

Professional update

Accounting and auditing developments | May 2016

Contents

- 1** Hot Topic
- 2** Audit Office of New South Wales
- 2** Accounting Update
- 3** Auditing Update
- 3** Ethics Update
- 3** Treasury – NSW Government
- 4** Department of Premier and Cabinet
- 4** Department of Finance, Services and Innovation
- 4** NSW Procurement Board
- 4** Australian Securities and Investments Commission (ASIC)
- 4** New Publications by Other Audit Offices
- 5** Useful Resources

This edition includes:

- ACAG submits response to AASB Exposure Draft ED 270 'Reporting Service Performance Information'.
- All the usual updates on happenings with national and international standard-setting and local public sector institutions.

Hot Topic

ACAG submits response to AASB Exposure Draft ED 270 'Reporting Service Performance Information'

The Australasian Council of Auditors-General (ACAG) submitted their response to the Australian Accounting Standards Board (AASB) on Exposure Draft ED 270 'Reporting on Service Performance Information'. ED 270 seeks to address a perceived gap in information about performance of not-for-profit (NFP) entities in both the public and private sectors. ED 270 proposes two key elements to enable an assessment: service performance objectives and performance indicators.

The October 2015 edition of [Professional Update](#) summarised the proposals in ED 270 when it was released for comment.

In general, ACAG were supportive of the draft Standard. ACAG's response:

- agreed the draft Standard should apply to public sector not-for-profit (NFP) entities. Most Australian public sectors already have frameworks for reporting service performance information, indicating a demand for this information
- supported requiring all public sector NFP entities to report service performance information, including those preparing consolidated financial statements
- agreed the reporting entity for which service performance information is reported, be the same as that used for preparing the entity's financial statements. However, ACAG conceded this could be problematic where,

for example, a public sector reporting entity passes on funding to other agencies to fund their service delivery objectives

- supported allowing entities to decide where they will report service performance information. ACAG noted this is usually prescribed by regulation
- agreed reporting service performance information would generally cover the same period as the financial statements. Where that is not possible, ACAG suggested it would be important to disclose why a different period was used.

ACAG also:

- believed the proposal will result in users of NFP public sector reports receiving useful information that would result in the Australian economy being better off
- raised concerns about the costs to preparers of developing and preparing the information and, if required, of auditing the information
- suggested edits to the defined terms in the draft Standard
- supported mandatory application of the standard to NFP public sector entities
- raised concerns about the ability of entities to be ready for a 1 July 2018 application date.

Responses to ED 270 can be found on the [AASB website](#).



Audit Office of New South Wales

Auditor-General's Performance Audit Reports to Parliament

- [Reintegrating young people into the community after detention](#)
- [Supporting students with disability in NSW public schools.](#)

Accounting Update

Australian Update – Australian Accounting Standards Board (AASB)

[Latest news from the AASB](#) includes:

- International Edition (16-16) (21 April 2016)
- April 2016 Action Alert is now available (21 April 2016)
- International Edition (17-16) (28 April 2016)
- Updated AASB Standard-setting Work Program – 28 April (28 April 2016)
- New Financial Reporting Council Chair appointed (2 May 2016)
- International Edition (18-16) (5 May 2016)
- International Edition (19-16) (12 May 2016)
- Clarifications to AASB 15 (12 May 2016)
- National Director role for both AASB and AUASB (13 May 2016).

AASB has recently issued:

- [AASB 2016-3](#) Amendments to Australian Accounting Standards – Clarifications to AASB 15.

International Update – International Accounting Standards Board (IASB)

[IASB Meeting Highlights – 19 to 21 April 2016](#)

Topics discussed included:

- IFRIC Update
- Agenda Consultation
- Insurance and IFRS 9
- Disclosure Initiative (Agenda Paper 11)
- Conceptual Framework
- Financial Instruments with Characteristics of Equity
- Business Combinations under Common Control
- Goodwill and Impairment

- Disclosure Initiative (Agenda Paper 25).

[IASB Podcasts](#)

Recent podcasts released by IASB include:

- April 2016 IASB meeting.

International Update – International Financial Reporting Standards (IFRS) Foundation

[Public events of the IFRS Foundation:](#)

- Emerging Economies Group (EEG) (3 to 4 May 2016)
- IASB staff event for IFRS Teachers (9 May 2016)
- IFRS Interpretations Committee (10 May 2016)
- IASB Meeting (17-19 May 2016)
- IFRS Foundation Conference – Implementing the IFRS 16 Leases requirements (20 May 2016)
- IFRS Foundations Trustees Meeting (24 to 26 May 2016).

