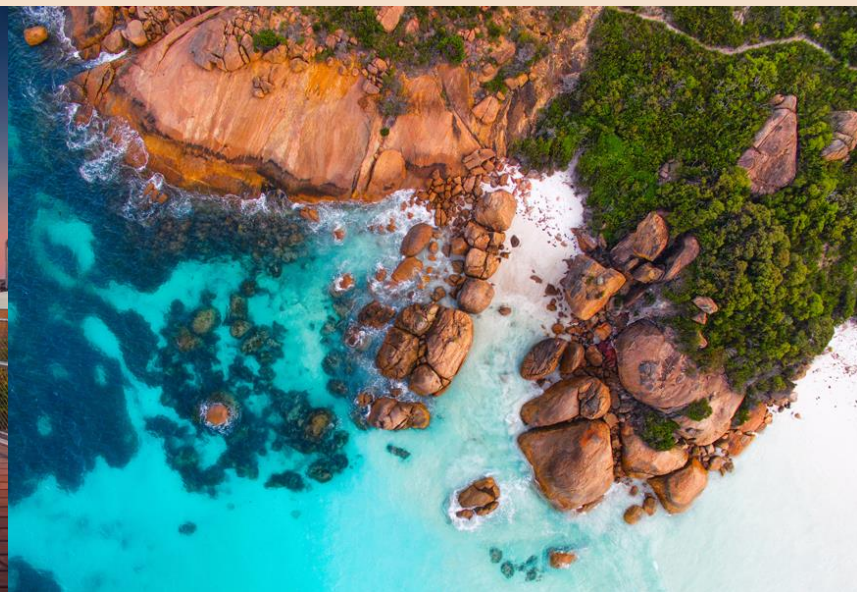




Government of **Western Australia**  
Department of Treasury



# Chief Finance Officers' Webinar

Wednesday, 28<sup>th</sup> May 2025

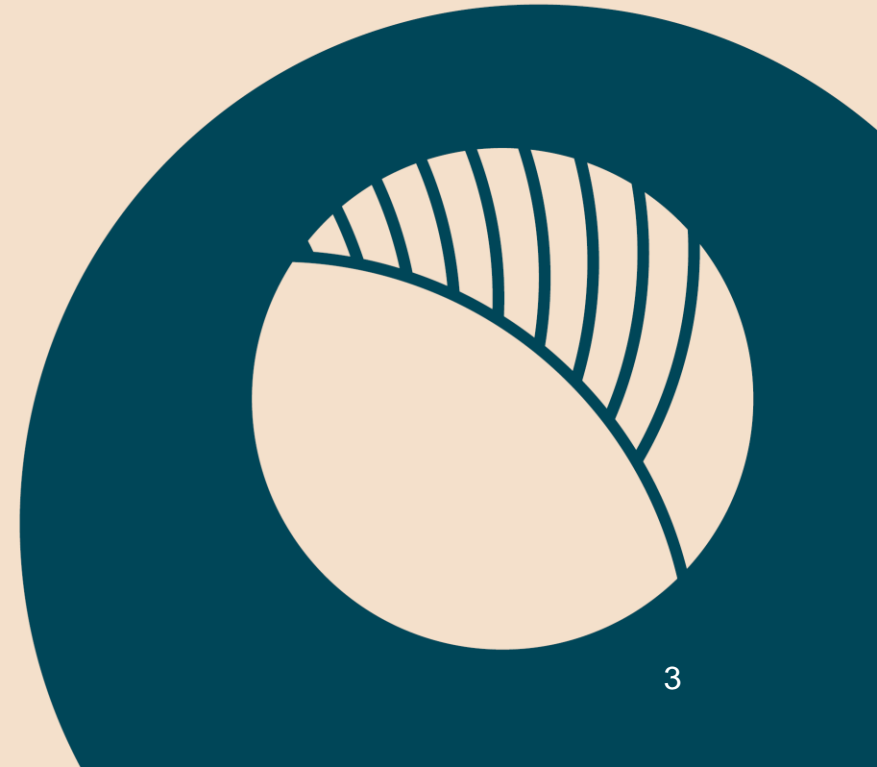


# Introduction

**Pauline Burton**

Director, Financial Policy & Operations

Department of Treasury



# Agenda

## Content

- Introduction (by Pauline Burton)
- Presentation on cash module (by Karl Rammell)
- Financial reporting update (by Mark Hort)
- Presentation from the Office of the Auditor General (by Grant Robinson)
- Closing (by Pauline Burton)



# Cash Management and Forecasting System

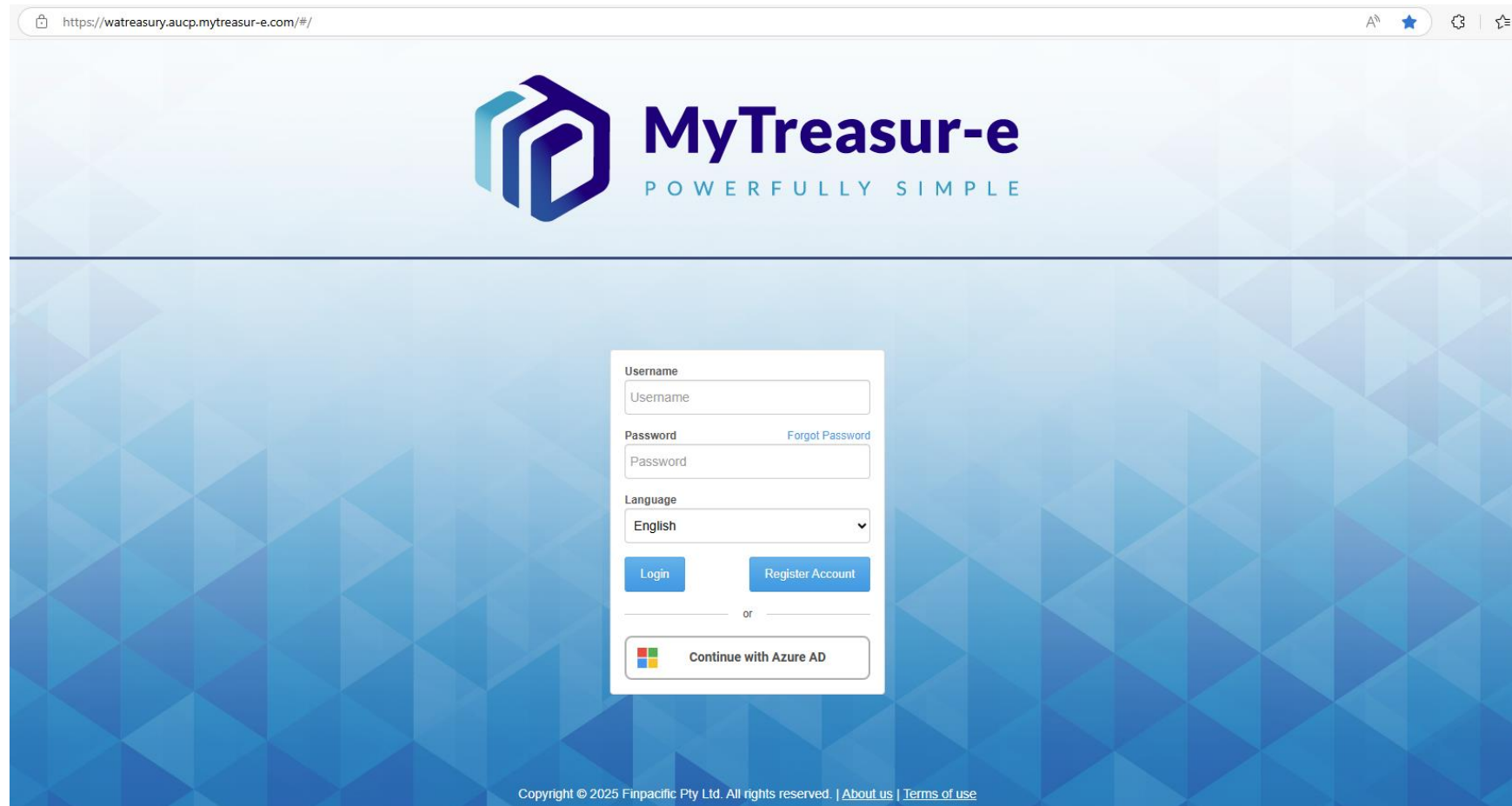
**Karl Rammel**

Assistant Director, Financial Operations

Department of Treasury

# Recap

- Treasury has purchased the “MyTreasur-e” system



The screenshot shows the MyTreasur-e login page in a web browser. The browser's address bar displays the URL `https://watreasury.aucp.mytreasur-e.com/#/`. The page features a light blue header with the MyTreasur-e logo, which consists of a stylized blue and white geometric icon followed by the text "MyTreasur-e" and the tagline "POWERFULLY SIMPLE" in smaller blue capital letters. The main body of the page has a blue geometric pattern background. In the center, there is a white login form with the following fields and options: a "Username" input field, a "Password" input field with a "Forgot Password" link to its right, a "Language" dropdown menu currently set to "English", a blue "Login" button, a blue "Register Account" button, and a "Continue with Azure AD" button featuring the Microsoft logo. Below the login form, there is a small "or" separator. At the bottom of the page, a copyright notice reads: "Copyright © 2025 Finpacific Pty Ltd. All rights reserved. | [About us](#) | [Terms of use](#)".

