IAS 27 'Consolidated and Separate Financial Statements' respond to constituents' concerns that retrospectively determining cost and applying the cost method in accordance with IAS 27 on first-time adoption of IFRSs cannot, in some circumstances, be achieved without undue cost or effort.

The amendments address that issue:

- by allowing first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements
- by removing the definition of the cost method from IAS 27 and replacing it with a requirement to present dividends as income in the separate financial statements of the investor.

The amendments to IAS 27 also respond to queries regarding the initial measurement of cost in the separate financial statements of a new parent formed as the result of a specific type of reorganisation. The amendments require the new parent to measure the cost of its investment in the previous parent at the carrying amount of its share of the equity items of the previous parent at the date of the reorganisation.

The amendments to IFRS 1 and IAS 27 will apply for annual periods beginning on or after 1 January 2009, with earlier application permitted.

Further information is available on the IASB website: www.iasb.org.

Source: IASB Press Release (22 May 2008).

IASB concludes first annual improvements project

The IASB issued to Improvements to IFRSs - a collection of amendments to IFRSs. These amendments are the result of conclusions the Board reached on proposals made in its annual improvements project.

The IASB decided to initiate an annual improvements project in 2007 as a method of making necessary, but non-urgent, amendments to IFRSs that will not be included as part of another major project.

The IASB's objective was to ease the burden for all concerned by presenting the amendments in a single document rather than as a series of piecemeal changes. The amendments are presented in two parts:

- those that involve accounting changes for presentation, recognition or measurement purposes, and
- those involving terminology or editorial changes with minimal effect on accounting.

Unless otherwise specified the amendments are effective for annual periods beginning on or after 1 January 2009, although entities are permitted to adopt them earlier.

Further information is available on the IASB website: www.iasb.org.

Source: IASB Press Release (22 May 2008).

Meeting Highlights: 14 - 18 April 2008

At this meeting, the IASB discussed:

- Annual improvements
- IFRS for small and medium-sized entities
- IAS 39 'Financial Instruments: Recognition and Measurement'
- Revenue recognition
- Liabilities - amendments to IAS 37
- Cost of an investment in a subsidiary, jointly controlled entity or associate
- IFRS 5 amendments
- Consolidation
- Fair value measurement
- Joint ventures.

At a joint meeting with FASB on 21 and 22 April, they discussed:

- Update on the status of the Memorandum of Understanding
- Revenue recognition
- Conceptual framework
- Standard-setters responses to the credit crisis - IASB and FASB
- Presentation by 'Corporate Reporting Users' Forum.

Source: IASB Update (April 2008).

International Federation of Accountants (IFAC)

New IFAC Guidance - Project Appraisal using Discounted Cash Flow

The IFAC Professional Accountants in Business (PAIB) Committee has released new guidance on the use of discounted cash flow analysis and net present value in evaluating investments. Professional accountants have a significant role in ensuring that their organisations focus on decisions that maximise expected value, rather than on their short-term impact on reported earnings.

Together with the guidance, the PAIB Committee has released the final 'Preface to IFAC's International Good Practice Guidance'. The Preface sets out the scope, purpose, and due process of the committee's new International Good Practice Guidance, which cover management accounting, financial management, and broader topics in which professional accountants in business are engaged.

The Guidance and Preface are available from the IFAC website: www.ifac.org/store.

Source: IFAC News Release (6 June 2008).

New IFAC Report on Quality of Financial Reporting

The IFAC has released the results of its 2007 survey entitled 'Financial Reporting Supply Chain: Current Perspectives and Directions'. The survey was commissioned to investigate whether all the recent changes to financial reporting practices have in fact achieved their objectives of making financial reports more or less reliable, relevant and understandable.

The report examines four key areas of the financial reporting process: corporate governance and the preparation, audit and usefulness of financial reports. It concludes that while the relevance and reliability of financial information worldwide has improved, the understandability of financial reports has not. Positive benefits of all the changes included improved quality of information as a result of better standards and regulatory processes while negative aspects included the increasing complexity of reports, disclosure overload and the use of fair values which is impairing usefulness. The report also calls for further improvements in the area of communication between all participants in the financial reporting supply chain process, higher quality short form reporting and better aligned internal and external reporting.

