

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS
AUSTRALIAN CUSTOMS SERVICE

Question No. 83

Senator Ludwig asked the following question at the hearing on 13 February 2007:

Regarding the statement in footnote 4 on page 16 of the ANAO Report that Customs considered the project to be complete at 28 February 2006.

- a) who made this assessment?
- b) when was this assessment made?
- c) on what factors was that assessment based?

The answer to the honourable senator's question is as follows:

- a) This assessment was made by the Customs Financial Services Division and was accepted by the ANAO in its audit of the Customs 2005-06 financial statements.
- b) This assessment was made during the 2005-06 financial year.
- c) This assessment was made based on an assessment as to when the initial development and implementation of the imports version of ICS could be considered to be completed. It should be noted that this assessment was made solely for the purposes of the Customs 2005-06 financial statements. Preparation of the financial statements for 2005-06 required an assessment as to the point at which the expenditure incurred on the project should be transferred from work in progress to the asset category: "Computer Software – Internally Developed In Use".

The assessment took into account the requirements of relevant accounting standards which require that expenditure on acquiring new assets should be capitalised and shown as an asset in an organisation's balance sheet once that asset is in use. The date of 28 February 2006 took into account the implementation date of 12 October 2005 and the initial period of further upgrades and releases of the system that occurred after implementation.