# Recap

- System to help manage cash and liquidity:
  - Bank balance history
  - Transactions
  - Forecast balances (up to 1 year ahead)
  - Comparisons between actual and forecast balances
  - Reports & dashboards
- Aligns with best practice, to use a system rather than spreadsheets
- Treasury funding several licences for agency-use (at no charge)

# Recap

- Each of your agencies (with a few exceptions) has one or more bank account/s that forms part of the State's Public Bank Account (PBA)
- Over \$350 billion a year moves in, out and around approximately 300 bank accounts in the PBA
  - comparable with the biggest companies in Australia
- Having a common system across the WA government sector means:
  1. Agencies – have leading software to help manage own liquidity
  2. Treasury – has combined data to help manage the State's liquidity



# Recap

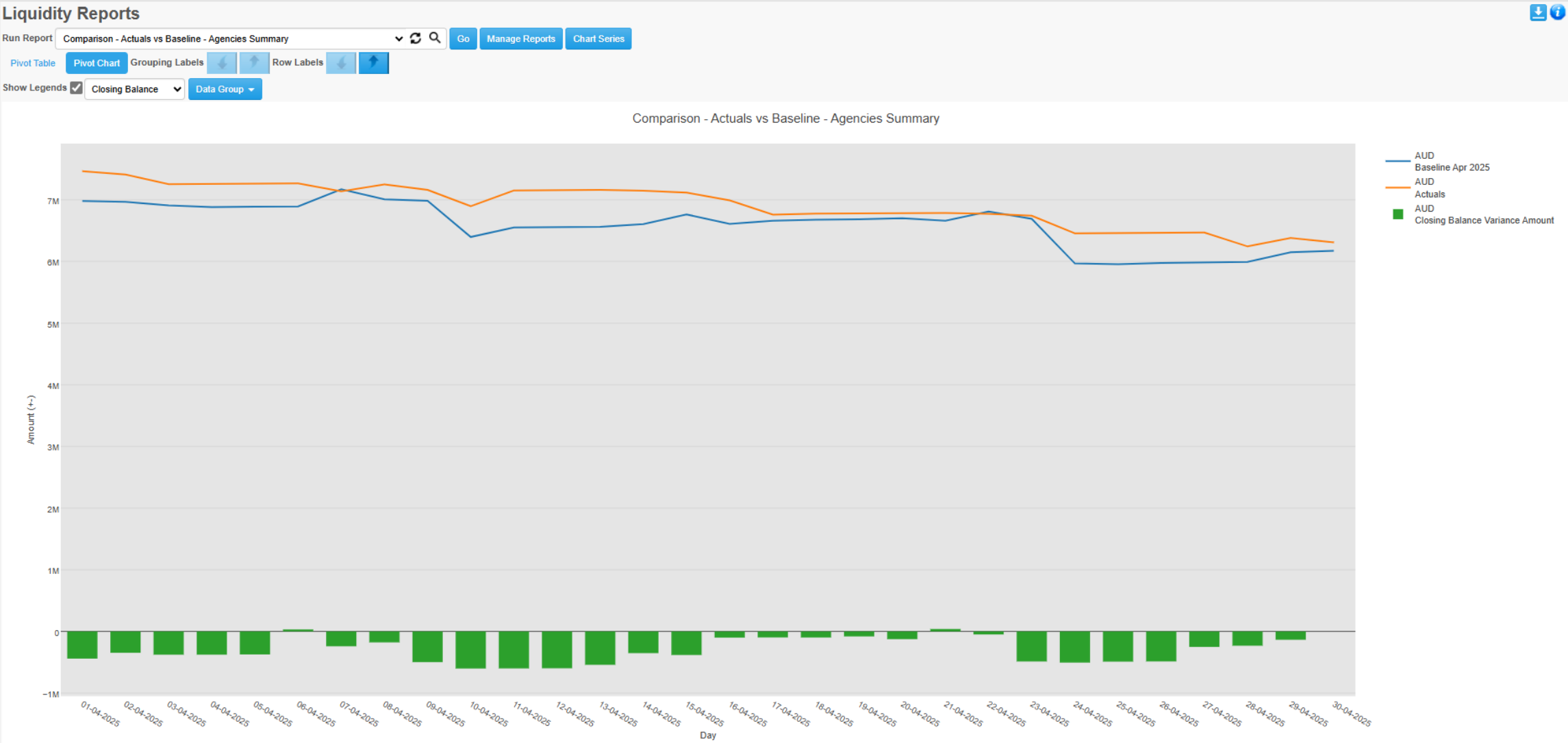
- Good liquidity management means:
  - Having sufficient funds to meet obligations as they fall due
  - Understanding when inflows and outflows will occur
  - Effectively using surplus liquidity
  - Minimising borrowing costs by only borrowing when needed
  - Borrowing and investing prudently
- Helps to uplift financial management
  - reduction in risk
  - better decision making
  - net interest savings



# Update

- MyTreasur-e went 'live' for the following agencies in February 2025:
  - Department of Communities
  - Department of Education
  - Department of Finance
  - Department of Justice
  - Department of Transport
  - Development WA
  - Fremantle Port Authority
  - Horizon Power
  - Main Roads WA
  - Pilbara Ports Authority
  - Public Transport Authority
  - Synergy
  - Water Corporation
  - WA Health
  - WA Police
  - Western Power
- Successfully completed 3 monthly submissions
- Holding regular meetings to discuss the system, cash flow forecasting and identify issues / opportunities

# Update



# Update

- Encouraging 'best guess' principles
  - doesn't have to equal approved budgets
  - focus on cash flows in/out
- If predicted funding shortfall
  - flag in the formal monthly Submission
  - use Daily Adjusted Forecast (DAF) to predict how 'gap' filled
- Data is assisting the Western Australian Treasury Corporation (WATC) with the planning of the State's debt and investments

# Tranche 2a

- MyTreasur-e is currently in the process of being rolled-out to a further 21 agencies
  - Training and information sessions held over May-June
  - Aiming to 'go live' in late-July
- Appreciate this is busy period with EOFY
  - Impost low to meet minimum monthly requirements
  - Option to do more
- Looking to bring on board remaining PBA agencies (Tranche 2b) later in 2025-26
  - Will be reaching out to CFOs later for cash manager details



# Financial Reporting Update

**Mark Hort**

Principal Financial Advisor, Financial Policy  
Department of Treasury

# Financial Reporting

June 2025 and Beyond

- Financial Administration Bookcase
- Valuations
- Public Sector Reform
- Reporting Timelines
- Accounting Standard adoption



# Financial Administration Bookcase (FAB)

# Amendment #96

- Model Annual Reports
- *Financial Management Regulations 2024* updated
- Treasurer's instruction mapping guide removed





# Valuations

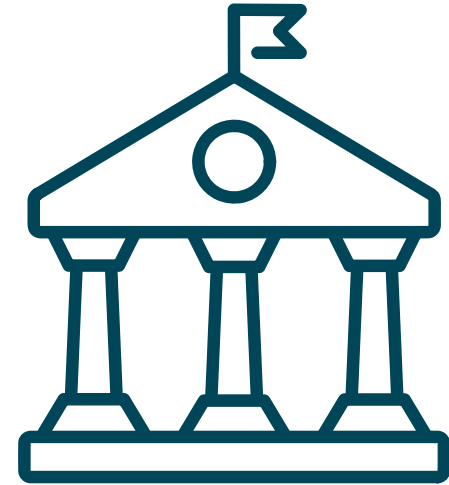
- Recommend adopting revaluations as at 1 July 2024
- Valuation movements 2023-2024
  - Land,
  - Buildings
  - Construction indices
- Regional and Metropolitan assets
- Improvements data
- Market data time lags



# Valuations in Financial Reports

Fair Value - cost basis proxy amendments

- HBU
- First adopted: December 2024
  - Professional and Project Fees (PPF)
    - “an entity shall use its own assumptions ... in developing unobservable inputs”
    - “need not undertake exhaustive efforts to obtain information about market participant assumptions”
    - “adjust those assumptions to the extent that reasonably available information indicates that other market participants would use different data”.
  - Quantity surveyors and separately itemised PPF