[IFRS Latest News](#)

- IFRS Taxonomy 2016 Webinar Q&A (20 April 2016)
- Emerging Economies Group (EEG) meeting Agenda papers available (22 April 2016)
- April 2016 IASB Update (25 April 2016)
- IFRS Taxonomy 2016 Update for Disclosure Initiative (Amendments to IAS 7) (28 April 2016)
- IFRS Foundation appoints Matt Tilling as Director of Education (28 April 2016)
- IASB Staff Webcast - IFRS 16: Exemptions (3 May 2016)
- April IFRS for SMEs Update (3 May 2016)
- IFRS Foundation 2016 Pocket Guide to IFRS Standards (10 May 2016)
- Performance reporting and the pitfalls of non-GAAP metrics: speech by Hans Hoogervorst (11 May 2016)
- Maria Helena Santana and Lynn Wood reappointed as Trustees of the IFRS Foundation (12 May 2016)
- Webinars on the forthcoming insurance contracts Standard (22 and 29 April, 6 and 13 May 2016)
- April 2016 ASAF meeting summary (13 May 2016).

International Update – International Valuation Standards Council (IVSC)

The IVSC has released:

- Double appointment to ISVC Board of Trustees (20 April 2016).





International Update – International Federation of Accountants (IFAC)

IFAC has recently [released](#):

- Summary Report of PAIB Committee Meeting Strives to Enhance Communication between IFAC and Member Organisations on PAIB Matters (4 May 2016)
- New Partnerships in Zimbabwe to Strengthen Accountancy Capacity in the Public Sector (May 2016)
- Accountants, Lawyers, Resolve to Fight Corruption (11 May 2016).

International Update – International Public Sector Accounting Standards Board (IPSASB)

[Latest news from IPSASB includes](#):

- IPSASB publishes the Applicability of IPSAs (21 April 2016)
- Inaugural Forum for Public Sector Standard Setters held in Norwalk (11 May 2016).

Auditing Update

Australian Update – Auditing and Assurance Standards Board (AUASB)

[Latest news from AUASB](#) includes:

- July AUASB Meeting to be held in Sydney (20 April 2016)
- Highlights of AUASB Meeting 18 April 2016 (21 April 2016)
- New Financial Reporting Council Chair appointed (2 May 2016)
- National Director role for both AASB and AUASB (13 May 2016).

International Update – International Auditing and Assurance Standards Board (IAASB)

Latest news from the [IAASB](#):

- IAASB Report Focuses on Outcomes of its Work and Commitment to the Public Interest (20 April 2016)
- 2014/2015 IAASB Biennial Report (20 April 2016)
- Video Supplement to the Invitation to Comment, Enhancing Audit Quality in the Public Interest (28 April 2016)
- IAASB Presentation and Outreach Activities January 2016 – May 2016 (10 May 2016)

- IAASB eNews: May 2016 (11 May 2016)
- Collaboration and Coordination: IAASB and IESBA Discuss Contributors to Audit Quality and Other Projects (11 May 2016).

[IAASB Conference Call Highlights – 26 April 2016](#)

- Responding to Noncompliance with Laws and Regulations (NOCLAR)
- Proposed changes to ISA 250.

[IAASB Meeting Highlights – 13 to 16 April 2016](#)

- Update on IAESB Strategy progress
- Approval of drafting changes to IES
- Approval of guidance materials for IES 1.

Ethics Update

Australian Update – Accounting Professional and Ethical Standards Board (APESB)

[Latest news from the APESB](#):

- APESB's Submission on Long Association of Personnel Exposure Draft (13 May 2016)
- APESB's Submission on Enhancing Audit Quality in the Public Interest Invitation to Comment (13 May 2016).

International Update – International Ethics Standards Board for Accountants (IESBA)

[Latest news from IESBA](#):

- Collaboration & Coordination: IAASB and IESBA Discuss Contributors to Audit Quality and Other Projects (11 May 2016).

[IESBA Board Conference Highlights – 25 April 2016](#)

- Responding to Noncompliance with Laws and Regulations (NOCLAR).

Treasury – NSW Government

The Treasury has recently issued Circulars:

- [TC16-04](#) Industrial Relations: Notional Salary 2016-17 (20 April 2016)
- [TC 16-05](#) Commencement of Legal Proceeding for Recovering Debts (22 April 2016).





