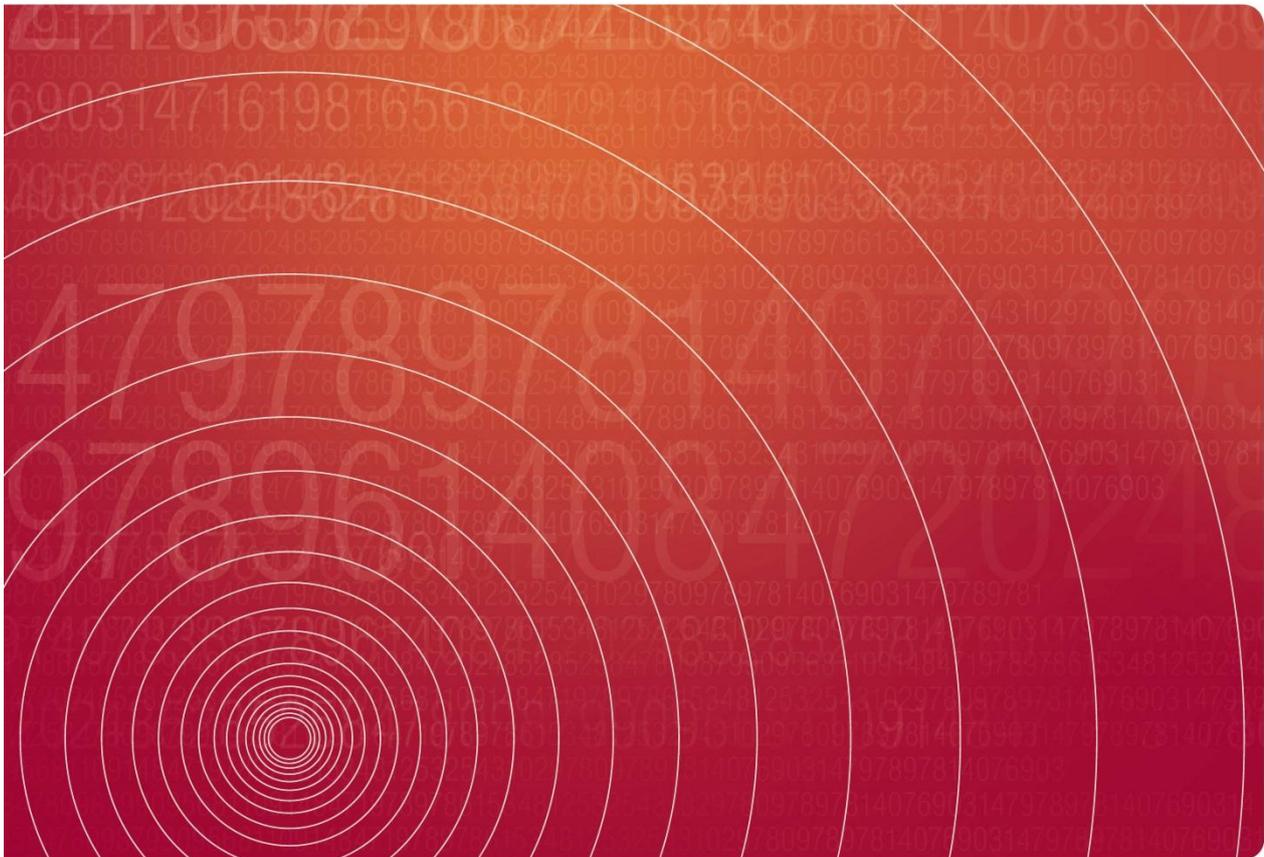




Australian Government
Auditing and Assurance Standards Board

2011-12

Annual Report



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ABBREVIATIONS

The following abbreviations are used throughout this report:

AASB	Australian Accounting Standards Board
AICD	Australian Institute of Company Directors
ACNC	Australian Charities and Not-for-Profits Commission
ANAO	Australian National Audit Office
APRA	Australian Prudential Regulation Authority
ASA	Australian Auditing Standard
ASAE	Australian Standard on Assurance Engagements
ASIC	Australian Securities and Investments Commission
ASIC Act	<i>Australian Securities and Investments Commission Act 2001</i>
ASRE	Australian Standard on Review Engagements
AUASB	Auditing and Assurance Standards Board
AuASB	Auditing and Assurance Standards Board (to 30 June 2004)
CDS	Commonwealth Disability Strategy
DCCEE	Department of Climate Change and Energy Efficiency
FMA Act	<i>Financial Management and Accountability Act 1997</i>
FMO	Finance Minister's Orders
FRC	Financial Reporting Council
GST	Goods and Services Tax
IAASB	International Auditing and Assurance Standards Board
ISA	International Standard on Auditing
NGER Act	National Greenhouse and Energy Reporting Act 2007
NSS	National Standard Setters
NZAuASB	New Zealand Auditing and Assurance Standards Board
OBPR	Office of Best Practice Regulation
OHSC	Occupational Health and Safety Committee
PCAOB	Public Company Accounting Oversight Board

ABBREVIATIONS (CONTINUED)

SBR	Standard Business Reporting
SMEs	Small and Medium Enterprises
TTAASAG	Trans-Tasman Accounting and Auditing Standards Advisory Group
WASB	Water Accounting Standards Board
XBRL	Extensible Business Reporting Language
XRB	External Reporting Board – New Zealand

CONTACT DETAILS

Auditing and Assurance Standards Board

Street Address:

Level 7, 600 Bourke Street
MELBOURNE VIC 3000

Postal Address:

PO Box 204
Collins Street West
Victoria 8007

Tel: 03 8080 7400

Email: enquiries@auasb.gov.au

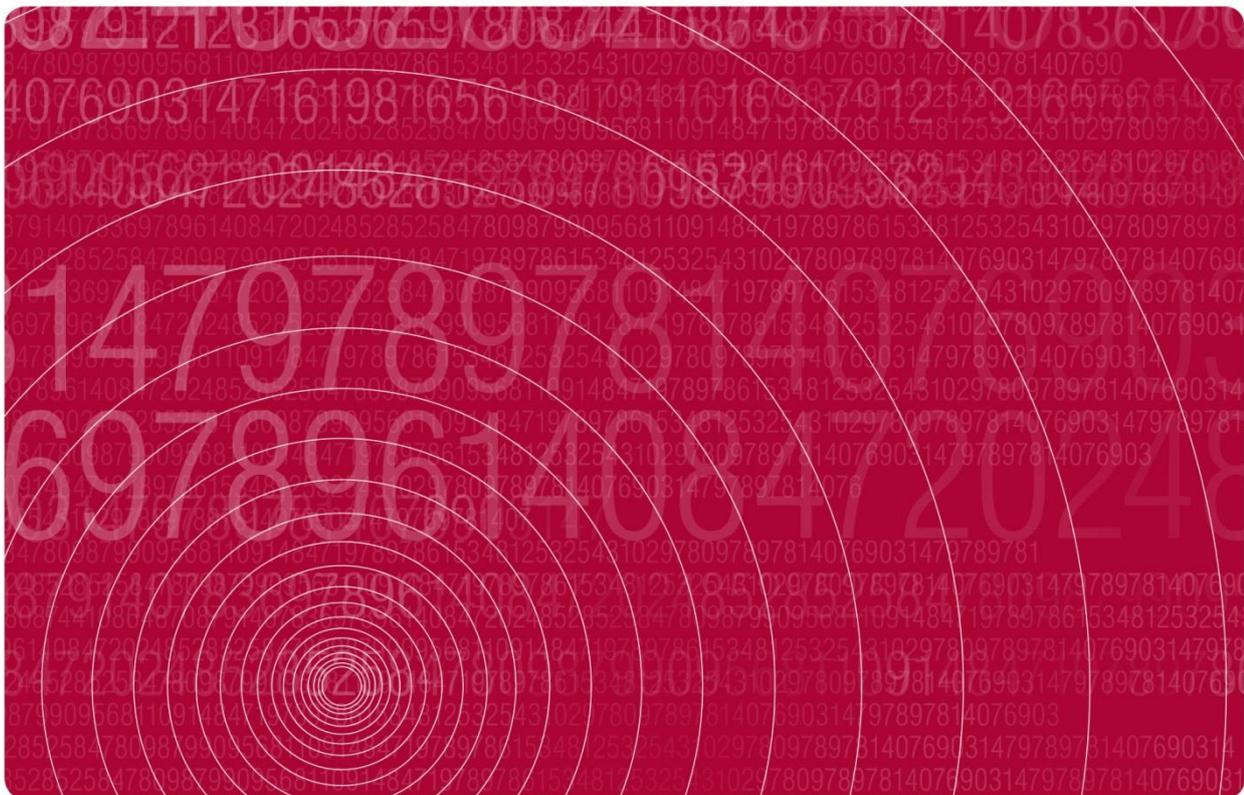
Fax: 03 8080 7450

Web: www.auasb.gov.au

Internet homepage:

<http://www.auasb.gov.au/About-the-AUASB/Annual-reports.aspx>

Chairman's Review



CHAIRMAN'S REVIEW

INTRODUCTION



Robust auditing standards and high quality audits are considered valuable safeguards for financial stability and confidence in capital markets. Post the global financial crisis, amid concerns as to the role of auditors and audit quality in general, international regulators continued to develop proposals to improve audit quality, auditor reporting, transparency about the audit, the independence of auditors, and increase scrutiny over the scepticism and professional judgement exercised by auditors.

The main focus of the Auditing and Assurance Standards Board (AUASB) and its international standard-setting counterparts, over the last twelve months, has therefore been on containing global financial instability and the means by which the external audit, and reporting thereon, can be most valuable to stakeholders.

The key mandate of the AUASB is to develop in the public interest, high-quality auditing and assurance standards and related guidance, and contribute to a single set of global auditing standards. Accordingly, to achieve our objectives during the past year, the AUASB agenda concentrated on:

- keeping pace with international and local developments on issues highlighted during the global financial crisis such as audit quality, the role of the auditor and the value of assurance
- increasing the AUASB's influence internationally by membership of the International Auditing and Assurance Standards Board (IAASB) and participation in IAASB task forces
- obtaining greater input from stakeholders in making submissions on IAASB exposure drafts and discussion papers via round table discussions
- working with the New Zealand Auditing and Assurance Standards Board (NZAuASB) to better harmonise Australian and New Zealand auditing standards
- issuing new standards and guidance to address specific local industry and regulatory requirements

- ensuring the AUASB's processes are open and transparent with its stakeholders and receptive to their input and feedback
- monitoring the implementation of the Australian Auditing Standards (ASAs)
- further facilitating the implementation of the ASAs via presentations and articles in professional journals.

During the year, the AUASB issued a new assurance standard on *greenhouse gas statements*, and a new standard on related services for *comfort letter engagements*. The AUASB also issued an exposure draft and three guidance statements on various topics, and made six formal submissions to the IAASB and other regulators. Members and staff of the AUASB held roundtable discussions on international submissions and presented to outside groups on numerous occasions. Considerable development also went into new assurance standards on fundraisings, pro forma and prospective financial information; assurance on water accounting reports; and assurance on internal controls. In addition the AUASB has substantially completed revised guidance on going concern considerations in periods of financial instability and professional scepticism.

Significantly the past year was the second full year of adoption of the ASAs in *Clarity* format. The AUASB released its current suite of auditing standards in 2009, operative for financial reporting periods that commenced on or after 1 January 2010. These auditing standards conform to the International Auditing Standards (ISAs) and significantly increased the requirements on auditors in a number of areas of concern, including accounting estimates, using the work of experts, group audits and communicating with audit committees. Whilst the auditing standards are considered to be robust and stood up well in recent volatile financial conditions, we will continue to actively participate in the various forums addressing any relevant concerns, and to revise and issue auditing standards and guidance that enhance and improve audit quality and auditor reporting.

GLOBAL DEVELOPMENTS

Supporting Global Financial Stability

Considerable international debate around the issue of audit quality in the wake of the global financial crisis continues. Governments, regulators and standard-setting bodies are actively engaged in drawing lessons for audit from the crisis with a view to enhancing the utility and robustness of the audit as a safeguard for financial stability.

Auditor Reporting

Auditor Reporting is now the IAASB's top priority project. The project aims at enhancing the relevance and usefulness of auditors' reports and auditor reporting more broadly. This project has arisen following calls by a number of regulators

including the European Commission and the PCAOB, as well as institutional investor groups who have argued for more meaningful information to be contained in the auditor's report and have influenced the IAASB to act accordingly.

In June 2012 the IAASB released an important consultative document, *Invitation to Comment – Improving the Auditor's Report*. The paper features a revised auditor's report that illustrates the application of the IAASB's suggested improvements resulting from users' demands for greater transparency about the financial statements and audit.

Key features of the *Invitation to Comment* (ITC) include:

- requiring auditors of public interest entities to provide auditor commentary on matters likely to be important to users' understanding of the financial statements or the audit
- requiring auditors to conclude on the appropriateness of management's use of the going concern assumption in preparing the financial statements and whether there are material uncertainties in relation to going concern
- requiring an auditor's statement as to whether any material inconsistencies between the audited financial statements and other information have been identified
- prominent placement of the auditor's opinion and other entity specific information in the auditor's report
- providing transparency about the audit and clarification of the responsibilities of the auditor, management and those charged with governance.

In my capacity as an IAASB member, I participated in the Auditor Reporting Task Force, which met on numerous occasions this year. I also chaired the "building blocks" sub-committee of that task force.

The AUASB will host roundtables in Australia during the public comment period, to obtain the views and comments of Australian constituents on the consultation document. The roundtables aim to deliver valuable input to the AUASB's formal submission to the IAASB. In addition, Prof. Arnold Schilder (IAASB Chairman) will be speaking at several events on 1-3 October in Melbourne and Sydney on this and other relevant IAASB related topics.

Throughout the year, I also met on different occasions, with The Treasury, the FRC Chairman, and others, and participated in the FRC Taskforce on Audit Quality, to address concerns as to whether we have an adequate system of auditor regulation to support Audit Quality in Australia.

Professional Scepticism

During the year the IAASB, UK Auditing Practices Board and the Canadian AASB issued various papers emphasising to auditors the importance of an attitude of professional scepticism when performing their role.

The AUASB prioritised the issue of a Bulletin titled, *Professional Scepticism in an Audit of a Financial Report*, aimed at reminding auditors to remain alert to issues associated with prolonged economic uncertainty that may impact on the audit approach.

Auditing Considerations in a Prolonged Uncertain Economic Environment

In December 2011 the IAASB issued a press release entitled *Economic Conditions to Challenge Preparers and Auditors Alike: Focus Must Include Going Concern Assumption and Adequacy of Disclosures*.

The AUASB prioritised revision of its Bulletin – *Auditing Considerations in a Prolonged Uncertain Economic Environment*.

LOCAL DEVELOPMENTS AND ISSUES

Regulatory liaison and assistance

The AUASB staff and I liaised with relevant regulatory bodies during the year on various matters, including:

- Australian Charities and Not-for-Profits Commission (ACNC) – in relation to auditing and review requirements for financial reports to be submitted in 2013 under the new ACNC regulatory framework
- Business Reporting Leaders Forum – regarding assurance considerations for integrated reporting
- Australian Prudential Regulation Authority (APRA) regarding audit requirements of various prudential standards for APRA-regulated entities
- ASIC in relation to its audit inspection regime and audit requirements of the *Corporations Act 2001* and various regulatory guides
- Treasury, regarding the Standard Business Reporting and XBRL program, Audit Quality, and Corporate Reporting Reform program
- Financial Reporting Council (FRC) in relation to Integrated Reporting and Audit Quality taskforces.

Assurance on water accounting reports

The Water Accounting Standards Board (WASB), an independent advisory board to the Australian Government's Bureau of Meteorology, is working with the water industry to develop consistent standards for water accounting. During the year, the AUASB continued working with the WASB on the development of an assurance standard for water accounting reports. A discussion paper was released in August 2011, and an exposure draft on the proposed joint assurance standard is expected to be released in December 2012.

