

**Submission**

**No 7**

## **INQUIRY INTO FINANCIAL REPORTING**

**Name:** The Hon. John Robertson MLC  
**Position:** Minister for Transport and Minister for the Central Coast  
**Telephone:** 02-9228 5661  
**Date Received:** 12/07/2010

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**Theme:**

**Summary**



**John Robertson MLC**  
Minister for Transport  
Minister for the Central Coast

Mr Paul Gibson MP  
Chair  
NSW Public Accounts Committee  
Parliament of NSW  
Macquarie Street  
SYDNEY NSW 2000



Dear Mr Gibson

I refer to your recent letter regarding the NSW Public Accounts Committee (PAC) inquiry into the quality and timeliness of financial reporting by NSW Government departments and agencies.

I understand that the inquiry was established after the Auditor-General in Volume Four of his Report to Parliament in 2009 raised concerns regarding the quality, reliability and timeliness of financial reporting of the New South Wales public sector.

It is essential that financial reports are accurate and useful to users of the information. In that regard, I am advised that NSW Treasury in March 2010 issued Treasury Circular NSW TC 10/02, which has established improvements in the financial reporting arrangements for NSW public sector agencies for the 2009-10 financial year.

I am advised that those new arrangements include changes in the processes for financial reporting and auditing for 2009-10. The changes introduce the piloting of a program for fifteen large agencies to conduct elements of an early "hard close" for the preparation and audit of financial reports during 2009-10, with those agencies aiming to conduct a full "hard close" in the future.

I also understand that consideration is to be given to the roll out of the "Hard Close" Program to other agencies in future years.

In addition, all agencies were required in May 2010 to confirm to Treasury their accounting policies and the treatments for new or significant transactions for 2009-10; any emerging accounting issues and that there are no material prior year adjustments to be made in their accounts in this financial year.


Agencies were also encouraged to draft their pro-forma financial statements and notes, including comparative numbers, and submit those pro-forma statements to the Audit Office for review as early as possible.

I am further advised that these arrangements are aimed at improving the timeliness and reliability of financial reporting of agencies and the NSW Total State Sector, and I expect agencies within the Transport portfolio where practicable to adhere to the improved processes and to meet Treasury's additional requirements.

In that regard you might note that a number of agencies within Transport were part of the pilot program which conducted elements of an early "hard close" this financial year and I am advised that those agencies that participated found the process to be of benefit to them.

I trust that these comments assist you with your inquiry. However, if you or any of your staff require further information in this regard, please do not hesitate to in the first instance contact the Deputy Director General, Corporate Services & CFO, Transport NSW, Mr Peter Scarlett, on 9268 2969.

Yours sincerely



**John Robertson MLC**  
**Minister for Transport**  
**Minister for Central Coast**

7/7/10