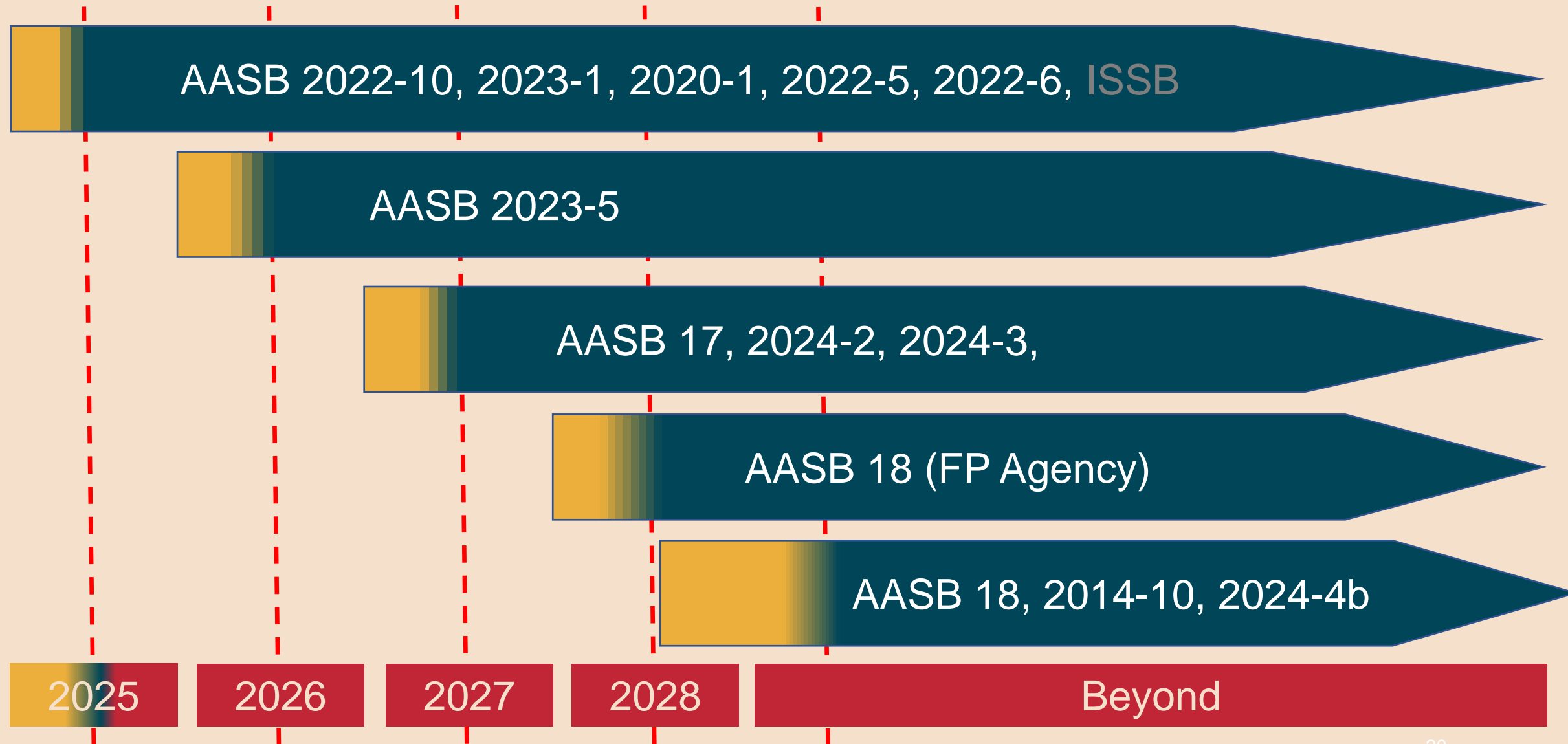


# Climate in financial reports

IFRIC Decision	Date
Climate-related Commitments (IAS 37)	29 Apr 2024
Recognition of Intangible Assets from Climate-related Expenditure (IAS 38)	11 March 2025

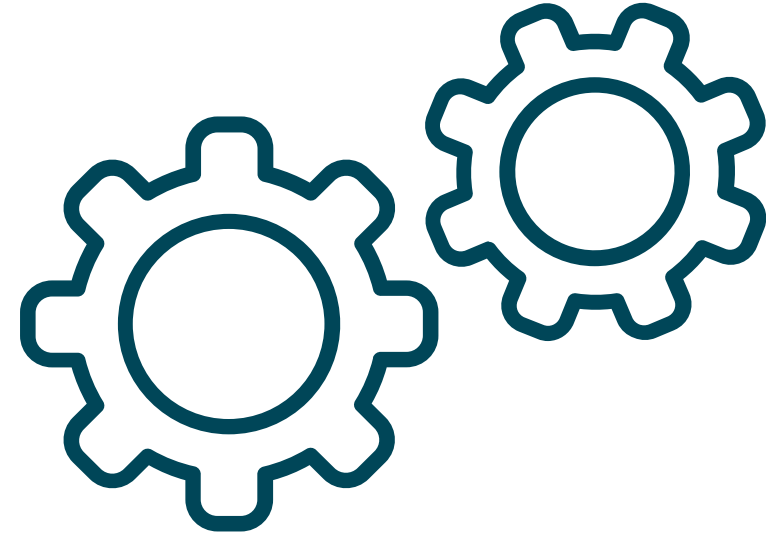
- ED 331 *Climate-related and Other Uncertainties in the Financial Statements*

# Accounting Standard adoption



# Public Sector Reform

- Identity of Accountable Authority & CFO for:
  - Reporting Purposes
  - Processing and stewardship for 2025-2026
- Financial Reporting implications:
  - AASB 124 declarations for senior officers
  - Minor revisions to Government Goals
- Finance sharing – SLA / RRFOC?
- Accountable Authorities – review and approve financial policies and FMM



# Reporting Timelines for 2024-25

Day	Date	Event
Th	24 July	June Year-End SIMS submission
Fr	15 August	Agency/Audit Initiated adjustment
M	25 August	CFO Confirmation Audit adjustments > \$2m
Th	18 September	Last Parliament Sitting Date (within 90 days)
W	10 October	September SIMS submission



SIMS Data Issues: [financial.reporting@treasury.wa.gov.au](mailto:financial.reporting@treasury.wa.gov.au)

SIMS System Issues: [Sims.Helpdesk@treasury.wa.gov.au](mailto:Sims.Helpdesk@treasury.wa.gov.au)

# Empowering CFOs Training

- Cohort 2 Training (July – December)
- Housekeeping
  - Mandatory participation
  - Cohort 2 includes:
    - new CFOs; and
    - CFOs not in Cohort 1 training
  - Please advise updated CFO contact details
    - COB Thursday 12<sup>th</sup> June
    - [financial.policy@treasury.wa.gov.au](mailto:financial.policy@treasury.wa.gov.au)