The full report is available on the IFAC website: www.org/store.

Source: Accounting & Assurance News Today (ANT) Issue 20 (30 May 2008).

International Auditing and Assurance Standards Board (IAASB)

ISA 580 '(Revised and Redrafted), Written Representations'

The standard requires the auditor to request management to provide written representations on two fundamental matters:

- That it has fulfilled its responsibility for the preparation and presentation of the financial statements
- That it has provided the auditor with all relevant information and that all transactions have been recorded and are reflected in the financial statements.

The auditor may deem it appropriate to request other written representations during the course of the audit. Other ISAs also include requirements for the auditor to request certain written representations in respect of specific matters. In addition, ISA 580 (Revised and Redrafted) includes requirements for appropriate action by the auditor when written representations are not provided by management or are considered to be unreliable.

The ISA makes clear that, although written representations provide necessary audit evidence, they do not provide sufficient appropriate audit evidence on their own about any matters. Furthermore, the fact that management has provided written representations does not affect the nature or extent of other audit evidence that the auditor obtains about the fulfilment of management's responsibilities, or about specific assertions.

ISA 560 '(Redrafted), Subsequent Events'

The standard, which deals with the auditor's responsibilities relating to subsequent events in an audit of financial statements, provides more clarity as to the requirements, but does not incorporate any substantive changes thereto. ISA 560 (Redrafted) will contribute to improving the consistency of its application by auditors around the world.

The complete set of clarified ISAs, including newly revised standards such as ISA 580 (Revised and Redrafted), is effective for audits of financial statements for periods beginning on or after December 15, 2009.

The ISAs are available on the IFAC website: www.ifac.org.

Source: IFAC News Release (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).

Strategic and Operational Plan

The IESBA has issued its '2008-2009 Strategic and Operational Plan'. The IESBA's strategy focuses on new projects and activities it will undertake following the completion of its current projects on independence and on improving the clarity of the IFAC 'Code of Ethics for Professional Accountants'.

The new projects that will be started during the period covered by the strategic plan are:

- developing additional guidance regarding the ethical responsibilities of professional accountants who encounter fraud and illegal acts, and
- expanding the existing guidance for professional accountants who face conflicts of interest including matters such as the types of conflicts and institutional mechanisms that can safeguard confidential information, and assistance on managing conflicts.

The Plan is available from the IFAC website: www.ifac.org/store. For more information of the work of the IESBA, visit: www.ifac.org/ethics.

Source: IFAC News Releases (21 April 2008).

US Securities and Exchange Commission (SEC) proposes to mandate XBRL

The US SEC has proposed to mandate the use of XBRL (Extensible Business Reporting Language) for public company filings to the SEC's EDGAR database.

XBRL is a computer software language that labels companies' financial and other data with codes from standard lists (taxonomies) so that investors and analysts can more easily locate and analyse desired information.

Under this proposal, companies using US GAAP with a worldwide public float over \$5.0 billion will be required to submit their primary financial statements, footnotes and financial statement schedules in XBRL format for fiscal periods ending in late 2008. Accelerated filers are required to comply with the new rules starting the following year and the remaining public companies would comply the year after that. This announcement will likely impact some Australian companies which are classified as foreign issuers in 2009.

XBRL US, the national consortium for XML standards for business and financial information reporting, has published an impact statement which outlines the effect of XBRL for public company reporting on key corporate reporting representatives.

To view the press release or download the impact statement, go to the [XBRL US website](#).

Source: Accounting & Assurance News Today (ANT) Issue 19 (23 May 2008).

International exposure drafts and invitations to comment

IESBA re-exposure draft - Section 290 of the IFAC Code of Ethics for Professional Accountants, Independence - Audit and Review Engagements

The re-exposure draft proposes to strengthen two areas of the independence requirements. The proposals would:

- prohibit independent auditors from providing internal audit services related to internal controls, financial systems or financial statements to an audit client that is a public interest entity, thereby further strengthening their objectivity in carrying out audits, and
- require that an annual pre- or post-issuance review be conducted by a professional accountant who is not a member of the firm when the revenues from one public interest entity client exceed 15 percent of total firm revenue for two consecutive years. The proposal provides an important safeguard against the threat to independence when a firm receives a significant portion of its revenues from a single client.

