

Professional update

Accounting and auditing developments | November | 2017

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This edition includes:

- NOCLAR becomes effective on 1 January 2018
- NSW Treasury releases a revised purchasing card policy and Recurrent Investor Assurance Framework (RIAF)

Hot Topics

NOCLAR becomes effective on 1 January 2018

The Australian Professional & Ethical Standards Board (APESB) has issued [amendments](#) to APES 110 Code of Ethics for Professional Accountants due to revisions to International Ethics Standards Board for Accountants' (IESBA) Code of Ethics for Professional Accountants.

The amendments incorporate a new framework, 'Responding to Non-Compliance with Laws and Regulations' (NOCLAR). It sets a framework to guide accountants' actions when they become aware of non-compliance or potential non-compliance with laws and regulations that poses a risk of substantial harm.

NOCLAR covers:

- fraud, corruption and bribery
- money laundering, terrorist financing and proceeds of crime
- securities markets and trading
- banking and other financial products and services
- data protection
- tax and pension liabilities and payments
- environmental protection
- public health and safety.

The NOCLAR framework will be incorporated in APES 110 under new sections:

- 225 (Members in Public Practice)
- 360 (Members in Business).

The amendments are effective from 1 January 2018 with early adoption permitted. For more information, refer to the [presentation](#) by APESB.

NSW Treasury releases a revised purchasing card policy and Recurrent Investor Assurance Framework (RIAF)

NSW Treasury recently issued [TPP 17-09 'Use and Management of NSW Government Purchasing Cards'](#), a policy and guidelines paper (the policy) to help agencies manage the use and administration of purchasing cards (PCards). The policy applies to all agencies except State Owned Corporations (and their subsidiaries) and universities and is effective 1 April 2018. It withdraws and supersedes:

- Treasurer's Direction 205
- TPP 05-01 'Credit Card Use Best Practice Guide'
- TC 11-15 'Use of Purchasing Cards and Electronic Payment Methods'.

The policy provides a framework for the use and management of PCards to ensure the associated risks are minimised and the effective and efficient delivery of government programs is supported through the PCard program. It outlines two core requirements which detail the responsibilities of the agency head and cardholders:



- Core requirement 1: The agency head is ultimately responsible for the proper management and administration of PCards within the agency.
- Core requirement 2: Cardholders understand and are accountable for the responsible use of PCards.

Associated with each core requirement are prescribed activities that establish a minimum framework for the effective use and management of PCards. To help agencies develop their frameworks, non-mandatory guidance has also been included in Part 2 of the policy.

NSW Treasury has also released [TC 17-11 'Recurrent Investor Assurance Framework'](#) (the circular). The circular requires all general government agencies and government businesses to comply with [TPP 17-02 'The Recurrent Investor Assurance Framework'](#) (the framework) with effect from the date of the circular.

The framework details the protocols for the application of the NSW Gateway Policy (TPP 17-01) to recurrent investments, mandating that agencies register with NSW Treasury using the Project Registration and Risk Self-assessment tool for:

- recurrent investment proposals of greater than \$100 million over four years or \$50 million in any one year
- those nominated by NSW Treasury, the Expenditure Review Committee or the agency even if they are below the stated thresholds.

Recurrent investments include:

- implementation of a new policy/program
- significant amendment/upgrade to an existing policy/program
- extension of an existing policy that is due to lapse or rollover
- establishment of a new public entity (or new business unit within a public entity) with resource or regulatory cost implications
- establishment of a new government service with resource or regulatory cost implications
- significant (non-routine) maintenance, for example, to address a large maintenance backlog
- investments to enhance/extend agency capability.

Audit Office of New South Wales

Margaret Crawford, NSW Auditor-General:

- presented to the Riverina And Murray Regional Organisation of Councils (RAMROC) in Jerilderie (20 October 2017)



- presented to the Legislative Council – Commonwealth Parliamentary Association Australia and Pacific Regional Conference 2017 (25 October 2017)
- presented to the Public Service Commission – Executive Leadership Essentials (26 October 2017)
- was interviewed by Penny Stannard – State Archives and Records for the Blaze Exhibition Project (2 November 2017)
- attended the Minter Ellison event – Women in Government Dinner (2 November 2017)
- presented at the Country Mayor Association (3 November 2017).