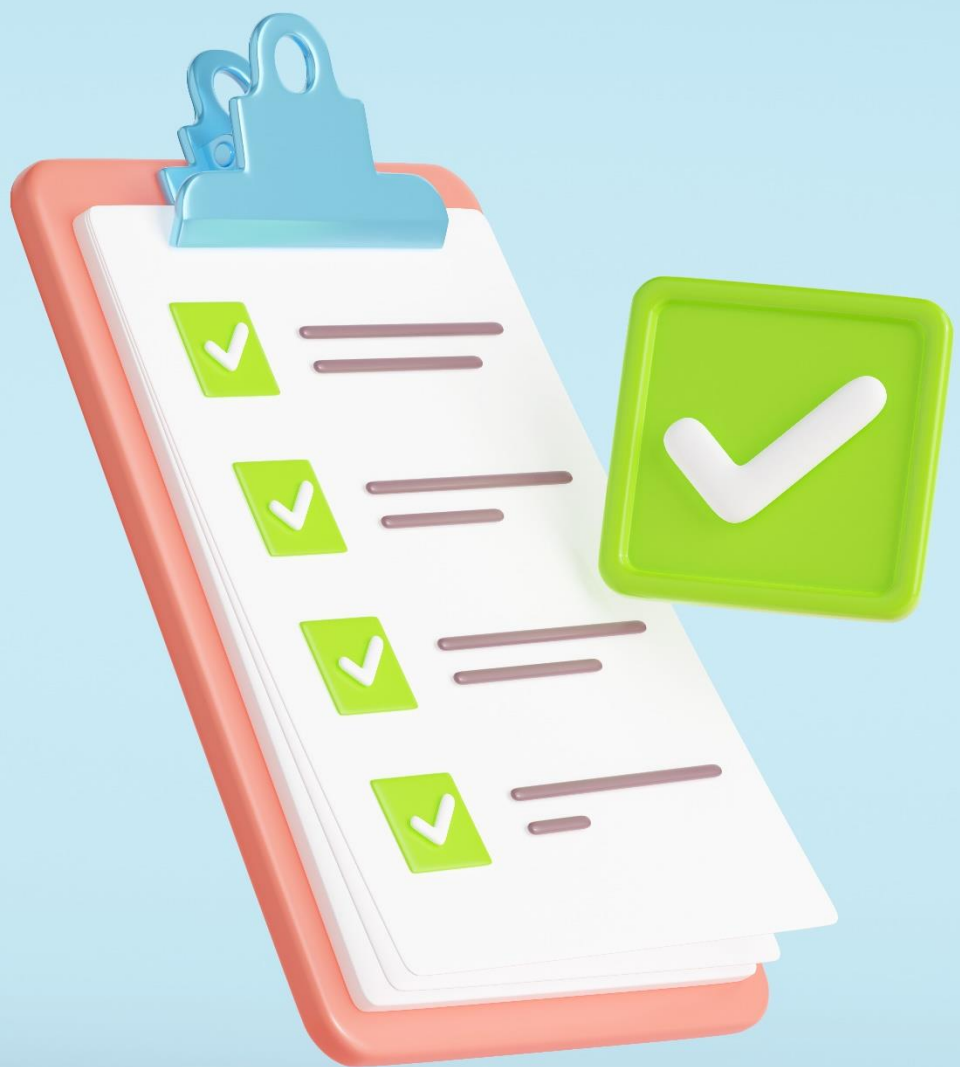






# CFO Forum – Webinar

Grant Robinson  
Assistant Auditor General – Financial Audit  
28 May 2025



# Agenda

- Information Systems Audit update
- Financial Audit Update
  - Efficiency Initiatives Plan
  - Machinery of Government
  - State 2024 audit results
  - Client survey results
  - Tenders and contract extensions

# Information Systems Audits



Office of the Auditor General  
Serving the Public Interest

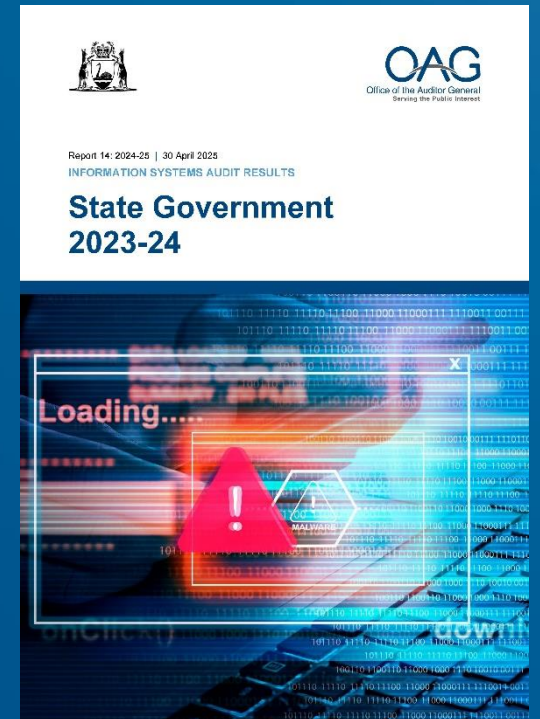




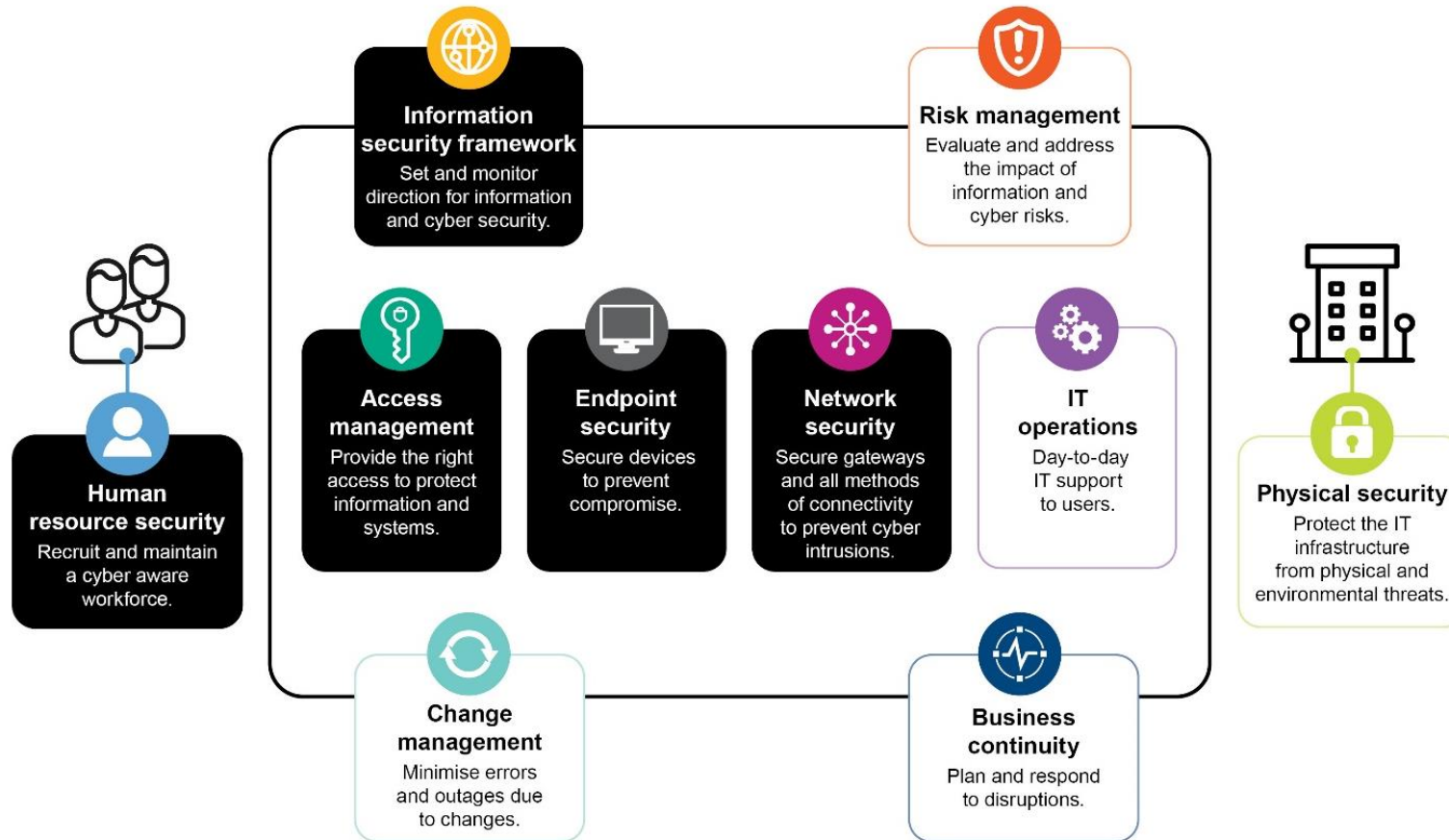
# State Government 2023-24 – Information Systems Audit Results