The ED is available on the IFAC website: www.ifac.org and comments are due by 31 August 2008.

Source: IFAC News Release (30 May 2008).

Professional Accountants in Business (PAIB) - proposed new good practice guidance

The PAIB have released the following proposed new guidance documents for comment:

- Costing to Drive Organisational Performance Proposed International Good Practice Guidance - is designed to assist accountants in delivering useful cost information to support effective decision making and organisational performance.
- Evaluating and Improving Governance in Organizations Proposed International Good Practice Guidance - is designed to support accountants and their organizations in evaluating and improving governance structures.

The proposed guidance documents are available on the IFAC website: www.ifac.org and comments are due by 23 September 2008.

IASB and US FASB seeks views on two consultative documents on the conceptual framework

The IASB and US Financial Accounting and US Financial Accounting Standards Board (FASB) released a discussion paper and exposure draft seeking comment on two of the eight phases of their joint project to develop an improved conceptual framework. The objective of the project is to develop an improved conceptual framework that provides a sound foundation for developing future accounting standards.

The IASB and the FASB invite comments on both documents by 29 September 2008. The documents are available on the IASB website: www.iasb.org.

Source: IASB Press Release (29 May 2008).

LEGISLATIVE UPDATE

Insurance Premiums Order 2008-2009

This Order is made under the *Workers Compensation Act 1987*. It fixes the manner in which premiums payable by employers are calculated from 30 June 2008 to 30 June 2009.

Notice of Determination under Insurance Premiums Order (July - December) 2007 and Notice of Determination under Insurance Premiums Order (January - June) 2008 have also been gazetted.

(GG 65, 6 June 2008, page 4149)

Public Sector Employment and Management (General) Amendment (Selection Committees) Regulation 2008

The objects of this Regulation are:

- to enable selection committees that are established by Department Heads to assess applications for vacant officer positions to have a minimum of two persons (rather than three as is currently required), and
- to provide that the person who is the independent member on a selection committee can be from the same Department (but not from the same branch of the Department) in which the vacant position exists.

(GG 56, 23 May 2008, page 3961)

Statutory and Other Offices Remuneration Amendment (Public Offices) Regulation 2008

The object of this Regulation is to add the position of Executive Manager, Parliamentary Services to the list of public office holders whose remuneration is determined by the Statutory and Other Offices Remuneration Tribunal.

(GG 48, 2 May 2008, page 2976)

MISCELLANEOUS PUBLICATIONS

Company directors' survey launched

The Commonwealth Treasury, in conjunction with the Australian Institute of Company Directors, is in the process of surveying 600 Australian company directors (from S&P/ASX200 companies) which will provide to the Government valuable insight as to how current laws affect their decision-making processes.

Specifically, the survey examines the obligations imposed on directors under the *Corporations Act 2001* and the implications of non-compliance. The Government expects the survey results to assist in the development of future reform proposals to address both corporate and director misconduct.

Source: Accounting & Assurance News Today (ANT) Issue 20 (30 May 2008).

Sustainability Reporting: A Guide

The Group of 100, representing the chief financial officers of Australia's largest business enterprises, and KPMG released a comprehensive good practice guide for companies and organisations engaged in the preparation of sustainability reports.

The publication, entitled 'Sustainability Reporting: A Guide' will provide directors and senior executives with a timely and useful tool when addressing this rapidly evolving area of reporting.

Concerns about global warming, atypical weather patterns and the proposed introduction of a national carbon trading scheme and community expectations have combined to make sustainability reporting a mainstream issue.

The trend towards ESG (environmental, social, governance) reporting is driven by two key factors:

- an increasing recognition of the potential for sustainability related factors to materially affect a company's long term economic performance
- the need for the business community and individual companies to appropriately respond to issues of sustainable development to meet community expectations.

On 1 July under the *National Greenhouse and Energy Reporting Act 2007*, companies will be required to register and report if their emissions of greenhouse gas reach certain kilotonne levels e.g. 125k gt from a single site.

