

# Appendix three – List of 2019 recommendations

The table below lists the recommendations made in this report.

## 1. Financial reporting

### Quality of financial reporting

Agency finance teams need to be consulted on major business decisions and commercial transactions to assess their accounting impacts at the time of their execution, rather than at the end of a financial year. Agencies also need to resolve all key accounting issues such as valuations as part of the early close procedures.



This would improve the quality of financial reporting and avoid the need for extensions for agencies to submit their financial statements for audit.

### Consistency of accounting policies

The Department of Transport should ensure consistent accounting policies are applied across its controlled entities.



## 2. Audit observations

### Contract registers do not capture all contracts and agreements

Transport agencies should implement a process to centrally capture all significant contracts and agreements entered. This will ensure:



- agencies are fully aware of contractual and other obligations
- appropriate assessment of financial reporting implications
- assessment of new accounting standards, in particular AASB 16 'Leases', AASB 15 'Revenue from Contract with Customers', AASB 1058 'Income of Not-for-Profit Entities' and AASB 1059 'Service Concession Arrangements: Grantors' are accurate and complete.

Key



Low risk



Medium risks



High risks