

Preparation for 2011

Ron Mak; 9 June 2011; The Great Hall, The Centre Ivanhoe

Flood Accounting

- Identify if assets are impaired
- Impairment losses to be allocated first to the Asset Revaluation Surplus for the affected class of asset
- Once losses have been full allocated, balance is accounted through the income statement

Grant Accounting

- Flood grants
- Early receipt of 1st Qtr Grants (2011/12)
- Account under *AASB 1004 Contributions*
- Explain variances to reader in Standard Statements

Super Accounting

- *AASB 119 Employee Benefits*
- Defined benefit call is part of the entity's ordinary activities and is employee benefits expenses
- Expense call in 2011
- A liability if not paid by 30 June 2011 (classification will depend on options chosen)

Bed Licences

- *AASB 138 Intangible Assets*
- No active market on revaluation of licences – active market test
- Account at cost

Landfills rehabilitation

- *AASB 137 Provisions, Contingent Liabilities and Contingent Assets*
- A provision for the rehabilitation and future site aftercare should be recognised at the establishment of a landfill

Valuing road assets

- green fields approach
- replacement cost of assets excluding destruction of existing asset and any site restoration costs
- brown fields – used by management for planning purposes

Year end

Financial Statements

- Prepare Shell statements
 - » Complete early using comparatives
 - » Early review by auditors
 - » Amend notes to reflect council position
 - » Delete notes that are not needed
- Identify accounting issues
- Obtain agreement and solutions on issues
- Develop your own check list
- Include delivery dates
- Support all reconciliations and journals
- Print and extract all cut off information eg. print debtors aged listing if system does not allow back dating

Standard Statements

- Prepare Shell Statements
- Prepare variance analysis
- Provide clear and concise explanations

Performance Statements

- Prepare layout of statement
- Update Key Performance Indicators as each is achieved/completed
- Supporting documentation for each KPI

Through the year

- Demonstrate ownership and commitment
- Robust risk management and internal control
- Good financial reporting throughout the year
- Open and constructive relationships between stakeholders
- Early engagement with your auditors on emerging issues

Local Government: Results of the 2010-11 Audits

- to be tabled in November 2011

Control areas being reviewed

- Procurement
- Asset management
- Internal audit

VAGO Annual Plan 2011-12

- Tabled 24 May 2011 – can be downloaded on website
- Outlines current and prospective areas of audit focus
- 2011-12 to 2014-15
- 2012-13
 - Financial audit
 - Outsourcing
 - Budget management
 - Performance audit
 - Asset management and maintenance by councils
 - Rating practices in local government



Questions ?

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