The guide should not be viewed as a reporting template or blueprint as different companies will have different approaches reflecting the business sectors they are in such as financial services, retailing or resources, said Tony Reeves.

Copies of the guide can be obtained from the websites of KPMG kpmg.com.au and from the [Group of 100 site](#).

Source: KPMG Media Release (16 May 2008).

Superannuation Guarantee risks increasing - changes effective from 1 July 2008

Ernst & Young's 'Super Insight' (May 2008 issue) draws attention to the most significant changes to the Superannuation Guarantee (SG) requirements since SG was introduced and recommends employers should give immediate consideration to the 1 July 2008 SG changes, if they have not already done so.

Ernst and Young provide a summary of these changes, covering:

- Use of ordinary time earnings (OTE)
- Default fund insurance arrangements
- Late payment offsets
- Employer - recommended action.

The 'Super Insight' is available on the Ernst and Young website:

[http://www.ey.com/Global/assets.nsf/Australia/Tax_Super_Insight_guarantee_0408/\\$file/Super-Insight-guarantee-risks.pdf](http://www.ey.com/Global/assets.nsf/Australia/Tax_Super_Insight_guarantee_0408/$file/Super-Insight-guarantee-risks.pdf) .

Source: Ernst and Young, Super Insights (May 2008).

APRA finalises refinements to the general insurance prudential framework

The Australian Prudential Regulation Authority (APRA) has released its final general insurance refinements package which includes a response paper, prudential standards and prudential practice guides.

The key refinements are:

- recognition of five different categories of insurer, with modifications to the prudential framework tailored to the risk profiles of the categories, and
- changes to APRA's capital requirements in relation to foreign reinsurance and also to equity and property investments.

The majority of changes will take effect from 1 July 2008.

APRA began work on refinements to the general insurance prudential framework following the Government's announcement on Discretionary Mutual Funds (DMFs) and Direct Offshore Foreign Insurers (DOFIs) in May 2007. The public consultation process for the refinements package began in July 2007.

APRA made some significant adjustments to the proposed prudential standards and prudential practice guides in response to submissions received as a result of the consultation rounds in 2006 and 2007 which is explained in the response paper.

For more information refer to the APRA Media Release. The standards and response paper are available on APRA's website at: www.apra.gov.au/General/Refinements-to-the-General-Insurance-Prudential-Framework-June-2008.cfm.

Source: APRA Media Release No. 08-17 (23 June 2008)

APRA releases research on superannuation fund governance and authorised deposit-taking institutions (ADI) housing lending

The APRA has released the results of its recent research on the governance practices of APRA-regulated superannuation funds.

The research, based on a detailed survey of superannuation trustees, found that there was little difference between the Corporate, Public Sector, Industry and Retail sectors in many areas of trustee policies and practices. In some areas, however, there were statistically significant differences between the sectors, with Retail trustee practice more often different from that of the other sectors.

Major findings included:

- Trustee directors of the large funds were typically well qualified, experienced and reasonably well trained in their trustee duties
- most boards (76 per cent) have both independent audit and regular self-assessment to review compliance with the *Superannuation Industry (Supervision) Act 1993* and other regulations
- service providers are widely used in the superannuation industry, with the average fund using more than 13 service providers. Over 60 per cent of retail directors have one or more associations with service providers, a figure that is double that for directors of corporate funds and almost three times that for public sector or industry funds
- relative to the other trustees, retail trustees have fewer directors, shorter (but just as frequent) board meetings, and rely more on fund executives to take the initiative on most key decisions. By contrast, trustees in the other three sectors mostly make the decisions with the main input coming either from themselves, or from their consultants

- more than half of all retail trustee directors are employed by related parties or by the fund itself, and very few are nominated by fund members. By contrast, many industry, corporate and public sector trustee directors are member-nominated, and
- more than half of corporate, public sector and industry trustee directors are themselves members of their funds. About one in five Retail trustee directors are members of their funds.

For more information, refer to the APRA Media Release on the APRA website: www.apra.gov.au. In addition, the APRA's Insight (Issue 1/2008) publication contains some detailed information on the housing lending portfolios of ADIs available on the APRA website.

