



Trust in, and value from, information systems

Sydney Chapter

FINANCIAL REPORT

**FOR THE YEAR ENDED
31 DECEMBER 2013**

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ISACA

DIRECTORS' REPORT

Your directors present their report together with the financial report of ISACA (the company) for the year ended 31 December 2013.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Asaf Ahmad	
Mr Andrew Bornhorst	
Ms Jennifer Foo	(Appointed April 2013)
Mr Michael Franklin	(Filling a Casual Vacancy since October 2013)
Miss Carmen Hawkins	
Mr Lambros Lambropoulos	
Mr David Roche	
Mr Paras Shah	(Appointed April 2013)
Mr Mike Thompson	
Mr George Watts	
Mr Michael Wright	
Mr Andrew Stewart	(Retired July 2013)

DIRECTORS' REPORT

Strategic Goals and Objectives of ISACA

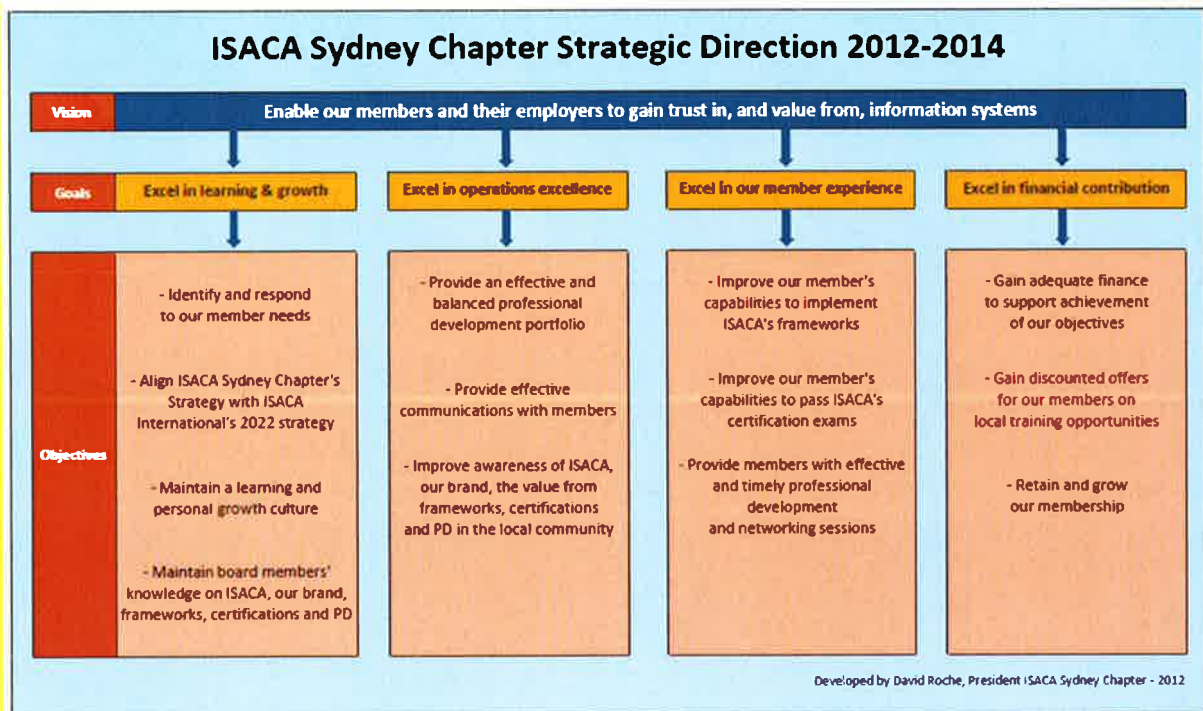
ISACA is an international not-for-profit member based professional association.

The primary business activity of ISACA is to support the professional development of its members across 4 streams: governance of IT, assurance, IT risk management and information security.

At an international level, ISACA develops and maintains frameworks and hosts certification exams across each of the 4 streams.

