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Australian Government  
Bureau of Meteorology



Office of the CEO

In reply, please quote:  
DIR 24 0065

25 March 2024

Committee Secretary  
Joint Committee of Public Accounts and Audit  
PO Box 6021  
Parliament House  
Canberra ACT 2600

Dear Committee Secretary

Thank you for the invitation to the Bureau of Meteorology (the Bureau) to provide a submission to the Committee's Inquiry into the Commonwealth Financial Statements 2022–23, based on Auditor-General Report No. 9 of 2023–24, Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2023 (the Report).

### Background

As a result of the Bureau's identification and disclosure of errors in previous years' financial statements, the 2022–23 financial statement audit resulted in ANAO providing one moderate (B) finding.

There are no other findings in relation to the financial statements, as noted in the table below. The 2022–23 finding was supplemented by an emphasis of matter in the closing letter and disclosed in the Bureau's 2022–23 annual report, drawing the reader's attention to the prior period error disclosures.

Category	Closing position (2021-22)	New findings	Findings resolved	Closing position (2022-23)
Moderate (B)	-	1	-	1
Total	-	1	-	1

### Details of the moderate finding

During the 2022–23 financial year, the Bureau identified material prior period errors relating to the valuation and accuracy of property, plant, and equipment assets, intangible assets, and leases.

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The matters identified were:

- accounting standards (AASB116 and AASB138) were incorrectly applied in the property, plant and equipment and intangibles category resulting in incorrectly capitalising of some assets and depreciation not commencing when an asset became available for use
- the accounting standard on leases (AASB16), which came into effect in 2019-20 year, was adopted as required but was incorrectly applied and omitted a data centre lease
- the change in accounting standard (AASB15) for revenue recognition was also introduced in 2019-20 and was adopted as required but the Bureau did not change the way it recognised revenue, resulting in the incorrect application of the accounting standard.

These prior period errors were assessed as material and comprised the following adjustments:

- overstatement of \$73.2 million non-financial assets (property, plant and equipment and software)
- understatement of \$45.8 million Right of Use Building (lease) assets
- overstatement of \$27.9 million revenue liabilities.

Leasing and revenue errors arose from changes in accounting standards that were incorrectly implemented in the 2019-20 year, whilst others result from incorrect asset accounting practices that have been in existence from as far back as 2010.

The Bureau worked closely with the ANAO and the Department of Finance during the 2022-23 financial year to ensure our disclosures were known, complete and accurate.

The prior period errors do not affect the financial sustainability of the Bureau and relate to disclosures, not the underlying transactions.

### **Corrective action**

The ANAO recommended in their Report<sup>1</sup> the Bureau conduct a stocktake and assessment of the requirements for records supporting the financial statements, establish a policy on retention of these records and provide instructions and support to officials to meet these requirements. The Bureau agreed with these recommendations

Corrective action was undertaken to address these errors during the 2022–23 financial statements and improved internal controls were implemented such as improved asset management practices, training and development in financial capability for relevant staff.

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<sup>1</sup> ANAO report p. 152 section 4.3.40

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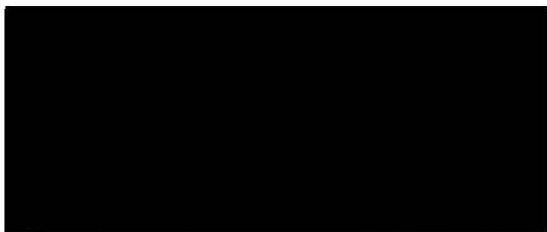


Additional action is being undertaken during the 2023–24 financial year to improve project management and recordkeeping practices.

The Bureau's Audit Committee is aware of this matter and has provided advice and support in resolving the errors and maintains an active role in the assurance of the financial statements.

We would be happy to discuss our progress on implementation with the Committee through correspondence or as part of the public hearing process.

Yours sincerely



**Dr Andrew Johnson PSM FTSE FAICD**  
CEO and Director of Meteorology

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