

Revenues of the Building and Construction Industry Long Service Payments Corporation

Introduction

Under its powers to follow-up reports of the Auditor-General in section 57(1) of the *Public Finance and Audit Act 1983*, the Committee resolved to inquire into the matter of the Corporation recognising net increases in the value of its non-current investments as revenue. This practice arose from the Corporation applying the Australian Accounting Standard for superannuation entities. Technically, the Corporation was not managing a superannuation plan and should have applied a different standard and recognised increases in value in a revaluation reserve (similar to a holding account).

This practice has resulted in a qualified Independent Audit Report for several years. The matter was raised in the *Auditor-General's Report to Parliament for 2001 – Volume 7*.¹

¹ Auditor-General, *Auditor-General's Report to Parliament 2001*, Volume 7, Sydney, 2001, pp 433 – 434

Cash Position of the Department of Public Works and Services

Introduction

Under its powers to follow-up reports of the Auditor-General in section 57(1) of the *Public Finance and Audit Act 1983*, the Committee resolved to inquire into the matter of the Department of Public Works and Services' cash position remaining in overdraft for most of the financial year. The matter was raised in the *Auditor-General's Report to Parliament for 2001 – Volume 7*.²

The Committee wished to be informed about:

- the reasons for the Department's cash position generally remaining in overdraft except when customers pay their bills just before year-end; and
- why this situation has only started to occur since the Department commenced operating on a commercial basis.

² Auditor-General, *Auditor-General's Report to Parliament 2001*, Volume 7, Sydney, 2001, p 547 and p 549

Sydney Catchment Authority's Cash Position and Fundamental Accounting Procedures

Introduction

Under its powers to follow-up reports of the Auditor-General in section 57(1) of the *Public Finance and Audit Act 1983*, the Committee resolved to inquire into the matter of the Sydney Catchment Authority's short term liquidity position and the critical need for it to improve its fundamental accounting procedures. The matter was raised in the *Auditor-General's Report to Parliament for 2001 – Volume 7*.³

The Committee wished to inform itself about the Authority's:

- liquidity position and ability to effectively manage its cash requirements; and
- significant deficiencies in its accounting processes and internal controls.

³ Auditor-General, *Auditor-General's Report to Parliament for 2001*, Volume 7, Sydney, 2001, pp 253-254