Department of Premier and Cabinet

New Ministerial Memoranda and Department Circulars

The DPC has recently released:

- [C2016-04-Information Security Policy for Ministers, Ministers' Staff, Department Secretaries and Senior Executives Travelling Overseas](#)
- [M2016-01-Premier's Memorandum Christmas Closedown 2016-18](#).

Public Service Commission (PSC)

The PSC has released the following [circulars](#):

- [PSCC-2016-02-People Matter Employee Survey 2016](#) (11 May 2016).

Department of Finance, Services and Innovation

The DFSI has released the following circular:

- [DFSI-2016-04-Open Data Policy](#).

NSW Procurement Board

[NSW Procurement Board has recently issued:](#)

- PBD-2016-01-Approved procurement arrangements from 1 July 2016 (30 March 2016)
- Extension of Contract 888 ICT Hardware Agreement for the NSW Government (19 April 2016)
- Extension of Contract 603 Disposal of motor vehicles (6 May 2016).

Australian Securities and Investments Commission (ASIC)

Recent consultation papers released:

- CP 257 Improving disclosure of historical financial information in prospectuses.

Recent [reports](#) released:

- REP 477 Response to submissions on CP 249 Remaking ASIC class order on generic financial calculators: [CO 05/1112].

Recent [speeches](#) released:

- My time at ASIC and the work of IOSCO and the FSB on asset management and liquidity – Greg Medcraft (4 May 2016)
- Improving business through compliance: A regulator's perspective - Cathie Armour (4 May 2016)
- Senate Estimates: Opening Statement (6 May 2016).

ASIC Media Releases:

- 16-130MR Further update on Stronger Super regime.

New Publications by Other Audit Offices

Australian National Audit Office (ANAO)

- Strategies and Activities to Address the Cash and Hidden Economy (26 April 2016)
- Administration of Concessional Loans Program (28 April 2016)
- Implementing the Deregulation Agenda: Cutting Red Tape (4 May 2016)
- Management of the Use of Force Regime (5 May 2016)
- Administration of Higher Education Loan Program Debt and Repayments (5 May 2016)
- Administration of Rehabilitation Services under the Military Rehabilitation and Compensation Act 2004 (5 May 2016)
- Defence's Management of Credit and Other Transactions Cards (5 May 2016)
- Administration of Tobacco Excise Equivalent Goods (5 May 2016)
- Administration of the Radiation Oncology Health Program Grants Scheme (5 May 2016)
- Administration of the Financial Information Service (5 May 2016)
- Cyber Resilience (5 May 2016).

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

- 'Joining the dots' – insights from the 2014–15 annual audits (May 2016)





- Effectiveness and efficiency of arrangements to repair pipes and roads in Christchurch – follow-up audit (May 2016).

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

- Accounting & Auditing Developments newsletter – April 2016 (29 April 2016)
- Report of the Auditor-General No 10 of 2015-16: Auditor-General's Report on the Financial Statements of State entities Volume 4 State entities 30 June and 31 December 2015 findings relating to 2014-15 audits and other matters (24 May 2014).

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

- Managing and Reporting on the Performance and Cost of Capital Projects (4 May 2016).

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

- Audit of Payroll and other Expenditures using Data Analytic Procedures (10 May 2016)
- Audit Results Report – Annual 2015 Financial Audits and Opinion on Ministerial Notification (10 May 2016)
- Fitting and Maintaining Safety Devices in Public Housing – Follow-up (11 May 2016).

Useful Resources

Commonwealth Government Treasury

[Commonwealth Government Treasury has recently issued:](#)

- Fit for the future: A capability review of the Australian Securities and Investments Commission (20 April 2016)
- Guidelines for the exercise of powers delegated to ASIC under Chapter 7 of the Corporations Act 2001 (21 April 2016)
- Charter of Budget Honesty – Policy Costing Guidelines (21 April 2016)
- Retirement Income Streams Review (3 May 2016)
- Analysis of the long term effects of a company tax cut (3 May 2016)
- Portfolio Budget Statements 2016-17 (3 May 2016)
- Economy-wide modelling for the 2016-17 Budget (3 May 2016)
- Wine Equalisation Tax Rebate Consultative Group report (4 May 2016)
- Government response to the Senate Economics References

Committee Report: Digital currency – game changer or bit player (5 May 2016)

- Pre-election Economic and Fiscal Outlook 2016 (20 May 2016).