Report 14: 2024-25

Tabled: 30 April 2025



# General computer controls (GCC) audit categories



Note: shaded categories relate to information and cyber security

# GCC findings results



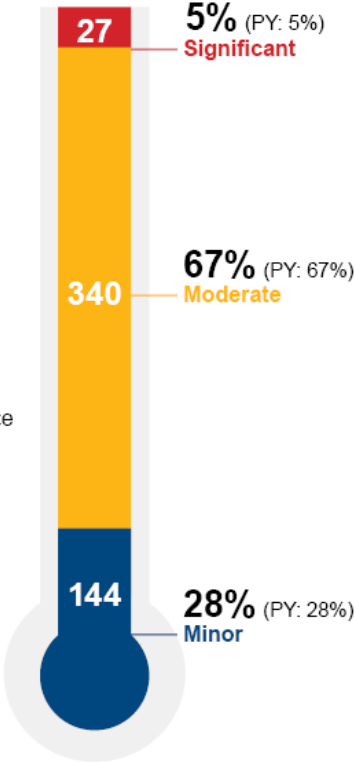
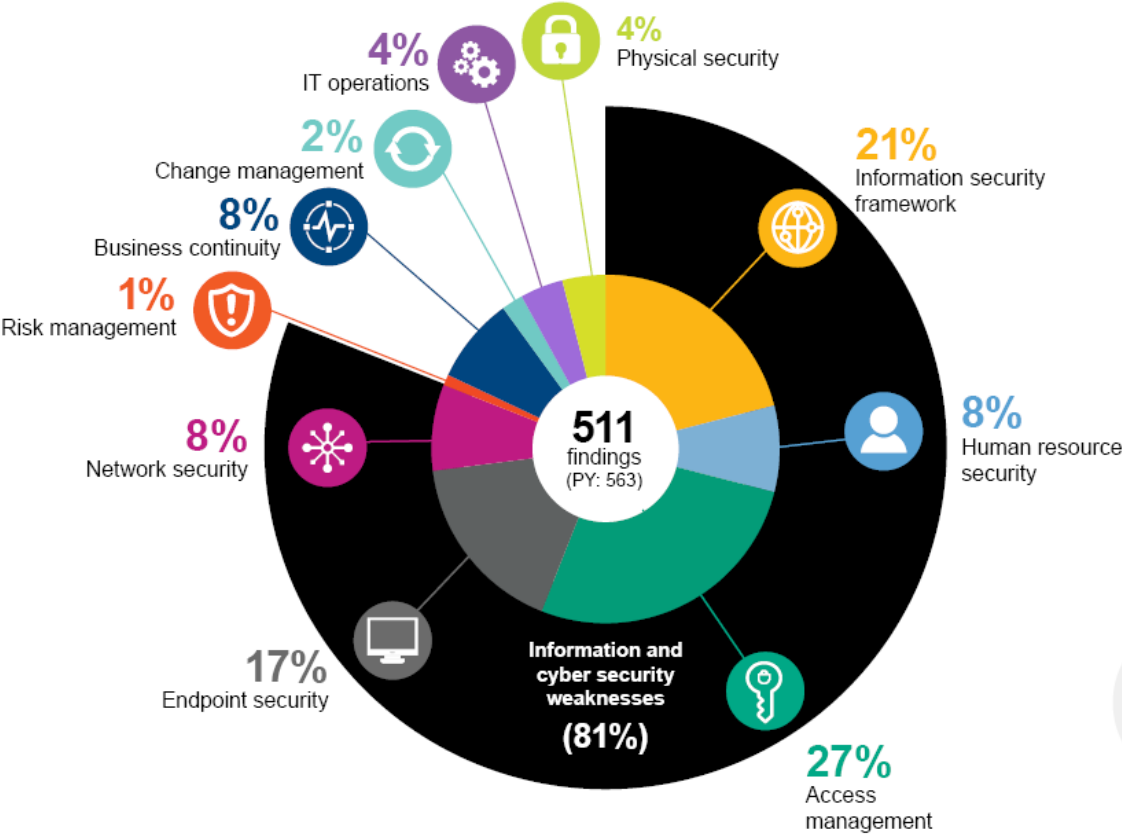
**511** general computer controls findings at 68 entities  
(PY: 563 at 59 entities)



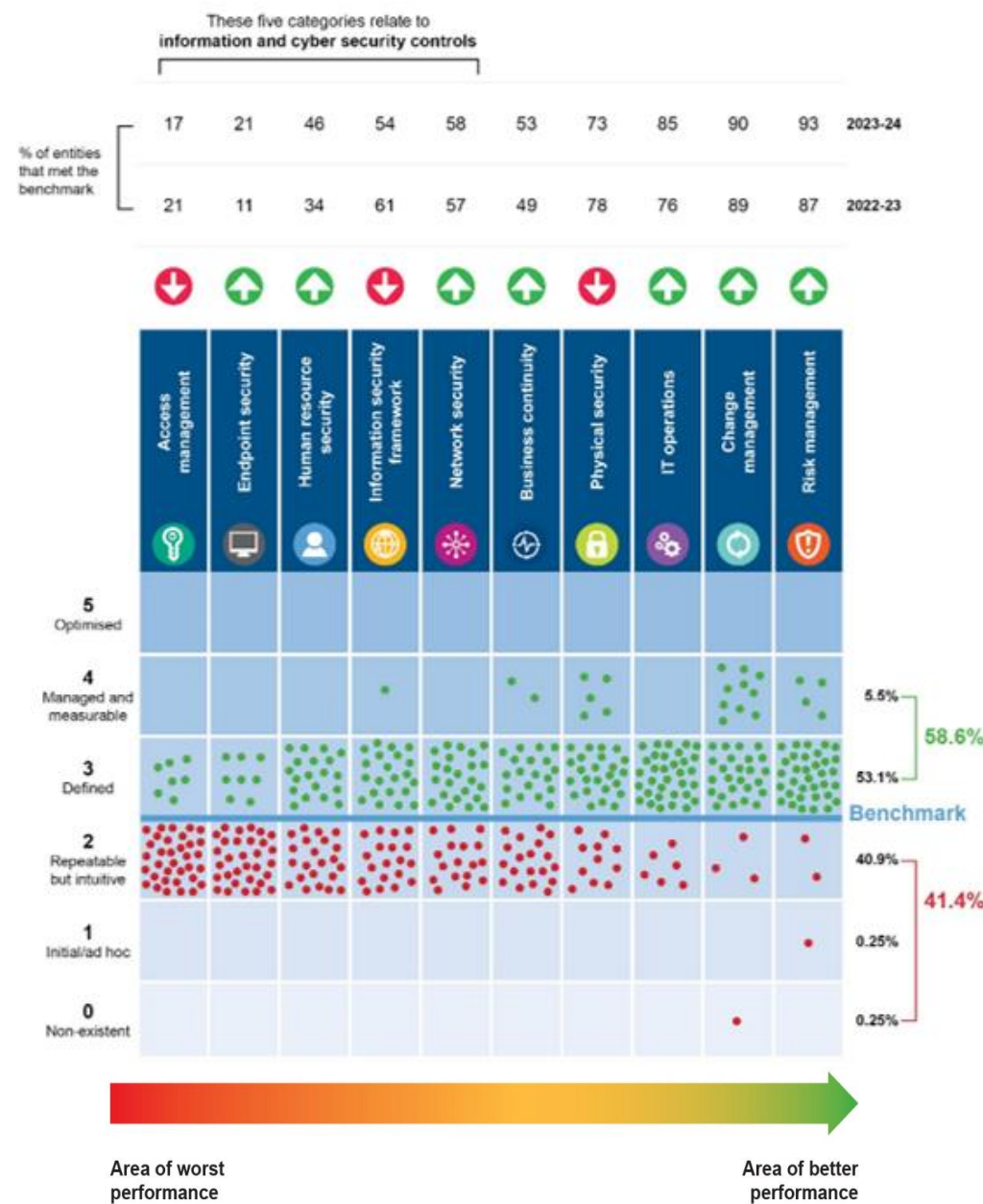
**5%** (PY: 5%) significant findings – 67% of these were unresolved issues from prior years



**7 entities** (PY: 8) received a qualified financial audit controls opinion for significant control weaknesses



# Capability maturity assessments





An aerial photograph of a city skyline, likely Sydney, Australia, featuring the Sydney Opera House and the Sydney Harbour Bridge. The image is overlaid with a semi-transparent blue filter. The text "Financial Audit Update" is prominently displayed in the center-left area.

# Financial Audit Update

# Efficiency Initiatives Plan 2025

## Why are we doing this

- realise the benefits of our new audit methodology and tool
- ensure our audit approach for the 2025 reporting cycle is as consistent as possible

## How?

- targeting key risks when setting entity-specific audit plans
- procedures risk-focused with no non-essential audit activity undertaken
- any additional work is intentional as to purpose and value

## Leading to...

- reduced actual hours on 2025 OAG audits compared to 2024
- audits completed within budget (hours and cost) and on-time
- reduced need for expensive labour hire
- improved work/life balance
- ability to bring more audits back in-house as requested by Parliament
- ensuring we are not over auditing
- improved budgeting and oversight - cost containment





An aerial photograph of a city skyline, likely Sydney, Australia, featuring the Sydney Opera House and the Sydney Tower Eye. The image is overlaid with a semi-transparent blue filter. The title "Machinery of Government" is centered in white text.

# Machinery of Government

# Significant financial reporting matters to note for 2024-25

## Machinery of Government Changes

**9**

departments affected –  
complete or partial  
transfer of services

**16**

departments not  
affected  
Net gain of one  
department

Keep it simple

Staff in departments by  
**1 July 2025**  
full implementation by  
**1 January 2026**

Affected agencies  
requested to backcast  
their financial and  
performance information  
for 2025-26 budget

Where can I get more  
information?  
**WA.gov.au**



GOVERNMENT OF  
WESTERN AUSTRALIA

**Public Sector  
Reform**  
March 2025

Agency steering committees, overseen by central agency implementation committees.

Not a new initiative – focus on BAU





# Machinery of Government – State Agencies

- Each affected agency has a working group with a representative from Treasury – they will provide advice on what they are doing to progress the initiative
- Agencies determine the equity transfers, following AASB 1004, to be a book value – Treasury to provide guidance
- Development of key performance indicators (due to revised Outcome Based Management Frameworks) will be undertaken by agencies in the coming months with final information to be submitted to the Under Treasurer for approval before 30 June 2026
- OAG will be consulted during the process of determining the new KPI's under the amended structure
- OAG will work with agencies to address relevant disclosure aspects for 2025



# Machinery of Government – State Agencies

- Resources available to assist:
  - Past OAG State Sector Results Reports - in particular 2017-18
- Key observations were:
  - Slow progress with amalgamating systems of the various constituent entities, with most departments continuing to operate on several financial, human resource and administrative systems. Impacting the realisation of cost savings by rationalising systems.
  - Some entities were still in the process of determining their appropriate outcome based management structures and appropriate KPIs that will best represent their performance.