Climate change

The AUASB issued a new standard on *Assurance on Greenhouse Gas Statements* effective for reporting periods commencing on or after 1 July 2012 which coincides with the first reporting period for emitters liable for carbon units under the Australian Government's Clean Energy Scheme (CES). The AUASB is also working on a guidance statement which will link the National Greenhouse and Energy Reporting Scheme (NGERS) and CES assurance requirements with the requirements of the AUASB standards.

The AUASB has undertaken extensive liaison with the Department of Climate Change and Energy Efficiency (DCCEE), regarding assurance on sustainability matters relating to the CES and NGERS reports and audit requirements. The AUASB continues to have significant discussions with DCCEE in relation to the application of the new standard and the development of further assurance guidance on how best to apply this standard in the context of the NGERS regulatory framework.

Auditing Standards

The current suite of ASAs was issued in October 2009 and is operative for financial reporting periods that commenced on or after 1 January 2010. These standards conform with the equivalent International Standards on Auditing (ISAs) issued by the IAASB, thereby promoting the consistent application of auditing standards globally.

With the issue of these ASAs, the AUASB's primary initiative has shifted to contributing to their successful implementation. To this end, the AUASB has undertaken and will continue to undertake significant work to communicate to auditors and other assurance practitioners the key changes in the ASAs that resulted from their redrafting and revision. This work includes making various presentations in informational sessions in various cities, which started in the prior period and continued throughout 2011–2012.

In view of the above, the AUASB undertook the following activities in the year ended 30 June 2012:

- development of articles, that highlighted key principles and major changes in the revised and redrafted ASAs, for publication in the professional accounting body journals
- presentations at a number of conferences in conjunction with the professional accounting bodies and various firms monitoring the implementation of the revised and redrafted ASAs, including providing feedback to the IAASB through its *Clarity* ISA implementation project task force.

Other Standards and Guidance

The AUASB's work during the year included the release of:

A new standard on related services issued for comfort letter engagements

A new assurance standard for assurance on greenhouse gas statements

New and revised guidance on:

- auditing self-managed superannuation funds
- audit implications of the use of service organisations for investment management services
- special considerations in auditing financial instruments.

Compliance

The AUASB ensured that in all instances, it complied with the Australian Government's Best Practice Regulation requirements, administered through the Office of Best Practice Regulation (OBPR).

CONTRIBUTE TO AND INFLUENCE INTERNATIONAL STANDARD SETTING

Participation in the IAASB and international taskforces

Since 1 January 2011, I have participated as a member of the IAASB and subsequently on the IAASB task forces on Auditor Reporting, Audit Quality and ISA Implementation Monitoring projects. The Executive Director of the AUASB, Mr Richard Mifsud, also attends IAASB meetings as my technical advisor. I also chair a sub-committee of the Auditor Reporting Task Force.

The AUASB continues to take a strong interest in the development, both locally and internationally, of an audit quality framework to increase understanding of audit quality and how it can be further enhanced. The IAASB Audit Quality taskforce met regularly throughout 2011 and with the issuance of the ITC on auditor reporting, recommenced activity in July 2012.

Furthermore, the AUASB has participated in the work of the ISA Implementation Monitoring project by facilitating IAASB surveys of audit committees and small practitioners in Australia. I was also involved in leading a presentation on the project at the IAASB and NSS meeting in late April 2012.

The following AUASB members also participated as members of IAASB taskforces that have worked to revise IAASB standards:

- Ms Dianne Azoor Hughes – Review Engagements and Compilation Engagements projects
- Mr David Simmonds – Assurance on Pro-forma Financial Information project.

Submissions to the IAASB

The AUASB actively monitors IAASB activities and provides submissions on IAASB exposure drafts and requests for comments. Submissions were made on the following key issues:

- enhancing the value of auditor reporting; exploring options for change
- revision of ISAE 3000 assurance engagements other than audits or reviews of historical financial information

ISA implementation monitoring project: survey of implementation of the clarity ISAs by small and medium practices. In addition to feedback from website communication, we received valuable input from roundtable discussions and individual meetings held with stakeholders during the year. This feedback was considered in formulating the AUASB submissions to the IAASB.

National Standard Setters Meeting

In late April 2012, the AUASB Executive Director, Mr Richard Mifsud and I attended a meeting of the IAASB and National Standard Setters (NSS) in New York, where delegates from a wide range of nations met to discuss international audit and assurance standard setting issues. Attendance at this key global forum ensures that Australia remains at the forefront of important developments in auditing and assurance practice at the international level and has an opportunity to influence the IAASB strategic agenda.

In order to promote an example of original work undertaken by the AUASB, I presented on the AUASB's development of its revised standard on *Agreed Upon Procedures Engagements* to the meeting.

Harmonisation of Australian and New Zealand Auditing Standards

The strategy to work more closely with the New Zealand Auditing and Assurance Standards Board (NZAuASB) to facilitate harmonisation of auditing and assurance standards in Australia and New Zealand is well underway. Cross appointment of the Chairs of the AUASB and NZAuASB to the respective boards from 1 July 2011 has enhanced the relationship and we are endeavouring to progress certain joint initiatives on auditing and assurance matters.

The Boards worked together on the following projects:

- developing a joint trans-Tasman policy statement on standards that outlines the principles of convergence with international auditing standards and harmonisation of trans-Tasman standards
- developing a paper that demonstrates the Auditing Standards can be used in an efficient and effective manner to achieve quality audits of small entities commensurate to the size and complexity of the engagement. The AUASB approved issue of this document as a Bulletin – *Applying the Auditing Standards on Audits of Smaller Entities in Australia and New Zealand*.

During the year, I also participated in meetings of the Trans-Tasman Accounting and Auditing Standards Advisory Group (TTAASAG), which brings together governmental and other stakeholders to work towards harmonisation of requirements and structures between Australia and New Zealand.

COMMUNICATE AND CONSULT WITH CONSTITUENTS

Speaking engagements

Senior AUASB staff members and I participated in various speaking engagements during the year, focusing on the implications of the auditing and assurance standards for the profession and the current and future direction of the AUASB. These engagements included presentations at conferences run by the accounting bodies and various firms.

Consultative Meeting

The annual Consultative Meeting with stakeholders was very successful in gaining valuable input from constituents on the AUASB's initiatives. The Consultative

Meeting was held in Melbourne on 29 November 2011 and the next meeting is scheduled for 27 November 2012.

Other Submissions

In addition to submissions made to the IAASB, submissions were also made to various external organisations on matters of relevance to audit and assurance. These included responses to the following:

- the Australian Professional and Ethical Standards Board (APESB) Exposure Draft 03/11 on the proposed amendments to APES 110 *Code of Ethics for Professional Accountants*
- the Department of Climate Change and Energy Efficiency on the *Clean Energy Legislative Package*
- the Water Accounting Standards Board on Exposure Draft of *Australian Water Accounting Standard 1: Preparation and Presentation of Water Accounting Reports*.

Communication

AUASB *Meeting Highlights* and *Minutes* that report the outcomes of each Board meeting are published on the AUASB website. The *International Update* is also published for each Board meeting summarising the significant news and activities of various standard-setting bodies.

OUTLOOK

The AUASB will continue to monitor the implementation of the *Clarity* standards, with a view to determining whether the new standards, with their revised format, are being understood and applied consistently by auditors, and providing auditors with the tools to perform their work efficiently and effectively in an ever changing and increasingly complex market place. Feedback on implementation will be shared with the IAASB.

The AUASB will also continue to participate in and closely monitor IAASB projects for any implications on the Australian auditing standards and guidance.

The AUASB will monitor the AASB Reduced Disclosure Regime project to determine the potential impact on audit practice. The proposed new accounting standards are expected to significantly reduce the disclosure burden of many entities preparing general purpose financial reports in Australia and, consequently, there are likely to be direct impacts on the audit of certain entities.

The AUASB will also continue to issue new and revised auditing standards and guidance statements, which provide industry and situation guidance.

Other major projects in progress, or to be undertaken in the coming year, include:

Revised assurance standards on -

- fundraisings and prospective financial information, and compilation of proforma financial information
- internal control and the effectiveness of control procedures
- assurance engagements other than audits or reviews of historical financial information
- compliance and performance engagements

New assurance standards on -

- water accounting reports – in conjunction with the WASB.

New and revised guidance statements on -

- APRA related guidance statements including:
 - authorised deposit-taking institutions
 - general insurers
 - life insurance entities
 - superannuation funds
- auditing self-managed superannuation funds
- greenhouse gas emissions
- review engagements
- engagements for the audit of grant acquittals – new guidance.
- auditing privity letter requests

In respect of the IAASB's consultation document *Invitation to Comment – Improving the Auditor's Report*, the AUASB will host roundtables in Australia during the public comment period, to obtain the views and comments of Australian constituents on the consultation document. The roundtables aim to deliver valuable input to the AUASB's formal submission to the IAASB. In addition, Prof. Arnold Schilder (IAASB Chairman) will be speaking at several events on 1-3 October in Melbourne and Sydney on this and other relevant IAASB related topics.

Other emerging issues will be monitored and responded to in a timely manner as we move further into the new financial year.

ACKNOWLEDGEMENTS

I would like to thank the members of the AUASB for their considerable contributions over the past year. I especially would like to thank Mr Mike Blake who retired from the Board on 31 December 2011, after serving for five years as a Board member.

Ms Elizabeth Johnstone, Mr Colin Murphy, Mr Greg Pound and Mr David Simmonds were re-appointed as members of the AUASB following expiration of their previous terms.

Mr Neil Cherry, Chairman of the NZAuASB, was appointed to the Board for a term of 3 years commencing 1 July 2011 and Prof. Nonna Martinov-Bennie was also appointed for a term of three years commencing 1 January 2012.

Particular thanks go to the FRC and its Chairman, Ms Lynn Wood, for providing strategic oversight and support of AUASB activities.

My thanks also go to our constituents, who respond to exposure drafts and make time to participate in consultative meetings and project advisory groups.

I would also like to express my appreciation to Mr Richard Mifsud, Executive Director, and to the staff of the Office of the AUASB, which comprised Anna Cooshna, Susan Fraser, Claire Grayston, Alan Marrone, Marina Michaelides, Howard Pratt, Christine Purtell and Patricia Wales, for their work in supporting the AUASB. Thanks are also extended to the administrative staff of the AASB for administrative support services provided to the AUASB over the past year.



Merran H Kelsall
Chairman
4 September 2012

AUASB Overview



AUASB OVERVIEW

The AUASB is an Australian Government Agency under the *Australian Securities and Investments Commission Act 2001* (ASIC Act) .

Under section 227B (1) of the ASIC Act, the functions of the AUASB are:

- (a) to make auditing standards under section 336 of the *Corporations Act 2001*, for the purposes of the corporations legislation;
- (b) to formulate auditing and assurance standards for other purposes;
- (c) to formulate guidance on auditing and assurance matters;
- (d) to participate in and contribute to the development of a single set of auditing standards for worldwide use; and
- (e) to advance and promote the main objects of Part 12 of the ASIC Act. Section 224 (aa) of the ASIC Act states the objectives of Part 12, which include:

“To facilitate the development of auditing and assurance standards and related guidance materials that:

- (i) provide Australian auditors with relevant and comprehensive guidance in forming an opinion about, and reporting on, whether financial reports comply with the requirements of the *Corporations Act 2001*; and
- (ii) require the preparation of auditors’ reports that are reliable and readily understandable by the users of financial reports to which they relate.”

Other relevant objectives of Part 12 are summarised below:

- to facilitate the Australian economy by having (accounting and) auditing standards that are clearly stated and easy to understand; and
- to maintain investor confidence in the Australian economy (including its capital markets).

MISSION OF THE AUASB

The mission of the AUASB is to develop, in the public interest, high-quality auditing and assurance standards and related guidance, as a means to enhance the relevance, reliability and timeliness of information provided to users of audit and assurance services.

Sound public-interest oriented auditing and assurance standards are necessary to reinforce the credibility of the auditing process for those who use audited financial information.

The AUASB contributes to public confidence in the financial reporting and corporate governance frameworks by issuing auditing standards, which are legally enforceable for audits and reviews of financial reports required under the *Corporations Act 2001*, other auditing and assurance pronouncements and related guidance.

The role of the AUASB also extends to liaison with other national standard setters and participating in standard setting initiatives of the IAASB to develop a single set of auditing standards for worldwide use. Such involvement seeks to contribute ultimately to the quality of AUASB pronouncements.

PORTFOLIO OUTCOME AND OUTPUT STRUCTURE

Outcome 1: The formulation and making of auditing and assurance standards that are used by auditors of Australian entity financial reports or for other auditing and assurance engagements.

The key strategies to achieve Outcome 1 are:

- making auditing standards under section 336 of the *Corporations Act 2001* for use by Australian auditors who are undertaking audit engagements for the purpose of Corporations legislation, including facilitating and monitoring the implementation of the revised *Clarity* Australian Auditing standards;
- formulating auditing and assurance standards and related guidance for use by Australian auditors who are undertaking auditing and assurance engagements for purposes other than the purposes of the Corporations legislation;
- providing Australian participation in, and contribution to, the development of a single set of auditing standards for worldwide use; and
- the AUASB continuing its role in the development of auditing and assurance standards guidance, identifying emerging auditing and assurance issues and contributing to and influencing the development of international auditing standards, including key International Auditing and Assurance Standards Board (IAASB) projects on auditor reporting, audit quality, and monitoring implementation of international auditing standards.

REPORT ON PERFORMANCE

This section outlines the outputs of the Board during 2011-12, as well as the progress made on the 2011-12 Work Program.

The AUASB operations are based on a three-year Corporate Strategic Plan and an Annual Business Plan. Outcomes against the business plan and work program are monitored monthly.

The Office of the AUASB had no significant changes in financial results from the previous year, or from the budgeted financial statements for the financial year as set out in the Portfolio Budget Statement/Portfolio Additional Estimate Statement.