Auditor-General's Financial Audit Reports to Parliament

- [Report on State Finances](#) (24 October 2017)
- [Central Agencies](#) (21 November 2017).

Auditor-General's Performance Audit Reports to Parliament

- [Report on sharing school and community facilities](#) (1 November 2017)
- [Government advertising: 2015-16 and 2016-17](#) (2 November 2017).

Other reports issued by the Audit Office:

- [Report on agency compliance with NSW Government travel policies](#) (23 November 2017).

Audit Office scheduled events:

The Audit Office is hosting IMPACT Conference (International Meeting of Performance Audit Critical Thinkers) in Sydney, March 19-20. This conference is for public sector managers, internal auditors and anyone who is interested in how the public sector is changing and how those changes impact accountability. The program is under development with a great lineup of speakers. Full details can be found on the [event website](#). The last IMPACT conference was a sellout, so register soon to secure your place and receive an earlybird discount.

Accounting Update

Australian Update – Australian Accounting Standards Board (AASB)

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

- Charity reporting regime: not a level playing field (23 October 2017)
- AASB Outreach: Australian Reporting Framework – Charities (26 October 2017).



AASB has recently [issued](#):

- AASB Discussion Paper: Improving Financial Reporting for Australian Charities (9 November 2017)
- Invitation to Comment – ITC 38 Request for Comment on IPSASB Exposure Draft Social Benefits – November 2017 – Open for comment until 15 January 2018.

International Update – International Accounting Standards Board (IASB)

[IASB Meeting Highlights](#) – 14 November 2017

Topics discussed:

- Dynamic risk management
- Improvements to IFRS 8
- Primary financial statements
- Wider corporate reporting.

Recent podcasts released by IASB [include](#):

- October IASB podcast now available (31 October 2017).

International Update – International Financial Reporting Standards (IFRS) Foundation

Latest [news](#) from the IFRS Foundation included:

- October news summary published (1 November 2017)
- IFRS Foundation to publish Proposed IFRS Taxonomy Update – 2017 Annual Improvements (1 November 2017)
- Summary of September 2017 Accounting Standards Advisory Forum (9 November 2017)
- November 2017 IASB Update published and work plan updated (16 November 2017)
- November 2017 Transition Resource Group for IFRS 17 Insurance Contracts meeting summary and podcast available (17 November 2017).

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

IPSASB has recently [issued](#) the following:

- Exposure Draft 63, Social Benefits (31 October 2017)
- Revised Cash Basis (8 November 2017).

Auditing Update

Australian Update – Auditing and Assurance Standards Board (AUASB)

Latest [news](#) from the AUASB included:

- The new enhanced Auditor's Report – responding to questions at AGMs (24 October 2017)
- October newsletter released (27 October 2017).

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

[IAASB Meeting Highlights](#) – 24-26 October 2017

Topics discussed:

- Accounting estimates
- Identifying and assessing the risks of material misstatement through understanding the entity and its environment
- IASB annual update
- Emerging external reporting.

Ethics Update

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

The IESBA recently [released](#):

- IESBA opens fee survey (13 November 2017).

The Treasury - NSW Government

New Treasury Policy Papers, Circulars and Research Papers

Treasury has recently issued the following [circulars](#):

- TC17-11 Recurrent Investor Assurance Framework (RIAF) (9 November 2017).

Treasury has recently issued the following [policy papers](#):

- TPP17-09 Use and Management of NSW Government Purchasing Cards (13 November 2017)
- TPP17-10 Commercial Policy Framework: Guidelines for Governing Boards of Government Businesses (23 November 2017)
- TPP17-11 Commercial Policy Framework: CEO Appointment Guidelines for Government Businesses (23 November 2017).

Other Treasury [publications](#) included:

- Registration and Risk Assessment Tool (9 November 2017)
- Guide to completing the Project Registration and Risk Assessment Tool (9 November 2017)
- Generic Gateway Review Schedule (9 November 2017)
- Generic Gateway Process – High level outline of a typical Gateway Review (9 November 2017)





- Treasurer's Directions (13 November 2017)
- Recurrent Investment Assurance Framework: a Quick Reference Guide (15 November 2017).

NSW Procurement Board

Frameworks and Directions

NSW Procurement [Board Directions](#) included:

- PBD-2017-05 Construction training and skills development (26 October 2017).