We also made two recommendations for amalgamations:

1. For future entity amalgamations, consideration be given to retaining one of the amalgamated entities as an ongoing entity to counter any impact of accounting for the assets being revalued when transferred.
2. Amalgamated entities expedite the merging of systems and development of their OBM structures and KPIs.





# Machinery of Government – State Agencies

- Resources available to assist:
  - Past OAG State Sector Results Reports - in particular 2017-18
  - <https://audit.wa.gov.au/reports-and-publications/reports/audit-results-report-annual-2017-18-financial-audits-of-state-government-entities/quality-and-timeliness-of-reporting/>
- Queensland Audit Office – better practice material as follows:
  - Blog: [Implementing machinery of government changes](#)
  - Better practice guide: [Checklist for managing machinery of government changes](#)
  - Better practice guide: [Implementing machinery of government changes maturity model](#).

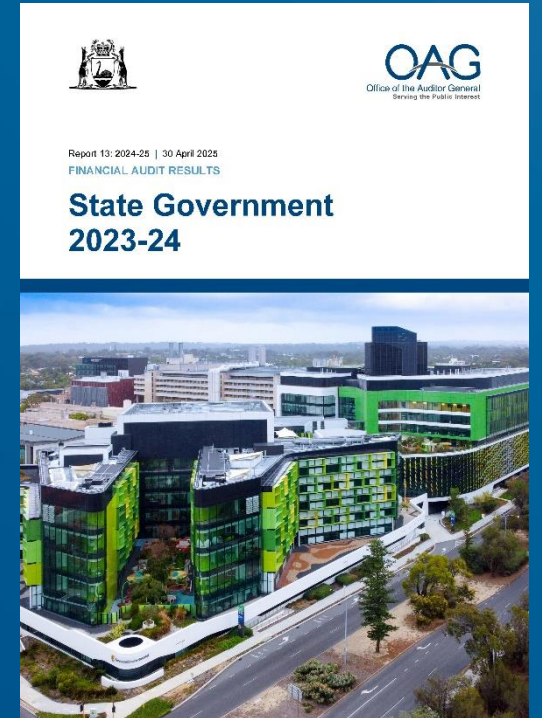




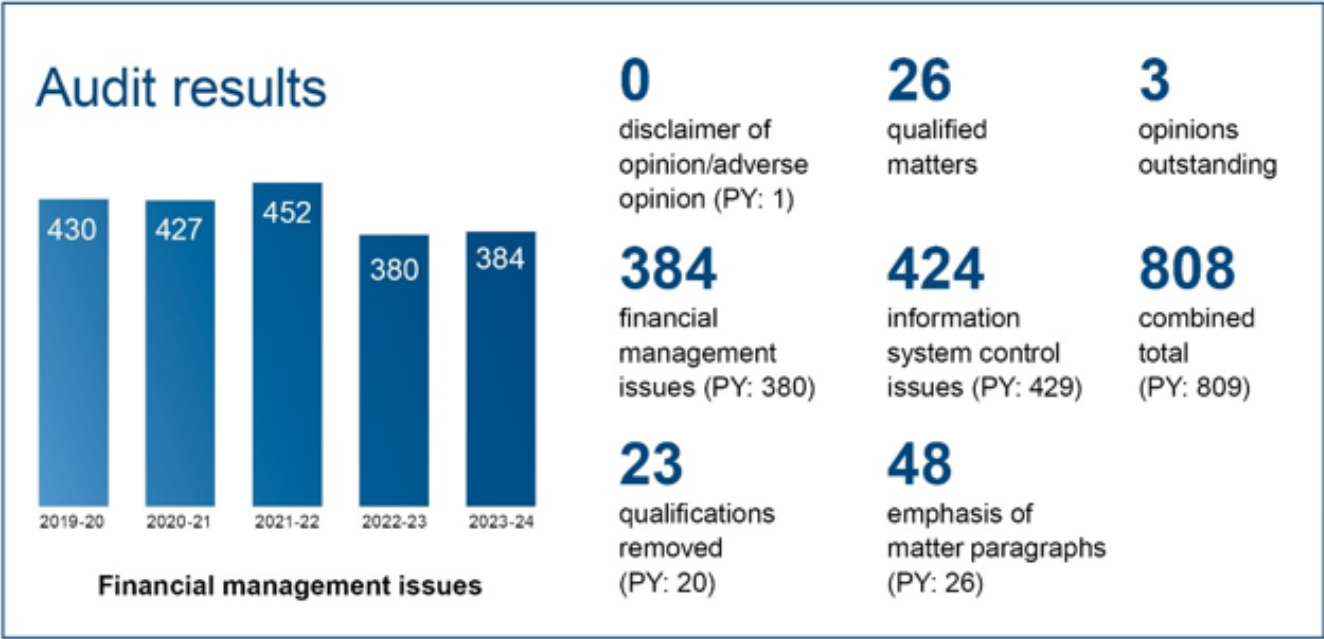
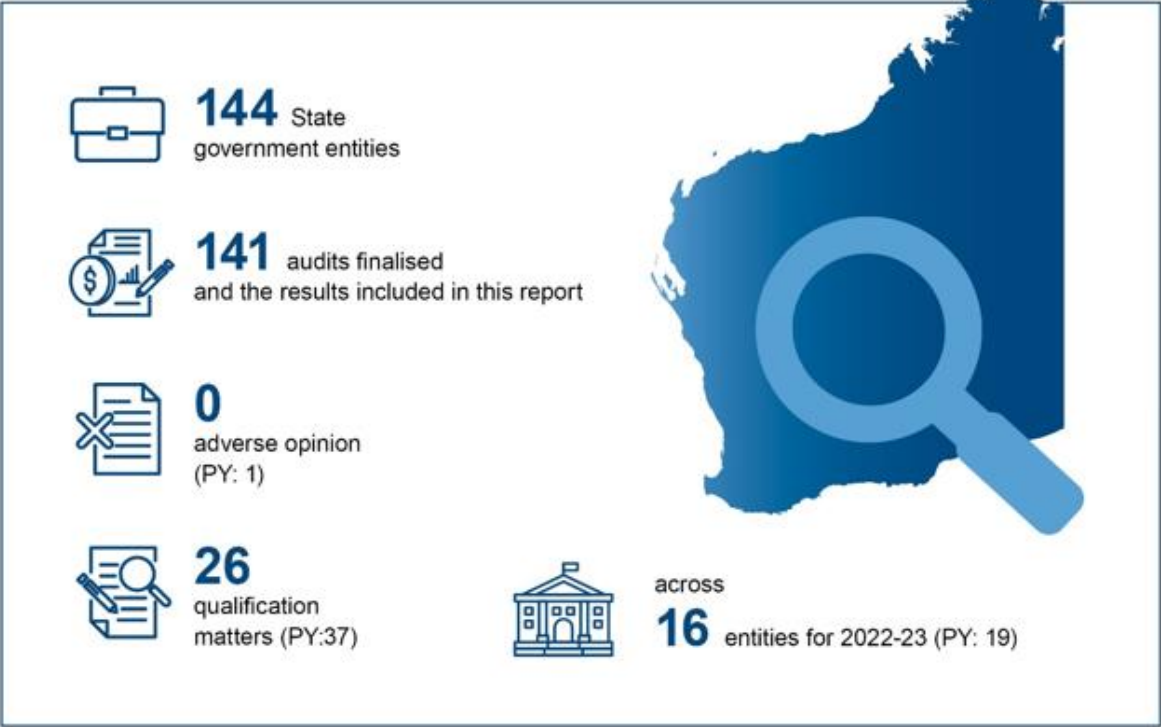
# State Government 2023-24 – Financial Audit Results