Agency Resource Statement

	Actual Available Appropriations \$	Payments Made \$	Balance Remaining \$
Ordinary annual services			
Departmental			
Prior year departmental appropriation	1,296,319	181,764	1,114,555
Departmental appropriation	2,315,000	1,919,389	395,611
Section 31 relevant agency receipts	-	-	-
Total ordinary annual services	3,611,319	2,101,153	1,510,166
Departmental non-operating			
Equity injection	-	-	-
Total other services	-	-	-
Special accounts			
Opening balance	-	-	-
Appropriation receipts	-	-	-
Total special accounts	-	-	-
Total resourcing and payments	3,611,319	2,101,153	1,510,166

Agency Summary Resource Table by Outcomes

Office of the AUASB: Resources for outcomes 2011-12

	Budget \$	Actual Expenses \$	Variation \$
Outcome 1:			
The formulation and making of auditing and assurance standards that are used by auditors of Australian entity financial reports or for other auditing and assurance engagements			
Output Group 1.1:			
AUASB			
Departmental expenses			
Ordinary annual services (Appropriation Bill No. 1)	2,270,000	2,083,741	186,259
Revenues from independent sources (section 31)	31,000	31,288	(288)
Special accounts	-	-	-
Expenses not requiring appropriation	96,000	85,577	10,423
Less revenue to be carried forward	-	-	-
Total for Outcome 1	2,397,000	2,200,606	196,394

OUTPUTS

Output Groups	2011–12 Target	Output to 30 June 2012
Formulate and maintain legally enforceable auditing standards	<p>Monitor implementation of the ASAs including:</p> <ul style="list-style-type: none"> development of articles that will highlight key principles; present at various information sessions; monitor implementation and provide feedback to IAASB Consider Australian legislation and international developments that may require amendments to ASAs 	<p>The AUASB monitored the implementation of the Australian Auditing Standards and:</p> <p>Published four articles in media and journals of the accounting bodies</p> <p>Presented at various seminars and information sessions</p> <p>Monitored implementation of auditing standards and provided feedback on Part 1 of the IAASB survey</p> <p>Issued <i>Explanatory Guide: Opening Balances</i> in May 2012</p> <p>Revision of standards in progress:</p> <ul style="list-style-type: none"> review engagement standards reporting on a financial report consideration of other information quality control
Formulate and maintain other auditing and assurance standards	<p>Issue new auditing standard on related services</p> <p>Issue new standards on assurance engagements</p>	<p>ASRS 4450 <i>Comfort Letter Engagement</i> (issued 30 May 2012, following exposure draft for public comment issued 30 September 2011)</p> <p>ASAE 3410 <i>Assurance on Greenhouse Gas Statements</i> (issued 28 June 2012 following exposure draft for public comment issued 9 May 2012)</p> <p>Projects in progress include:</p> <ul style="list-style-type: none"> fundraisings and prospective information – ASAEs 3420 and 3450 internal controls assurance on water accounting reports (Consultation Paper: <i>Assurance Engagements for General Purpose Water Accounting Reports</i> issued September 2011)

Auditing and Assurance Standards Board Annual Report 2011–12

Output Groups	2011–12 Target	Output to 30 June 2012
Formulate and maintain guidance pronouncements	Issue new and revised guidance pronouncements on auditing and assurance matters	<p>New or revised guidance statements were issued on the following:</p> <ul style="list-style-type: none"> • GS 009 <i>Auditing Self-managed Superannuation Funds</i> (issued August 2011) • GS 007 <i>Audit Implications of the Use of Service Organisations for Investment Management Services</i> (issued October 2011) • GS 020 <i>Special Considerations in Auditing Financial Instruments</i> (issued March 2012) <p>Projects in progress include revision of guidance statements on:</p> <ul style="list-style-type: none"> • APRA related guidance statements on <ul style="list-style-type: none"> - authorised deposit-taking institutions - general insurers - life insurance - superannuation funds • grant acquittals • greenhouse gas emissions • privity letter requests • review engagements • superannuation <p>Bulletin issued; <i>Applying Auditing Standards on Audits of Smaller Entities in Australia and New Zealand</i> issued June 2012</p> <p>Bulletins in progress: <i>Auditing Considerations in a Prolonged Uncertain Economic Environment</i> <i>Professional Scepticism in an Audit of a Financial Report</i></p>
Contribute to and influence the development of international auditing standards	Attend IAASB meeting and annual NSS meeting	The Chairman and Executive Director participated in all IAASB meetings and the annual IAASB NSS meeting held 26-27 April 2012
	Contribute to and participate in designated IAASB projects	<p>AUASB members participated in IAASB task forces on:</p> <ul style="list-style-type: none"> • auditor reporting • audit quality • ISA Implementation monitoring • pro-forma financial information • review engagements and compilation engagements <p>The Chairman also chairs the “<i>building blocks</i>” sub-committee of the Auditor Reporting Task Force</p> <p>Updates on these projects were provided at all AUASB meetings</p>
	Monitor IAASB and other international projects with regard to AUASB work program	<p>The Chairman and Executive Director reported back to the Board on all IAASB meetings during the year</p> <p>Key IAASB agenda items were discussed at AUASB meetings</p>

Output Groups	2011–12 Target	Output to 30 June 2012
	Seek input and provide comment on IAASB exposure drafts and discussion papers	<p>Formal submissions were made on all IAASB exposure drafts and comment papers, including:</p> <ul style="list-style-type: none"> • Enhancing the Value of Auditor Reporting: Exploring Options for Change • ISAE 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information • ISA Implementation Monitoring Project- Survey of Implementation of the Clarity ISAs by Small and Medium Practices <p>The AUASB received and considered the views of stakeholders in formulating the above submissions via:</p> <ul style="list-style-type: none"> • AUASB website releases • roundtable discussions with key stakeholders • individual meetings with stakeholders on various topics
	Work with the NZAuASB to facilitate greater convergence and harmonisation of auditing standards in Australia and New Zealand	<p>The AUASB continues to work closely with the NZAuASB to facilitate greater convergence and harmonisation of auditing and assurance matters in Australia and New Zealand.</p> <p>Both Boards are working on the finalisation of a joint trans-Tasman policy statement on standards that outlines the principles of convergence with international auditing standards and harmonisation of trans-Tasman standards.</p> <p>The AUASB is working jointly with the NZAuASB on the following projects:</p> <ul style="list-style-type: none"> • Revision of AUS 810 <i>Special Purpose Reports on the Effectiveness of Control Procedures</i> and reissue as a new Standard on Assurance Engagements • Development of a paper on The Value of Audit - aimed at improving the understanding and consistent application of auditing and assurance standards. <p>The Chairman attended NZAuASB meetings as part of the cross board appointments of the respective Chairmen</p>
	Participate in periodic TAASAG meetings Liaise and engage with other national standard setters and regulatory bodies	<p>All TTAASAG meetings attended by the Chairman</p> <p>Ongoing liaison with other national auditing standard setters, including those from Canada, France, Germany, New Zealand, South Africa, USA and UK. International developments monitored and reported to the AUASB at each meeting</p>

Auditing and Assurance Standards Board Annual Report 2011–12

Output Groups	2011–12 Target	Output to 30 June 2012
	Monitor international developments on audit and assurance	<p>The AUASB monitored international developments from the IAASB, other national standard setters and other international regulatory bodies</p> <p>An <i>International Update</i> on key developments, including IAASB matters, was provided to AUASB at all Board meetings and was published on the AUASB website</p>
Communicate and consult with constituents	Liaise and engage with Australian regulatory bodies, professional bodies and other stakeholders	<p>Attendance at meetings with stakeholders and other liaison specific to issue of legally enforceable standards</p> <p>The Chairman participated in FRC meetings and the FRC taskforces on:</p> <ul style="list-style-type: none"> • Audit quality • Integrated reporting <p>The Chairman also participated in meetings of the ASIC Standing Chairs Advisory Committee on Accounting and Auditing</p>
	Communicate and consult on emerging issues	<p>Emerging issues addressed promptly via:</p> <ul style="list-style-type: none"> • website media releases • annual Consultative Meeting <p>roundtable discussions with key stakeholders</p>
	Issue media releases on new standards and other pronouncements	<p>Four articles on audit and assurance related issues were prepared for the Institute of Chartered Accountants in Australia publications</p> <p>Issues raised at the annual AUASB Consultative meeting held 29 November 2011 were addressed in the work plan to June 2011 and in the Business Plan for 2012–2013</p> <p>Media releases were issued for all new standards and guidance</p>
	Maintain the AUASB website	The AUASB website was updated regularly
Thought leadership and responding to emerging issues	Promote thought leadership, and research on emerging issues relevant to the AUASB	Public interest issues prioritised and addressed promptly
	Identify and respond on a timely basis to significant auditing and assurance issues of public interest	<p>Significant auditing and assurance issues of public interest responded to on a timely basis</p> <p>Revision of <i>Audit Committees: A Guide to Good Practice</i> approved in June 2012, (released 28 August)</p>
	Participate in the early stages of development of legislation and work with regulators in developing regulatory guides to better define audit requirements	<p>Assisted and provided technical advice to regulators and other standard-setters including:</p> <ul style="list-style-type: none"> • DCCEE and CER on audit requirements under NGERs • WASB • APRA

Output Groups	2011–12 Target	Output to 30 June 2012
	<p data-bbox="520 472 767 546">Identify and respond on a timely basis to significant issues of public interest</p> <p data-bbox="520 703 791 795">Track local and international research projects and consider implications for the AUASB</p>	<p data-bbox="863 367 1270 463">Regular liaison meetings with APRA and ASIC and periodic meetings with Treasury and other constituents on relevant auditing and assurance matters</p> <p data-bbox="826 472 1254 524">Key issues of public interest were addressed including:</p> <ul data-bbox="826 533 1270 752" style="list-style-type: none"> <li data-bbox="826 533 979 562">• audit quality <li data-bbox="826 562 1235 591">• standard business reporting and XBRL <li data-bbox="826 591 1075 620">• assurance on NGERs <li data-bbox="826 620 1139 649">• assurance on water reporting <li data-bbox="826 649 1235 701">• assurance considerations in integrated reporting <li data-bbox="826 710 1270 752">• International update prepared for each AUASB meeting and published on website

MANAGEMENT AND ACCOUNTABILITY

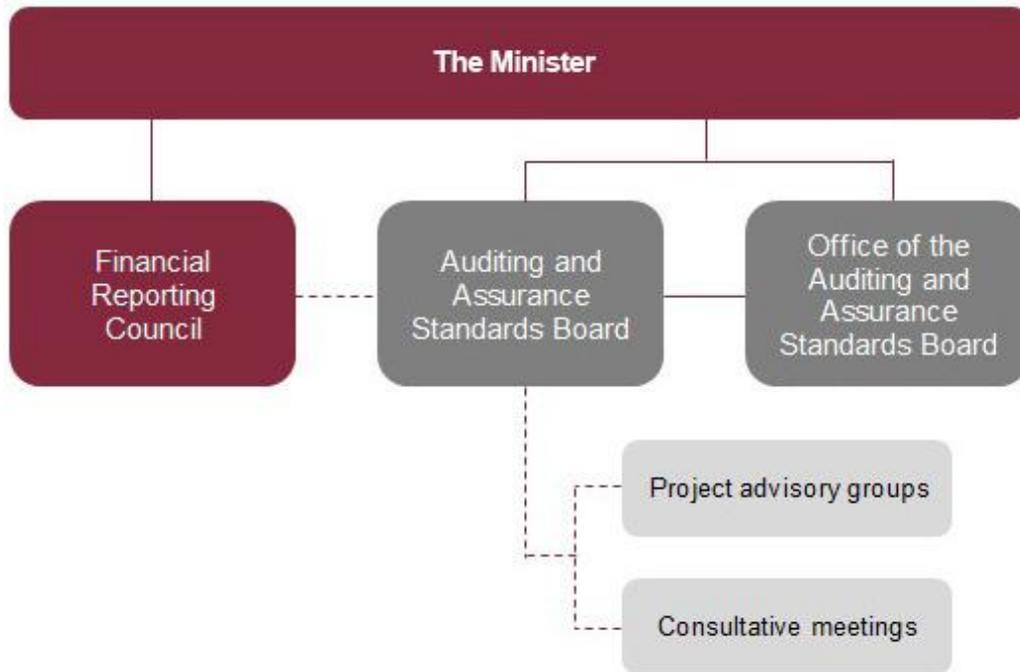
CORPORATE GOVERNANCE

The corporate governance practices of the AUASB and the Office of the AUASB comply with statutory and other external requirements, and aim to achieve sound administrative and financial management practice. They are designed to ensure the efficient, effective and ethical use of resources.

As part of its ongoing focus on effective governance arrangements, the Office of the AUASB periodically considers a range of issues, including:

- clear accountability mechanisms;
- its leadership, culture and communication;
- appropriate governance and committee structures;
- the effectiveness of its work with its stakeholders;
- comprehensive risk management, compliance and assurance systems; and
- strategic planning, performance monitoring and evaluation.

ORGANISATIONAL STRUCTURE



The Chairman is appointed by the Minister, while other Board members are appointed by the FRC.

Appointments may be made for a period of up to five years and retiring members are eligible for reappointment.

The Board met seven times during the year. Attendance of members at these meetings is set out in Appendix A.

The Minister

The Minister appoints the Chairman of the Auditing and Assurance Standards Board (AUASB). The Chairman of the AUASB is accountable to the Minister regarding the operations of the AUASB and the Office of the AUASB.

Financial Reporting Council

The Financial Reporting Council (FRC) provides broad strategic direction and advice to the AUASB and has oversight of the process for setting auditing and assurance standards in Australia. The FRC appoints Board members to the AUASB for various terms.

The AUASB provides periodic reports to the FRC on the AUASB's activities, including reports in relation to the setting of the Board's business plan priorities and its progress against the plan, for consideration at FRC meetings.

Auditing and Assurance Standards Board

The AUASB is an agency of the Australian Government responsible for making auditing standards under section 336 of the *Corporations Act 2001* for the purposes of the corporations legislation. The AUASB also formulates auditing and assurance standards for other purposes and participates in and contributes to the development of a single set of international auditing standards for worldwide use.

The Chairman of the AUASB reports to the Minister regarding the organisation's operations.

Office of the AUASB

The Office of the AUASB provides technical support and administrative services, information and advice to the AUASB. Responsible to the Minister for the financial management of the Office of the AUASB, the Chairman of the AUASB is also the Chief Executive Officer of the Office of the AUASB.

Membership

The AUASB comprises an independent part-time Chairman (appointed by the Minister) and 12 part-time members (appointed by the FRC).

The members during 2011–12 were:

Merran Kelsall, Chairman

Initially appointed Chairman by the Federal Treasurer 10 August 2004 until 9 August 2007, Merran Kelsall was re-appointed from 10 August 2007 until 9 August 2010, and again until 9 August 2013.

Ms Kelsall has a portfolio of independent directorships and considerable directorship, audit committee and corporate governance experience.

Jon Tyers, Deputy Chairman

Initially appointed 1 January 2005 until 31 December 2007, Jon Tyers was re-appointed until 31 December 2010 and again until 31 December 2013.

Mr Tyers is the Deputy Chairman of the AUASB and is General Manager, Internal Audit at Perpetual Limited in the Risk Group – Internal Audit.

Dianne Azoor Hughes

Initially appointed 1 January 2005 until 31 December 2006, Dianne Azoor Hughes was re-appointed until 31 December 2009, and again until 31 December 2012.

Ms Azoor Hughes is a partner of Pitcher Partners.

Mike Blake

Initially appointed 1 January 2006 until 31 December 2008, Mike Blake was re-appointed until 31 December 2011.

Mr Blake is the Auditor-General of Tasmania. Mr Blake retired from the AUASB on 31 December 2011.

Neil Cherry

Neil Cherry was appointed from 1 July 2011 until 30 June 2014.

Mr Cherry is also the Chairman of the New Zealand Auditing and Assurance Standards Board.

Valerie Clifford

Initially appointed 1 January 2008 until 31 December 2010, Valerie Clifford was re-appointed until 31 December 2012.

Ms Clifford is a partner of PricewaterhouseCoopers Australia.

John Gavens

Initially appointed 1 January 2008 until 31 December 2010, John Gavens was re-appointed until 31 December 2013.

Mr Gavens is a principal at Crowe Horwath.

Elizabeth Johnstone

Initially appointed from 1 January 2006 until 31 December 2008, Elizabeth Johnstone was re-appointed until 31 December 2011 and again until 31 December 2014.

Ms Johnstone has a portfolio of independent directorships and considerable directorship, audit committee and corporate governance experience.

Nonna Martinov-Bennie

Nonna Martinov-Bennie was appointed from 1 January 2012 until 31 December 2014.

Prof. Martinov-Bennie is Professor of Accounting and Director of The International Governance and Performance Research Centre (IGAP) at Macquarie University.

Colin Murphy

Initially appointed from 1 January 2009 until 31 December 2011, Colin Murphy was re-appointed until 31 December 2014.

Mr Murphy is the Auditor-General for Western Australia.

Greg Pound

Initially appointed from 1 January 2006 until 31 December 2008, Greg Pound was re-appointed until 31 December 2011 and again until 31 December 2014.

Mr Pound is an independent consultant on auditing and financial reporting matters.

David Simmonds

Initially appointed from 1 January 2006 until 31 December 2008, David Simmonds was re-appointed until 31 December 2011 and again until 31 December 2012.

Mr Simmonds is a partner at Ernst & Young.

Bernie Szentirmay

Appointed from 1 January 2011 to 31 December 2012.

Mr Szentirmay is a partner at KPMG.

Kristen Wydell

Appointed from 1 January 2011 to 31 December 2013.

Ms Wydell is a partner at Deloitte Touche Tohmatsu.