At a local level, ISACA Sydney Chapter provides regular professional development sessions across the 4 streams, low cost training sessions and more recently research and advocacy in whitepapers.

ISACA's vision is to enable its members and employers to achieve 'Trust in, and value from, information systems.' To achieve this, our local mission is to improve the ability of our members to implement ISACA frameworks and pass our certification exams. ISACA Sydney Chapter also focuses on providing networking opportunities for like minded people keen to learn and grow.



DIRECTORS' REPORT

Strategy setting and performance measurement

ISACA International uses a balanced scorecard to set objectives and measure performance against these objectives. Each year the local ISACA Sydney Chapter board rates itself against these objectives and sends the results to ISACA International.

ISACA Sydney Chapter defined a 2012-2014 strategy in April 2012. This was aligned to International's strategy and to member needs taken in a membership survey in April 2012. Progress of strategy execution is reviewed 4 times during the year and strategy is adapted if necessary to cope with changes in the environment or performance.

Key risks to the company have been identified, reported and necessary actions taken.

The Directors table a performance report at each Board meeting and key points are highlighted for discussion. These discussions include financial reports, professional development, sponsorship and membership.

Financial

During the year the company received income from various sources including membership fees, technical seminars, review sessions, CACS profit share and advertising. Outgoings were predominantly remittances for secretarial services, audit fees and the costs associated with holding seminars, conferences, and CRISC, CISA, CISM and CGEIT training sessions.

Staffing

The company has no employees.

ISACA

Information on Directors

Name:

David Roche



Title:

President

Qualifications:

MAICD, CGEIT, CRISC

Experience and expertise:

David has 8 years Board experience in the NFP sector. David is an independent management consultant at Governance Architects. He has 23 years experience across corporate strategy development, strategic planning, PMO, governance, IT, risk management and sales and marketing. David is also a member of Australian Institute of Company Directors.

Special responsibilities:

David was first appointed to the Board in 2006 and was elected President in April 2012. His key role is to facilitate the development and execution of the Chapter's strategy. He has spent the past 12 months researching and writing an ISACA whitepaper: 'Strategic Planning: Insights from Australian Board and Management teams'.

Name:

Paras Shah



Title:

Vice President

Qualifications:

CGEIT, CRISC, CISA and CA

Experience and expertise:

Paras is Founder and Principal Consultant at Vital Interacts; and specialises in IT governance, risk management, assurance and information security. He is also a member of ISACA's Framework Committee.

Special responsibilities:

Paras was appointed to the Board in April 2013, and responsible for Professional Development and Sponsorship portfolios.

ISACA

Information on Directors (continued)

Name: **Michael Thompson**



Title: **Immediate Past President**

Qualifications: **CISA**

Experience and expertise: Mike has held IT Assurance roles in Banking & Finance for over 20 years and is currently Practice Lead, Assurance & Compliance at Vital Interacts.

Special responsibilities: Mike was Sydney Chapter President from April 2010 to April 2012, and is Past President of ISACA Chapters in NZ and PNG. Mike serves on ISACA's CISA Test Enhancement Subcommittee and is also Chair of the Oceania CACS 2015 Organising Committee. He was first appointed to the Sydney Board in April 2005.

Name: **Andrew Bornhorst**



Title: **Treasurer**

Qualifications: **CRISC, CISA**

Experience and expertise: Andrew was appointed to the board in 2012. Andrew is an Energy Markets Operational Risk Professional at Origin Energy. He has held accounting, risk, programmer, and consulting roles for various companies in the Australia and the US.

Special responsibilities: Andrew was first appointed to the Board in April 2012.

ISACA

Information on Directors (continued)

Name:

Jennifer Foo



Title:

Company Secretary

Qualifications:

B. Information Technology, CISA, CISM, CRISC, CGEIT

Experience and expertise:

Jennifer is a Principal Analyst at the Prudential Regulator, APRA. She has over 15 years of industry experience in IT Delivery, Project Management, Consulting, Risk Management and Governance which she now uses in her supervisory role for APRA at one of the big four banks.