Report 13: 2024-25

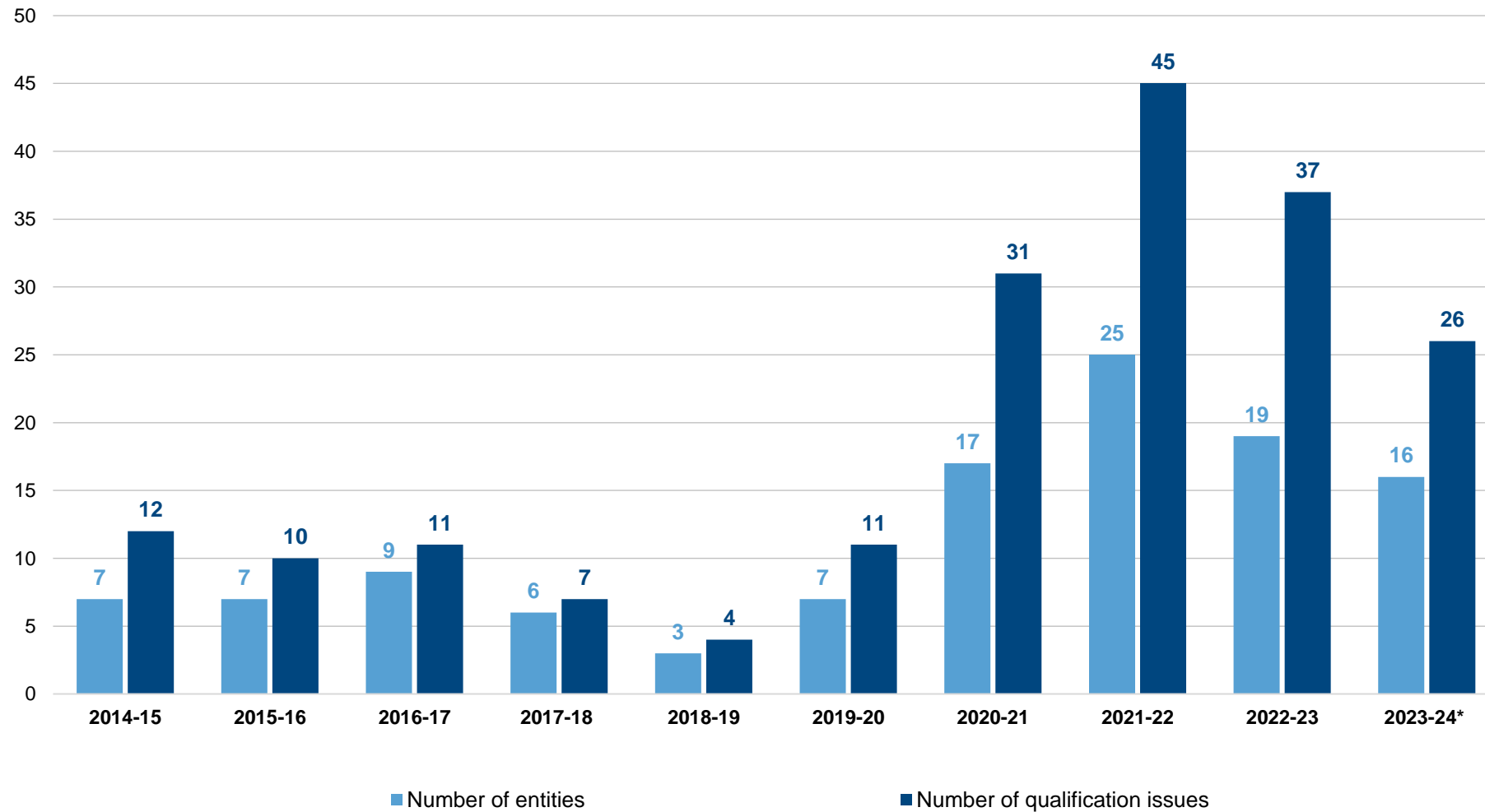
Tabled: 30 April 2025



# 2023-24 state government reporting cycle at a glance



# Audit qualifications have reduced substantially



Entities with qualified opinions and number of qualification issues for last 10 years

# Adjusted and unadjusted audit errors increased

Year	Adjusted errors			Unadjusted errors			Total errors	
	No. of entities	No. of errors	Value	No. of entities	No. of errors	Value	No. of errors	Value
2023-24	64	155	\$1,581,309,001	55	114	\$480,233,120	269	\$2,061,542,121
2022-23	53	133	\$2,654,900,378	38	79	\$199,685,578	212	\$2,854,585,956
2021-22	58	137	\$1,846,874,127	46	105	\$934,620,731	242	\$2,781,494,858

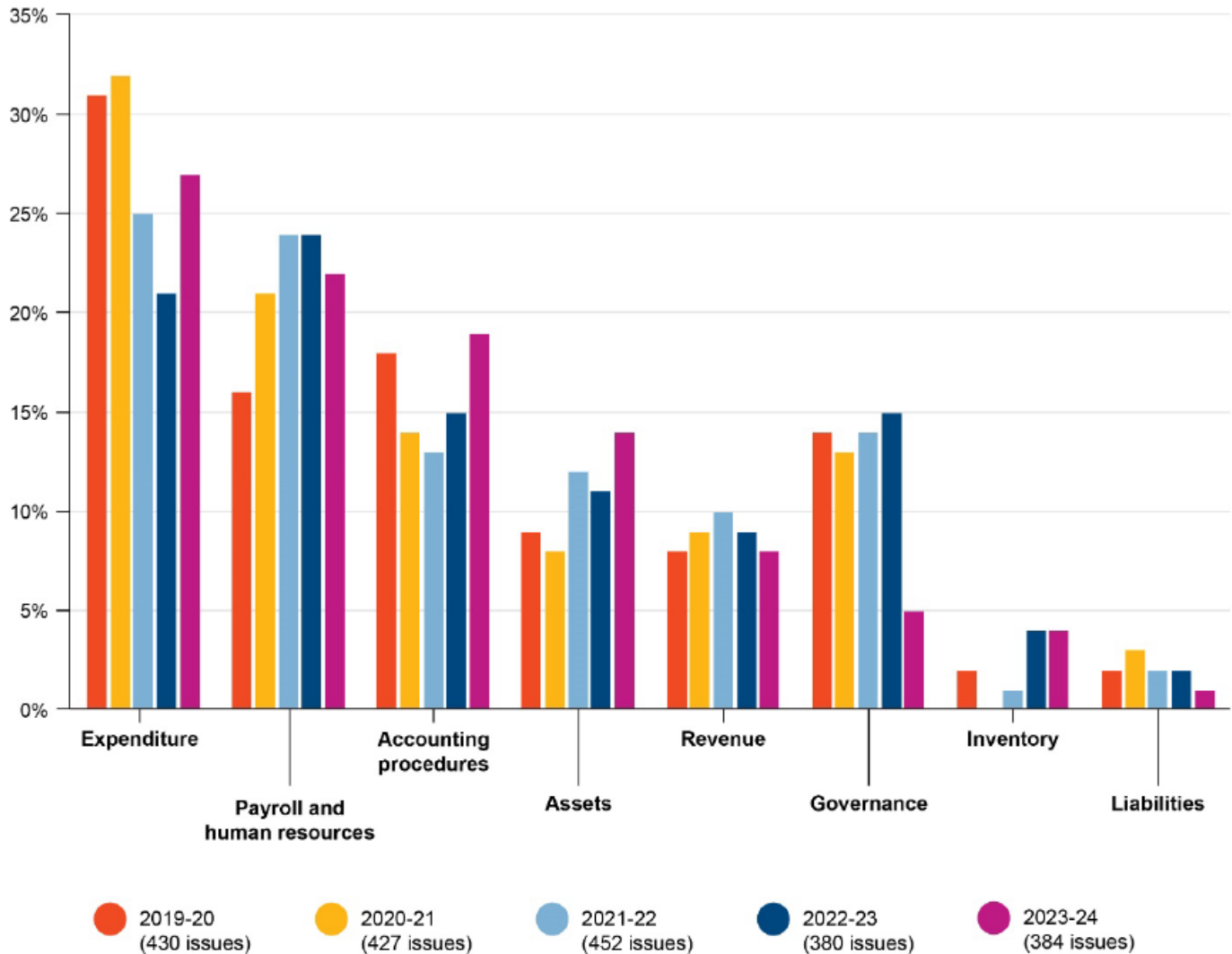


We audited  
**\$170 billion**  
 of total public sector net assets  
 (PY: \$152 billion)



