

## Agency guidelines for the 2017-18 Mandatory Annual Returns to Treasury

**Agencies are required to submit Annual Returns, consisting of the financial statements for the year ended 30 June 2018 and associated schedules that reflect the agency's financial performance during the year and financial position at 30 June 2018.**

**This Circular applies to all NSW public sector agencies, including State Owned Corporations, that are required to submit Prime returns. This Circular withdraws and supersedes the previous NSW Treasury Circular Mandatory Annual Returns procedures for 2016-17 (TC17-06).**

### Summary

For the 2017-18 year agencies are required to submit to Treasury:

- Crown Data Returns by 13 July 2018
- Prime Data Return by 18 July 2018
- Preliminary Annual Returns by 23 July 2018
- Supplementary schedules to the Annual Returns and Resolution of Emerging Issues previously advised to Treasury by 23 July 2018
- Revisions to Preliminary Annual Returns by 17 August 2018

Agencies must develop a detailed plan to ensure delivery by these dates. The plan should be developed in consultation with key stakeholders, including the Audit Office of New South Wales (Audit Office), and incorporate sufficient time for management review and involvement of Audit and Risk Committees. Agencies are also required to provide the Final Annual Return as detailed in this circular.

Please refer to detailed timetable in Appendix A, noting the first return is due on 18 June 2018.

### Annual Returns

Annual Returns constitute the financial statements and associated schedules that reflect the agency's financial performance during the year and financial position at the end of the year. Agencies submit two Annual Returns to Treasury, the **Preliminary Annual Return** and the **Final Annual Return**.

Prior to submitting the Annual Returns to Treasury, agencies must:

- Engage proactively with the Audit Office to discuss any concerns identified during the Early Close Process. Relevant actions must be taken to resolve any issues prior to preparing agency financial statements to avoid the possibility of modification of the opinion within the Independent Audit Report and the incidence of reported misstatements.
- Identify, document and notify Treasury of emerging issues or likely misstatements to enable Treasury to maintain a sector wide view of such issues.
- Complete the Annual Return Checklists that define the minimum requirements for the Annual Returns. Agencies may perform additional procedures as part of a strategy to improve the quality and timeliness of financial reporting. This must be signed and provided to Treasury at the same time as the year-end financial statements are submitted to the Audit Office and Treasury.

The attached Guidelines provide information to assist agencies in completing the Annual Returns to Treasury for the 2017-18 financial statements.

**Preliminary Annual Return comprises:**

**Submission due by 18 July 2018:**

- Prime Data Return (including “ES” (previously referred to as “S” agencies) agency data where applicable), consistent with the 2017-18 draft financial statements. Agencies submit data into Period 12 (Scenario: SA0099 – June 2018)

**Submission due by 23 July 2018:**

- The completed 2017-18 preliminary financial statements as prepared for audit
- Updates to Prime Data Return (including “ES” agency data where applicable), for any changes since 18 July 2018
- Supplementary Return including checklist
- Preliminary Annual Return Checklist
- Details of the correction of material prior period errors
- Resolution of the Emerging Issues previously communicated to Treasury as part of the Mandatory Early Close procedures
- Variance analysis

**Other Submission due by 17 August 2018:**

- Revisions to Preliminary Annual Returns.

**Final Annual Return, due within one day of receiving the signed Independent Auditor’s Report, comprises:**

- Audited financial statements
- Independent Auditor’s Report on your financial statements
- Client Service Report issued to your agency by the agency’s auditor
- Management Letter (when received from the agency’s auditor)
- Final Prime Data Return (including “ES” agency data where applicable). Agencies submit data into Period 13 (Scenario: SY0099 – June 2018). All agencies are required to submit data into Prime Period 13, even if there are no changes to the data previously submitted into Prime Period 12
- Reconciliation between preliminary and final Prime return
- Final Annual Return Checklist

All returns and relevant working papers are to be emailed to [agencyinfo@treasury.nsw.gov.au](mailto:agencyinfo@treasury.nsw.gov.au).

Agencies are no longer required to prepare the Loan Council Return.

Agencies are not required to prepare a Supplementary Return with the Final Annual Return unless the return has changed since the submission of the Preliminary Annual Return.

Agencies must forward the Audited Financial Statements, Independent Auditor’s Report and Client Service Report to Treasury within one day of receipt of the Independent Auditor’s Report. These should be forwarded to [agencyinfo@treasury.nsw.gov.au](mailto:agencyinfo@treasury.nsw.gov.au).

The final Prime Data Return for Period 13, 2017-18 should be submitted no later than 3 days after the latter of; receipt of the Independent Auditor’s Report and the opening of Prime for Period 13 submissions.

Agencies must forward the Management Letter to Treasury within one day of receipt from the Audit Office. These should be forwarded to [agencyinfo@treasury.nsw.gov.au](mailto:agencyinfo@treasury.nsw.gov.au).

## **Budgetary Reporting – Statement of Cash Flow**

2017-18 Budget Paper No.3 (BP3) clarifies that the agency cash flow statements have been removed (to make way for other additional material) and instead is published online. Consequently, agencies that comply with AASB 1055 Budgetary Reporting in their financial statements should continue to include the cash flow statement. Such agencies should include the following footnote in the 'Statement of Cash Flows':

“The Budget statement of cash flows was not reported to parliament in 2017-18 Budget Paper No.3 and instead published online at [www.budget.nsw.gov.au](http://www.budget.nsw.gov.au).”

## **Agencies to notify Treasury of events after the reporting period**

Agencies are required to notify Treasury of events after the reporting period within a day of the agency becoming aware of the issue. Agencies are required to perform an assessment of the events after the reporting period in accordance with AASB 110 *Events after the Reporting Period*.

## **Public Authorities (Financial Arrangements) Act 1987 (PAFA Act)**

The PAFA Act and its accompanying regulation provide a legislative framework for the regulation of the investment and borrowing functions of agencies. Agencies must ensure they have adequate PAFA Act approvals on record.

## **Crown Data Return (CDR)**

To assist with the preparation of the Crown Entity financial statements, all NSW public sector agencies are required to complete the CDR which must be emailed to the [Crown\\_Entity@treasury.nsw.gov.au](mailto:Crown_Entity@treasury.nsw.gov.au) by no later than 13 July 2018. Further details are contained in the attached Guidance, with the CDR in Appendix D.

Those agencies that normally forward a Nil return are requested to examine their situation to see if a Nil return is again applicable. Nil returns will be accepted prior to 30 June 2018.

## **Application of this Circular**

This Circular is issued as a Direction in accordance with sections 9 and 45E of the *Public Finance and Audit Act 1983*. A specific reference to this Treasury Circular will also be included in the Statement of Corporate Intent of Statutory State Owned Corporations.

**This Circular withdraws and supersedes the previous NSW Treasury Circular Agency guidelines for the 2016–17 Mandatory Annual Returns to Treasury (TC17-06).**

**Caralee McLeish**  
**Deputy Secretary Fiscal and Economic Group**

Further Information: Fiscal Estimates & Financial Reporting Division  
Email: [agencyinfo@treasury.nsw.gov.au](mailto:agencyinfo@treasury.nsw.gov.au) (with Agency Prime number, Agency Name and 'Annual Return 2018' in the Subject)  
NSW Treasury website: [www.treasury.nsw.gov.au/](http://www.treasury.nsw.gov.au/)

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Treasury

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# Agency Guidelines for 2017-18 Mandatory Annual Returns to NSW Treasury

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June 2018

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## 1. Background

1.1 Treasury collects and combines the Annual Returns from public sector agencies throughout New South Wales to produce the:

- Consolidated Financial Statements of the NSW General Government and Total State Sectors (known as the Total State Sector Accounts)
- Budget Result and other Key Aggregates announced by the Treasurer (published within the above statements)
- Outcomes Report, prepared in accordance with an intergovernmental agreement to allow consistent comparisons between jurisdictions
- Government Finance Statistics (GFS) based reports which are submitted to the Australian Bureau of Statistics (ABS)
- Submissions to credit rating agencies.

1.2 The consolidated financial reports produced by Treasury are widely distributed and are generally subject to public scrutiny. It is important, therefore, that your agency's Annual Returns are complete and accurate. Accurate and timely financial reporting is one aspect of sound financial management. The production of high quality and timely financial statements by agencies is essential for Government decision making, timely management of public funds and enhanced public sector accountability.

1.3 This will ensure that the consolidated financial reports Treasury produces based on your agency's Annual Returns are also complete and accurate.

1.4 The continued focus on improving the quality and timeliness of financial reporting resulted in the Total State Sector Accounts for 2016-17 receiving an unqualified audit opinion. The Auditor-General reported that agency 2016-17 financial statements submitted for audit and used for the whole-of-government reporting, contained an increase in misstatements exceeding \$20 million compared to such misstatements in the prior period. The focus going forward will remain on the quality of the accounts by reducing misstatements and the underlying causes.

1.5 The Supplementary Return is used to efficiently collect the other financial information that forms part of the Total State Sector Accounts, and that falls outside of the Agency's trial balance.

## 2. Preliminary Annual Return

The Preliminary Annual Return comprises:

### **Submission due on 18 July:**

- **Prime Data Return** (including “ES” agency data where applicable), consistent with the 2017-18 draft financial statements. (Please refer to Appendix G (i))

### **Submission due on 23 July:**

- Completed **2017-18 financial statements** as prepared for audit;
- Updates to **Prime Data Return** (including “ES” agency data where applicable), for any changes since 18 July 2018;
- **Supplementary Return** including checklist (section 4);
- **Preliminary Annual Return Checklist** (Appendix F(i));
- Details of the **correction of material prior period errors** (Appendix J);
- **Updates to Emerging Issues** (Appendix I);  
Details of the resolution of the Emerging Issues communicated to Treasury in the Return on Emerging Issues in 14 February 2018, 23 April 2018 and 25 June 2018; and Information on any other Emerging Issues identified subsequent to the submission of the Returns on Emerging Issues and the details of the resolution of these issues;
- Any **Accounting Issues Resolution Papers** due by 23 July 2018 (Appendix J); and
- **Variance analysis** (Appendix M (i));

All returns and relevant working papers are to be forwarded to:

[agencyinfo@treasury.nsw.gov.au](mailto:agencyinfo@treasury.nsw.gov.au).