Commonwealth Government Department of the Environment

The Department of the Environment's [recent releases](#):

- Tracking to 2020 – April 2016 update (23 April 2016)
- Climate Change: Modelling and analysis of Australia's abatement opportunities (6 May 2016)
- National Greenhouse Accounts – May 2016 release (6 May 2016).

Independent Commission Against Corruption ([ICAC](#))

- Public inquiry into corruption allegations concerning former Casino Boolangle LALC CEO (22 April 2016)
- Public inquiry into corruption allegations concerning Gandangara LALC Board and CEO (3 May 2016)
- ICAC finds former Sydney University ICT manager corrupt (11 May 2016)
- Statement regarding the Inspector of the ICAC's report to the Premier (12 May 2016).

Productivity Commission

The Productivity Commission's [recent releases](#):

- Australia's intellectual property system has lost sight of its users (29 April 2016).

Independent Pricing & Regulatory Tribunal ([IPART](#))

IPART has released the following [information/fact sheets](#):

- Fact Sheet – Wholesale pricing for Sydney Water and Hunter Water (26 April 2016)
- Elasticities – Public Transport Fares Final Report IP 9 (10 May 2016)
- Fare Optimisation Model – Public Transport Fares Final Report IP 8 (10 May 2016)
- Total Factor Productivity – Public Transport Fares Final Report IP 3 (10 May 2016)
- Socially optimal consumption and prices – Public Transport Fares Final Report IP 4 (10 May 2016)
- Weekday peak and off-peak fares – Public Transport Fares Final Report IP 1 (10 May 2016)





- Long-run marginal social cost – Public Transport Fares Final Report IP 6 (10 May 2016)
- External benefits and costs – Public Transport Fares Final Report IP 7 (10 May 2016)
- Cost Recovery – Public Transport Fares Final Report IP 2 (10 May 2016)
- Medium-run marginal financial costs – Public Transport Fares Final Report IP 5 (10 May 2016)
- Weighted Average Cost of Capital – Public Transport Fares Final Report IP 10 (10 May 2016).
- Fact Sheet - Decisions on councils requests for special variations for 2016–17 (17 May 2016)
- Retail electricity market monitoring - May 2016 (23 May 2016).

Australian Competition & Consumer Commission (ACCC)

ACCC [media releases](#):

- Car import reforms are good for consumers and competition (21 April 2016)
- ACCC releases final decision on prices for regulated transmission services (21 April 2016)
- Release of East Coast Gas Inquiry report into the increasingly complex and uncertain gas market (22 April 2016)
- ACCC announces membership of new Agriculture Consultative Committee (27 April 2016)
- ACCC to hold horticulture and viticulture regional workshops (28 April 2016)
- ACCC releases first report on NBN wholesale market (29 April 2016)
- ACCC announces cattle and beef market study forums (5 May 2016)
- ACCC re-authorises refrigerant recovery scheme (6 May 2016).

Association of Superannuation Funds of Australia (ASFA)

- Senate Inquiry report a good start to address the gender gap: ASFA (29 April 2016)
- Budget packages has significant ramifications for superannuation (3 May 2016).

Copyright

Material in this newsletter site is protected by Copyright Law.

You may download, display, print and copy any material from

this newsletter for your personal use or for non-commercial use within your organisation.

You must not copy, adapt, publish, or distribute any material contained on this site without acknowledging the source.

You must not use any material on this site for commercial purposes without the written authorisation of the Audit Office.

For requests for authorisation please [contact us](#).

Disclaimer

All material published on this site is of a general nature only and is not intended to be a substitute for or relied upon as specific professional advice.

No responsibility for loss or damage suffered by any person acting on or refraining from action as a result of any material on this site is accepted.

Although the Audit Office will take all reasonable steps to ensure material on this site is complete and accurate, no guarantees are given.

Contact us

Professional Update is published by:

Audit Office of New South Wales
Level 15, 1 Margaret Street
Sydney NSW 2000

t +61 2 9275 7100

f +61 2 9275 7200

e auditsupport@audit.nsw.gov.au

Professional people with purpose

Making the people of New South Wales proud of the work we do.

Disclaimer

This newsletter is of a general nature only and is not intended to be a substitute for, or relied upon, as specific professional advice. No responsibility for loss occasioned to any person acting on or refraining from action as a result of any material in the publication can be accepted.