Source: APRA Media Release 08-10 (8 May 2008).

ACT Auditor-General's Office

- Management of Calvary Hospital Agreements.

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

Australian National Audit Office

- Specific Purpose Payments: General Recurrent Grants for Government Schools
- Interim Phase of the Audit of Financial Statements of General Government Sector Agencies for the Year ending 30 June 2008
- Third Tranche Sale of Telstra Shares
- Management of Customer Debt-Follow-up Audit
- Management of Personnel Security Follow-Up Audit
- Taxpayers' Charter-Follow Up Audit
- Managing e-Business Applications Follow-Up Audit
- Administration of Job Network Service Fees
- Management of Credit Cards
- The Australian Taxation Office's Strategies to Address Tax Haven Compliance Risks
- Building Certification of Residential Aged Care Homes
- Administration of the Pathology Quality and Outlays Memorandum of Understanding
- The National Capital Authority's Management of National Assets
- Better Practice Guide - Agency Management of Parliamentary Workflow
- Auditor-General's Response to the Hon Bruce Billson MP regarding the National Broadband Network Program.

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

Queensland Audit Office

- Report No. 3 for 2008: Management of Rural Fire Services in Queensland.

This publication is available at www.qao.qld.gov.au.

Tasmanian Audit Office

- Special Report No. 73: Timeliness in Magistrates Court
- Report No. 1: Local Government Authorities, Superannuation Funds and Other Public Bodies 2006-2007.

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

Office of the Auditor General for Western Australia.

- The Juvenile Justice System: Dealing with Young People under the *Young Offenders Act 1994*
- Lost in Transition: State Services for Humanitarian Entrants
- Audit Results Report on Universities and TAFE Colleges and other audits completed since 19 November 2007 and Performance Examinations of Risk Management, Delegation of Authority and Records Management.

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

Victorian Auditor-General's Office

- Local Government Performance Reporting: Turning Principles into Practice
- Services to Young Offenders
- Performance Reporting in Local Government
- Implementation of the Criminal Justice Enhancement Program
- Piping the System - incorporating the Wimmera-Mallee pipeline and the Goldfields Superpipe
- Review of South East Water's Works Alliance Agreement
- Results of Audits for Entities with other than 30 June 2007 Balance Dates
- Project Rosetta (Streams 1 and 2)
- Patient Safety in Public Hospitals
- Planning Scheme Amendment: Assessment Checklist
- Planning Permit Application: Assessment Checklist
- Victoria's Planning Framework for Land Use and Development.

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

Independent Commission Against Corruption

- Report on an Investigation into Corruption Allegations Affecting Wollongong City Council - Part 1
- Report on an Investigation into Corruption Allegations Affecting Wollongong City Council - Part 2
- Corruption Matters Issue No. 31
- The Corruption and Anti-Corruption Executive Program 2008.

These publications are available at www.icac.nsw.gov.au.

PREMIER'S DEPARTMENT UPDATE

Premier's Department Circulars

C2008-11 Reserve Forces Parades

The 2008 Reserve Forces Day Council Parades will take place in five cities in New South Wales on the weekend of 28/29 June, and in three cities on the weekend of 5/6 July.

C2008-12 Survey of Television and Radio Copying by the Government for Work Purposes

This circular advises that state and territory governments have a statutory licence to reproduce copyright material without the permission of the copyright owner and pay equitable remuneration to copyright owners for this copying. This obligation is met by reaching agreement with copyright collecting societies. Prior to reaching agreement government agencies are required to participate in an interim survey. Over the next 12 months, your agency will be asked to participate in a copyright survey for a period of three months.

C2008-13 National Families Week 2008

This circular encouraged agencies' to participate in the National Families Week which is Australia's annual celebration of families held between 11-17 May.

C2008-14 SES/Senior Officer Motor Vehicle Charges 2008-2009

New charges apply for SES/Senior Officer motor vehicles, inclusive of GST where applicable, effective from 1 April 2008.

C2008-15 Leave Arrangements for events associated with World Youth Day

Events associated with World Youth Day will be held in Sydney from Tuesday 15 July to Sunday 20 July 2008. The event will entail road closures similar to APEC and the Olympics combined and most activities associated with it will take place in or near the CBD. Agencies are encouraged to allow staff to take leave, provided that essential services are maintained.