### **2.1 Inter-agency or internal counter-party (ICP) balances and transactions**

2.1.1 Agencies must **agree and confirm inter agency balances and transactions** – As part of the year-end process, agencies should confirm the dollar amount of NSW Public Sector inter-agency statement of comprehensive income transactions and statement of financial position balances with a value greater than \$5 million.

2.1.2 ICP mismatches can be reviewed by running the ICP mismatch report at an Agency level. All ICP mismatches above \$5 million should be investigated and cleared as part of your Prime data submission and review. The agency providing the service (e.g.: the debtor) should take the lead in agreeing each balance.

2.1.3 This is necessary to ensure:

- that the amounts reported in Prime by the entities will correctly and completely eliminate on consolidation at a whole of government level, and
- the amounts reported in the financial statements are consistently applied by the entities, and in the same financial period.

2.1.4 Documentation of the confirmation is required, and should be retained by the Agency, to evidence year end processes, which will likely be reviewed by the Audit Office during its audit process.



## 2.2 Review and signoff

- 2.2.1 The Prime data, financial statements and all additional returns must be reviewed and approved by the relevant Agency officers prior to submission. The information in the Prime data must agree with the financial statements submitted for audit.
- 2.2.2 A template for the reconciliation of Prime to financial statements will be provided in the Supplementary Return.
- 2.2.3 All general ledger accounts must be fully reconciled, independently reviewed and approved with all analytical work performed to support the reconciliations for both accuracy and completeness.
- 2.2.4 The accuracy of the following returns to the Crown Entity must be reviewed and approved by the relevant Agency officer prior to submission:
- **Certificate of Reconciliation with the Crown Entity Ledger** (*required from agencies receiving Crown Entity ledger print-outs only*) (Appendix C)
  - **Crown Data Return** (Appendix D)
  - **Valuation of LSL liability** as at 30 June 2018 for Crown Funded LSL agencies and members of the Agency Funded Crown LSL Pool (Appendix E)
- 2.2.5 The relevant Agency officers must review and approve the accuracy of the **Supplementary Return** prior to submission. Further guidance on the Supplementary Return is included in section 4 below.

## 2.3 Year-end calculations

- 2.3.1 **Calculate any liability to the Consolidated Fund as at 30 June 2018** – the template will be provided as part of the **Supplementary return**. This will include full instructions on the calculation of the liability.
- 2.3.2 Agencies should document complex accounting treatments with all issues identified, discussed and confirmed with the Audit Office and actioned appropriately. A template to support the documentation of complex, one-off transactions has been provided in Appendix J as a supporting work paper to utilise where appropriate.
- 2.3.3 Agencies must also up-date financial instruments. The Annual TCorpIM Funds (formerly known TCorp's Hour-Glass managed funds) distribution statements will be provided by TCorp. Other financial instrument information for disclosures will also be available at 30 June 2018.
- 2.3.4 Agencies must recalculate insurance, superannuation, and other employee liabilities. Accounting standards require that insurance, superannuation and other long term provisions are recalculated using a 30 June 2018 discount rate.
- Pillar will provide superannuation statements by 13 July 2018.
  - State Owned Corporations (SOCs), New South Wales Treasury Corporation (TCorp) and the Sydney Motorway Corporation (SMC) should apply the 30 June High Quality Corporate Bond Yield when calculating their defined benefit superannuation liability.
  - As with defined benefit superannuation liabilities, SOCs, TCorp and SMC should now apply the 30 June High Quality Corporate Bond Yield when calculating their Long Service Leave liabilities for use in the Agency's Financial Statements, and for the data submission in Prime.

- SOCs, TCorp and SMC are also required to recalculate the Long Service Leave liabilities at 30 June 2018, using the 30 June 2018 Government Bond rate, and complete the template included as part of the Supplementary return. This information is required for the total sector and State-level reporting at 30 June 2018, which continues to be based on the 30 June 2018 Government Bond rate.
- All other agencies must use the 30 June 2018 Government Bond rate to discount their insurance, superannuation, and other employee liabilities.

## 2.4 Variance analysis - Appendix M(i)

2.4.1 All agencies must complete detailed variance analysis for the year to 30 June 2018. The variance analysis should include:

- Comparison of your agencies actual 2017-18 financial performance and financial position to the 2016-17 financial performance and financial position
- Comparison of your agencies actual 2017-18 financial performance and financial position to the original budgeted 2017-18 financial performance and financial position in accordance with AASB 1055 *Budgetary Reporting* (AASB 1055)

2.4.2 Your agency's Treasury Analyst will be in contact with you to discuss the variances for your agency post submission of your Prime data. These queries will be on a more detailed (account level) basis. However, the quality of your Appendix M(i) submission should limit the amount of additional queries from Treasury.

## 2.5 Correction for errors to submitted data

2.5.1 Agencies are required to advise Treasury of all subsequent adjustments and/or errors (corrected or uncorrected) to the financial statements greater than \$5 million (please refer to Appendix B) so that the Total State Sector Accounts can be assessed for revision. While \$5 million might or might not be material to your reporting entity, the \$5 million threshold will assist Treasury to assess those matters that individually, or collectively, could materially impact the State's consolidated financial statements.

2.5.2 **Agencies are required to complete, including nil returns, and email the completed Appendix B pages to [agencyinfo@treasury.nsw.gov.au](mailto:agencyinfo@treasury.nsw.gov.au) by 17 August 2018.** Any errors or adjustments identified subsequently should be advised to Treasury no later than 1 day after you identify adjustments and/or errors in aggregate, above \$5 million. This includes compensating (offsetting) errors greater than \$5 million even if the net impact is less than \$5 million. If the adjustment/error is less than \$5 million, even if it is material to your agency, there is no need to advise Treasury. However, it should be corrected in the Agency's Final Annual Return.

2.5.3 We encourage the submission of identified errors prior to the deadline date, so that any adjustments will not constitute an error to the Total State Sector accounts submitted to the Audit Office.

2.5.4 Agencies are required to complete and email the completed Appendix I and any Accounting Issues Resolution Papers (Appendix J) prepared on the identified Emerging Issues to [agencyinfo@treasury.nsw.gov.au](mailto:agencyinfo@treasury.nsw.gov.au) with the other components of the Preliminary Annual Return.

## 2.6 Prior Year data

- 2.6.1 Agencies may only change comparative data if the change is required by accounting standards, for example due to a change in accounting policy or as a **correction of a material error in a prior period**. Note, accounting standards require that all changes resulting from revisions to estimates must be made prospectively, and not retrospectively adjusted.
- 2.6.2 The 2016-17 annual financial statements must agree to the Prime data for 2016-17. Please email [agencyinfo@treasury.nsw.gov.au](mailto:agencyinfo@treasury.nsw.gov.au) immediately with the details of any unadjusted discrepancy, including Prime accounts, amounts and an explanation. You will need to demonstrate that the change is eligible for retrospective restatement and complies with accounting standards.
- 2.6.3 Changes to 2016-17 data should be endorsed by your management, and a copy provided to the Audit Office to enable audit of the annual financial statements. Treasury might not be able to immediately action your request to amend the previous year's Prime return, however we will be able to advise you how to prepare the interim Prime return.

## 2.7 Cash management reforms implemented on 1 July 2015

As a result of the cash management reforms implemented on 1 July 2015, agencies funded directly or indirectly from the Consolidated Fund are funded on a cash flow needs basis and should only hold unrestricted cash balances to cover their immediate operational requirements.

As part of these new arrangements, agencies are provided with a 'cash buffer' to allow for contingencies. Where agency cash balances are in excess of the cash buffer for a given fortnight, Consolidated Fund drawdowns may be reduced by Treasury. Principal departments are also expected to adopt a cash flow needs approach for agencies funded by cluster grants.

As a consequence, certain agencies could have a cash balance less than the agency's current liabilities at the balance date; normally an indicator of an agency's inability to continue as a going concern. Agencies should be aware that this indicator is only one of a variety of indicators used in assessing the going concern assumption. Agencies need to also take into consideration the allocated budget and the ongoing support of the State of New South Wales.

Should the Audit Office raise this concern, the agency is advised to refer the matter to Treasury for the attention of Krishna Satchithananda on:

ph: (02) 9228 5537 or email: [TSSA@treasury.nsw.gov.au](mailto:TSSA@treasury.nsw.gov.au)

### 3. Final Annual Return

The Final Annual Return comprises:

- **Audited financial statements,**
- **Independent Auditor's Report** on your financial statements,
- **Client Service Report** issued to your agency by the agency's auditor,
- **Management Letter** (when received from the Audit Office),
- **Final Prime Data Return** for Period 13 including "ES" agency data where applicable (Appendix G (ii)),
- Reconciliation between preliminary and final Prime return (Appendix M(ii)),
- **Final Annual Return Checklist** (Appendix F(ii)).

Agencies are no longer required to prepare the Loan Council Return.

Agencies are not required to prepare a Supplementary Return with the Final Annual Return unless the Supplementary Return has changed by more than \$5 million since the submission of the Preliminary Annual Return.

Agencies must forward the audited financial statements, the Independent Auditor's Report and the Client Service Report to Treasury within one day of receipt of the Independent Auditor's Report. Agencies must forward the Management Letter to Treasury within one day of receipt from the Auditor. These should be forwarded to [agencyinfo@treasury.nsw.gov.au](mailto:agencyinfo@treasury.nsw.gov.au).

The Final Prime return, reconciliation and Final Annual Return Checklist must be submitted within 3 business days of the later of:

- Prime being opened for Final returns; and
- Receipt of the Independent Auditor's Report.

### 4. Supplementary Return

4.1 The Supplementary Return provides Treasury with additional financial information that falls outside of the ordinary trial balance. Treasury relies where possible on agency trial balances and unaudited financial statements, but is required to obtain this additional information to prepare disclosures for notes to the audited Consolidated Financial Statements of the NSW Total State Sector and General Government Sector.

**The Supplementary Return** is prepared electronically. The Supplementary Return (Excel file) with corresponding instructions will be emailed by **30 June 2018** to your CFO with a copy to the Agency Prime contact on record.