AUDIT COMMITTEE

The AUASB Chairman, as Chief Executive of the Office of the AUASB, has established an audit committee, with the functions and responsibilities required by the Finance Minister's Orders, in compliance with section 46 of the FMA Act.

During 2011–12, the Audit Committee membership was:

- Mr Stuart Alford, Chairman
- Ms Sue Tait
- Mr Kevin Stevenson, Chairman and CEO of the AASB.

During the financial year, the Audit Committee:

- reviewed the AUASB 2011–12 financial statements and recommended that they be adopted by the Chairman of the AUASB; and
- reviewed a report from the ANAO, which stated that there were no matters arising from the 2011–12 audit that should be brought to the attention of management or the Audit Committee.

FRAUD

The Office of the AUASB adopted a new Fraud Control Plan in July 2010. Currently, the Office of the AUASB has adequate fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet its needs and comply with the Commonwealth Fraud Control Guidelines (including the reporting aspects of those guidelines).

ETHICS

The staff of the Office of the AUASB are employed under individual employment contracts.

The AUASB has established a Code of Conduct that provides a guidance framework and principles for all staff undertaking their responsibility to the Office of the AUASB and Government, which include:

- respect for people;
- integrity and diligence;
- economy and efficiency; and
- managing conflicts of interest.

EXTERNAL SCRUTINY

The AUASB accounting records and financial statements are audited each year by the ANAO.

During the financial year, there were no judicial decisions or decisions of administrative tribunals or reports by the Auditor-General, a Parliamentary Committee or the Commonwealth Ombudsman concerning the performance of the AUASB.

MANAGEMENT OF HUMAN RESOURCES

As at 30 June 2012, the Office of the AUASB had four full-time and six part-time staff based in Melbourne (three males and seven females), comprising:

- 1 Chairman;
- 1 Executive Director;
- 7 Technical Group staff; and
- 1 Executive Assistant.

Certain support services are provided by the administration staff of the AASB.

The Chairman is employed pursuant to a contract for services with the AUASB, with her salary and other entitlements linked to salary scales and other entitlements determined by the Commonwealth Remuneration Tribunal.

The nature and amount of the remuneration of the Executive Director has been determined by the Chairman, having regard to comparable market levels of remuneration.

The salaries and other entitlements of employees of the Office of the AUASB are linked to comparable market levels of remuneration. Employees of the Office of the AUASB do not receive performance bonuses.

Formal performance appraisal meetings are held annually and regular informal feedback is encouraged to facilitate productive staff management.

Staff members attend seminars, conferences and training programs as required on topics related to the technical, policy or administrative work of the AUASB.

The AUASB has the capacity to employ staff under the ASIC Act, as well as under the *Public Service Act 1999*. All current staff are employed under the ASIC Act.

PURCHASING

The AUASB's general policy is that the purchase of any major capital items follow the Commonwealth Procurement Guidelines.

Information on expenditure on contracts and consultancies is also available on the AusTender website, www.tenders.gov.au.

CONSULTANTS

During the 2011–12 financial year, the AUASB did not engage any consultants as defined by the FMA Act.

AUSTRALIAN NATIONAL AUDIT OFFICE ACCESS CLAUSES

The AUASB has not entered into any contract of \$100,000 or more during the reporting period that does not provide for the Auditor-General to have access to the contractor's premises.

DISABILITY REPORTING

Since 1994, Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007–08, reporting on the employer role was transferred to the Australian Public Service Commission's State of the Service Report and the APS Statistical Bulletin. Those reports are available on the Australian Public Service Commission website (www.apsc.gov.au). From 2010–11, departments and agencies are no longer required to report on those functions.

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INDEPENDENT AUDITOR'S REPORT

To the Treasurer

I have audited the accompanying financial statements of the Office of the Auditing and Assurance Standards Board for the year ended 30 June 2012, which comprise: a Statement by the Chief Executive and Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; and Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

Chief Executive's Responsibility for the Financial Statements

The Chief Executive of the agency is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the agency's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive of the agency, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the Office of the Auditing and Assurance Standards Board:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Office of the Auditing and Assurance Standards Board's financial position as at 30 June 2012 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office



Carla Jago
Executive Director

Delegate of the Auditor-General

Canberra

4 September 2012

STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2012 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.



Merran Kelsall
Chief Executive Officer
3 September 2012



Litsa Pillios
Chief Financial Officer
3 September 2012

Statement of Comprehensive Income
for the period ended 30 June 2012

	Notes	2012 \$	2011 \$
EXPENSES			
Employee benefits	3A	1,470,315	1,351,181
Supplier expenses	3B	666,277	692,264
Depreciation and amortisation	3C	61,577	63,949
Finance costs	3D	2,437	3,697
Write-down and impairment of assets	3E	-	1,321
Total expenses		2,200,606	2,112,412
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4A	195	109
Rental income	4B	31,093	29,905
Other revenue	4C	-	1,100,000
Total own-source revenue		31,288	1,130,014
GAINS			
Other gains	4D	24,000	23,500
Total gains		24,000	23,500
Total own-source income		55,288	1,153,514
Net cost of services		2,145,318	958,898
Revenue from Government	4E	2,270,000	1,106,000
Surplus attributable to the Australian Government		124,682	147,102
OTHER COMPREHENSIVE INCOME			
Revaluation of infrastructure, plant and equipment		-	(3,104)
Restatement of make-good provision		(8,793)	-
Actuarial gains/(losses) on defined benefit plans		(224,000)	(31,000)
Total other comprehensive income		(232,793)	(34,104)
Total comprehensive income attributable to the Australian Government		(108,111)	112,998

The above statement should be read in conjunction with the accompanying notes.

Balance Sheet
 as at 30 June 2012

	Notes	2012 \$	2011 \$	2010 \$
ASSETS				
Financial assets				
Cash and cash equivalents	5A	172,524	184,310	156,705
Trade and other receivables	5B	1,377,652	1,120,094	925,543
Total financial assets		1,550,176	1,304,404	1,082,248
Non-financial assets				
Infrastructure, plant and equipment	6A,C	195,704	248,074	300,105
Intangibles	6B,C	10,452	17,747	1,453
Other non-financial assets	6D	5,246	3,455	11,103
Total non-financial assets		211,402	269,276	312,661
Total assets		1,761,578	1,573,680	1,394,909
LIABILITIES				
Payables				
Suppliers	7A	64,312	44,582	41,288
Other payables	7B	295,337	337,700	373,286
Total payables		359,649	382,282	414,574
Provisions				
Employee provisions	8A	533,680	271,268	221,900
Other provisions	8B	82,607	71,377	67,680
Total provisions		616,287	342,645	289,580
Total liabilities		975,936	724,927	704,154
Net assets		785,642	848,753	690,755
EQUITY				
Contributed equity		90,000	45,000	-
Asset revaluation reserve		21,518	30,311	33,415
Retained surplus		674,124	773,442	657,340
Total equity		785,642	848,753	690,755

The above statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
for the period ended 30 June 2012

	Retained earnings		Asset revaluation reserve		Contributed equity/capital		Total equity	
	2012	2011	2012	2011	2012	2011	2012	2011
Opening balance								
Balance carried forward from previous period	773,442	743,485	30,311	33,415	45,000		848,753	776,900
Adjustment for errors (see note 7B)		(86,145)						(86,145)
Adjusted opening balance	773,442	657,340	30,311	33,415	45,000		848,753	690,775
Comprehensive income								
Other comprehensive income,								
Revaluation of infrastructure, plant and equipment	-	-	-	(3,104)	-	-	-	(3,104)
Restatement of make-good provision	-	-	(8,793)	-	-	-	(8,793)	-
Actuarial gains/(losses)	(224,000)	(31,000)	-	-			(224,000)	(31,000)
Surplus for the period	124,682	147,102	-	-			124,682	147,102
Total comprehensive income	(99,318)	116,102	(8,793)	(3,104)			(108,111)	112,998
of which:								
Attributable to the Australian Government	(99,318)	116,102	(8,793)	(3,104)			(108,111)	112,998
Transactions with owners								
Contribution by owners								
Departmental capital budget	-	-	-	-	45,000	45,000	45,000	45,000
Closing balance as at 30 June	674,124	773,442	21,518	30,311	90,000	45,000	785,642	848,753
Closing balance attributable to the Australian Government	674,124	773,442	21,518	30,311	90,000	45,000	785,642	848,753

The above statement should be read in conjunction with the accompanying notes.

Cash Flow Statement

for the period ended 30 June 2012

	Notes	2012	2011
		\$	\$
OPERATING ACTIVITIES			
Cash received			
Appropriations		2,087,259	1,513,986
Goods and services		-	109
Net GST received		60,478	71,459
Other cash received		41,962	1,211,200
Total cash received		2,189,699	2,796,754
Cash used			
Employees		1,431,903	1,332,813
Suppliers		751,178	788,367
Net GST paid		18,404	62,768
Section 31 receipts transferred to Official Public Account		-	585,201
Total cash used		2,201,485	2,769,149
Net cash flows from (used by) operating activities	9	(11,786)	27,605
INVESTING ACTIVITIES			
Cash used			
Purchase of infrastructure, plant and equipment		1,913	32,638
Total cash used		1,913	32,638
Net cash flows from (used by) investing activities		(1,913)	(32,638)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		1,913	32,638
Total cash received		1,913	32,638
Net cash flows from (used by) financing activities		1,913	32,638
Net increase / (decrease) in cash held		(11,786)	27,605
Cash and cash equivalents at the beginning of the reporting period		184,310	156,705
Cash and cash equivalents at the end of the reporting period	5A	172,524	184,310

The above statement should be read in conjunction with the accompanying notes.

Schedule of Commitments

as at 30 June 2012

	2012 \$	2011 \$
BY TYPE		
Commitments receivable		
Sublease rental income ¹	154,908	189,224
GST recoverable on commitments	122,182	148,378
Total commitments receivable	277,090	337,602
Commitments payable		
Operating leases ²	(1,343,999)	(1,632,160)
GST payable on commitments	(14,083)	(17,202)
Total commitments payable	(1,358,082)	(1,649,362)
Net commitments by type	(1,080,992)	(1,311,760)
BY MATURITY		
Commitments receivable		
Operating lease income		
One year or less	35,689	34,316
From one to five years	119,219	154,908
Over five years	-	-
Total operating lease income	154,908	189,224
Other commitments receivable		
One year or less	28,190	27,323
From one to five years	93,992	121,055
Over five years	-	-
Total commitments receivable	122,182	148,378
Commitments payable		
Operating lease commitments payable		
One year or less	(310,091)	(300,549)
From one to five years	(1,033,908)	(1,331,611)
Over five years	-	-
Total operating lease commitments payable	(1,343,999)	(1,632,160)
GST payable on commitments		
One year or less	(3,245)	(3,120)
From one to five years	(10,838)	(14,082)
Over five years	-	-
Total GST payable on commitments	(14,083)	(17,202)
Net commitments by maturity	(1,080,992)	(1,311,760)

NB: Commitments are GST inclusive where relevant.

(1) Part of the leased area is sub-let and this represents the revenue from the sub-lease.

(2) Operating leases are effectively non-cancellable and comprise:

Nature of lease	General description of leasing arrangement
Lease for office accommodation	Lease payments are subject to increase of 4 percent per annum as per lease agreement.
Lease for photocopier	The lessor provides a photocopier for 48 months at a fixed instalment rate.

The above schedule should be read in conjunction with the accompanying notes.

Schedule of Contingencies

as at 30 June 2012

There are no known contingencies as at 30 June 2012.

(Nil contingencies as at 30 June 2011.)

The above schedule should be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of AUASB

The Office of the Auditing and Assurance Standards Board (Office of the AUASB) is an Australian Government agency, which provides technical and administrative support to the AUASB. The Office of the AUASB is the financial entity and is governed by the *Financial Management and Accountability Act 1997* (FMA Act), whilst the AUASB is a statutory committee under the *ASIC Act*.

The objective of the Office of the AUASB is to develop, in the public interest, high quality auditing and assurance standards and related guidance as a means to enhance the relevance, reliability and timeliness of information provided to users of audit and assurance services.

The Office of the AUASB is structured to meet one outcome: the formulation and making of auditing and assurance standards and guidance that are used by auditors of Australian entity financial reports or for other auditing and assurance engagements.

The key strategies to achieve this outcome are:

- to make auditing standards under section 336 of the *Corporations Act 2001* and related guidance for use by Australian auditors who are undertaking audit engagements for the purposes of Corporations legislation, including facilitating and monitoring the implementation of the revised *Clarity* Australian Auditing standards
- to formulate auditing and assurance standards and related guidance for use by Australian auditors who are undertaking auditing or assurance engagements for purposes other than the Corporations legislation
- to provide Australian participation in, and contribution to, the development of a single set of auditing standards for worldwide use

- to continue its role in the development of auditing and assurance standards and guidance, identifying emerging auditing and assurance issues and contributing to and influencing the development of international auditing standards.

The continued existence of the Office of the AUASB, in its present form and with its present programs, is dependent on Government policy and on continuing appropriations by Parliament for the Office of the AUASB's administration.

1.2 Basis of Preparation of the Financial Report

The financial report of the Office of the AUASB is required by section 49 of the FMA Act and is a general purpose financial report.

The financial report has been prepared in accordance with:

- Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2011; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial report has been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial report is presented in Australian dollars.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. Unrecognised liabilities and assets are reported in the schedule of commitments and schedule of contingencies.

Unless an alternative treatment is specifically required by an accounting standard or the FMO, income and expenses are recognised in the statement of comprehensive income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

1.3 Significant Accounting Judgements and Estimates

The following judgement has a significant impact on the amounts recorded in the financial statements:

The AUASB contributes, for some long serving employees, to a closed defined benefit superannuation plan. The accounting for that plan involves assumptions and

estimates (including those relating to expected periods of service, salary changes and rates of return on plan assets) by the plan's actuaries which the AUASB assesses and, when satisfied, accepts. Those assumptions and estimates do, as for most such plans, change over time as better information becomes available. The changes can affect the expense and liability for superannuation benefits.

There are no other accounting assumptions or estimates identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

1.4 Changes in Australian Accounting Standards

(a) Adoption of New Australian Accounting Standards Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. No new accounting standards, amendments to standards and interpretations issued, that are applicable in the current period, have had a material financial effect on the Office of the AUASB.

(b) Future Australian Accounting Standard Requirements

New standards, amendments to standards, and interpretations that are applicable to future periods have been issued by the AASB. It is estimated that adopting these pronouncements, when effective, will have no material impact on future reporting periods. The AUASB plans to adopt these pronouncements when they become effective.

Pronouncement Number	Pronouncement Title	Effective on or after
AASB 119	Employee Benefits	1/1/2013
AASB 13	Fair Value Measurement	1/1/2013
AASB 2011-8	Amendments to Australian Accounting Standards arising from AASB 13	1/1/2013
AASB 2011-10	Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)	1/1/2013

1.5 Revenue

(a) Revenue from Government

Amounts appropriated for departmental output appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue when the Office of the AUASB gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

(b) Other Types of Revenue

Revenues from contributions are recognised at nominal amounts when invoiced in accordance with agreed schedules of payment (annually or quarterly).

Revenue from the sale of goods is recognised when: the risks and rewards of ownership have been transferred to the buyer; the Office of the AUASB retains no managerial involvement nor effective control over the goods; the revenue and transaction costs incurred can be reliably measured; and it is probable that the economic benefits associated with the transaction will flow to the Office of the AUASB.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value as revenue when the asset qualifies for recognition.

1.6 Gains

(a) Resources Received Free of Charge

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

(b) Sale of Assets

Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

1.7 Transactions with the Government as Owner

(a) Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets are recognised directly in contributed equity in that year.

1.8 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within 12 months of balance date, are measured at their undiscounted amounts.

The undiscounted amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

(a) Leave

The liability for employee benefits includes provision for annual leave and long-service leave. No provision has been made for sick leave because all sick leave is non-vesting.