Office of Local Government (OLG)

Recent [publications](#) released included:

- 17-31 Updated Practice Note 15 – Water Safety (24 October 2017)
- 17-32 2017 Edition of the Councillor Handbook (30 October 2017)
- 17-33 GIPA Annual Reporting Obligations (30 October 2017)
- 17-34 GIPA Contracts Register (31 October 2017)
- 17-35 Special Variation and Minimum Rate Variation Guidelines and Process for 2018/19 (9 November 2017)
- 17-36 Annual Code of Conduct Complaints Reporting (9 November 2017)
- 17-37 Local Sport Defibrillator Grant Program (20 November 2017).

Australian Securities and Investments Commission (ASIC)

ASIC [media releases](#) included:

- 17-359MR ASIC's 2016-17 Annual Report tabled (26 October 2017)
- 17-366MR ASIC publishes business plans (31 October 2017).

Australian Charities and Not-for-profits Commission (ACNC)

Recent ACNC [releases](#) included:

- ACNC Annual Report: Hundreds of thousands search the Charity Register (30 October 2017)
- Charities, are you ready to submit your 2017 Annual Information Statement? (15 November 2017).



Australasian Council of Auditors-General (ACAG) submissions to AASB

ACAG recently made submissions on:

- ED281 – Accounting Policies and Accounting Estimates – Proposed amendments to AASB 108
- ED282 – Definition of Material – Proposed amendments to AASB 101 and AASB 108.

New Publications by Other Audit Offices

Australian National Audit Office (ANAO)

- Communicating effectively with stakeholders (25 October 2017)
- The Design and Implementation of the Community Development Programme (31 October 2017)
- Corporate planning, performance statements and risk management under the PGPA Act (21 November 2017)
- Costs and Benefits of the Reinventing the ATO Program (22 November 2017).

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

- Introducing our work programme – Water management (19 October 2017).

South Australian Auditor-General's Department (SA AGD)

- Report on the Operations of the Auditor-General's Department for the year ended 30 June 2017 (10 November 2017).

Tasmanian Audit Office (TAS AO)

- Annual Report 2016-17 (3 November 2017)
- Report of the Auditor-General No. 2 of 2017-18, Water and sewerage in Tasmania: Assessing the outcomes of industry reform (14 November 2017)
- Report No 3 2017-18 – Appointment of Tasmanian State Service Executive Officers, General Stream Bands 9 and 10 and Professional Stream Band 6 Positions (21 November 2017)
- Report No 4 2017-18 – Use of credit cards by councils' general managers and elected members (21 November 2017)
- Report No 5 2017-18 – Auditor-General's Report on the Financial Statements of State entities Volume 2 Government Businesses and Tasmanian Water and Sewerage Corporations Pty Ltd 2016-17 (23 November 2017).



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

- Results of 2016-17 Audits: Water Entities (15 November 2017)
- Auditor-General's Report on the Annual Financial Report of the State of Victoria: 2016-17 (15 November 2017).

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

- Opinion on Ministerial Notification (1 November 2017)
- Diverting Young People Away From Court (1 November 2017)
- Audit Results Report – Annual 2016-17 Financial Audits (7 November 2017)
- Financial Controls – Focus Area Audits 2016-17 (7 November 2017)
- Minimising Drugs and Alcohol in Prisons (8 November 2017).

Useful Resources

Commonwealth Government Treasury

Recent [publications](#) included:

- Treasury Annual Report 2016-17 (30 October 2017).

Independent Pricing & Regulatory Tribunal (IPART)

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

- Fact sheet – Water Industry Competition Amendment (Review) Act 2014 (Amending WIC Act) – October 2017 (26 October 2017)
- Fact Sheet – Review of our Compliance and Enforcement Policy – October 2017 (30 October 2017)
- October 2017 – Electricity networks reporting manual (31 October 2017)
- October 2017 – Electricity networks audit guideline (31 October 2017)
- Water Industry Competition Act 2006 NSW (WICA) Licence Register – November 2017 (10 November 2017).

Australian Competition & Consumer Commission (ACCC)

ACCC [media releases](#):

- ACCC releases 2016-17 Annual Report (24 October 2017).

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Professional people with purpose

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

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