4.2 The following schedules are included within the Supplementary Return

- Liability to the Consolidated Fund return
- Financial Guarantees Return
- Contingent Assets and Liabilities Return
- Special Deposit Account Return
- Journal template for Accounting Issue Resolution Papers

- 4.3 Agencies are required to forward the Supplementary Return as part of the Preliminary Annual Return, together with an electronic copy of the preliminary financial statements. Agencies are not required to prepare a Supplementary Return as part of the Final Annual Return unless the Supplementary Return has changed by more than \$5 million since the submission of the Preliminary Annual Return.
- 4.4 The Supplementary Return including the Checklist and Management Representations operate using the Excel spreadsheet. The Excel spreadsheet comprises a series of questions. When questions (e.g. did your agency have any investment properties as at financial year end?) are answered in the affirmative, agencies must insert a reference to the relevant note in the financial statements and for certain questions you will be required (via a hyperlink to a separate tab within the Excel file) to complete further information, such as maturity schedules of commitments. The majority of questions require only a reference to the note in your financial statements. In the cases where information is required to be entered into a separate tab within the Excel file, agencies must ensure that the information ties back to their financial statements.
- 4.5 Please note that many schedules request dissections. These assist Treasury eliminate inter-agency commitments and balances owing upon consolidation and provide for additional disclosures in the notes to the Total State Sector Accounts. For example, the operating lease commitments maturity schedules require a dissection of commitments owing to three groups:
- Other General Government agencies
  - Other NSW Public Sector agencies i.e. owing to Public Non-Financial Corporations (“PNFC”) and Public Financial Corporations (“PFCs”)
  - All other entities i.e. the Private Sector, Commonwealth, Local Governments and Other State Governments.
- The total of the above three groups must agree to the amounts reported in the commitments notes to your financial statements. Refer to Appendix A3 of the 2017-18 Budget Paper No.1 ([www.treasury.nsw.gov.au](http://www.treasury.nsw.gov.au)) if you require a list of NSW public sector agencies by sector classification.
- 4.6 The schedules within the Supplementary Return include some guidance at the foot of the relevant spread sheet, or click on the FAQ buttons, to assist you to prepare the Supplementary Return.
- 4.7 When saving the Supplementary Return file to email to Treasury, prefix the file name with your agency’s Prime number. The Supplementary Return is to be forwarded to [agencyinfo@treasury.nsw.gov.au](mailto:agencyinfo@treasury.nsw.gov.au) along with the other components of the Preliminary Annual Return.

## 5. PAFA Act

- 5.1 The *Public Authorities (Financial Arrangements) Act 1987* (PAFA Act) and its accompanying regulation provide a legislative framework for the regulation of the investment and borrowing functions of agencies. The PAFA Act does this by requiring agencies to seek Treasurer's (and in some cases the Governor) approval for:
- financial accommodation – borrowing or raising money (except inter agency loans within the same ministerial portfolio)
  - financial adjustments – derivative transactions
  - investments (as prescribed by the *Public Authorities (Financial Arrangements) Regulation 2013* (PAFA Regulation))
  - appointment of a funds manager
  - joint financing arrangements and joint venture activities.
- 5.2 Government agencies are given delegated powers by the Treasurer (under the PAFA Act) to enter into the above financial arrangements appropriate to their circumstances. In granting the powers to each public entity, account is taken of the role and expertise within the public entity as well as its risk management control, internal processes and technical support capabilities.
- 5.3 Each agency should have in place a risk management framework (consistent with Treasury Policy TPP15-03 Internal Audit and Risk Management Policy for the NSW Public Sector or TPP17-10 Commercial Policy Framework: Guidelines for Governing Boards of Government Businesses) approved by the agency head (i.e. Governing Board, Chief Executive Officer or equivalent). Within the risk management framework agencies should have policies which address the financial risks specific to the agency and its treasury function (Treasury Risk Management Policies). It is recommended that the agency's Treasury Risk Management Policies are approved by the agency head on an annual basis and comprehensively reviewed at least once every three years. The agency's Treasury Risk Management Policies should specify the frequency of internal audits of the agency's treasury function, which are recommended to be undertaken at least once every three years.
- 5.4 It is the agencies' responsibility to ensure that all requisite approvals are in place and that they comply with the PAFA Act. Please contact your relationship analyst in Treasury for any PAFA approval requests.
- 5.5 Agencies wishing to obtain financial accommodation must obtain the approval of the Treasurer and the Governor (Governor's approval is a one-off approval only) each time they intend to borrow. Section 4(1) of the PAFA Act gives a wide definition of financial accommodation. Specific reference is made to loans and the issue of securities. Other arrangements which fall within the definition of financial accommodation include:
- underwriting facilities
  - come-and-go-facilities
  - overdraft facilities
  - bank guarantees
  - finance, operating and revolving leases

- credit cards or purchase cards (P-Cards)
  - cab-charge cards
  - set-off arrangements
  - EFT systems- linked to an intra-day or overdraft facility
  - cheque cashing authorities
  - tape/transaction negotiation authorities.
- 5.6 Investment Powers of agencies are covered under section 24 of the PAFA Act and consist of 4 parts listed under schedule 4 of the PAFA Act. Every agency has Part 1 Investment powers, unless they are prescribed in the schedules of the PAFA Regulation as having wider powers. Agencies with wider investment powers have parts 2-4 investment powers (as listed in schedules 2-4 in the PAFA Regulation respectively), or further additional powers as listed in schedule 5 of the PAFA Regulation.
- 5.7 Funds Managers are covered under section 25 of the PAFA Act and include any financial institution or other (includes TCorp) that acts in relation to the management of the entity's funds (for investment purposes).
- 5.8 Financial adjustments are effectively hedging instruments. An agency may affect financial adjustments, which are defined and listed under section 5 of the PAFA Act, for the purpose of exercising its functions and with written approval of the Treasurer. The use of financial adjustments through TCorp is allowed, as TCorp has the Treasurer's approval to affect financial adjustments on behalf of agencies.
- 5.9 Government guarantees are covered under part 2C of the PAFA Act. There are two types of government guarantee provided for under the PAFA Act: statutory guarantees (section 22A and 22AA) and discretionary guarantees (section 22B). The guarantee provisions apply to all authorities but only for financial arrangements governed by the PAFA Act.
- 5.10 A joint financing arrangement as defined in section 5A of the PAFA Act includes arrangements in respect of infrastructure or other capital assets entered into by an authority and a person for the purpose of exercising the authority's functions. Under Part 2B of the PAFA Act, an agency may enter into a joint financing arrangement, on the recommendation of the responsible Minister, and with the approval of the Treasurer.
- 5.11 A joint venture as defined by section 22K of the PAFA Act is any activity carried on jointly by two or more persons or by a body corporate formed by two or more persons to carry on an activity jointly. The PAFA Regulation (cl 55) prescribes activities as being included or excluded from the definition of joint ventures.

## **6. Classification of the Functions of Government (COFOG)<sup>1</sup>**

- 6.1 Classification of the Functions of Government (COFOG) data is used to report information on expenses and assets by function in the Total State Sector Accounts Note on the Report on State Finances. It is also used to prepare the Outcomes Report under the Uniform Presentation Framework (UPF). Users of this information include the Australian Bureau of Statistics (ABS), Productivity Commission, Reserve Bank of Australia, credit rating agencies, media organisations and the general public.
- 6.2 It is essential that classifications are correct and significant movements on previous reported balances are explained. Agencies should run the COFOG 4-Digit Report to confirm that program<sup>2</sup> data has been entered accurately and review for major movements between reporting periods.
- 6.3 Your Treasury analyst will be in contact to request further details on significant movements in COFOG data if required. The accuracy of COFOG is to be reviewed and approved by the relevant Agency officers prior to submission.

## **7. Discontinued / Abolished Statutory Bodies**

- 7.1 In accordance with *Public Finance and Audit Act 1983*, where a statutory body ceases to be a statutory body because it is abolished or dissolved or its name removed from Schedule 2 of the Act, it should comply with section 43A of the Act. This means a final financial report must be prepared from 1 July to the date of abolition.

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<sup>1</sup> Previously known as Government Purpose Classification (GPC).

<sup>2</sup> Previously reported as service groups.



## **8. 2017-18 Financial Accounting Arrangements for the Crown Entity (CE)**

### **8.1 Definition**

- 8.1.1 The preparation of the financial statements for the CE, which comprises the Crown Finance Entity (CFE) and the Consolidated Fund bank account (ConFund), is based on information provided by agencies as well as from the CE's ledgers maintained by Treasury.
- 8.1.2 The CFE is required to report on those service-wide assets, liabilities and transactions that are the overall responsibility of the Government rather than being the responsibility of individual departments and statutory bodies.
- 8.1.3 The ConFund receives funds from State taxes, Commonwealth contributions and financial distributions from certain NSW agencies. Payments from this account comprise of appropriation payments to principal general government agencies.

### **8.2 Banking arrangements**

- 8.2.1 Deposits should be made into the CFE and ConFund as appropriate. Care must be exercised to ensure that deposits are made to the correct bank account and that the correct bank details and account number are quoted or that the correct deposit book is used. The account details are:

**Consolidated Fund bank account:**

**BSB: 032-001**

**Account: 20 3850**

**Crown Finance Entity bank account:**

**BSB: 032-001**

**Account: 20 4001**

For clarification or more information contact Ramesh Nand on (02) 9228 3138

### **8.3 Payments to the Crown Entity**

- 8.3.1 In accordance with Treasurer's Directions 130.06, 315.02, 315.03 and 315.04, agencies crediting the CE's bank accounts must ensure that receipt vouchers for those deposits are lodged with the CE on the day of the deposit. Receipts should be emailed to **Crown\_Receipts@treasury.nsw.gov.au**.
- 8.3.2 It is essential that all Public Revenue, Collections and Remitting bank accounts operated by agencies are cleared by the year-end. This will ensure that all ConFund revenues, user-charges etc. are properly brought to account. To ensure a smooth flow of such entries, agencies must clear their collections of Crown revenues to the appropriate CE bank accounts at least weekly during June and on a daily basis during the period 16 to 30 June 2018 inclusive.

## **8.4 Unpaid cheque accounts operated on behalf of the ConFund**

- 8.4.1 A number of larger agencies operate a Treasurer's Unpaid Cheque Account on behalf of the ConFund. As these accounts form part of the ConFund's cash at bank total, the CE requires reconciliations of these accounts for its year end work papers. The reconciliations and related working papers are to be emailed to [Crown\\_Entity@treasury.nsw.gov.au](mailto:Crown_Entity@treasury.nsw.gov.au) by 6 July 2018.
- 8.4.2 The balance of the unpaid cheque account must not include cheques unpaid/dishonoured for more than 2 months. These are to be cleared, with appropriate deposit made to the credit of the Treasurer's Unpaid Cheque account as per Treasurer's Direction 140.04.