The leave liabilities are calculated on the basis of employees' remuneration, including the Office of the AUASB employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long-service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

(b) Superannuation

The Office of the AUASB sponsors the AASB Superannuation Plan.

The defined benefit plan requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised in retained earnings.

The defined benefit liability recognised in the balance sheet represents the present value of the defined benefit obligation, net of the fair value of the plan assets.

1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased non-current assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

The Office of the AUASB has no finance leases.

Operating lease payments are expensed on a straight-line basis, which is representative of the pattern of benefits derived from the leased assets.

1.10 Cash

Cash and cash equivalents include notes and coins held and any deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Cash is recognised at its nominal amount.

1.11 Financial Assets

The Office of the AUASB's financial assets comprise 'loans and receivables'.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised upon 'trade date'.

(a) Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date. The latter are classified as non-current assets.

Loans and receivables are measured at their amortised cost.

(b) Impairment of Financial Assets

Financial assets are assessed for impairment at each balance date.

Financial assets held at amortised cost: if there is objective evidence that an impairment loss has been incurred for loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the recoverable amount. The carrying amount is reduced by way of an allowance account. The loss is recognised in the statement of comprehensive income.

1.12 Financial Liabilities

The Office of the AUASB's financial liabilities comprise 'suppliers and other payables'.

Financial liabilities are recognised and derecognised upon 'trade date'.

(a) Supplier and Other Payables

Suppliers and other payables are recognised at their amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.13 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when

settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

1.14 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

1.15 Infrastructure, Plant and Equipment

(a) Asset Recognition Threshold

Purchases of infrastructure, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$300, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site. These costs are included in the Office of the AUASB's other non-financial assets with a corresponding provision for restoration obligations recognised.

(b) Revaluations

Fair values for each class of asset are determined as shown below:

	2012	2011
Leasehold Improvements	Depreciated replacement cost or market selling price	Depreciated replacement cost or market selling price
Plant and Equipment	Depreciated replacement cost or market selling price	Depreciated replacement cost or market selling price

Following initial recognition at cost, infrastructure, plant and equipment is carried at fair value less accumulated depreciation. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not materially differ from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis, where material. Any revaluation increment is credited to equity under the heading of asset revaluation reserve, except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the operating result. Revaluation decrements for a class of assets are recognised directly through operating result, except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation, as at the revaluation date, is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

(c) Depreciation

Depreciable infrastructure, plant and equipment assets are written off to their estimated residual values over their estimated useful lives to the Office of the AUASB using, in all cases, the straight line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future, reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2012	2011
Leasehold Improvements	Lease term — ten years	Lease term — ten years
Plant and Equipment	Three to ten years	Three to ten years

(d) Impairment

All assets were assessed for impairment at 30 June 2012. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Office of the AUASB was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.16 Intangibles

The Office of the AUASB's intangible assets comprises of purchased software and licences for internal use. These assets are carried at cost, less accumulated amortisation.

Software and licences are amortised on a straight-line basis over their anticipated useful life. The useful life of the Office of the AUASB's software and licences is three to five years (2010-11: three to five years).

All software assets were assessed for indications of impairment at 30 June 2012.

1.17 Taxation

The Office of the AUASB is exempt from all forms of taxation except fringe benefits tax and the GST.

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

1.18 Insurance

The Office of the AUASB has taken insurance cover considered appropriate through the Government's insurable risk managed fund, called 'Comcover'. Workers compensation is insured through Comcare Australia.

1.19 Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation in this financial report where required.

Note 2: Events After the Balance Sheet Date

The Office of the AUASB has no reportable events after the balance sheet date.

Note 3: Expenses

	2012 \$	2011 \$
Note 3A: Employee benefits		
Wages and salaries	1,292,216	1,203,048
Superannuation:		
Defined contribution plan	91,840	84,096
Defined benefit plan	38,070	36,681
Leave and other entitlements	48,189	27,356
Total employee benefits	1,470,315	1,351,181
Note 3B: Suppliers		
Goods and services		
Board Member Services	58,523	62,070
International Travel	24,797	30,803
Publications/Subscriptions	17,846	6,877
Administration	225,676	282,362
Other	112,304	87,457
Total goods and services expenses	439,146	469,569
Goods and services are made up of:		
Provision of goods — related entities	1,636	19
Provision of goods — external parties	24,879	20,791
Rendering of services — related entities	184,513	184,040
Rendering of services — external parties	228,118	264,719
Total goods and services expenses	439,146	469,569
Other supplier expenses		
Operating lease rentals – external parties:		
Minimum lease payments	222,400	219,498
Workers compensation premiums	4,731	3,197
Total other supplier expenses	227,131	222,695
Total supplier expenses	666,277	692,264
Note 3C: Depreciation and amortisation		
Depreciation:		
Infrastructure, plant and equipment	54,283	58,318
Total depreciation	54,283	58,318
Amortisation:		
Intangibles:		
Computer software	7,294	5,631
Total amortisation	7,294	5,631
Total depreciation and amortisation	61,577	63,949
Note 3D: Finance costs		
Unwinding of discount on leasehold restoration obligation (see 8B)	2,437	3,697
Total finance costs	2,437	3,697
Note 3E: Write-down and impairment of assets		
Write-down of infrastructure, plant and equipment	-	1,321
Total write-down and impairment of assets	-	1,321

Note 4: Income

	2012	2011
	\$	\$
REVENUE		
Note 4A: Sale of goods and rendering of services		
Provision of goods — external parties	-	109
Rendering of services – related entities	195	-
Total sale of goods and rendering of services	195	109
Note 4B: Rental income		
Operating lease:		
Sub-lease	31,093	29,905
Total rental income	31,093	29,905
Note 4C: Other revenue		
Contributions from CPA Australia	-	198,000
Contributions from the Institute of Chartered Accountants in Australia	-	198,000
Contributions from the National Institute of Accountants	-	198,000
Contributions from Companies Unclaimed Monies Account	-	506,000
Total contributions	-	1,100,000
Total other revenue	-	1,100,000
GAINS		
Note 4D: Other gains		
Resources received free of charge in relation to audit services	24,000	23,500
Total other gains	24,000	23,500
REVENUE FROM GOVERNMENT		
Note 4E: Revenue from Government		
Appropriations:		
Departmental appropriation	2,270,000	1,106,000
Total revenue from Government	2,270,000	1,106,000

Note 5: Financial Assets

	2012 \$	2011 \$	2010 \$
Note 5A: Cash and cash equivalents			
Cash on hand or on deposit	172,524	184,310	156,705
Total cash and cash equivalents	172,524	184,310	156,705
Note 5B: Trade and other receivables			
Goods and Services:			
Goods and services – related entities	434	138	274
Goods and services – external parties	14,367	5,195	-
Total receivables for goods and services	14,801	5,333	274
Appropriations receivable:			
For existing programs	1,337,642	1,111,814	922,238
Total appropriations receivable	1,337,642	1,111,814	922,238
Other receivables:			
GST receivable from the Australian Taxation Office	25,209	2,947	3,031
Total other receivables	25,209	2,947	3,031
Total trade and other receivables (gross)	1,377,652	1,120,094	925,543
Receivables are expected to be recovered in:			
No more than 12 months	798,652	541,094	346,543
More than 12 months	579,000	579,000	579,000
Total trade and other receivables (gross)	1,377,652	1,120,094	925,543
Receivables are aged as follows:			
Not overdue	1,371,699	1,119,847	925,543
Overdue by:	-	-	-
31 to 60 days	-	247	-
More than 90 days	5,953	-	-
Total receivables (gross)	1,377,652	1,120,094	925,543

Note 6: Non-Financial Assets

	2012	2011	2010
	\$	\$	\$
Note 6A: Infrastructure, plant and equipment			
Infrastructure, plant and equipment:			
Gross carrying value (at fair value)	506,078	504,165	394,361
Accumulated depreciation	(310,374)	(256,091)	(94,256)
Total infrastructure, plant and equipment (non-current)	195,704	248,074	300,105

All revaluations were conducted in accordance with the revaluation policy stated at Note 1. On 30 June 2011, the Australian Valuation Office, an independent valuer, conducted a valuation. A revaluation decrement of \$3,104 for infrastructure, plant and equipment was recognised in the statement of comprehensive income and transferred to the asset revaluation reserve in the prior year. No indicators of impairment were found for infrastructure, plant and equipment.

Note 6B: Intangibles

	2012	2011	2010
	\$	\$	\$
Computer software at cost:			
Purchased	43,734	43,734	21,809
Accumulated amortisation	(33,282)	(25,987)	(20,356)
Total computer software	10,452	17,747	1,453

No indicators of impairment were found for intangible assets.
No intangibles are expected to be sold or disposed of within the next 12 months.

Note 6C: Analysis of infrastructure, plant and equipment and intangibles

Table A — Reconciliation of the opening and closing balances of infrastructure, plant and equipment and intangibles (2011-12)

	Infrastructure, plant and equipment \$	Computer software purchased \$
As at 1 July 2011		
Gross book value	504,165	43,734
Accumulated depreciation/amortisation and impairment	(256,091)	(25,987)
Net book value 1 July 2011	248,074	17,747
Additions:		
By purchase	1,913	-
Depreciation/amortisation expense	(54,283)	(7,295)
Disposals:		
Write-down of assets	-	-
Net book value 30 June 2012	195,704	12,365
Net book value as of 30 June 2012 represented by:		
Gross book value	506,078	43,734
Accumulated depreciation/amortisation and impairment	(310,374)	(33,282)
	195,704	10,452

Table B — Reconciliation of the opening and closing balances of infrastructure, plant and equipment and intangibles (2010-11)

	Infrastructure, plant and equipment \$	Computer software purchased \$
As at 1 July 2010		
Gross book value	394,361	21,809
Accumulated depreciation/amortisation and impairment	(94,256)	(20,356)
Net book value 1 July 2010	300,105	1,453
Additions:		
By purchase	10,713	21,925
Revaluations recognised in other comprehensive income	(3,104)	-
Depreciation/amortisation expense	(58,318)	(5,631)
Disposals:		
Write-down of assets	(1,322)	-
Net book value 30 June 2011	248,074	17,747
Net book value as of 30 June 2011 represented by:		
Gross book value	504,165	43,734
Accumulated depreciation/amortisation and impairment	(256,091)	(25,987)
	248,074	17,747

	2011	2011	2010
	\$	\$	\$
Note 6D: Other non-financial assets			
Prepayments	5,246	3,455	11,103
Total other non-financial assets	5,246	3,455	11,103
Total other non-financial assets are expected to be recovered in:			
No more than 12 months	5,246	3,455	11,103
Total other non-financial assets	5,246	3,455	11,103

No indicators of impairment were found for other non-financial assets.

Note 7: Payables

	2011	2011	2010
	\$	\$	\$
Note 7A: Suppliers			
Trade creditors and accruals	64,312	44,582	41,288
Total supplier payables	64,312	44,582	41,288
Supplier payables are made up of:			
Related entities	32,404	27,378	18,946
External parties	31,908	17,204	22,342
Total supplier payables	64,312	44,582	41,288

Note 7B: Other payables

Lease commitments	265,120	309,995	347,561
Other	30,217	27,705	25,725
Total other payables	295,337	337,700	373,286
Other payables are expected to be settled within:			
No more than 12 months	82,695	70,677	68,697
More than 12 months	212,642	267,023	304,589
Total other payables	295,337	337,700	373,286

A calculation error relating to a lease for accommodation that started in 2006 has been corrected. The lease includes a fixed percentage escalation clause to cover inflation. The error was to treat the operating lease payments relating to each year as the amount of lease expense in each year. The correction to recognise a straight-line expense in each year for the 10-year lease has resulted in corrections being made to adjust:

- the opening balance sheet of the comparative year in the following ways – retained earnings down by \$86,145; and lease liabilities up by \$86,145;
- prior year supplier expenses by \$5,407; and
- prior year lease commitments by \$91,552.

There are no material consequences of the correction for the Comprehensive Income Statement for either the current or prior year.

Note 8: Provisions

	2012	2011	2010
	\$	\$	\$
Note 8A: Employee provisions			
Leave	268,680	227,268	205,900
Superannuation [Note 8A (i)]	265,000	44,000	16,000
Total employee provisions	533,680	271,268	221,900
Employee provisions are expected to be settled in:			
No more than 12 months	101,906	112,419	98,850
More than 12 months	431,774	158,849	123,050
Total employee provisions	533,680	271,268	221,900

Note 8A (i): Superannuation provisions

The AUASB has one defined benefit fund, the AASB Superannuation Plan (AASB Plan), which requires contributions to be made to the separately administered fund. The benefits are based on final average salary and are subject to regulation by the Australian Prudential Regulation Authority. The defined benefit is not open to new employees.

The following tables summarise the components of net benefit expense recognised in the Statement of Comprehensive Income and the funded status and amounts recognised in the Balance Sheet for the plan:

Balance sheet and Statement of Comprehensive Income impact

As at 30 June	2012	2011
	\$	\$
Defined Benefit obligation [^]	808,000	568,000
(-) Fair value of AASB Plan assets	543,000	524,000
Deficit/(Surplus)	265,000	44,000
(-) Unrecognised past service cost	-	-
(-) Unrecognised net (gains)/losses	-	-
(+) Adjustment for limitation on net asset	-	-
Net superannuation liability/(asset)	265,000	44,000

[^] includes contributions tax provision

Financial year ending	2012	2011
	\$	\$
Service cost	34,000	32,000
Interest cost	26,000	23,000
Expected return on assets	(38,000)	(34,000)
Actuarial gains/(losses)	-	-
Past service cost	-	-
Movement in limitation on net asset	-	-
Effect of curtailments/settlements	-	-
Superannuation expense/(income)	22,000	21,000

Actuarial (gains)/losses recognised in the statement of comprehensive income

Financial year ending	2012	2011
	\$	\$
Actuarial (gains)/losses	224,000	31,000

Movement in net liability/(asset)

Financial year ending	2012	2011
	\$	\$
Net superannuation liability(asset) at start of year	44,000	16,000
(+) Expense recognised in statement of comprehensive income	22,000	21,000
(+) Amount recognised in retained earnings	224,000	31,000
(-) Employer contributions	25,000	24,000
Net superannuation liability/(asset) at end of year	265,000	44,000

Estimate of expense for 2013

Financial year ending	2013
	\$
Service cost	48,000
Interest cost	22,000
Expected return on assets	(42,000)
Actuarial losses/(gains)	-
Past service cost	-
Movement in limitation on net asset	-
Effect of curtailments/settlements	^
Estimated superannuation expense/(income)	28,000

^ not known until end of year

Estimate of net liability/(asset) at 30 June 2013

Financial year ending	2013
	\$
Net superannuation liability(asset) at start of year	265,000
(+) Estimated expense recognised in statement of comprehensive income	28,000
(+) Estimated amount recognised in retained earnings	^
(-) Estimated employer contributions	25,000
Estimated net superannuation liability/(asset) at end of year	268,000

^ not known until end of year

Reconciliation of the defined benefit obligation – para 120A(c)

Financial year ending	2012	2011
	\$	\$
Present value of DBO at start of year	568,000	482,000
(+) Current service cost	34,000	32,000
(+) Interest cost	26,000	23,000
(+) Contributions by AUASB members	16,000	16,000
(+) Actuarial (gains)/losses	170,000	21,000
(-) Benefits paid	-	-
(-) Taxes, premiums and expenses paid	6,000	6,000
(+) Transfers in	-	-
(-) Contributions to accumulation section	-	-
(+) Past service cost	-	-
(+) Curtailments	-	-
(+) Settlements	-	-
(+) Exchange rate changes	-	-
Present value of DBO at end of year	808,000	568,000

Reconciliation of the fair value of AASB Plan assets – para 120A(e)

