Opinions is published each quarter to provide our clients with information on developments in financial reporting and disclosure, together with details of recently tabled ANAO performance audits and better practice guides. This edition of Opinions provides updated information since the Winter 2012 edition and lists performance audits scheduled for release in the October to December 2012 period.

**ANAO AUDIT REPORTS**

**RECENTLY TABLED AUDIT REPORTS**

The following section contains the objectives of ANAO audit reports tabled from July to September 2012. To view an electronic copy of the full audit report left click the symbol (►) next to the relevant title. A complete copy of all ANAO reports can be obtained from the ANAO website at: www.anao.gov.au. For further details phone the Publications Officer on (02) 6203 7505.

### Audit Report No 1: Administration of the Renewable Energy Demonstration Program ►

The objective of the audit was to assess the effectiveness of the Department of Resources, Energy and Tourism’s administration of the Renewable Energy Demonstration Program, including progress towards achieving the program’s objectives.

### Audit Report No 2: Administration of the Regional Backbone Blackspots Program ►

The objective of the audit was to assess the effectiveness of the Department of Broadband, Communications and the Digital Economy’s administration of the Regional Backbone Blackspots Program, involving the establishment and ongoing management of the program.

### Audit Report No 3: The Design and Conduct of the First Application Round for the Regional Development Australia Fund ►

The objective of the audit was to assess the effectiveness of Regional Australia’s management of the design and implementation of the first application round of the Regional Development Australia Fund program.

### Audit Report No 4: Confidentiality in Government Contracts: Senate Order for Departmental and Agency Contracts (Calendar Year 2011 Compliance) ►

The objective of the audit was to assess the appropriateness of the use and reporting of confidentiality provisions in Australian Government contracts for 2011.
RECENTLY TABLED AUDIT REPORTS (CONTINUED)

Audit Report No 5: Management of Australia’s Air Combat Capability—F/A-18 Hornet and Super Hornet Fleet Upgrades and Sustainment

The objective of the audit was to assess the upgrade and sustainment of the F/A-18A/B Hornet fleet, and the sustainment of the newly acquired F/A-18F Super Hornet fleet.

Audit Report No 6: Management of Australia’s Air Combat Capability—F-35A Joint Strike Fighter Acquisition

The objective of the audit was to assess the progress of the AIR 6000—New Air Combat Capability project in delivering the required combat aircraft within approved cost, schedule and performance parameters.

ANA0 AUDIT REPORTS SCHEDULED TO BE TABLED OCTOBER TO DECEMBER 2012

- Improving Access to Child Care—the Community Support Program
- Australian Government Coordination Arrangements for Indigenous Programs
- Management of the Defence Community Organisation
- The Two-Pass Process for Approval of Capability Development Projects
- Administration of Income Management Services in the Northern Territory
- Fair Work Ombudsman
- Family Support Program: Communities for Children
- Local Jobs Stream of the Jobs Fund: Quarantined Heritage Component
- Preventing Chronic Disease
- Tasmanian Forest Contractors Voluntary Exit Program
- Administration of the Veterans’ Children Education Schemes
- Remediation of the Lightweight Torpedo Project
- Indigenous Early Childhood Development: Children and Family Centres
- DIAC Immigration Detention: Quality of Service
- Managing Aged Care Complaints

ANA0 BETTER PRACTICE GUIDES

RECENTLY PUBLISHED GUIDES (JULY TO SEPTEMBER 2012)

There were no Better Practice Guides published in the period July to September 2012.

Guides scheduled to be published October to December 2012

- Preparation of Financial Statements by Public Sector entities.
EXPOSURE DRAFTS (EDS), INVITATIONS TO COMMENT (ITCS) AND CONSULTATION PAPERS

Exposure Drafts, Invitations to Comment and Consultation Papers mentioned below can be downloaded from the AASB website at www.aasb.com.au or by clicking on the links below.