## **8.5 Appropriation Payments**

- 8.5.1 Final appropriation payments will be paid on 27 June 2018.
- 8.5.2 Reimbursement of all other expenditures except for LSL and unclaimed moneys will be made up to and including 21 June 2018.
- 8.5.3 Where an agency has received a direct appropriation from the Consolidated Fund, any unspent appropriations will have to be repaid to the ConFund in July and reported as amounts owing to the ConFund as at 30 June 2018 (refer Supplementary return for the calculation template).

## **8.6 Long Service Leave (LSL)**

### **Calculation of the present value of LSL for the Crown Funded LSL agencies and the Agency Funded Crown LSL Pool**

- 8.6.1 LSL must be accounted for in accordance with AASB 119 *Employee Benefits* and discounted appropriately. Agencies whose LSL is assumed by the Crown and those belonging to the Agency Funded Crown LSL Pool must complete Appendix E Crown Funded LSL agencies and members of the Agency Funded Crown LSL Pool and return to the CE on or before 18 June 2018.
- 8.6.2 Treasury Circular TC 15-09 *Accounting for Long Service Leave and Annual Leave*, mandates the required treatment for returns to Treasury. (note: TC 15-09 is currently under review. Agencies will be notified when the updated circular is released. Agencies should then comply with the updated circular.) In particular, agencies should;
- accrue for on costs of Annual Leave while the employee is on Annual Leave or Long Service Leave, and
  - accrue for the on costs of Long Service Leave whilst the employee is on Annual Leave.

### ***Expensing the accruing cost of LSL for the Crown Funded LSL agencies***

- 8.6.3 At year end, Crown Funded LSL agencies are required to reconcile the movement of LSL liability assumed by the Crown during the financial year and complete Section 3.2 Provision of Long Service Leave – Certificate of Reconciliation of Appendix D Crown Data Return. Agencies should ensure that the expense appearing in the agency's financial statements for LSL assumed by the Crown agrees with the LSL expense (CE general ledger accounts 40200 and 40210).
- 8.6.4 Where officers are transferred between Category 1 agencies, agencies must ensure that the transferred LSL liabilities should not impact on LSL expense. The transferred amount must be reported in line item “Staff transferred in/out – non-cash transfers” in the Return.
- 8.6.5 If a discrepancy is identified, agencies must investigate and rectify the errors before lodging the Return with the CE. The CE general ledger accounts 40200 and 40210 must not be used to balance up the yearly movement. Reconciliations must be performed.
- 8.6.6 Agencies must advise the CE a final adjusting journal (clearly marked as such) as per the requirements of Treasury Circular TC 14-06 Funding Arrangements for Long Service Leave and Transferred Officers Leave Entitlements no later than 6 July 2018.

### ***Payment of adjusting cash contribution to the Agency Funded Crown LSL Pool***

- 8.6.7 Members of the Agency Funded Crown LSL Pool with a final adjusting payment or direct bank credit (clearly marked as such), must make these on or before 25 June 2018. The payment will ensure that the correct portion of all 2017-18 salaries and wages payments has been paid into the appropriate account. In this regard, your attention is particularly drawn to the requirements of Treasury Circular TC 14-06.

### ***Recoupment of LSL***

- 8.6.8 Amounts payable for June 2018 LSL by GGS agencies and those Crown LSL Pool agencies entitled to a reimbursement from the CE are to be lodged by 10 am on 25 June 2018.

### **8.7 Unclaimed money**

- 8.7.1 Any unclaimed money and part balances of any Special Deposits Account no longer required (TD 330.01) should be deposited into the ConFund, Westpac Bank Account BSB: 032-001 Account: 20 3850, by 25 June 2018 for credit of the Consolidated Fund Receipts A/C 76730 - Transfers under Section 14 of the *Public Finance and Audit Act 1983*.

## **8.8 Reconciliation with the Crown Entity ledger**

- 8.8.1 Agencies transacting with the CE and receiving ledger print-outs from the CE for transactions must submit Appendix C Certificate of Reconciliation with the Crown Entity Ledger by 13 July 2018. Note that agencies' ledgers must agree with the CE ledger as at 30 June 2018. (TD 240.06, 325.01 & 325.02).
- 8.8.2 The submission of the signed Certificate of Reconciliation must be supported with a copy of the June month end ledger print-out provided by the CE, as evidence of the balances being reconciled.
- 8.8.3 The full June month end printouts will be emailed to agencies on 10 July 2018.
- 8.8.4 Any discrepancies are to be reported to the CE as soon as possible to allow sufficient time for resolution
- 8.8.5 For enquiries regarding the ledger printouts, contact Angel Yu (9228 5071) or Hitesh Shakya (9228 5842).

## 9. Frequently Asked Questions (FAQs)

**Q Where/how does the CEO/CFO sign the Supplementary Return and Checklist?**

**A** The CEO/CFO do not physically 'sign' the spreadsheets. However, the preparer is **required** to complete a question on Management Representations on behalf of your agency. The representations for 2017-18 state that the CFO has attested to the accuracy of the financial statements, Prime data and the Supplementary Return. You need to organise that the CFO or an authorised representative is available to authorise the information, so that your organisation can meet its timetable obligations for Treasury.

**Q How can I view all available Prime accounts?**

**A** The Data Dictionary is available on the Prime Knowledge Base. Email Treasury on [agencyinfo@treasury.nsw.gov.au](mailto:agencyinfo@treasury.nsw.gov.au) or the applicable contact listed in Appendix K for specific queries.

**Q I have corrections > \$5 million to the Prime or Supplementary Return package that I previously forwarded to Treasury.**

**A** Complete the enclosed form *Revisions to 2017-18 Prime Data* at Appendix B and email it to [agencyinfo@treasury.nsw.gov.au](mailto:agencyinfo@treasury.nsw.gov.au) immediately.

**Q The available Prime account has an inappropriate counterparty?**

**A** Email Treasury on [agencyinfo@treasury.nsw.gov.au](mailto:agencyinfo@treasury.nsw.gov.au) or the applicable contact listed in Appendix K.

**Q Prime does not reflect my 2016-17 comparative AGAAP reports. (e.g. I need to reclassify employee liabilities from Non-current to Current.) What should I do?**

**A** Email Treasury on [agencyinfo@treasury.nsw.gov.au](mailto:agencyinfo@treasury.nsw.gov.au) or the applicable contact listed in Appendix K.

## 10. Directory of Appendices

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## Appendix A: Year-end Timetable Checklist

Annual Return Procedure	2018 <sup>1</sup>	Date Submitted
Agencies to provide <b>Appendix E</b> – Valuation of LSL liability as at 30 June 2018 for Crown Funded LSL agencies and members of the Agency Funded Crown LSL Pool ( <i>TC 15-09 Accounting for Long Service Leave and Annual Leave, or its replacement</i> )	18 June	
<ol style="list-style-type: none"> <li>1. Final day for agencies to claim reimbursements of LSL for both Crown Funded LSL agencies and members of the Agency Funded Crown LSL Pool (must be submitted before 10:00am) and expenditure made on behalf of the Crown Entity.</li> <li>2. Final day for agencies to send contributions to the Agency Funded Crown LSL Pool.</li> <li>3. Unclaimed monies and amounts no longer required are to be deposited in the Consolidated Fund (<i>Treasurer's Direction 330.01</i>)</li> </ol>	25 June	
Agencies submit their Final Return on Emerging Accounting Issues to Treasury as per <i>TC17-12 Agency guidelines for the 2017-18 Mandatory Early Close</i>	25 June	
Crown to make <b>final appropriations payments</b> to agencies	27 June	
Crown Entity to return <b>Appendix E</b> with advice of the present value of the LSL liability to Crown Funded LSL agencies and members of the Agency Funded Crown LSL Pool.	4 July	
<ol style="list-style-type: none"> <li>1. Agencies operating unpaid cheque accounts on behalf of the Consolidated Fund must send <b>reconciliation working papers</b> to the Crown Entity.</li> <li>2. Final <b>LSL adjusting journal</b> to Crown Entity</li> </ol>	6 July	
Final day for Crown Entity to process <b>non-LSL adjusting journals</b>	9 July	
Crown Entity to email <b>June ledger printouts</b> to agencies	10 July	
Agencies to provide the Crown Entity with: <b>Appendix C – Certificate of Reconciliation with the Crown Entity Ledger</b> <b>Appendix D – Crown Data Return</b>	13 July	
Agencies to submit <b>30 June 2018 Prime return</b> consistent with the draft <b>Financial Statements</b> to Treasury.	18 July <sup>2</sup>	
Agencies to submit <b>30 June 2018 Annual Financial Statements</b> to the Audit Office (including supporting work-papers for the Audit Office)	23 July <sup>2</sup>	

<b>Annual Return Procedure</b>	<b>2018<sup>1</sup></b>	<b>Date Submitted</b>
Agencies to provide <b>Preliminary Annual Return</b> (Appendix F(i)), and the completed <b>Supplementary Return</b> to Treasury	23 July	
Emerging Issues Resolutions ( <b>Appendix I</b> ) to Treasury	23 July	
Agencies to provide the completed <b>Accounting Issues Resolution Papers</b> to Treasury, if applicable <b>Appendix J</b>	23 July	
The Crown Entity to provide preliminary <b>Annual Return</b> to Treasury and <b>annual financial statements</b> to the Audit Office	31 July	
The Crown Entity to provide the completed <b>Supplementary Return</b> and <b>Appendix F(i)</b>	3 August	
<b>Additional variance queries spreadsheet</b> provided to agencies and ABP analysts	3 August	
<b>Additional variance queries spreadsheet</b> due back from agencies and ABP analysts	10 August	
Revisions to Prime data submitted as part of the preliminary or final Annual Return for changes in financial statements and note disclosures for all subsequent adjustments and errors (corrected or uncorrected) above \$5 million. All agencies are required to provide an <b>Appendix B</b> , including nil returns. These <b>may be</b> incorporated into the Total State Sector Accounts prior to submission to audit.	17 August <sup>3</sup>	
Subsequent revisions to Prime data submitted as part of the preliminary or final Annual Return for changes in financial statements and note disclosures for all subsequent adjustments and errors (corrected or uncorrected) above \$5 million. Agencies to provide updated <b>Appendix B</b> . These <b>may not be</b> incorporated into the Total State Sector Accounts prior to submission to audit, and may be reported as an error.	Within one day after the issue is identified <sup>3</sup>	
Agencies to provide <b>Final Annual Return</b> to Treasury	Within one day of receiving the signed Independent Auditor's Report	
Notification of events after the 30 June 2018 reporting period ( <b>post balance sheet events</b> )	Within one day of the agency becoming aware of the issue	
Treasury to submit <b>draft TSSA</b> to the Audit Office	31 August	
Publication of <b>TSSA</b>	TBC	

1. All Appendices and returns are to be provided on or before the due dates (including Nil returns)

2. An extension of time will not be permitted

3. It is anticipated that agencies will not have any unexpected adjustments or errors over \$5 million with the improvements to financial reporting process undertaken by the sector



## Appendix B: Revisions to 2017-18 Prime Data for Changes in Financial Statements and Note Disclosures

**Due date for first return by: 17 August 2018**

**Email to: [agencyinfo@treasury.nsw.gov.au](mailto:agencyinfo@treasury.nsw.gov.au)**

After forwarding the Preliminary Annual Return, agencies need to advise Treasury of all subsequent adjustments and/or errors (corrected or uncorrected) above \$5 million, when they are identified, so the Total State Sector Accounts can be assessed for revision.

