

30 June 2010

100 % achievement of the
30 September 2010 reporting
timelines

Financial Statement Issues

- confusion over what is to be classified as Other Comprehensive Income
- Frequency of revaluation should be in line with AASB 116 Property Plant and Equipment – Para 34
 - Items that experience significant and volatile changes – necessitating annual revaluation
 - Items with insignificant changes – every 3 or 5 years
 - Ensure that this forms part of your accounting policy

Standard Statement Issue

- Prepared in line with the budget as prepared under section 127
 - this includes the format of the statements
 - covering descriptions of items

Internal Operation Charges

- Mark ups must be eliminated when financial reporting
- Should not be shown on face of financial reporting statement
- However it is different when management reporting (management set of financial statements)

Tips on Asset Revaluation Preparation

- Work with your asset engineers
- Perform it early – aim for 31 March
- Review the revaluation methodology
- Do not be afraid to question your valuers for reasonableness if not in line with market expectations
- Brief your valuers on what you is expected – how data should be presented

Reporting Program

Local Government: Interim Results of the 2009-10 Audits
(tabled on 11 August 2010)

Three Common control weaknesses identified:

- Masterfile changes not verified
- Poor bank reconciliation controls
- Inadequate IT disaster recovery planning

Acquittal report – to be tabled in Dec 2010 or Feb 2011

- Timeliness
- Financial Sustainability
- Will be sending data for checking via email by 8 Oct
- Expecting email replies by 15 Oct confirming facts
- Analysis will be sent via letter later but by 1st week in Nov

VAGO Audit Program for 2011-12

- areas of audit focus in 2011-12
 - Financial audit – internal control
 - procurement
 - Asset management

Questions ?

Ron Mak

Phone : 8601 7169

MPhone : 0448 307 619

Email : ronald.mak@audit.vic.gov.au