C2008-16 World Youth Day Co-Ordination Authority 'Volunteers' Web Page

The World Youth Day Co-Ordination Authority has now set up a 'Volunteers' web page on its website - <http://wydca.nsw.gov.au/volunteers>. This web page provides information about the volunteer program and provides an online mechanism for employees to express interest as a volunteer.

C2008-17 2008 SES Guidelines

The *SES Guidelines* have been comprehensively updated. The updated *Guidelines* provide advice on the legislative and policy framework for the employment of officers in the Chief and Senior Executive Service.

C2008-18 National Aboriginal & Islander Day Observance Committee

Agencies are encouraged to support and release staff to participate in NAIDOC Week (National Aboriginal & Islander Day Observance Committee) which will be celebrated from 6 to 13 July 2008. This year's NAIDOC theme is 'Advance Australia Fair'.

C2008-19 Measuring the Costs of Regulation

A costing tool, 'Measuring the Costs of Regulation', has been developed to supplement the NSW Government's Guide to Better Regulation. The requirements of the Guide to Better Regulation commenced on 1 June 2008. It accompanies the Guide to Better Regulation by providing more detailed information on how to measure the costs of a regulatory proposal. It provides agencies with some tools to determine whether a regulatory proposal will minimise costs and/or provide the greatest cost savings to the community.

C2008-20 Voluntary Redundancy Payments

This circular advises that the Department of Premier and Cabinet was seeking a tax ruling on whether voluntary redundancy payments made between 1 July 2007 and 30 June 2012 meet transitional criteria which would enable them to be rolled over to a superannuation fund.

The Australian Tax Office (ATO) has not yet made a ruling.

The circular also advised that these voluntary redundancy payments, known as Employment Termination Payments (ETPs), must be paid within 12 months of termination unless the ATO grants an extension. An application to the ATO for an extension is unlikely to be successful.

C2008-21 Premier's Public Sector Awards 2008

The Premier's Public Sector Awards are held annually to formally recognise and reward achievements of excellence by public sector agencies. Nominations are now invited for 2008. The closing date for entries is Monday, 28 July 2008.

The Awards are open to all public sector agencies including departments, authorities, boards, commissions, government trading enterprises and state owned corporations.

C2008-22 Nominations for the Public Service Medal

The Public Service Medal is a prestigious medal within the Australian Honours System designed to recognise Public Sector Officers who have made a contribution to the community through the outstanding performance of their duties.

Nominations are sought for announcement in the Australia Day Awards in 2009. Nominations close 1 August 2008.

C2008-23 Special Leave for World Youth Day Co-ordination Authority Volunteers and Other Leave Arrangements for World Youth Day

Provides clarity about the application of the special leave provision where it is granted to an employee.

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

Premier's Memoranda

M2008-07 Assistance For Customers In Genuine Financial Hardship

All New South Wales Government Departments, Authorities and State Owned Corporations are requested to review their policies and programs to ensure that they contain appropriate measures for assisting customers experiencing genuine financial hardship to manage their payments

M2008-08 Consolidated Policy On Managing Displaced Employees'

This Memorandum brings together the Government's current policy and practice on managing displaced employees into a single user friendly document.

The key features of this policy are:

- an emphasis on redeployment
- salary maintenance for up to 12 months
- mandatory registration of all displaced employees
- voluntary redundancy, where redeployment is not practicable
- the capacity to make employees redundant, under certain delegations, as a last and unavoidable resort where an alternative position is not found within 12 months
- appropriate consultative arrangements with employees and unions
- support for displaced employees
- measures to ensure that equity groups are not disproportionately affected.

This policy replaces all previous memoranda and circulars relating to the management of organisational change and displaced employees, including those listed in the Memoranda.

M2008-09 Mutual Recognition Schemes

This Memorandum reaffirms the New South Wales Government's obligations under the Mutual Recognition Agreement (MAR) and the Trans-Tasman Mutual Recognition Arrangement (TETRA). The MAR and TETRA give effect to mutual recognition principles relating to the sale of goods and the registration of occupations.