Complete and email this form no later than 1 day after you identify errors, in aggregate, above \$5 million. This includes compensating (offsetting) errors greater than \$5 million whose net impact is less than \$5 million. **All agencies are required to provide an Appendix B, including nil returns, by 17 August 2018.**

Where appropriate attach further information e.g. extract from the revised financial statements or an Accounting Issue Resolution Paper (as provided in Appendix J).

### Changes in Financial Statements and Note Disclosures:

Agency name: ..... Agency No. (Prime): .....

1. Is there an error or adjustment in excess of \$ 5m to the Preliminary Annual Return  
Yes/No
2. Who identified the adjustment/error? Audit/Management
3. Has management verified the adjustment/ error? Yes/No
4. Does management plan to amend the 2017-18 financial statements? Yes/No
5. Is audit in agreement with management's plans? Yes/No  
If not, explain.

.....  
.....

6. What is the nature of the adjustment/error?

.....  
.....

7. What Prime journals are required for the adjustment or to correct the error (if it relates to the trial balance)?

Please document in the table below or attach, if insufficient space. Please provide journal even if you answered 'NO' to questions 3 or 4.

Dr/ Cr	A/c description	Prime a/c # (including movements)	ICP	\$	Comments – jnl description

8. What amendments are required to the Supplementary Return schedules for the adjustment / to correct the error?

.....  
.....

Please attach updated Supplementary Return schedules.

**Signed:** ..... **Chief Finance Officer:** .....(name of CFO)

**Agency Contact:(name)** ..... **(Tel.)** ..... /...../2018

## Appendix C Certificate of Reconciliation with the Crown Entity Ledger

Due date by: **13 July 2018**

Email to: [Crown\\_Entity@treasury.nsw.gov.au](mailto:Crown_Entity@treasury.nsw.gov.au)

<b>Name:</b>	
<b>Position Title<sup>1</sup>:</b>	
<b>Agency:</b>	
<b>Profit Centre:</b>	

I certify that the ledgers of this authority agree with the Crown Entity ledgers<sup>2</sup> as at 30 June 2018, in accordance with Treasurer's Direction 240.06 and 325.01-02.

<b>Signed:</b>	
<b>Date:</b>	
<b>Contact Telephone No:</b>	

1. The Certifying Officer **must** be a Senior Finance Officer within the agency.
2. The ledgers printout sent to agency by the Crown Entity on 10 July 2018 **must** be attached to this Certificate as evidence that those balances have been agreed to the agency's own ledgers.

## Appendix D Crown Data Return

Due date by: **13 July 2018**

Email to : **Crown\_Entity@treasury.nsw.gov.au**

**Note 1: The completion of a Crown Data Return is compulsory for all NSW Public Sector agencies. Nil returns are required.**

**Note 2: If any amount shows changes subsequent to the provision of this return, the relevant page should be resubmitted (within three days following identification) with the amended figure highlighted.**

The preparation of the financial statements for the Crown Entity (CE), which includes the Crown Finance Entity (CFE) and the Consolidated Fund (ConFund), is based on information provided from other agencies as well as its own ledgers. Specific information requested from agencies is detailed below.

### Crown Data Return contacts:

Items	Contact name	Contact telephone
1	Leigh Nguyen	9228 4148
2	Sheryn Ho	9228 3970
3	Charles Cheung	9228 4604
4 & 5	Mitra Karmakar	9228 5839

### 1 Amounts owing by/to the Crown (show Crown liabilities in brackets)

#### 1.1 Non-administered items

This information is required to ensure that the correct amounts owing to/by agencies are recognised in the CE financial statements.

Examples of assets in an agency's financial statements (Crown liabilities) include:

- LSL reimbursements owing by the CFE to an agency to cover payments made to employees during the year, and
- Interest receivable from the Treasury Banking System.

Examples of liabilities in an agency's financial statements (Crown assets) include:

- LSL contributions (Agency Funded Crown LSL Pool),
- Transferred officers' LSL (Crown Funded LSL agencies),
- Advances repayable to the State, and
- Other revenue to the ConFund (provide details).

#### 1.2 Administered items

An agency may manage Crown assets and liabilities in an agency capacity. Such assets and liabilities are termed "administered items" because they are not controlled by the agency.

*Note: Crown land dedicated to specific uses and under the control of a specific agency is to be recognised as an asset of that agency and is not to be recognised as an "administered asset". Accordingly, it is rare that an agency would have Crown land and not recognise it in its own financial statements.*

## **Appendix D - Crown Data Return (continued)**

The Crown assets and liabilities administered by an agency must be reported in agency's State Revenues Prime lodgement (formerly known as S Agencies Return) to Treasury and should reconcile with agency's notes to the financial statements for administered activities.

### **1.3 Crown revenue unremitted at 30 June 2018**

The purpose of this section is to bring Crown revenues collected and held in an agency's bank accounts as at 30 June to account in the CE ledgers. Please note Crown revenue should not be held in agency operating bank accounts for more than one working day in accordance with Treasurer's Direction 130.01. The Crown unremitted revenue therefore also includes any amounts in an agency's managed remitting bank account for the Crown as at 30 June that are not yet transferred to the ConFund.

### **1.4 Crown assets/liabilities, administered/non-administered, NOT required in this Return**

The CE will extract the following assets/liabilities, being amounts owed by/to Crown, from agency's Prime data submitted to Treasury for the month of June:

- Unspent appropriation payable to Confund (for applicable/owing agencies),
- Dividends/contributions payable to the ConFund,
- Income tax equivalents receivable/payable to the ConFund,
- Payroll tax payable to OSR, and
- TBS interest receivable from the CFE

Please **do not** include these balances in this Return.

## **2. Provision for redundancy payments**

Treasury Circular NSW TC 12-01 *Funding for Redundancy Payments* details the requirements to obtaining reimbursement from the Crown for redundancy payments made by the agency. The funding assistance is available to all GGS agencies. Where there is justification, assistance may also be available to agencies which receive significant operating subsidies or budget funded grants to deliver programs.

Agencies with funding approved but not yet paid as at 30 June need to advise the CE so that appropriate provisions can be made.

## **3. Liabilities assumed by the Crown (show Crown liabilities in brackets)**

### **3.1 LSL and superannuation**

The CFE has assumed the LSL liability for certain GGS agencies and accounts for the LSL liabilities of members of the Agency Funded Crown LSL Pool. Accordingly, it is required to reflect all such unfunded liabilities in the CE's financial statements.

Information regarding unfunded superannuation liabilities assumed by the CE will be provided directly by the Trustee's actuary.

*Note: GGS agencies are to ensure that their expenses for superannuation and payroll tax on superannuation are fully accounted for in journals supplied to the CE as at 30 June 2018.*

## Appendix D - Crown Data Return (continued)

### 3.2 Certificate of Reconciliation of Agency's Provision for LSL

Certain GGS agencies' LSL liabilities and the related defined benefit superannuation consequential cost are assumed by the Crown.

AASB 119 encourages the involvement of a qualified actuary in the measurement of post-employment benefit obligations. To ensure actuarial methodology consistency and reduce whole of government costs, Treasury has appointed an actuary to determine a shorthand valuation approach to calculate agencies' LSL expense. Agencies must ensure movements in the LSL liability for the year are accurately reflected in the CE ledger by completing the appropriate section of this Return.

Based on the information provided, the CE will advise agencies of the LSL liabilities assumed by the Crown. Refer to Appendix E and Treasury Circular NSW TC 15-09, *Accounting for Long Service Leave and Annual Leave*, or its replacement, for more information.

According to AASB 101, all unconditional LSL and related consequential costs must be presented as **current liabilities** in the Statement of Financial Position.

Note 1: Some consequential costs relating to LSL (e.g. payroll tax, worker's compensation insurance) are the responsibility of individual agencies. As such, they are not to be recouped from the CE and are not to be included in the reconciliation of LSL of this Return.

Note 2: Significant variations of 10% or more between the opening and closing balances of an agency's provision for LSL must be accompanied by a written explanation.

### 3.3 Defined benefit superannuation on-costs on annual leave for GGS agencies whose defined benefit superannuation is assumed by the Crown

Treasury Circular NSW TC 15-09 *Accounting for Long Service Leave and Annual Leave*, or its replacement, provides detailed instructions for the calculation of the defined benefit superannuation on-costs on annual leave.

Agencies should report the closing balance as at 30 June of the defined benefit superannuation on-costs on annual leave in section 3.3.1 of the Crown Data Return.

Where the defined benefit superannuation is assumed by the Crown, additional superannuation liability accrued on the annual leave liability is also assumed by the Crown and is recognised as an expense and revenue.

## **Appendix D - Crown Data Return (continued)**

### **3.4 LSL on-costs on annual leave for Crown Funded LSL Pool agencies**

Treasury Circular NSW TC 15-09 *Accounting for Long Service Leave and Annual Leave*, or its replacement, provides detailed instructions for the calculation of the LSL on-cost on annual leave.