Financial year ending	2012	2011
	\$	\$
Fair value of AASB Plan assets at start of year	524,000	466,000
(+) Expected return on AASB Plan assets	38,000	34,000
(+) Actuarial (gains)/losses	(54,000)	(10,000)
(+) Employer Contributions	25,000	24,000
(+) Contributions by AUASB members	16,000	16,000
(-) Benefits paid	-	-
(-) Taxes, premiums and expenses paid	6,000	6,000
(+) Transfers in	-	-
(-) Contributions to accumulation section	-	-
(+) Settlements	-	-
(+) Exchange rate changes	-	-
Fair value of AASB Plan assets at end of year	543,000	524,000

Reconciliation of the assets and liabilities recognised in the balance sheet –
para 120A(f)

As at 30 June	2012	2011
	\$	\$
Defined Benefit Obligation ^	808,000	568,000
(-) Fair value of AASB Plan assets	543,000	524,000
Deficit/(surplus)	265,000	44,000
(-) Unrecognised past service cost	-	-
(-) Unrecognised net (gains)/losses	-	-
(+) Adjustment for limitation on net asset	-	-
Net superannuation liability/(asset)	265,000	44,000

^ includes contributions tax provision

Expense recognised in the statement of comprehensive income – para 120A(g)

Financial year ending	2012	2011
	\$	\$
Service cost	34,000	32,000
Interest cost	26,000	23,000
Expected return on assets	(38,000)	(34,000)
Actuarial losses/(gains)	-	-
Past service cost	-	-
Movement in limitation on net asset	-	-
Effect of curtailments/settlements	-	-
Superannuation expense/(income)¹	22,000	21,000
Employer contributions	16,070	15,681
	38,070	36,681

¹ Included in Defined benefit plans expense in note 3A

Amounts recognised in the statement of comprehensive income – para 120A(h)

Financial year ending	2012	2011
	\$	\$
Actuarial (gains)/losses	224,000	31,000

Cumulative amount recognised in the statement of comprehensive income –
para 120A(i)

Financial year ending	2012	2011
	\$	\$
Cumulative amount of actuarial (gains)/losses	368,000	144,000

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AASB Plan assets – para 120A(j)

As at 30 June	2010	2011
	%	%
Australian equities	47	48
International equities	24	24
Fixed income	13	14
Property	9	10
Alternatives/other	5	2
Cash	2	2
	100	100

Actual return on AASB Plan assets – para 120A(m)

Financial year ending	2012	2011
	\$	\$
Actual return on AASB Plan assets	(16,000)	24,000

Principal actuarial assumptions at the balance sheet date – para 120A(n)

Financial year ending	2012	2011
	%	%
Discount rate	2.7	4.6
Expected rate of return on AASB Plan assets	7.5	7.0
Expected salary increase rate	2.5	2.5

Historical information – para 120A(p)

Financial year ending 30 June	2012	2011	2010	2009	2008
	\$	\$	\$	\$	\$
Present value of DBO	808,000	568,000	482,000	432,000	407,000
Fair value of AASB Plan assets	543,000	524,000	466,000	303,000	315,000
Surplus/deficit in AASB Plan	265,000	44,000	16,000	129,000	92,000
Experience adjustments (gains)/losses:					
AASB Plan assets	54,000	10,000	(29,000)	85,000	106,000
Experience adjustments (gains)/losses:					
AASB Plan liabilities	13,000	7,000	(15,000)	(3,000)	14,000

Expected contributions – para 120A(q)

Financial year ending	2013 \$
Expected employer contributions *	25,000

* based on the current AUASB contribution rate of 9% of Salary

Actuarial assumptions

As at	30 June 2012 %	30 June 2011 %	Comments
Discount rate	2.7	4.6	Based on 10-year Government bond rate, less allowance for investment tax
Salary inflation	2.5	2.5	
Expected return on assets	7.5	7.0	Based on Plan's mix of asset classes
Contributions tax rate	15	15	
Method of recognising actuarial gains and losses	Immediate recognition of actuarial gains and losses through retained earnings		
Vested benefit minimum	None	None	Not required by AASB 119

Supplemental information:

Service cost (a)

Financial year ending	2012 \$	2011 \$
1. Total service cost at beginning of year	40,000	38,000
2. Interest cost for year	2,000	2,000
3. Expected contributions tax and expenses	9,000	9,000
4. Expected employee contributions	16,000	16,000
5. Expected (increase) in contributions tax provisions	(1,000)	(1,000)
6. Current service cost (1+2+3-4+5)	34,000	32,000

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Interest cost (b)

Financial year ending	2012	2011
	\$	\$
1. DBO at start of year ^	561,000	480,000
2. Expected distributions	-	-
3. Average DBO over year (1 + 50% x 2)	561,000	480,000
4. Discount rate	4.6%	4.8%
5. Interest cost (3 x 4)	26,000	23,000

^ before contributions tax provision

Expected return on AASB Plan assets (c)

Financial year ending	2012	2011
	\$	\$
1. Fair value of AASB Plan assets at start of year	524,000	466,000
2. Expected employer contributions	25,000	24,000
3. Expected employee contributions	16,000	16,000
4. Expected distributions during year	-	-
5. Expected expenses, tax and insurance premiums	6,000	6,000
6. Average expected fair value of assets (1+50% (2+3-4-5))	542,000	483,000
7. Expected rate of return on AASB Plan assets	7.0%	7.0%
8. Expected return on AASB Plan assets (6x7)	38,000	34,000
Superannuation Expense (a+b-c)	22,000	21,000

Actuarial (gains)/losses (recognised in retained earnings)

Financial year ending	2012	2011
	\$	\$
1. Actuarial (gain)/loss on assets - experience	54,000	10,000
2. Actuarial (gain)/loss on DBO ^ - experience	13,000	7,000
3. Actuarial (gain)/loss on DBO ^ - change in assumptions	157,000	14,000
4. Total actuarial (gain)/loss (1+2+3)	224,000	31,000

^ includes movement of contributions tax provision

Calculation of total defined benefit obligation

Financial year ending	2012	2011
	\$	\$
1. Defined benefit obligation ^	768,000	561,000
2. Fair value of AASB Plan assets	(543,000)	(524,000)
3. (Deficit)/surplus (1+2)	225,000	37,000
4. Provision for contributions tax (3x15%/85%)	40,000	7,000
5. Total defined benefit obligation (1+4)	808,000	568,000

^ before contributions tax provision

Expected change in contributions tax provision

Financial year ending	2012	2011
	\$	\$
1. Expected defined benefit obligation at end of current year	629,000	544,000
2. Expected assets at end of current year	(594,000)	(536,000)
3. Expected provision at end of current year [(1+2)*15%/85%]	6,000	1,000
4. Actual provision at end of prior year	7,000	2,000
5. Expected change in tax provision (3-4)	(1,000)	(1,000)

	2012	2011	2010
	\$	\$	\$
Note 8B: Other provisions			
Leasehold restoration obligations	82,607	71,377	67,680
Total other provisions	82,607	71,377	67,680
Other provisions are expected to be settled within:			
More than 12 months	82,607	71,377	67,680
Total other provisions	82,607	71,377	67,680
	Provision for restoration 2012	Provision for restoration 2011	Provision for restoration 2010
Carrying amount 1 July	71,377	67,680	64,175
Unwinding of discount	2,437	3,697	3,505
Change in discount rate	8,793	-	-
Closing balance 30 June	82,607	71,377	67,680

The Office of the AUASB currently has one agreement for the leasing of premises, which has a provision requiring the Office of the AUASB to restore the premises to their original condition at the conclusion of the lease. A provision has been made to reflect the present value of this obligation.

Note 9: Cash Flow Reconciliation

	2012	2011
	\$	\$
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Cash equivalents as per:		
Cash flow statement	172,524	184,310
Balance sheet	172,524	184,310
Difference	-	-
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	(2,145,318)	(958,898)
Add revenue from Government	2,270,000	1,106,000
Other movement in retained surplus – superannuation actuarial gain and losses	(224,000)	(31,000)
Adjustments for non-cash items:		
Depreciation/amortisation	61,577	63,949
Lease incentive – amortisation	(42,973)	(42,973)
Lease – straight-line of lease	(1,903)	5,407
Provision for required restoration of premises ¹	2,437	3,697
Net write down of non-financial assets	-	1,321
Changes in assets/liabilities:		
(Increase)/decrease in net receivables	(214,471)	(182,189)
(Increase)/decrease in prepayments	(1,790)	7,647
Increase/(decrease) in superannuation provision	221,000	28,000
Increase/(decrease) in other employee provisions	41,412	21,368
Increase/(decrease) in supplier payables	19,731	3,295
Increase/(decrease) in other payables	2,512	1,980
Net cash from/(used by) operating activities	(11,786)	27,605

¹The provision for restoration increased by \$11,230, comprising \$2,437 affecting a non-cash item relating to the net cost of services and \$8,793, affecting other comprehensive income (see Statement of Changes in Equity) .

Note 10: Executive Remuneration

	2012	2011
	\$	\$
Note 10A: Senior executive remuneration expense for the reporting period		
Short-term employee benefits:		
Salary	420,525	387,660
Annual leave accrued	34,556	31,785
Total short-term employee benefits	455,081	419,445
Post-employment benefits:		
Superannuation	40,431	37,151
Total post-employment benefits	40,431	37,151
Other long-term benefits:		
Long-service leave	25,210	(1,929)
Total other long-term benefits	25,210	(1,929)
Total	520,722	454,667

Note 10B: Average annual reportable remuneration paid to senior executives during the reporting period**Average annual reportable remuneration**

	As at 30 June 2012				As at 30 June 2011			
	Senior executives No.	Reportable salary	Contributed superannuation	Total	Senior executives No.	Reportable salary	Contributed superannuation	Total
\$150,000 to \$179,999					1	148,612	13,343	161,955
\$180,000 to \$209,999	1	175,431	15,789	191,220				
\$240,000 to \$269,999								
\$270,000 to \$299,999	1	230,518	41,070	271,588	1	246,485	39,681	286,166
\$300,000 to \$329,999								
\$330,000 to \$359,999								
Total	2				2			

Notes:

- This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.
- 'Reportable salary' includes the following:
 - gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
 - reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
 - exempt foreign employment income.
- The 'contributed superannuation' amount is the average actual superannuation contributions paid to senior executives in that reportable remuneration band during the reporting period, including any salary sacrificed amounts, as per the individuals' payslips.
- Various salary sacrifice arrangements were available to senior executives including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.
- The difference in total Reportable salary for one of the above executives is due to a difference in reportable fringe benefits between years.

Note 10C: Other highly paid staff

Average annual reportable remuneration

	As at 30 June 2012				As at 30 June 2011			
	Senior executives No.	Reportable salary	Contributed superannuation	Total	Senior executives No.	Reportable salary	Contributed superannuation	Total
\$150,000 to \$179,999	2	132,687	31,235	163,922	1	118,616	48,825	167,441
\$180,000 to \$209,999								
Total	2				2			

Notes:

1. This table reports staff:
 - a) who were employed by the entity during the reporting period;
 - b) whose reportable remuneration was \$150,000 or more for the financial period; and
 - c) were not required to be disclosed in Tables A, B or director disclosures.

Each row is an averaged figure based on headcount for individuals in the band.

2. 'Reportable salary' includes the following:
 - a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
 - b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
 - c) exempt foreign employment income.
3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to staff in that reportable remuneration band during the reporting period, including any salary sacrificed amounts, as per the individuals' payslips.
4. Various salary sacrifice arrangements were available to other highly paid staff including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.

Note 11: Remuneration of Auditors

	2012	2011
	\$	\$
The fair value of the services provided:		
Remuneration to the ANAO for auditing the financial statements for the reporting period	24,000	23,500
	24,000	23,500

No other services were provided by the ANAO

Note 12: Financial Instruments

	2012	2011
	\$	\$
Note 12A: Categories of financial instruments		
Financial assets		
Held-to-maturity financial assets		
Cash and cash equivalents	172,524	184,310
Trade receivables	14,801	5,333
Total held-to-maturity financial assets	187,325	189,643
Carrying amount of financial assets	187,325	189,643
Financial liabilities		
At amortised cost		
Trade creditors	64,312	44,582
Carrying amount of financial liabilities	64,312	44,582

Note 12B: Fair value of financial instruments**Financial assets**

The net fair values of cash and cash equivalents and trade receivables approximate their carrying amounts.

Financial liabilities

The net fair value of trade creditors approximates their carrying amounts.

Note 12C: Credit risk

The Office of the AUASB's maximum exposure to credit risk, at reporting date, in relation to each class of recognised financial asset, is the carrying amount of those assets as indicated in the balance sheet.

The economic entity has no significant exposures to any concentrations of credit risk.

The Office of the AUASB has assessed the risk of default on payment and has not identified any impairment.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements

	2012	2011
	\$	\$
Cash and cash equivalents	172,524	184,310
Trade receivables	14,801	5,333
Total	187,325	189,643

Credit quality of financial instruments not past due or individually determined as impaired

	Not past due nor impaired	Not past due nor impaired	Past due or impaired	Past due or impaired
	2012	2011	2012	2011
	\$	\$	\$	\$
Trade receivables	8,848	5,086	5,953	247
Total	8,848	5,086	5,953	247

Ageing of financial assets that were past due but not impaired for 2012

	90+ days	Total
	\$	\$
Trade receivables	5,953	5,953
Total	5,953	5,953

Ageing of financial assets that were past due but not impaired for 2011

	31 to 60 days	Total
	\$	\$
Trade receivables	247	247
Total	247	247

Note 12D: Liquidity risk

The exposure to liquidity risk is based on the probability that the Office of the AUASB will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to government funding and mechanisms available to the Office of the AUASB and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

All financial liabilities are expected to be settled within 30 days.

Note 12E: Market risk

The Office of the AUASB holds basic financial instruments that do not expose the AUASB to certain market risks. The Office of the AUASB is not exposed to 'currency risk' or 'other price risk'.

Note 13: Appropriations

Table A: Annual Appropriations ('Recoverable GST exclusive')

	2012 Appropriations				Appropriation applied in 2012 (current and prior years)	Variance ^(a)
	Appropriation Act		FMA Act			
	Annual Appropriation	Appropriations reduced	Section 31	Total appropriation		
	\$	\$	\$	\$	\$	\$
DEPARTMENTAL						
Ordinary annual services	2,315,000	-	-	2,315,000	2,184,994	130,006
Total departmental	2,315,000	-	-	2,315,000	2,184,994	130,006

a) Material variances were due to travel savings and staff movements.

	2011 Appropriations				Appropriation applied in 2011 (current and prior years)	Variance ^(b)
	Appropriation Act		FMA Act			
	Annual Appropriation	Appropriations reduced	Section 31	Total appropriation		
	\$	\$	\$	\$	\$	\$
DEPARTMENTAL						
Ordinary annual services	1,151,000	-	585,201	1,736,201	1,546,624	189,576
Total departmental	1,151,000	-	585,201	1,736,201	1,546,624	189,576

b) Material variances were due to travel savings and staff movements.

Table B: Departmental capital budgets ('Recoverable GST exclusive')

	2012 Capital Budget Appropriations			Capital budget appropriations applied in 2012		Variance ^(a)
	Appropriation Act		Total capital budget appropriations	Payments for non-financial assets	Total payments	
	Annual Capital Budget	Appropriations reduced				
	\$	\$	\$	\$	\$	\$
DEPARTMENTAL						
Ordinary annual services – Departmental capital budget	45,000	-	45,000	1,913	1,913	43,087

1. Departmental Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
2. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.
 - a. Variance due to IT infrastructure upgrades still in progress.

	2011 Capital Budget Appropriations			Capital budget appropriations applied in 2011		Variance ^(b)
	Appropriation Act		Total capital budget appropriations	Payments for non-financial assets	Total payments	
	Annual Capital Budget	Appropriations reduced				
	\$	\$	\$	\$	\$	\$
DEPARTMENTAL						
Ordinary annual services – Departmental capital budget	45,000	-	45,000	32,638	32,638	12,362

1. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
2. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.
 - b. Variance due to IT infrastructure upgrades still in progress.