The MAR and TETRA have helped facilitate the growth of trade opportunities by removing unnecessary regulatory impediments to trade in goods within Australia and between Australia and New Zealand. The benefits flowing from mutual recognition include lower costs to business, improved industry competitiveness, greater choice for consumers and improved occupational mobility.

More information on the schemes can be found on the Council of Australian Governments (COG) website: <http://www.coag.gov.au/recognition.htm>.

M2008-10 Making New South Wales Film Friendly

It is the policy of this Government that agencies provide the highest possible level of co-operation with film makers. It is expected that Ministers and Chief Executive Officers will act to ensure that:

- there is a responsive and cooperative attitude in dealing with filming requests
- applications for access are processed promptly
- access to locations is to be supported wherever possible and should not be unreasonably withheld
- clear reasons for refusal should be provided, and alternative arrangements for sites offered if possible
- fees are kept to a minimum and should only reflect costs.

The policy outlines a number of arrangements that should be followed.

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

TREASURY UPDATE

Treasury Circulars

TIC 08/02 2007-08 Financial Reporting Requirements for the Consolidated Financial Reports of the State

Sets out the accounting, reporting and auditing arrangements in respect of the 2007-08 financial year. This Circular applies to all agencies that have information collected by NSW Treasury using the TOES system.

TC 08/03 Accounting for Superannuation

Advice on the accounting treatment for superannuation for NSW public sector entities, in accordance with the Australian Accounting Standards. The Circular is applicable to NSW public sector entities (including Statutory State Owned Corporations), for financial years ending on or after 30 June 2008.

TC 08/04 Mandates of Options and Major Policy Decisions under Australian Accounting Standards

Australian Accounting Standards, which include the Australian equivalents to International Financial Reporting Standards (AEIFRS), require the selection of certain accounting policy options. These options were mandated as part of the adoption of AEIFRS in 2005/06, to ensure consistency at the whole of government level. This Circular updates these options and major policy decisions, for recent amendments to Australian Accounting Standards and Treasury requirements, mainly from AASB 2007-4 Amendments to Australian Accounting Standards arising from ED 151 and other Amendments.

TC 08/05 2007-08 Financial Accounting Arrangements for the Crown Entity

This Circular detail the requirements and the year-end timetable departments and statutory bodies are required to follow in order for the Consolidated Crown Entity to meet its statutory reporting obligations.

TC 08/06 Total Asset Management (TAM) Requirements for Updating the State Infrastructure Strategy

The New South Wales Government has endorsed a new process for developing the 10-year State Infrastructure Strategy (SIS), for which the primary input is agencies' Total Asset Management (TAM) data detailing planned infrastructure expenditure (capital and maintenance).

This circular advises agencies of the release of NSW Treasury Policy Paper *(TPP 08-2) Total Asset Management (TAM) requirements for updating the NSW State Infrastructure Strategy (SIS)*. This Paper provides an overview of the process for developing the SIS and outlines new TAM submission requirements to support the new SIS process.

TC 08/07 Revised Project Size /Risk Thresholds for the Submission of Business Cases and Gateway Reports

This Circular announces a single set of Business Case thresholds for all asset classes which supersede previous thresholds, including those for ICT. This Circular should be read in conjunction with Treasury Circular NSWTC 08/06 Total Asset Management (TAM) Policy Requirements for Updating the NSW State Infrastructure Strategy.

TPP 08-1 Accounting Policy: Accounting for Financial Instruments

This Policy and Guidelines Paper Accounting for Financial Instruments provides guidance to NSW public sector agencies in applying AASB 139 Financial Instruments: Recognition and Measurement, AASB 132 Financial Instruments: Presentation and AASB 7 Financial Instruments: Disclosures, including:

- likely classification of financial instruments
- restrictions on the use of certain categories of financial instruments
- derivatives and hedge accounting
- interest free and low interest loans
- financial guarantees and
- NSW Treasury's mandates.

This Policy is applicable to all NSW public sector agencies (including Statutory State Owned Corporations) for financial years beginning on or after 1 January 2007.

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
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 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
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 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.dpc.nsw.gov.au.

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