Agencies should report the closing balance as at 30 June of the LSL on-costs on annual leave in section 3.3.2 of the Crown Data Return.

Where the LSL is assumed by the Crown, any additional LSL liability accruing on the annual leave liability is also assumed by the Crown and is recognised as an expense and revenue.

### **4. Advances repayable to the State**

In accordance with Treasurer's Directions 350.01-02, public sector entities are required to furnish a return of Treasurer's advances repayable to the Crown. Advances include amounts of money advanced to agencies to assist with working capital management and/or funding of natural disasters. Agencies that have received funds (via capital or recurrent allocations) that are used to provide loans to external parties and where the agency will refund the money to the CE are considered advances and should be included in the Advances repayable to the Crown return.

Agencies which have received funding for energy efficient equipment under the Treasury Loan Fund program are advised that the funding is an advance and is to be recorded appropriately.

### **5. Fair value of interest free and low interest advances and loans**

Under AASB 139, interest free and low interest loans must initially be recognised at fair value (consistent with other financial instruments) and amortised cost thereafter. The fair value of a long term loan or receivable that carries no interest or below market interest should be calculated as the present value of all future cash receipts, discounted using the prevailing market rate of interest at the time the advance was issued.

Any additional amount is generally an expense or revenue (generally classified as grant revenue or expense). Amortisation of the loan is recognised as investment revenue (or finance cost) using the effective interest rate method. Treasury Policy Paper TPP08-1 *Accounting for Financial Instruments* provides requirements and further information on this matter.

Agencies will need to agree with the CE the fair value and nominal value of loans as at 30 June 2018. Agencies should contact Mitra Karmakar (9228 5839) to agree these values before submitting the Return.

Appendix D - Crown Data Return (continued)

Year Ending 30 June 2018

Due date by: **13 July 2018**

Email to: [Crown\\_Entity@treasury.nsw.gov.au](mailto:Crown_Entity@treasury.nsw.gov.au)

<b>Agency Name:</b>			
<b>Agency Number:</b>			
<b>Return Prepared By:</b>			
<b>Phone:</b>		<b>Date:</b>	

**Note:** If any amount shown changes subsequent to the submission of this Return, the relevant page should be resubmitted (within one day following identification) with the amended figure(s) highlighted,

**1. Amounts owing by/to the Crown as reported in the agency financial statements**

Provide below amounts (rounded to the nearest \$'000) owed by the Crown to the Agency (i.e. agency assets) or owed by the Agency to the Crown (i.e. agency liabilities)

**1.1 Non-administered items**

As classified in agency's Statement of Financial Position	\$'000 as at 30 June 2018
<b>Current assets (owed by the Crown to the agency)</b>	
Long service leave reimbursements – Crown Funded LSL agencies <sup>1</sup>	
Long service leave reimbursements – Agency Funded Crown LSL Pool	
Natural disaster relief reimbursements	
Other current assets ( <i>provide details</i> )	
<b>Non-current assets (owed by the Crown to the agency) (<i>Provide details</i>)</b>	

<b>Current liabilities (owed by the agency to the Crown)</b>	
Long service leave contributions – Agency Funded Crown LSL Pool	
Transferred officers' long service leave	
Advances repayable to the State ( <i>complete details in Section 4</i> )	
Other current liabilities ( <i>provide details</i> )	
<b>Non-current liabilities (owed by the agency to the Crown)</b>	
Advances repayable to the State ( <i>complete details in section 4</i> )	
Other non-current liabilities ( <i>provide details</i> )	

<sup>1</sup> Refer to Treasury Circular TC14-06 appendices 1 and 2 for listings of Crown Funded LSL agencies and Agency Funded Crown LSL Pool, respectively.





**Appendix D - Crown Data Return (continued)**

**3. Long Service Leave (LSL)**

**3.1 LSL and consequential costs liabilities as at 30 June 2018**

	<b>\$'000</b>
<b>Crown Funded LSL Agencies</b>	
LSL (present value) and the related defined benefit superannuation consequential cost liability assumed by the Crown as at 30 June 2018 (Not appearing in the agency's financial statements)	
<b>Agency Funded Crown LSL Pool</b>	
LSL liability (present value) as at 30 June 2018 (LSL liability appearing in the agency's financial statements)	

**3.2 Provision for long service leave – Certificate of Reconciliation**

Crown Funded LSL agencies – Category 1 agencies only i.e. for those agencies whose LSL is assumed by the Crown

	<b>Whole dollars</b>	<b>Comments</b>
<b>Movements for 2017-18:</b>		
LSL present value as at 30 June 2018 <i>(including the defined benefit superannuation consequential cost)</i>		As per advice from Treasury
Opening LSL present value balance as at 1 July 2017 <i>(including the defined benefit superannuation consequential cost)</i>		As per previous year advice from Treasury as at 30 June 2017
Movements for 2017-18		
<b>Movements presented by:</b>		
Add: LSL expense for 2017-18		As per Treasury G/L account 40200 for monthly accrual of LSL expense and assumed consequential costs
Add/less: LSL expense – present value adjustments for 2017-18		As per Crown G/L account 40210 for present value adjustments
Less: payments for 2017-18		As per Treasury G/L account 35200
Less: staff transferred out – cash payments		As per Treasury G/L account 35202
Plus: staff transferred in - cash receipts		As per Treasury G/L account 59315
Add/less: staff transferred in (add) or transferred out (less) for non-cash transfers		
Adjustment(s)		Reason(s) to be identified below
<b>Movements for 2017-18</b>		
Reason(s) for adjustment:		

**Appendix D - Crown Data Return (continued)**

**3.3 Consequential costs on annual leave assumed by the Crown**

**3.3.1 Consequential defined benefit costs**

	<b>\$'000 as at 30 June 2018</b>
<b>Total consequential defined benefit costs on annual leave</b> <i>(where the defined benefit superannuation is assumed by the Crown)</i>	

**3.3.2 Consequential LSL costs**

	<b>\$'000 as at 30 June 2018</b>
<b>Total consequential LSL costs on annual leave</b> <i>(where the LSL is assumed by the Crown)</i>	

**Note:** Agencies to report the total balance as at 30 June, not the year's movement.

**4. Advances repayable to the State**

Select one of the following:

- 1 The agency does not have any advances owing to the Crown
- OR
- 2 Details of advances owing to the Crown are as attached\*

\* Where the agency has more than one advance owed to the Crown, each advance must be individually listed and the required information provided as per below.

<b>Advance #1</b>			
Date of advance			
Amount of advance		Interest rate per annum	
Purpose of advance			
<b>Fair Value – to be confirmed by Crown:</b>			
Amount outstanding as at 1 July 2017			
Amount outstanding as at 30 June 2018			
<b>Nominal Value:</b>			
Amount outstanding as at 1 July 2017			
Amount outstanding as at 30 June 2018			
<b>Schedule of repayment of advance**:</b>			
<b>Current</b>		<b>Non-current</b>	
<b>Date</b>		<b>Date</b>	
<b>Amount</b>		<b>Amount</b>	

\*\* The current and non-current split must be provided to ensure agreement with the Crown Entity's records.

**Certification**

- the amounts disclosed on the return are materially correct
- proper records are being kept by the agency to record the employee's LSL entitlements
- all applicable contributions have been passed onto Treasury

Signed: \_\_\_\_\_  
Chief Finance Officer

Name: \_\_\_\_\_ Dated: \_\_\_\_\_

## Appendix E LSL Return: Category 1 - Crown Funded LSL agencies and Category 2 - Agency Funded Crown LSL Pool agencies

Due date by: **18 June 2018**

Email to: [Crown\\_Entity@treasury.nsw.gov.au](mailto:Crown_Entity@treasury.nsw.gov.au)

<b>Agency Name:</b>			
<b>Agency Number:</b>			
<b>Return Prepared By:</b>		<b>Phone:</b>	

### Actuarial valuation of LSL liability as at 30 June 2018

In accordance with this Circular (TC 15-09 *Accounting for Long Service Leave and Annual Leave*, or its replacement), we have calculated the nominal value of LSL balance as at 30 April 2018 for employees that have completed 5 or more years of service.

	<b>\$'000</b>
<b>Present value</b> of LSL as at 1 July 2017 <i>(Opening current and non-current LSL balance, as advised by CFE in the previous year. The balance excludes any on-costs)</i>	_____
Estimated Total Annual Salary of <i>all</i> Employees <sup>1</sup>	_____
<b>Nominal value</b> of LSL current year- As at 30 April 2018	_____ _____

Explanations for any large movements in the LSL balance <i>(if applicable)</i> :	Signed: _____ Date: _____  Name: _____
--	---

**Completed by the CFE**  
 (The CFE will convert nominal value to present value and email to you on or before 4 July 2018)

	<b>\$'000</b>
LSL present value - as at 30 June 2018 <i>(base for calculating on-costs)</i>	_____
<b>On-Costs assumed by the Crown</b> , excluding Category 2 - Agency Funded Crown LSL Pool agencies <sup>2</sup> : Defined benefit superannuation on-cost (1.2% for NSW Health and other Crown Funded LSL Agencies) Total LSL present value and related on-costs assumed by the Crown	_____ _____ =====

Senior Financial Accountant (CFE)	Date
-----------------------------------	------

**(Attach a copy of this signed certificate with your Crown Data Return)**

<sup>1</sup> This represents the estimated aggregate salaries paid during the financial year, where the salary is, at any time, the actual salary applicable for determining LSL payments in service.  
<sup>2</sup> The defined benefit superannuation on-cost is not included in the Category 2 - Agency Funded Crown LSL Pool calculations.