Table C: Unspent Annual Appropriations ('Recoverable GST exclusive')

Authority	2012	2011
Act 4 - Non Operating - Equity Injection	579,000	579,000
Appropriation Act 1 2008/09	153,981	153,981
Appropriation Act 1 2009/10	241,184	241,184
Appropriation Act 1 2010/11	128,028	309,792
Appropriation Act 1 2011/12	352,524	-
Appropriation Act 1 2010/11 - capital budget	12,362	12,362
Appropriation Act 1 2011/12 - capital budget	43,087	-
Total	1,510,166	1,296,319

Note 14: Special Accounts**Office of the Auditing and Assurance Standards Board Special Account**

Legal Authority: Minister for Finance and Deregulation. Determination under subsection 20(1) of the FMA Act 1997. Special Account established 2008.
This account has been closed under the Financial Management and Accountability Determination 2012/02 – Abolition of 24 Special Accounts.

Appropriation: FMA Act 1997, section 20

Purpose: The purpose of this Special Account was to enable the Office of the AUASB to manage moneys received primarily from the professional accounting bodies.

	2012	2011
	\$	\$
Balance carried from previous period	-	-
Contributions from external bodies for reporting period (Departmental)	-	594,000
Total increase	-	594,000
Available for payments	-	594,000
Payments made	-	594,000
Total decrease	-	594,000
Total balance carried to the next period	-	-

Note 15: Reporting of Outcomes

The Office of the AUASB has one outcome and therefore all items relate to the sole outcome.

Note 15A: Net Cost of Outcome Delivery

Outcome 1	2012	2011
	\$	\$
Expenses		
Departmental	2,200,606	2,112,412
Total expenses	2,200,606	2,112,412
Income from non-government sector:		
Departmental	31,288	624,014
Total departmental	31,288	624,014
Other own-source income		
Other revenue	-	506,000
Gains	24,000	23,500
Total other own-source income	24,000	529,500
Net cost/(contribution) of outcome delivery	2,145,318	958,898

Note 16: Compensation and Debt Relief

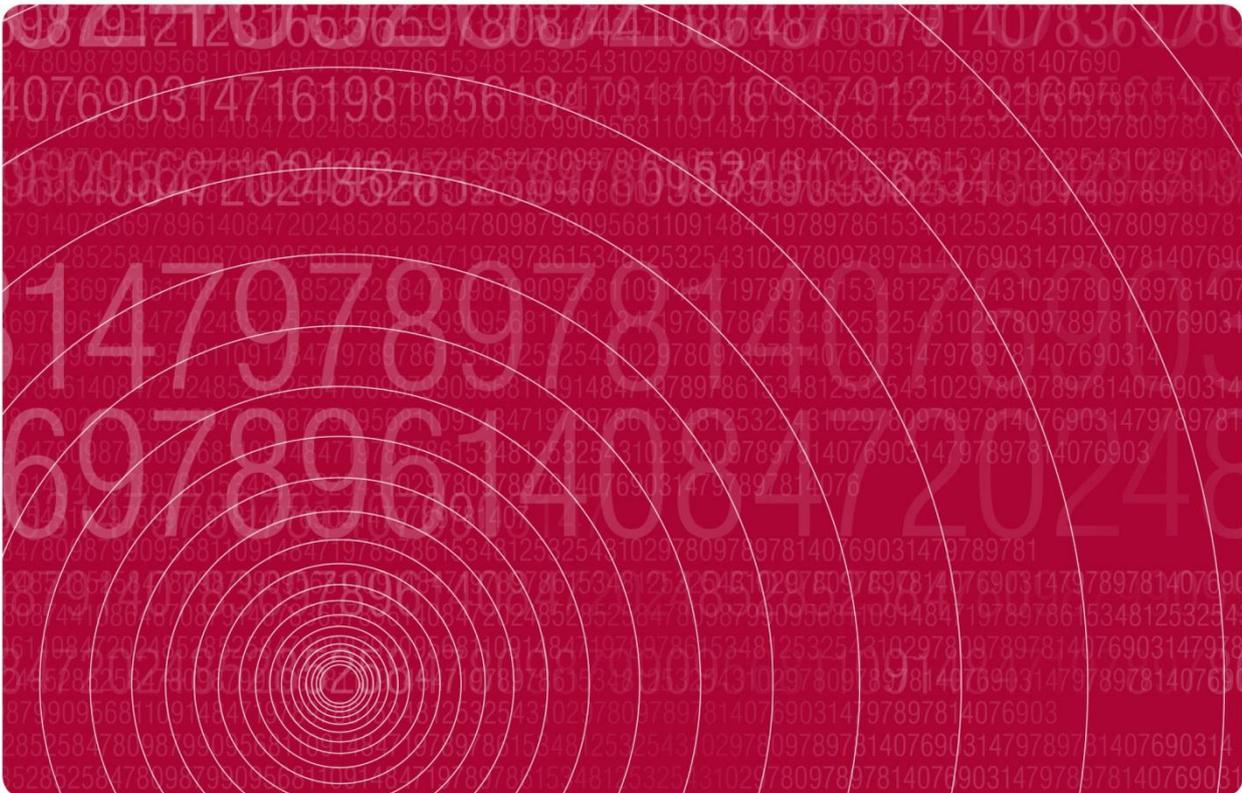
	2012	2011
	\$	\$
No 'Act of Grace payments' were expended during the reporting period (2011: nil expenses).	-	-
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997 (2011: nil waivers).	-	-
No ex-gratia payments were provided for during the reporting period (2011: nil payments).	-	-
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the Public Service Act 1999 (PS Act) during the reporting period (2011: nil payments).	-	-

Note 17: Net cash appropriation arrangements

	2012	2011
	\$	\$
Total comprehensive income (loss) less depreciation/amortisation expenses previously funded through revenue appropriation ¹	(46,534)	176,947
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	61,577	63,949
Total comprehensive income (loss) as per Statement of Comprehensive Income	(108,111)	112,998

1. From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

Other Mandatory Information



OTHER MANDATORY INFORMATION

OCCUPATIONAL HEALTH AND SAFETY

The AUASB has fewer than 50 employees and is therefore not required to establish an Occupational Health and Safety Committee under section 34 of the *Occupational Health and Safety Act 2001*.

The function of the OHSC is to provide the mechanism for continuing consultation between management and staff on OHS matters. All employees, and Board members, when attending meetings, are covered under Comcare and Comcover. No accidents or dangerous occurrences, or relevant investigations, took place during the 2011-12 financial year.

FREEDOM OF INFORMATION

Statement covering the period from 1 July 2011 to 30 June 2012

Agencies subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report.

No matter involving freedom of information arose during the 2011-12 financial year. No applications under the *Freedom of Information Act 1982* were received by the AUASB in 2011-12.

Requests under the *Freedom of Information Act 1982* for access to other documents in the possession of the AUASB can be directed to the FOI Contact Officer.

ADVERTISING AND MARKET RESEARCH

The AUASB did not carry out any advertising or market research during the 2011-12 financial year.

ECOLOGICALLY SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL PERFORMANCE REPORTING

The AUASB seeks to use the minimum resources necessary to perform its functions.

DISCRETIONARY GRANTS

The AUASB did not administer any discretionary grant programs in the 2011–12 financial year.

INFORMATION PUBLICATION SCHEME

The Information Publication Scheme (IPS) aims to transform the freedom of information framework from one that responds to individual requests for access to documents to one that requires Australian Government agencies to take a proactive approach to publishing information. The scheme commenced on 1 May 2011.

The IPS:

- requires Australian Government agencies to publish information publication plans;
- specifies categories of information that must be published; and
- provides a means for agencies to proactively publish other government information.

Further information on the IPS is available from the Office of the Australian Information Commissioner (OAIC) website at www.oaic.gov.au

APPENDIX A

ATTENDANCE AT AUASB MEETINGS

The AUASB held seven meetings during 2011-12 for a total of eight meeting days. Member attendance is shown in the table below:

Members	Number of days eligible to attend	Number of days attended	Apologies (days)
M Kelsall (Chairman)	8	7.5	.5
J Tyers (Deputy Chairman)	8	5.5	2.5
D Azoor Hughes	8	7	1
M Blake*	4	4	0
N Cherry	8	6	2
V Clifford	8	8	0
J Gavens	8	7	1
E Johnstone	8	5	3
N Martinov-Bennie*	4	4	0
C Murphy	8	7	1
G Pound	8	8	0
D Simmonds	8	6.5	1.5
B Szentirmay	8	8	0
K Wydell	8	7	1

* Mr Blake retired from the AUASB on 31 December 2011

* Prof Martinov-Bennie commenced on the AUASB 1 January 2012

APPENDIX B

PRONOUNCEMENTS (30 June 2012)

The following pronouncements have been issued by the AUASB.

Foreword, glossary and framework

Title	Reissued
<i>Foreword to AUASB Pronouncements</i>	23 Dec 2009
<i>AUASB Glossary</i>	27 Oct 2009
<i>Framework for Assurance Engagements</i>	19 Apr 2010

Auditing Standards – issued as legislative instruments

The AUASB has made the following Auditing Standards, pursuant to section 227B of the *Australian Securities and Investments Commission Act 2001* and section 336 of the *Corporations Act 2001*. These Auditing Standards are legislative instruments under the *Legislative Instruments Act 2003* and are operative for financial reporting periods that commenced on or after 1 January 2010.

Standard	Title	Issued
ASA 101	<i>Preamble to Australian Auditing Standards</i>	27 Oct 2009
ASA 102	<i>Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements</i>	27 Oct 2009
ASQC 1	<i>Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements</i>	27 Oct 2009
ASA 200	<i>Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards</i>	27 Oct 2009
ASA 210	<i>Agreeing the Terms of Audit Engagements</i>	27 Oct 2009
ASA 220	<i>Quality Control for an Audit of a Financial Report and Other Historical Financial Information</i>	27 Oct 2009
ASA 230	<i>Audit Documentation</i>	27 Oct 2009
ASA 240	<i>The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report</i>	27 Oct 2009
ASA 250	<i>Consideration of Laws and Regulations in an Audit of a Financial Report</i>	27 Oct 2009
ASA 260	<i>Communication with Those Charged with Governance</i>	27 Oct 2009
ASA 265	<i>Communicating Deficiencies in Internal Control to Those Charged with Governance and Management</i>	27 Oct 2009
ASA 300	<i>Planning an Audit of a Financial Report</i>	27 Oct 2009
ASA 315	<i>Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment</i>	27 Oct 2009
ASA 320	<i>Materiality in Planning and Performing an Audit</i>	27 Oct 2009
ASA 330	<i>The Auditor's Responses to Assessed Risks</i>	27 Oct 2009
ASA 402	<i>Audit Considerations Relating to an Entity Using a Service Organisation</i>	27 Oct 2009

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Standard	Title	Issued
ASA 450	<i>Evaluation of Misstatements Identified during the Audit</i>	27 Oct 2009
ASA 500	<i>Audit Evidence</i>	27 Oct 2009
ASA 501	<i>Audit Evidence—Specific Considerations for Inventory and Segment Information</i>	27 Oct 2009
ASA 502	<i>Audit Evidence—Specific Considerations for Litigation and Claims</i>	27 Oct 2009
ASA 505	<i>External Confirmations</i>	27 Oct 2009
ASA 510	<i>Initial Audit Engagements—Opening Balances</i>	27 Oct 2009
ASA 520	<i>Analytical Procedures</i>	27 Oct 2009
ASA 530	<i>Audit Sampling</i>	27 Oct 2009
ASA 540	<i>Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures</i>	27 Oct 2009
ASA 550	<i>Related Parties</i>	27 Oct 2009
ASA 560	<i>Subsequent Events</i>	27 Oct 2009
ASA 570	<i>Going Concern</i>	27 Oct 2009
ASA 580	<i>Written Representations</i>	27 Oct 2009
ASA 600	<i>Special Considerations – Audits of a Group Financial Report (including the Work of Component Auditors)</i>	27 Oct 2009
ASA 610	<i>Using the Work of Internal Auditors</i>	27 Oct 2009
ASA 620	<i>Using the Work of an Auditor's Expert</i>	27 Oct 2009
ASA 700	<i>Forming an Opinion and Reporting on a Financial Report</i>	27 Oct 2009
ASA 705	<i>Modifications to the Opinion in the Independent Auditor's Report</i>	27 Oct 2009
ASA 706	<i>Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report</i>	27 Oct 2009
ASA 710	<i>Comparative Information – Corresponding Figures and Comparative Financial Reports</i>	27 Oct 2009
ASA 720	<i>The Auditor's Responsibility in Relation to Other Information in Documents Containing an Audited Financial Report</i>	27 Oct 2009
ASA 800	<i>Special Considerations - Audits of Financial Reports Prepared in accordance with Special Purpose Frameworks</i>	27 Oct 2009
ASRE 2410	<i>Review of a Financial Report Performed by the Independent Auditor of the Entity</i>	27 Oct 2009
ASRE 2415	<i>Review of a Financial Report – Company Limited by Guarantee</i>	30 Jun 2010
ASA 2011-1	<i>Amendments to Australian Auditing Standards</i>	27 Jun 2011

Auditing Standards – not issued as legislative instruments

The following Auditing Standards are not legislative instruments and became operative for financial reporting periods that commenced on or after 1 January 2010.

Standard	Title	Issued
ASA 805	<i>Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement</i>	27 Oct 2009
ASA 810	<i>Engagements to Report on Summary Financial Statements</i>	27 Oct 2009

Compiled Auditing Standards issued in June 2011

Following the issue of ASA 2011-1 *Amendments to Australian Auditing Standards*, the AUASB has prepared the following compiled versions of affected Auditing Standards. These compiled versions incorporate the amendments contained in ASA 2011-1.

Standard	Title	Approval Date
ASQC 1	<i>Auditing Standard ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements (Compiled)</i>	27 Jun 2011
ASA 101	<i>Preamble to Australian Auditing Standards (Compiled)</i>	27 Jun 2011
ASA 102	<i>Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements (Compiled)</i>	27 Jun 2011
ASA 210	<i>Agreeing the Terms of Audit Engagements (Compiled)</i>	27 Jun 2011
ASA 220	<i>Quality Control for an Audit of a Financial Report and Other Historical Financial Information (Compiled)</i>	27 Jun 2011
ASA 240	<i>The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report (Compiled)</i>	27 Jun 2011
ASA 250	<i>Consideration of Laws and Regulations in an Audit of a Financial Report (Compiled)</i>	27 Jun 2011
ASA 260	<i>Communication with Those Charged with Governance (Compiled)</i>	27 Jun 2011
ASA 300	<i>Planning an Audit of a Financial Report (Compiled)</i>	27 Jun 2011
ASA 315	<i>Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment (Compiled)</i>	27 Jun 2011
ASA 320	<i>Materiality in Planning and Performing an Audit (Compiled)</i>	27 Jun 2011
ASA 402	<i>Audit Considerations Relating to an Entity Using a Service Organisation (Compiled)</i>	27 Jun 2011
ASA 500	<i>Audit Evidence (Compiled)</i>	27 Jun 2011
ASA 501	<i>Audit Evidence—Specific Considerations for Inventory and Segment Information (Compiled)</i>	27 Jun 2011
ASA 502	<i>Audit Evidence—Specific Considerations for Litigations and Claims (Compiled)</i>	27 Jun 2011
ASA 540	<i>Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures (Compiled)</i>	27 Jun 2011
ASA 550	<i>Related Parties (Compiled)</i>	27 Jun 2011
ASA 560	<i>Subsequent Events (Compiled)</i>	27 Jun 2011
ASA 570	<i>Going Concern (Compiled)</i>	27 Jun 2011
ASA 580	<i>Management Representations (Compiled)</i>	27 Jun 2011
ASA 700	<i>Forming an Opinion and Reporting on a Financial Report (Compiled)</i>	27 Jun 2011
ASA 705	<i>Modifications to the Opinion in the Independent Auditor's Report (Compiled)</i>	27 Jun 2011
ASA 706	<i>Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report (Compiled)</i>	27 Jun 2011
ASA 710	<i>Comparative Information—Corresponding Figures and Comparative Financial Reports (Compiled)</i>	27 Jun 2011
ASA 800	<i>Special Considerations—Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks (Compiled)</i>	27 Jun 2011
ASRE 2410	<i>Review of a Financial Report Performed by the Independent Auditor of the Entity (Compiled)</i>	27 Jun 2011

Auditing Standards – issued as legislative instruments

The AUASB made the following Auditing Standards pursuant to section 227B of the *Australian Securities and Investments Commission Act 2001* and section 336 of the *Corporations Act 2001*. These Auditing Standards are legislative instruments under the *Legislative Instruments Act 2003* and were operative for financial reporting periods that commenced on or after 1 January 2006. They have been superseded by the auditing standards released 27 October 2009 and are planned to be withdrawn from legislation in 2016.