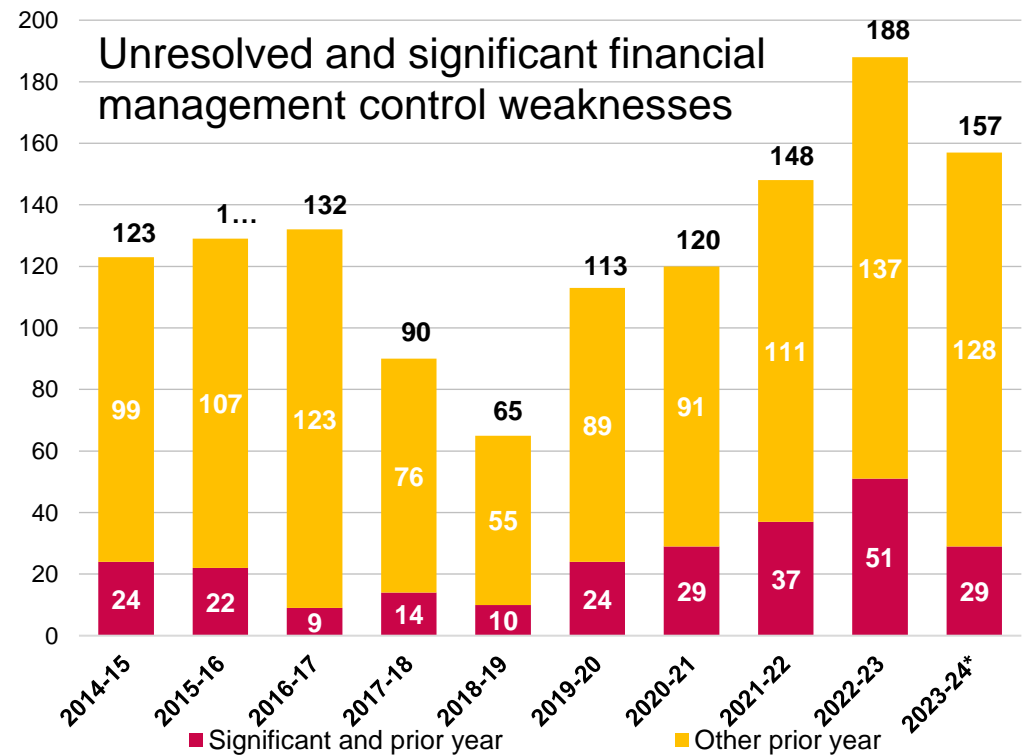
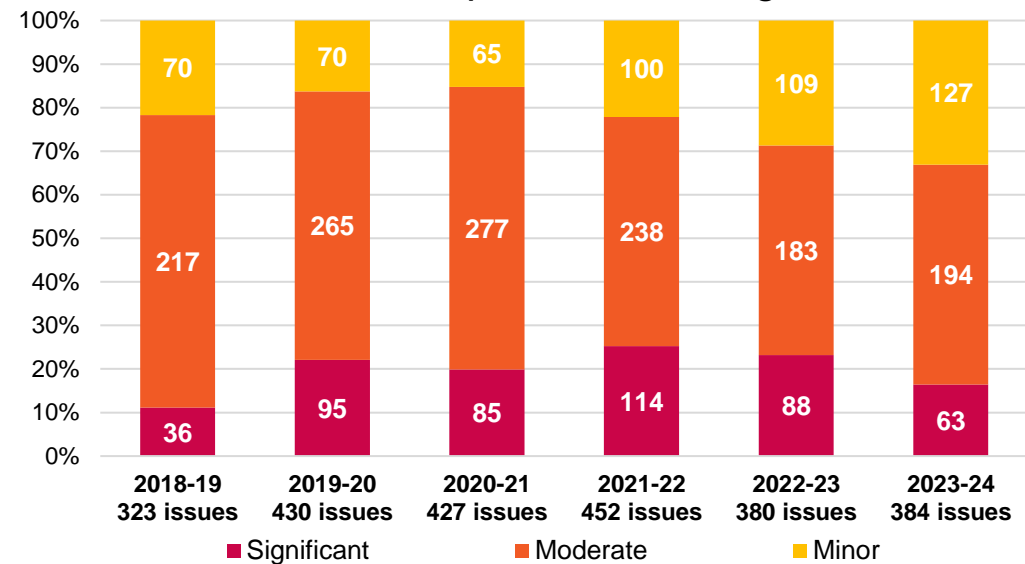
General government sector realised a  
**\$4.5 billion**  
 surplus (PY: \$5.1 billion)

# Management letter findings



Financial management control weaknesses for the last five years

## Control weaknesses reported to management








# Other reporting, accountability & audit matters

## Valuations

- **Land asset transfers remain a concern**
  - Concern
    - value significantly reduced prior to transfer (e.g. Bentley 360 - \$53.95m  \$2.65m)
  - Why important
    - increases risk of fraud, corruption or misconduct
    - gives appearance land developments more profitable than reality
    - lack of transaction accountability and value visibility
  - Recommendation
    - Land is transferred at carrying value
- **Land transfers examination – a pending forensic report**

# AASB 2022-10 Fair value in NFP public sector

- AASB 13 Para Aus29.1 (overrides para 29's consideration of market or other factors)
  - Current use (CU) is presumed to be highest and best use (HBU).
  - Only need to consider whether CU is not HBU in 2 circumstances:
    - Classified as HFS or HFD under AASB 5; or
    - Highly probable asset will be used for an alternative purpose (guidance in Aus29.2)
- Guidance on cost approach
- AASB leaves it to jurisdictional authority (Treasury, DLGSC) to designate a valuation approach if consistency is desired.

# AASB 2022-10 (Cont'd)

## Impact on State sector

- TG 8(5.7.7)
  - Once-only costs such as professional and project management fees (PPF) should be added to the valuation of buildings provided by Landgate to arrive at the assets' fair value.
  - Suggests a process that agencies can follow to estimate the PPF.
    - PPF are fees charged by DoF (BMW) for managing a construction project for the entity.
- Note: For Dec 2024 audits of TAFEs, problem was encountered.
  - The Landgate building valuations already included a PPF component.
  - Therefore, not appropriate to add a PPF adjustment.
  - Landgate explanation – Cost info of newly constructed buildings received was not componentised, and therefore any PPF component was not excluded.
  - OAG has written to Treasury to get clarity for June 2025 audits.



# Annual financial reporting timeline



## State government



## Local government



## Tertiary



# Other OAG reports – tabled

No	Report title	Date tabled
14	State Government 2023-24 – Information Systems Audit Results	30 April 2025
13	State Government 2023-24 – Financial Audit Results	30 April 2025
12	Local Government 2023-24 – Financial Audit Results	24 April 2025
11	Local Government 2023-24 – Information Systems Audit Results	11 April 2025
10	Fraud Risks in the WA Greyhound Racing Association	11 April 2025
9	Child Protection Case Management System – Assist	21 March 2025
8	Universities and TAFEs 2023 – Financial Audit Results	5 December 2024
7	WA Student Assistance Payment – Controls Review	27 November 2024
5	Implementation of the Aboriginal Procurement Policy	21 November 2024
4	Quality and Utilisation of Emergency Department Data	20 November 2024
3	Management of State Agreements	30 October 2024
1	Supplier Master Files – Better Practice Guide	1 August 2024

# Other OAG reports – forthcoming

No	Report title	Date tabled
Upcoming	Management of Housing Maintenance Information	Not yet tabled
Upcoming	Conservation of Threatened Ecological Communities	Not yet tabled
Upcoming	Local Government Management of Local Road Maintenance	Not yet tabled
Upcoming	IS Applications Review – Laboratory Information System (Pathwest)	Not yet tabled
Upcoming	Administration of Personal Leave	Not yet tabled
Upcoming	Transparency Report – Major IT Projects	Not yet tabled
Upcoming	Universities and TAFEs 2024 – Financial Audit Results	Not yet tabled
Upcoming	Regulation of Commercial Water Use	Not yet tabled
Upcoming	Local Government Management of Purchasing Cards	28 May 2025
Upcoming	Development WA	28 May 2025

An aerial photograph of a city skyline, likely Sydney, Australia, featuring the Sydney Opera House and the Sydney Tower Eye. The image is overlaid with a semi-transparent blue filter. The text "Survey results" is prominently displayed in the center-left area in a white, sans-serif font.

# Survey results





# State government – sector survey results

Quality of audit process

93%



Quality of audit reporting

96%



Value of financial statement audit

95%



Value of performance indicator audit

89%



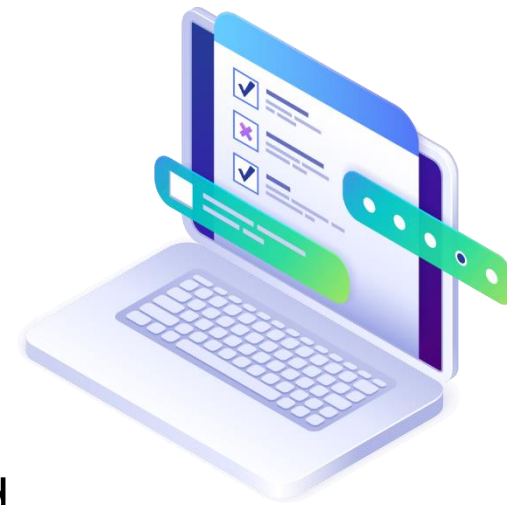
Value of information systems audit

87%



# Entity feedback

- Onsite presence is valued
- OAG and CAFs positions need to be aligned
- Professionalism and preparedness of audit team is appreciated
- Auditor continuity is important
- Timeliness has improved but still more room to improve
- Information requests could be timelier
- Additional workload on staff
- IT issues are concerning





An aerial photograph of a city skyline, likely Sydney, Australia, featuring the Sydney Opera House and the Sydney Tower Eye. The image is overlaid with a semi-transparent blue filter. The title "Tenders and Contract Extensions" is written in large, white, sans-serif font across the center of the image.

# Tenders and Contract Extensions



# Tendering and contract extensions



## Tenders

- 16 State entities
- 56 local government entities



## Extensions

- 26 State entities
- 18 local government entities



# Thank you

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Thank you