## Appendix F(i): Preliminary Annual Return Checklist

**Forward to Treasury at the same time, as the preliminary Annual Return procedures are completed and submitted to the Audit Office (no later than 23 July 2018)**

Email: [agencyinfo@treasury.nsw.gov.au](mailto:agencyinfo@treasury.nsw.gov.au)

Agency Name \_\_\_\_\_ Agency No.(Prime) \_\_\_\_\_

Annual Procedures	For yes "✓" and no "x"
<ul style="list-style-type: none"> <li>• Submit 30 June 2018 reporting information into Period 12 in Prime (Scenario: SA0099 – June 2018). Including "ES" agency data where applicable. Also refer Appendix G(i).</li> </ul>	
<ul style="list-style-type: none"> <li>• Prepare pro forma financial statements that comply with the Financial Reporting Code issued by Treasury</li> </ul>	
<ul style="list-style-type: none"> <li>• Confirm the agency complies with Treasury's mandatory accounting policies with a detailed explanation if it does not comply</li> </ul>	
<ul style="list-style-type: none"> <li>• Explain any unresolved prior year audit issues including the proposed action plan to resolve them</li> </ul>	
<ul style="list-style-type: none"> <li>• Attach journal, explanation and proposed disclosure where 2017-18 comparatives are amended due to the correction of a material error, or a change in accounting policy</li> </ul>	
<ul style="list-style-type: none"> <li>• Assess the impact of new and updated accounting standards</li> </ul>	
<ul style="list-style-type: none"> <li>- Ensure supporting work papers evidence how the agency has considered and addressed the requirements of the new standards</li> </ul>	
<ul style="list-style-type: none"> <li>• Identify and document accounting issues including all one-off, complex or significant transactions</li> </ul>	
<ul style="list-style-type: none"> <li>- document the transactions using the template at Appendix J</li> </ul>	
<ul style="list-style-type: none"> <li>- engage effectively with all affected stakeholders and agreed financial implications and accounting treatments, including with Treasury to ensure whole-of-government impacts are properly classified for consolidation</li> </ul>	
<ul style="list-style-type: none"> <li>- outline and submit to Treasury the management judgements, assumptions undertaken, estimates and the basis of treatment</li> </ul>	
<ul style="list-style-type: none"> <li>- update the ledgers, financial statements and note disclosures to reflect the treatment</li> </ul>	
<ul style="list-style-type: none"> <li>- make available to Treasury where necessary any formal advice from external consultants</li> </ul>	
<ul style="list-style-type: none"> <li>• Ensure management review of the statements and work papers and endorsement of the annual financial statements</li> </ul>	
<ul style="list-style-type: none"> <li>• Ensure the 30 June 2018 Prime return reconciles to the financial statements provided to Treasury and the Audit Office</li> </ul>	
<ul style="list-style-type: none"> <li>• Ensure management review and endorsement of the supplementary returns</li> </ul>	
<ul style="list-style-type: none"> <li>• Ensure all intra government transactions are recorded and reconciled with the counterparty</li> </ul>	
<ul style="list-style-type: none"> <li>• Ensure that the derived cash closing balance in the cash flow statement is correct and agrees to the statement of financial position (cash assets less bank overdraft)</li> </ul>	
<ul style="list-style-type: none"> <li>• Agree all equity transfers &gt; \$5 million</li> </ul>	
<ul style="list-style-type: none"> <li>• Submit this checklist to Treasury</li> </ul>	

**Appendix F(i): Preliminary Annual Return Checklist cont.**

I confirm that the above Annual Return Procedures have been complied with, as indicated. Where Annual Return Procedures have not been complied with, an appropriate explanation is attached.

**Signed:** \_\_\_\_\_ **CFO / Authorised delegate** \_\_\_\_\_

**Name of CFO/authorised delegate:** \_\_\_\_\_

**Agency Contact: (Name)** \_\_\_\_\_ **(Tel)** \_\_\_\_\_

\_\_\_\_ / 07 /2018

## Appendix F(ii): Final Annual Return Checklist

Email: [agencyinfo@treasury.nsw.gov.au](mailto:agencyinfo@treasury.nsw.gov.au)

Agency Name \_\_\_\_\_ Agency No.(Prime) \_\_\_\_\_

<b>Annual Procedures - <i>Forward to Treasury within one day of receiving your Independent Audit Report from the Audit Office</i></b>	For yes "✓" and no "x"
<ul style="list-style-type: none"> <li>Submit final, audited financial statements to Treasury</li> </ul>	
<ul style="list-style-type: none"> <li>Submit final Independent Audit Report and Client Service Report to Treasury</li> </ul>	

<b>Annual Procedures - <i>Forward to Treasury within the later of three days of receiving your Independent Audit Report and the reopening of Prime for P13 re-submissions.</i></b>	For yes "✓" and no "x"
<ul style="list-style-type: none"> <li>Submit Final Prime Data Return for Period 13 in Prime. (Scenario: SY0099 – June 2018). Including "ES" agency data where applicable.  (Note: All agencies are required to submit data into Prime Period 13, even if there are no changes to the data previously submitted into Prime Period 12)</li> </ul>	
<ul style="list-style-type: none"> <li>Prepare a reconciliation, explaining and supporting all changes to Preliminary Period 12 and Final Period 13 Prime submissions.</li> </ul>	
<ul style="list-style-type: none"> <li>Submit this checklist to Treasury.</li> </ul>	

I confirm that the above Annual Return Procedures have been complied with, as indicated. Where Annual Return Procedures have not been complied with, an appropriate explanation is attached.

Signed: \_\_\_\_\_ CFO / Authorised delegate \_\_\_\_\_

Name of CFO/authorised delegate: \_\_\_\_\_

Agency Contact: (Name) \_\_\_\_\_ (Tel) \_\_\_\_\_

\_\_\_\_ / \_\_\_\_ / 2018



## Appendix G(i): Prime for the Preliminary Annual Return

### 1. Actuals for the Total State Sector Accounts are completed first:

The following steps are undertaken after account balances are finalised and Prime account classifications and counterparties are checked in your upload file.

- Set the following **dimensions** in your upload file:
  - **Scenario:** SA0099 for Actuals or SP0099 for Projections
  - **Year:** 2018
  - **Period:** June
- On the **Home** screen, click on **Navigate**, then select **Applications**
- Under **Consolidation**, select **PRIME**. A new **PRIME** tab appears next to the **Home Page** tab
- Click on the triangle to expand the **Agency User** task list, then double-click on **FDMEE-Link**
- Upon establishing the FDMEE link, Prime will display the **Data Management** tab
- Click on **Data Load Workbench** to show the **Data Load Workbench** panel
- Click on the Location link to bring up the **Point of View (POV)** window to set the required POV:
  - Select your Agency
  - Set the **Period:** June 2018
  - Set the **Category:** Actual TB (trial balance only) or Actual TB MOV (if your upload file contains only movement schedules, or the trial balance and schedules)
- Upload data to agree to your financial statements. Please note that projections need to be uploaded separately and equal to actuals for 30 June 2018:
  - Set the **Category:** Projections TB (trial balance only) or Projections TB MOV (if your upload file contains only movement schedules, or the trial balance and schedules)
- Where applicable, general government agencies input programme data and Classification of the Functions of Government (COFOG) splits
- Run Prime financial reports to ensure that they agree and reconcile to the financial statements
- Complete the Prime supplementary schedule and ensure it reconciles back to Prime data
- If the cash flow statement is not deriving the correct closing cash balance, use the *REP153A - Non Cash Transactions Validations Report – Detailed Periodic (AASB 101)* to assist you to debug any misclassifications
- 'Promote' the file to Review Level 3
- Advise Treasury that 2017-18 Prime is complete by emailing to [agencyinfo@treasury.nsw.gov.au](mailto:agencyinfo@treasury.nsw.gov.au) the remainder of the Preliminary Annual Return i.e. the supplementary return and the financial statements by the due dates
- Treasury will review your preliminary Prime Data Return.

## Appendix G(ii): Prime for the Final Annual Return

Treasury will advise you when Prime is available to update it with your audited financial information.

To update Prime for the Final Annual Return

- Set the following **dimensions** in your upload file:
  - **Scenario:** SY0099 for Actuals
  - **Year:** 2018
  - **Period:** June
- On the **Home** screen, click on **Navigate**, then select **Applications**
- Under **Consolidation**, select **PRIME**. A new **PRIME** tab appears next to the **Home Page** tab
- Click on the triangle to expand the **Agency User** task list, then double-click on **FDMEE-Link**
- Upon establishing the FDMEE link, Prime will display the **Data Management** tab
- Click on **Data Load Workbench** to show the **Data Load Workbench** panel
- Click on the Location link to bring up the **Point of View (POV)** window to set the required POV:
  - Select your Agency
  - Set the **Period:** June 2018
  - Set the **Category:** Actual AUDITED TB (trial balance only) or Actual AUDITED TBMov (if your upload file contains only movement schedules, or the trial balance and schedules)
- Upload data to agree to your financial statements. Please note that projections need to be uploaded separately and equal to actuals for 30 June 2018:
  - Set the **Category:** Projections TB (trial balance only) or Projections TB MOV (if your upload file contains only movement schedules, or the trial balance and schedules)
- Where applicable, general government agencies input programme data and Classification of the Functions of Government (COFOG) splits
- Run Prime financial reports to ensure that they agree and reconcile to the financial statements
- If the cash flow statement is not deriving the correct closing cash balance, use the *REP153A - Non Cash Transactions Validations Report – Detailed Periodic (AASB 101)* to assist you to debug any misclassifications
- ‘Promote’ the file to Review Level 3
- Email a copy of your audited financial statements, Independent Auditor’s Report, Client Service Report and Management Letter to [agencyinfo@treasury.nsw.gov.au](mailto:agencyinfo@treasury.nsw.gov.au).

**Note: You are still required to upload and “Promote” your audited Prime data back to Treasury even if there have been no changes between your preliminary and audited financial statements.**

## Appendix H: Changes to Accounting Standards 2017-18

Below is a list of all new/revised Accounting Standards applicable for the first time in 2017-18.

### **AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses**

This Standard amends AASB 112 *Income Taxes* to clarify the recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.

### **AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107**

The amendments to AASB 107 *Statement of Cash Flows* are part of the IASB's Disclosure Initiative and help users of financial statements better understand changes in an entity's debt. The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

### **AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities**

This Standard amends AASB 136 *Impairment of Assets* (AASB 136) to:

- remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities;
- clarify that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*. Consequently:
  - AASB 136 does not apply to such assets that are regularly revalued to fair value under the revaluation model in AASB 116 *Property, Plant and Equipment* and AASB 138 *Intangible Assets*; and
  - AASB 136 applies to such assets accounted for under the cost model in AASB 116 and AASB 138.