Standard	Title	Issued
ASA 100	<i>Preamble to AUASB Standards</i>	28 Apr 2006
ASA 200	<i>Objective and General Principles Governing an Audit of a Financial Report</i>	28 Apr 2006
ASA 210	<i>Terms of Audit Engagements</i>	28 Apr 2006
ASA 220	<i>Quality Control for Audits of Historical Financial Information</i>	28 Apr 2006
ASA 230	<i>Audit Documentation</i>	28 Apr 2006
ASA 240	<i>The Auditor's Responsibility to Consider Fraud in an Audit of a Financial Report</i>	28 Apr 2006
ASA 250	<i>Consideration of Laws and Regulations in an Audit of a Financial Report</i>	28 Apr 2006
ASA 260	<i>Communication of Audit Matters with Those Charged with Governance</i>	28 Apr 2006
ASA 300	<i>Planning an Audit of a Financial Report</i>	28 Apr 2006
ASA 315	<i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i>	28 Apr 2006
ASA 320	<i>Materiality and Audit Adjustments</i>	28 Apr 2006
ASA 330	<i>The Auditor's Procedures in Response to Assessed Risks</i>	28 Apr 2006
ASA 402	<i>Audit Considerations Relating to Entities Using Service Organisations</i>	28 Apr 2006
ASA 500	<i>Audit Evidence</i>	28 Apr 2006
ASA 501	<i>Existence and Valuation of Inventory</i>	28 Apr 2006
ASA 505	<i>External Confirmations</i>	28 Apr 2006
ASA 508	<i>Enquiry Regarding Litigation and Claims</i>	28 Apr 2006
ASA 510	<i>Initial Engagements — Opening Balances</i>	28 Apr 2006
ASA 520	<i>Analytical Procedures</i>	28 Apr 2006
ASA 530	<i>Audit Sampling and Other Means of Testing</i>	28 Apr 2006
ASA 540	<i>Audit of Accounting Estimates</i>	28 Apr 2006
ASA 545	<i>Auditing Fair Value Measurements and Disclosures</i>	28 Apr 2006
ASA 550	<i>Related Parties</i>	28 Apr 2006 [Re-issued 9 Oct. 2006]
ASA 560	<i>Subsequent Events</i>	28 Apr 2006
ASA 570	<i>Going Concern</i>	28 Apr 2006
ASA 580	<i>Management Representations</i>	28 Apr 2006
ASA 600	<i>Using the Work of Another Auditor</i>	28 Apr 2006
ASA 610	<i>Considering the Work of Internal Audit</i>	28 Apr 2006
ASA 620	<i>Using the Work of an Expert</i>	28 Apr 2006

Standard	Title	Issued
ASA 700	<i>The Auditor's Report on a General Purpose Financial Report</i>	27 Jun 2007
ASA 701	<i>Modifications to the Auditor's Report</i>	27 Jun 2006
ASA 710	<i>Comparatives</i>	27 Jun 2007
ASA 720	<i>Other Information in Documents Containing Audited Financial Reports</i>	28 Apr 2006
ASA 800	<i>The Auditor's Report on Special Purpose Audit Engagements</i>	27 Jun 2007
ASRE 2410	<i>Review of an Interim Financial Report Performed by the Independent Auditor of the Entity</i>	21 Aug 2008
ASA 2007-1	<i>Amendments to Australian Auditing Standards</i>	27 Jun 2007
ASA 2008-1	<i>Amendments to Australian Auditing Standards</i>	21 Aug 2008

Compiled Auditing Standards issued in prior years

Following the issue of ASAs 2007-1 and 2008-1 *Amendments to Australian Auditing Standards*, the AUASB has prepared the following compiled versions of affected Auditing Standards. These compiled versions incorporate the amendments contained in ASA 2007-1 and ASA 2008-1.

Standard	Title	Issued
ASA 200	<i>Objective and General Principles Governing an Audit of a Financial Report (Compiled)</i>	27 Jun 2007
ASA 210	<i>Terms of Audit Engagements (Compiled)</i>	27 Jun 2007
ASA 510	<i>Initial Engagements — Opening Balances (Compiled)</i>	27 Jun 2007
ASA 570	<i>Going Concern (Compiled)</i>	27 Jun 2007
ASA 700	<i>The Auditor's Report on a General Purpose Financial Report (Compiled)</i>	27 Jun 2007
ASA 701	<i>Modifications to the Auditor's Report (Compiled)</i>	27 Jun 2007
ASA 710	<i>Comparatives (Compiled)</i>	27 Jun 2007
ASA 800	<i>The Auditor's Report on Special Purpose Audit Engagements (Compiled)</i>	27 Jun 2007
ASRE 2410	<i>Review of an Interim Financial Report Performed by the Independent Auditor of the Entity (Compiled)</i>	27 Jun 2007
ASRE 2410	<i>Review of an Interim Financial Report Performed by the Independent Auditor of the Entity (Compiled)</i>	21 Aug 2008

Standards on Assurance Engagements

The following Standards on Assurance Engagements were issued or reissued by the AUASB:

Standard	Title	Issued
ASAE 3000	<i>Assurance Engagements Other than Audits or Reviews of Historical Financial Information</i>	9 Jul 2007
ASAE 3100	<i>Compliance Engagements</i>	9 Sep 2008
ASAE 3402	<i>Assurance Reports on Controls at a Service Organisation</i>	29 Jun 2010
ASAE 3410	<i>Assurance on Greenhouse Gas Statements</i>	28 Jun 2012
ASAE 3500	<i>Performance Engagements</i>	30 Oct 2008

Standards on Review Engagements

The following Standards on Review Engagements were issued or reissued by the AUASB:

Standard	Title	Issued
ASRE 2400	<i>Review of a Financial Report Performed by an Assurance Practitioner Who is not the Auditor of the Entity</i>	21 Aug 2008
ASRE 2405	<i>Review of Historical Financial Information Other than a Financial Report</i>	21 Aug 2008

Standards on Related Services

The following Standards on Related Services were issued by the AUASB:

Standard	Title	Issued
ASRS 4400	<i>Agreed-Upon Procedures Engagements to Report Factual Findings</i>	8 Jun 2011
ASRS 4450	<i>Comfort Letter Engagements</i>	30 May 2012

Explanatory Guides

The following Explanatory Guides were issued by the AUASB:

Title	Issued
<i>Explanatory Guide to Review Engagements</i>	Apr 2008
<i>Explanatory Guide: Auditor's Reports</i>	Feb 2010
<i>Explanatory Guide: ASRE 2415</i>	Jun 2010
<i>Explanation of the Impact on the Auditor's Report of Changes the Financial Reporting Framework</i>	Sep 2010
<i>Explanatory Guide: Opening Balances</i>	May 2012

Auditing Standards – Other

The following Auditing Standards (AUSs), issued by the former Auditing and Assurance Standards Board (AuASB) of the Australian Accounting Research Foundation prior to 1 July 2004, and remain current:

Standard	Title	Issued
AUS 804	<i>The Audit of Prospective Financial Information</i>	Jul 2002
AUS 810	<i>Special Purpose Reports on the Effectiveness of Control Procedures</i>	Jul 2002

Auditing and Assurance Guidance Statements

The following Auditing and Assurance Guidance Statements were issued or reissued by the AUASB:

Guidance	Title	Issued
GS 001	<i>Concise Financial Reports Under the Corporations Act 2001</i>	Dec 2008 [Reissued Mar 2010]
GS 002	<i>Special Considerations in the Audit of Risk Management Requirements for Registrable Superannuation Entities and Licensees</i>	Jul 2007 [Reissued Sep 2010]
GS 003	<i>Audit and Review Requirements for Australian Financial Services Licensees under the Corporations Act 2001</i>	Oct 2007
GS 004	<i>Audit Implications of Prudential Reporting Requirements for General Insurers</i>	Oct 2007
GS 005	<i>Using the Work of an Actuary</i>	Oct 2007
GS 006	<i>Electronic Publication of the Auditor's Report</i>	Mar 2010
GS 007	<i>Audit Implications of the Use of Service Organisations for Investment Management Services</i>	Oct 2011
GS 008	<i>The Auditor's Report on a Remuneration Report Under Section 300A of the Corporations Act 2001</i>	Mar 2010
GS 009	<i>Auditing Self Managed Superannuation Funds</i>	Aug 2011
GS 010	<i>Responding to Questions at an Annual General Meeting</i>	Mar 2009
GS 011	<i>Third Party Access to Audit Working Papers</i>	Apr 2009
GS 012	<i>Prudential Reporting Requirements for Authorised Deposit-taking Institutions</i>	Jun 2009
GS 013	<i>Special Considerations in the Audit of Compliance Plans of Managed Investment Schemes</i>	Aug 2009
GS 014	<i>Auditing Mortgage Schemes</i>	Aug 2009
GS 015	<i>Audit Implications of Accounting for Investments in Associates</i>	Nov 2009
GS 016	<i>Bank Confirmation Requests</i>	Jun 2010
GS 017	<i>Prudential Reporting Requirements for Auditors of a Life Company</i>	Jun 2010
GS 018	<i>Franchising Code of Conduct – Auditor's Reports</i>	Oct 2010
GS 019	<i>Auditing Fundraising Revenue of Not-for-Profit Entities</i>	Apr 2011
GS 020	<i>Special Considerations in Auditing Financial Instruments</i>	Mar 2012

The following Auditing and Assurance Guidance Statements were issued by the former Auditing and Assurance Standards Board (AuASB) of the Australian Accounting Research Foundation prior to 1 July 2004, and remain current. The AUASB is progressively reviewing these Auditing and Assurance Guidance Statements.

Guidance	Title	Issued
AGS 1014	<i>Privity Letter Requests</i>	Jul 2002
AGS 1062	<i>Reporting in Connection with Proposed Fundraisings</i>	Aug 2002

Bulletins

The following Bulletins were issued by the AUASB:

Title	Issued
<i>Auditing Small and Medium Sized Entities (SMEs)</i>	Sep 2007
<i>Auditing Considerations in an Uncertain Economic Environment</i>	Apr 2009
<i>Standard Business Reporting and XBRL: Information for Audit and Assurance Practitioners</i>	Jun 2010
<i>Applying the Auditing Standards on Audits of Smaller Entities in Australia and New Zealand</i>	Jun 2012

APPENDIX C

LIST OF REQUIREMENTS

Description	Requirement	Page/s
Introduction		
Letter of transmittal	Mandatory	Error! Bookma rk not defined.
Table of contents	Mandatory	iii
Index	Mandatory	111
Glossary	Mandatory	v
Contact officer(s)	Mandatory	vii
Internet home page address and Internet address for report	Mandatory	vii
Review by Secretary		
Review by departmental secretary	Mandatory	3
Summary of significant issues and developments	Suggested	4
Overview of department's performance and financial results	Suggested	24
Outlook for following year	Suggested	11
Significant issues and developments - portfolio	Suggested	3
Departmental Overview		
Role and functions	Mandatory	17
Organisational structure	Mandatory	34
Outcome and program structure	Mandatory	19
Where outcome and program structures differ from PB Statements/PAES or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	Mandatory	19
Portfolio structure	Portfolio departments - mandatory	34

Description	Requirement	Page/s
Report on Performance		
Review of performance during the year in relation to programs and contribution to outcomes	Mandatory	20
Actual performance in relation to deliverables and KPIs set out in PB Statements/PAES or other portfolio statements	Mandatory	20
Where performance targets differ from the PBS/ PAES, details of both former and new targets, and reasons for the change	Mandatory	19
Narrative discussion and analysis of performance	Mandatory	20
Trend information	Mandatory	23
Significant changes in nature of principal functions/ services	Suggested	n/a
Performance of purchaser/provider arrangements	If applicable, suggested	37
Factors, events or trends influencing departmental performance	Suggested	20
Contribution of risk management in achieving objectives	Suggested	n/a
Social inclusion outcomes	If applicable, mandatory	n/a
Performance against service charter customer service standards, complaints data, and the department's response to complaints	If applicable, mandatory	n/a
Discussion and analysis of the department's financial performance	Mandatory	45
Discussion of any significant changes from the prior year, from budget or anticipated to have a significant impact on future operations.	Mandatory	23
Agency resource statement and summary resource tables by outcomes	Mandatory	24

Appendix C: List of Requirements

Description	Requirement	Page/s
Management and Accountability		
Corporate Governance		
Agency heads are required to certify that their agency comply with the Commonwealth Fraud Control Guidelines.	Mandatory	39
Statement of the main corporate governance practices in place	Mandatory	33
Names of the senior executive and their responsibilities	Suggested	36
Senior management committees and their roles	Suggested	35
Corporate and operational planning and associated performance reporting and review	Suggested	20
Approach adopted to identifying areas of significant financial or operational risk	Suggested	n/a
Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested	39
How nature and amount of remuneration for SES officers is determined	Suggested	n/a
External Scrutiny		
Significant developments in external scrutiny	Mandatory	39
Judicial decisions and decisions of administrative tribunals	Mandatory	39
Reports by the Auditor-General, a Parliamentary Committee or the Commonwealth Ombudsman	Mandatory	41
Management of Human Resources		
Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Mandatory	40
Workforce planning, staff turnover and retention	Suggested	n/a
Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and AWAs	Suggested	n/a
Training and development undertaken and its impact	Suggested	n/a
Work health and safety performance	Suggested	91
Productivity gains	Suggested	n/a
Statistics on staffing	Mandatory	40

Description	Requirement	Page/s
Management of Human Resources (continued)		
Enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs	Mandatory	37
Performance pay	Mandatory	n/a
Assets management		
Assessment of effectiveness of assets management	If applicable, mandatory	n/a
Purchasing		
Assessment of purchasing against core policies and principles	Mandatory	40
Consultants		
The annual report must include a summary statement detailing the number of new consultancy services contracts let during the year; the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST); the number of ongoing consultancy contracts that were active in the reporting year; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). The annual report must include a statement noting that information on contracts and consultancies is available through the AusTender website.	Mandatory	41
Australian National Audit Office Access Clauses		
Absence of provisions in contracts allowing access by the Auditor-General	Mandatory	41
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Contracts exempt from the AusTender	Mandatory	41
Financial Statements	Mandatory	39

Appendix C: List of Requirements

Description	Requirement	Page/s
Other Mandatory Information		
Work health and safety (Schedule 2, Part 4 of the <i>Work Health and Safety Act 2011</i>)	Mandatory	91
Advertising and Market Research (Section 311A of the <i>Commonwealth Electoral Act 1918</i>) and statement on advertising campaigns	Mandatory	91
Ecologically sustainable development and environmental performance (Section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)	Mandatory	91
Compliance with the agency's obligations under the <i>Carer Recognition Act 2010</i>	If applicable, mandatory	n/a
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Correction of material errors in previous annual report	If applicable, mandatory	n/a
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