

AWARENESS

Accounting and Auditing Developments - ISSUE 07-SEPTEMBER 2011

HOT TOPIC!

Australian Accounting Standards recently issued but not yet effective for 30 June 2011 financial statements

- [AASB 2011-4](#) Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements.
- [AASB 2011-5](#) Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation.
- [AASB 2011-6](#) Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements.
- [AASB 2011-7](#) Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards.
- [AASB 2011-8](#) Amendments to Australian Accounting Standards arising from AASB 13.
- [AASB 2011-9](#) Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income.
- [AASB 2011-10](#) Amendments to Australian Accounting Standards arising from AASB 119.
- [AASB 2011-11](#) Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements.
- [AASB 10](#) Consolidated Financial Statements.
- [AASB 11](#) Joint Arrangements.
- [AASB 12](#) Disclosure of Interests in Other Entities.
- [AASB 13](#) Fair Value Measurement.
- [AASB 119](#) Employee Benefits (September 2011).
- [AASB 127](#) Separate Financial Statements.
- [AASB 128](#) Investments in Associates and Joint Ventures.

When an entity has not applied a new Australian Accounting Standard that has been issued but is not yet effective, paragraph 30 of AASB 108 requires the entity to disclose that fact. Where material, the entity must also disclose information relevant to assessing the possible impact of the new standards on the financial statements in the period of initial application.

The above standards should be considered in conjunction with the listing of AASB pronouncements issued but not yet effective in [Professional Update](#) (July 2011).

You should also monitor the [AASB website](#) for further standards that may be issued.

CONTENTS

HOT TOPIC!	1
AUDITING UPDATE	2
DEPARTMENT OF PREMIER AND CABINET	3
DEPARTMENT OF CLIMATE CHANGE AND ENERGY EFFICIENCY	3
OTHER RESOURCES	3
NEW PUBLICATIONS BY OTHER AUDIT OFFICES	4



THE AUDIT OFFICE
OF NEW SOUTH WALES

ACCOUNTING UPDATE

Recently Released Exposure Drafts open for comment

- [ED 216](#) AASB 12 Disclosure of interests in Other Entities: Tier 2 Proposals.
- [ED 217](#) AASB 127 Separate Financial Statements: Tier 2 Proposals.
- [ED 218](#) Presentation of Items of Other Comprehensive Income: Tier 2 Proposals.
- [ED 219](#) AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13: Tier 2 Proposals.

Meeting Highlights from International Accounting Standards Setting Bodies

The IASB and FASB discussed the following topics at their recent [joint meeting](#) (20-21 July 2011):

- asset and liability offsetting
- effective dates for projects on financial instruments; insurance; leases; revenue recognition
- Institute of Chartered Accountants of Scotland and New Zealand Institute of Chartered Accountants disclosure report identifying changes to the disclosure requirements in IFRSs to reduce the absolute level of disclosures in financial reports
- approach to expected losses for the impairment of financial assets subject to accounting for impairment
- re-exposure of the proposed leasing standard; lessor accounting; lease payments that depend on an index or a rate; embedded derivatives in lease contracts; lessee presentation and disclosure; presentation in the lessee statement of financial position; lessee's statement of cash flows.

In separate meetings ([20-22, 28 July 2011](#)), the IASB discussed IFRS 9 Financial instruments - hedge accounting. In particular:

- accounting for forward points
- aggregated exposures
- net position cash flow hedges
- net presentation in a separate line item in the income statement
- risk components
- hedges of credit risk using credit derivatives
- disclosure requirements
- scope of the hedge accounting disclosures
- description of the risk management strategy
- timing, amount and uncertainty of future cash flows
- effects of hedge accounting on the financial statements
- accounting for contracts to buy or sell non-financial items that can be settled net in cash
- effective dates.

AUDITING UPDATE

Revised Guidance Statement

- [GS 009](#) Auditing Self-Managed Superannuation Funds (SMSFs)

Recently Released Consultation Paper

- [CP](#) Assurance Engagements on General Purpose Water Accounting Reports

DEPARTMENT OF PREMIER AND CABINET

New Circular and Ministerial Memoranda

- [M2011-15](#) National Disability Strategy 2010-2020.
- [C2011-23](#) Medical Assessment Services for the NSW Public Sector.

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Recent ASIC Update

- [11-160AD](#) ASIC figures point to rise in corporate insolvencies.
- [11-170MR](#) ASIC publishes Exchange Traded Funds (ETF) information for investors.
- [11-188MR](#) Centro civil penalty proceedings.
- [RG 227](#) Over-the-counter contracts for difference: Improving disclosure for retail investors.

DEPARTMENT OF CLIMATE CHANGE AND ENERGY EFFICIENCY

Recent News Update

- Industry Consultation on the draft GEMS Bill ([01 August 2011](#)).
- Updated estimates of Australia's emissions ([04 August 2011](#)).
- Carbon Farming legislation passes the Parliament ([24 August 2011](#)).

OTHER RESOURCES

Miscellaneous Publications

- ACSI Governance [Guidelines](#) - A Guide for Superannuation Trustees to monitor listed Australian companies.
- CPA Australia - Trust streaming [manual](#).
- IFAC [paper](#) - Guide to Quality Control for Small-and Medium-Sized Practices, Third Edition.
- IFAC [paper](#) - Competent and Versatile: How Professional Accountants in Business Drive Sustainable Organisational Success.

Independent Commission Against Corruption (ICAC)

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

- Fact sheet - Operation Charity.
- Investigation into corrupt conduct involving alleged fraud on two Sydney Hospitals.

Independent Pricing and Regulatory Tribunal (IPART)

IPART has released [new publications](#) relating to the Electricity and Water Industries.

NEW PUBLICATIONS BY OTHER AUDIT OFFICES

Australian National Audit Office ([ANAO](#))

- Public Sector Audit Committees: Independent Assurance and Advice for Chief Executives and Boards ([Better Practice Guide](#)).
- Indigenous Employment in Government Service Delivery.
- Therapeutic Goods Regulation: Complementary Medicines.
- Confidentiality in Government Contracts: Senate Order for Departmental and Agency Contracts (Calendar Year 2010 Compliance).
- Development and Implementation of Key Performance Indicators to Support the Outcomes and Programs Framework.

Office of the Auditor-General for Western Australia ([WA OAG](#))

- Right Teacher, Right Place, Right Time: Teacher Placement in Public Schools.
- Second Public Sector Performance Report 2011.

New Zealand Office of the Auditor-General ([NZ OAG](#))

- Appointing public sector auditors and setting audit fees.
- Planning to meet the forecast demand for drinking water in Auckland.
- The Emissions Trading Scheme - summary information for public entities and auditors.
- Inquiry into the use of parliamentary travel entitlements by Mr and Mrs Wong.
- Government planning and support for housing on Māori land.
- [Model Financial Statements](#) (Extracts) - Ministry of Public Accountability 2010-11.

Tasmanian Audit Office ([TAS AO](#))

- Tourism Tasmania: is it effective?

Victorian Auditor-General's Office ([VAGO](#))

- Biotechnology in Victoria: the Public Sector's Investment.
- Developing Cycling as a Safe and Appealing Mode of Transport.
- Road Safety Camera Program.