

# Appendix one – Early close procedures

No.	Procedure	Description	Department of Education	NSW Education Standards Authority	TAFE Commission
1	Proforma financial statements	Complete proforma financial statements and ensure management has endorsed the statements and reviewed the supporting working papers.	✓	✓	✓
2	Fair value assessment of property, plant and equipment	Perform and document an annual assessment of the fair value of property, plant and equipment (PPE), their useful lives and residual values, and the reasons why the carrying value was not materially different to the fair value. This assessment is performed between comprehensive revaluations.	✓	✓	✓
3	Revaluation of property, plant and equipment	Complete the comprehensive revaluation of property, plant and equipment (PPE) by early close.	–	–	–
4	Update employee annual leave provisions	Reconcile and calculate annual leave provisions. The balances calculated for the early close 31 March financial statements must be rolled forward with adjustments for monthly accruals and actual payments as part of the 30 June financial statements.	✓	✓	✓
5	Inter and intra (cluster) agency transactions and balances	Agree and confirm all inter and intra (cluster) agency balances and transactions with the counterparty agency.	✓	✓	✓
6	Significant management judgements and assumptions	Document all significant management judgements and assumptions made when estimating transactions and balances.	✓	✓	✓

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7	Reconciliation of key account balances	Reconcile all key account balances (including annual leave provisions) and clear reconciling items.	✓	✓	✓
8	Reconcile March 2022 month-end Prime submission to the proforma financial statements	Reconcile the March 2022 month-end Prime submission to the proforma financial statements and provide explanations for variances above \$5 million.	✓	✓	✓
9	Changes in accounting policy	Review and agree changes in accounting policy with the principal cluster agency.	–	–	–
10	Finalise right-of-use assets and lease liability balances	Ensure that all lease arrangements are accurate and complete.	✓	✓	✓
11	Finalise assessment of all revenue contracts	Ensure revenue is accurate and complete and has been correctly accounted for under 'AASB 15 Revenue from Contracts with Customers' or 'AASB 1058 Income of Not-for-Profit Entities'.	✓	✓	✓
12	Correction of material prior period errors	Confirm there are no changes to the 2020–21 closing balances. Proposed changes are accompanied by journals, explanations and proposed disclosures.	–	–	–
13	Monthly management reports	Perform variance analysis with meaningful explanations for actuals versus budget, and year-to-date actuals for the previous year.	✓	✓	✓
14	Accounting treatment for restructures and discontinued / abolished agencies	Identify and document the accounting treatment for changes to agency structures resulting from legislative or other changes.	–	–	–
15	Delegations	Ensure all material transactions are supported by appropriate delegations.	✓	✓	✓

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16	Prior year Management Letter and Engagement Closing Report issues	Agreed action plans are in place to address prior year Management Letter and Engagement Closing Report issues. Explanations are provided for any unresolved issues(s).	✓	✓	✓
17	Complete Commonwealth Funding Agreement – Revenue Assessment Form for Commonwealth Funding Agreements	Complete and return the 'Commonwealth Funding Agreement – Revenue Assessment Form for Commonwealth Funding Agreements' for all new and amended Commonwealth Funding Agreements entered or amended during the 2021–22 financial year.	–	–	–

**Key**      ✓ Completed      ! Not completed      – Not applicable