### **AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities**

This Standard amends the mandatory effective date (application date) of AASB 15 for not-for-profit entities so that AASB 15 is required to be applied by such entities for annual reporting periods beginning on or after 1 January 2019 instead of 1 January 2018.

Accordingly, NSW not-for-profit public sector entities will apply AASB 15 from FY 2019/20.

### **AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle**

This Standard clarifies the scope of AASB 12 *Disclosure of Interests in Other Entities* by specifying that the disclosure requirements apply to an entity's interests in other entities that are classified as held for sale, held for distribution to owners in their capacity as owners or discontinued operations in accordance with AASB 5 *Non-current Assets Held-for-Sale and Discontinued Operations*.

# Appendix I: 2017-18 Resolution of Emerging Issues previously advised to Treasury as part of the Mandatory Early Close (TC 17-12)

**Due date: 23 July 2018**

**Email:** [agencyinfo@treasury.nsw.gov.au](mailto:agencyinfo@treasury.nsw.gov.au)

**Agency Name** \_\_\_\_\_ **Agency No. (Prime)** \_\_\_\_\_

Where appropriate attach further information e.g. extract from pro-forma notes to financial statements

- As part of the Mandatory Early Close did you report any emerging issues with an impact of more than \$5 million? Yes / No

If yes, what was the nature of the issue(s), and how was this resolved in the agency's Financial Statements. If appropriate attach an Accounting Issue Resolution Paper (Appendix J).

.....  
 .....  
 .....  
 .....  
 .....

Examples of emerging issues include:

- unresolved accounting policy issues or other matters which the Audit Office has indicated may lead to the qualification of the Independent Auditor's Report.
  - complex transactions and contracts
  - key risk areas that could impact the quality or timeliness of your financial statements
  - significant asset revaluations particularly those involving estimation uncertainty
  - significant revenue /expense items – i.e. significant in size compared to the previous year (It is not necessary to report to The Treasury about superannuation, as it is generically volatile)
  - significant adjustments direct to equity – for example from agency restructures
  - new disclosures resulting from the adoption of accounting standards, changes in accounting policies
  - discontinuing operations, sale of a significant asset, new business acquisitions etc.
  - the accounting treatment of new privately financed projects
  - new or significant changes to contingent liabilities/assets
- Does management plan to amend the 2017-18 financial statements for the emerging issue? Yes / No
  - Have management's positions on the above emerging issues been provided to the Audit Office? Yes / No / N/A

**Audit Office**

- What date has the audit team indicated that it plans to report to your organisation its observations from the procedures that it conducts on the early close? \_\_\_\_\_/\_\_\_\_\_/2018 or N/A

**Signed:** \_\_\_\_\_ **Chief Finance Officer** \_\_\_\_\_ **(Name of CFO)**

**Agency Contact:(Name)** \_\_\_\_\_ **(Tel)** \_\_\_\_\_  
 \_\_\_/\_\_\_/2018

## Appendix J: Accounting Issue Resolution Paper

Email: [agencyinfo@treasury.nsw.gov.au](mailto:agencyinfo@treasury.nsw.gov.au)

### Agency Consideration:

<b>Date Prepared</b>	<i>[insert date prepared]</i>		
<b>Date Updated</b>	<i>[insert date revised if applicable]</i>		
<b>Agency</b>	<i>[insert name of Agency that the issue relates]</i>	<b>Agency #</b>	<i>[insert]</i>
<b>Preparer</b>	<i>[insert name of the preparer of this Position Paper]</i>		
<b>Issue</b>	<i>[insert brief description of the nature of the issue being addressed]</i>		

### Background:

*[Describe the background to the current issue and any related information which better frames how the issue arose and the current difficulties being faced by the agency]*

### Stakeholders:

*[Describe the key stakeholders impacted by this issue and how they have been consulted]*

### Description of Issue:

*[Provide a detailed description defining the current issue faced by the agency]*

### Consideration of Accounting Treatment:

#### Agency Policy:

*[Identify any accounting policies or standards which directly relate to addressing the issue. Consideration should include:*

- *Accounting Standards*
- *Treasury Policies & Circulars*
- *Agency Specific Policies]*

Are adopted accounting policies/treatment aligned with Accounting Standards? Yes / No

**Technical Analysis & Options:**

*[Describe the agency's position and interpretation of policies and accounting standards- including any advice provided by an accounting firm or other specialist. Further, outline any options available on how the issue may be interpreted and addressed – e.g. through interpretations of the policy and standards or through differences of opinion]*

**Proposed Accounting & Finance Impact including Disclosures:**

Does the transaction require retrospective or prospective adjustments (refer AASB 108)?

Yes / No

If retrospective adjustments are required, demonstrate that the adjustment required is 'material', indicate the historical periods and amounts that require adjustment in the template below.

*Please provide journals taking into consideration any impact to prior year financial statements and all impacts to the financial statements, including the reasons for the transaction.*

<b>Financial Impact (\$000)</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
<b>Budget Result (-ve worsens)</b>					
Operating Result					
Net Lending					
<b>Financial Statement (-ve worsens)</b>					
Balance Sheet					
Operating Statement					
<b>Financial Impact (\$000)</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
<b>Prior Year Financial Statements (-ve worsens)</b>					
Balance Sheet					
Operating Statement					

**Concluding Position:**

*[Describe the final position/option that the Agency has identified to be the most appropriate recommendation]*

**Agency Sign Off & Review:**

<b>Sign-off</b>	<b>Role</b>	<b>Signature</b>	<b>Date</b>
[insert name]	<b>Financial Accountant (Preparer)</b>		
[insert name]	<b>Financial Manager (Reviewer)</b>		
[insert name]	<b>Agency CFO (Reviewer)</b>		

## Appendix K: Where to go for help

### Prime Questions

#### Agency Treasury Analysts – General Queries

Andrew Azar	9228 5164
Angela Kelly	9228 3352
Mathew Do	9228 3322
Natalie Seal	9228 5744

#### System Queries, e.g. Prime system access, Prime upload facility

Prime Service Desk

#### Prime Functionality (including Training)

David Tonkin	9228 4638
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#### Supplementary Return - definitions and classifications

Angela Kelly	9228 3352
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#### Emerging Issues, Correction of Material Prior Period Errors

Mathew Do	9228 3322
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Nara Radhakrishnan (Accounting Policy)	9228 3634
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#### Treasury's Return Address

Remember to “Promote” the Prime data back to Treasury (Review Level 3) upon completion. The rest of the Annual Return should be forwarded electronically to Treasury by the due date to: [agencyinfo@treasury.nsw.gov.au](mailto:agencyinfo@treasury.nsw.gov.au)

Please include your agency Prime number, agency name and ‘Annual Return 2018’ in the subject title when emailing to Treasury.

## Appendix K: Where to go for help (Crown Entity)

### Banking, cash management and interest payments

Henriette Prego	9228 3873
Jin Kang	9228 4150

### Debt management

Mitra Karmakar	9228 5839
Charles Cheung	9228 4604

### Advances

Mitra Karmakar	9228 5839
Charles Cheung	9228 4604

### Fringe Benefit Tax

Henriette Prego	9228 3873
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### Crown guarantees

Leigh Nguyen	9228 4148
Matt Conrow	9228 5382

### Liability to the Consolidated Fund

Agency Treasury Analyst	Various
Andrew Azar	9228 5164
Stephen Atkinson	9228 4435

### Long service leave arrangements

Charles Cheung	9228 4604
Leigh Nguyen	9228 4148

### Appropriations payments

Angel Yu	9228 5071
Ramesh Nand	9228 3138

### Reimbursement of Crown expenses

Ramesh Nand	9228 3138
Hitesh Shakya	9228 5842

### Commonwealth grants

Jin Kang	9228 4150
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### Crown accounting policy

Leigh Nguyen	9228 4148
Matt Conrow	9228 5382

### Other correspondence:

Email: [Crown\\_Entity@treasury.nsw.gov.au](mailto:Crown_Entity@treasury.nsw.gov.au)



## Appendix L: Resources/Links

### Treasury Resources

**NSW Treasury Policy Papers, Treasury Circulars, Treasury Analysis of Australian Accounting Standards, and other Treasury publications**

<https://www.treasury.nsw.gov.au/documents-resources/documents-library>

**Public Finance and Audit Act 1983**

<https://www.legislation.nsw.gov.au/#/view/act/1983/152>

### External Resources

**Public Accounts Committee of the Legislative Assembly**

*Report on Quality and Timeliness of Financial Reporting, October 2010*

<https://www.parliament.nsw.gov.au/committees/DBAssets/InquiryReport/ReportAcrobat/5578/Report%20on%20Quality%20and%20Timeliness%20of%20Financial%20Repo.pdf>

**Government Sector Employment Act 2013**

[http://www8.austlii.edu.au/cgi-bin/viewdb/au/legis/nsw/consol\\_act/gsea2013346/](http://www8.austlii.edu.au/cgi-bin/viewdb/au/legis/nsw/consol_act/gsea2013346/)

**CPA Australia**

<https://www.cpaustralia.com.au/professional-resources/reporting>

**Australian National Audit Office**

*Public Sector Financial Statements: High-quality reporting through good governance and processes*

<https://www.anao.gov.au/work/better-practice-guide/public-sector-financial-statements-high-quality-reporting-through-good>

## **Appendix M (i): Financial Statement Variance Analysis**

**Email:** [agencyinfo@treasury.nsw.gov.au](mailto:agencyinfo@treasury.nsw.gov.au)

The variance analysis template that is to be completed for your agency financial statements will be emailed to you with the Annual Circular.

All agencies must complete detailed variance analysis for the year to 30 June 2018. The variance analysis should include:

- Comparison of your agencies actual 2017-18 financial performance and financial position to the 2016-17 financial performance and financial position
- Comparison of your agencies actual 2017-18 financial performance and financial position to the original budgeted 2017-18 financial performance and financial position in accordance with AASB 1055

Your agency's Treasury Analyst will be in contact with you to discuss the variances for your agency post submission of your Prime data. These queries will be on a more detailed (account level) basis. However, the quality of your Appendix M(i) submission should limit the amount of additional queries from Treasury.

## **Appendix M (ii): Preliminary vs Final Prime Submission**

The reconciliation template that is to be completed to compare your Preliminary and Final Prime submissions will be emailed to you with the Annual Circular. These explanations should provide an auditable basis for justifying the movements between the consolidated closing balances of the State and subsequent movements.