ED 226 Withdrawal of Australian Interpretation 1039 Substantive Enactment of Major Tax Bills in Australia – August 2012

Interpretation 1039 explains when proposed changes to income tax legislation should be taken into account for the purpose of measuring deferred tax balances. The AASB propose to withdraw Interpretation 1039 because this is not an issue unique to Australia.

The AASB seeks comments by 19 November 2012.


The request for information will be used to gather information from stakeholders for the IASB to assess the implementation of IFRS 8.

The AASB seeks comments by 11 October 2012.

THE REDUCED DISCLOSURE REGIME

From 1 July 2013, a two-tiered reporting framework will exist in Australia, due to the introduction of the Reduced Disclosure Regime (RDR). Tier 1 entities will be required to comply with all requirements of Australian Accounting Standards (AASs). Tier 2 entities will be required to comply with the recognition and measurement requirements of AASs but with substantially reduced disclosure requirements.

For-profit private sector reporting entities with public accountability and federal, state, territory, and local governments must report in accordance with Tier 1. Other entities, including all government-controlled entities, may report in accordance with Tier 1 or Tier 2, depending on the decisions of their respective regulators.
NEW, REVISED AND AMENDING ACCOUNTING STANDARDS AND INTERPRETATIONS

The following standards amend the requirements of the Reduced Disclosure Regime applicable for reporting periods on or after 1 July 2013.

AASB 2012-7 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements

AASB 2012-7 updates the reduced disclosure requirements in AASB 7 Financial Instruments: Disclosures and AASB 101 Presentation of Financial Statements, following recent changes to the disclosure requirements in these standards. It also introduces reduced disclosure requirements into AASB 12 Disclosure of Interests in Other Entities and AASB 127 Separate Financial Statements.

The Standard is applicable to reporting periods beginning on or after 1 July 2013.

AASB 2012-7 updates the reduced disclosure requirements in AASB 7 Financial Instruments: Disclosures and AASB 101 Presentation of Financial Statements, following recent changes to the disclosure requirements in these standards. It also introduces reduced disclosure requirements into AASB 12 Disclosure of Interests in Other Entities and AASB 127 Separate Financial Statements.

The Standard is applicable to reporting periods beginning on or after 1 July 2013.

EXPOSURE DRAFTS (EDS), INVITATIONS TO COMMENT (ITCS) AND CONSULTATION PAPERS

The following exposure drafts propose changes to the Reduced Disclosure Regime applicable for reporting periods on or after 1 July 2013.

There were no Exposure Drafts for the Reduced Disclosure Regime in the period July to September 2012.

FINANCE CIRCULARS

Finance Circular No. 2012/01 Retained Agency Receipts (s. 31 of the FMA Act and r.15 of the FMA Regulations)

This Finance Circular replaces Finance Circular 2008/07: Relevant Agency Receipts – FMA Regulations 15 and 16. It explains the classes of money received by an Agency that may be retained and spent. It also includes operational guidance on section 31 and regulation 15.

This Finance Circular was issued on 10 July 2012.

Finance Circular No. 2012/02 Procurement On-Time Payment Policy for Small Business

This Finance Circular replaces Finance Circular 2008/10: Procurement 30 Day Payment Policy for Small Business. The policy outlines that, where applicable, agencies are to agree maximum payment terms not exceeding 30 days for procurement contracts with small business that include payments valued up to $5 million (GST inclusive). Agencies must also pay interest on late payments to small business under written contracts valued up to $1 million (GST inclusive).

This Finance Circular takes effect from 1 September 2012.

Copies of Finance Minister’s Orders, Finance Circulars, FinanceBriefs and Accounting Guidance Notes are available from the Department of Finance and Deregulation website at www.finance.gov.au or by clicking on the links below.
ACCOUNTING GUIDANCE NOTES

There were no Accounting Guidance Notes issued by the Department of Finance and Deregulation in the period July to September 2012.

FINANCE BRIEFS

There were no Finance Briefs issued by the Department of Finance and Deregulation in the period July to September 2012.

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