Special responsibilities:

Jennifer was appointed to the Board in April 2013

Name:

Asaf Ahmad



Title:

Director

Qualifications:

BSc Engineering, M.Tech. Management & Systems, Graduate Certificate in Strategic IT Leadership, CISM, CRISC, COBIT, ITIL Foundation and RCV

Experience and expertise:

Asaf Ahmad is an Information Security, IT Risks and Compliance Manager at Fire and Rescue NSW and prior to that he was Manager Information Security at RailCorp, NSW. He is also a member of ISACA's CISM Certification Committee. Asaf has over 25 years of experience in IT Governance and management, IT consulting and project management. Worked in Design and Engineering company, Information technology and Government agencies.

Special responsibilities:

Asaf was appointed to the Board in April 2011 and overseas certification and sponsorship.

ISACA

Information on Directors (continued)

Name: Andrew Stewart
Title: Company Secretary from November 2011 to March 2013
Qualifications: CGEIT
Experience and expertise: Andrew Stewart has a background in technology, accounting, risk management and project execution, he is uniquely positioned to identify and apply contemporary technology solutions in support of complex business need across many industry types. Andrew is currently employed by Apple Retail.
Special responsibilities: Andrew was appointed to the Board in November 2011

Name: Carmen Hawkins



Title: Director
Qualifications: FCPA, FIIA, CIA, CRISC
Experience and expertise: Carmen is a past Sydney Chapter President, a member of the 2013/14 ISACA CRISC TES Committee and has previously chaired the Membership Growth & Retention Committee and served on the Conference and Education Board.
Special responsibilities: Carmen chaired the 2003 and 2008 Oceania CACS Conference Organising Committee and was appointed to the Board in 1999.

Name: George Watts



Title: Director
Qualifications: CISM, CISSP
Experience and expertise: George has worked in the consulting and management services for information security and architecture domains with a board variety of clients and organisations for over 15 years.
Special responsibilities: George was elected to the Board in April 2012.

ISACA

Information on Directors (continued)

Name: **Lambros Lambropoulos**



Title: **Director**

Qualifications: BA, MA, M. Com, CPA, CISA

Experience and expertise: Lambros works for the Audit Office of NSW as an IS Audit Leader. He has 16 years of experience in Audit and 5 years of internal audit in the financial Sectors.

Special responsibilities: Lambros was elected to the Board in September 2012.

Name: **Michael Franklin**



Title: Fills a casual vacancy and became Membership Director from October 2013.

Experience and expertise: Executive Manager Technical Risk, Digital Protection Group, Commonwealth Bank of Australia. With over 15 years of IT experience in the information technology (IT) industry. He is the Technical Risk Manager for the Digital Protection Group, looking after the Operational Risk Management Framework for IT Delivery Services (ITDS). He is responsible for BAU, identification, assessment, controls assurance management and monitoring for IT technical operations under IT Delivery Service, Enterprise Services.

ISACA

Information on Directors (continued)

Name:

Michael Wright



Title:

Director

Qualifications:

BA, CISA

Experience and expertise:

Mike has 30 years IT related experience divided equally between working in IT itself and audit & risk compliance with major international corporations such as Exxon, Qantas and Cable & Wireless. For the past 5 years, as the Managing Director for Wright Lane (Compliance) Services he undertakes various consulting assignments on an ongoing part time and one-off basis always utilising and promoting the ISACA Frameworks and guidelines.

Special responsibilities:

Mike was appointed to the Board in April 2012

ISACA

Meeting of directors

The number of directors' meetings held and number of meetings attended by each of the directors of the company during the financial year were:

Director	Meetings attended	Meetings eligible to attend
Mr Asaf Ahmad	10	14
Mr Andrew Bornhorst	13	14
Ms Jennifer Foo	9	11
Mr Michael Franklin	4	4
Miss Carmen Hawkins	8	14
Mr Lambros Lambropoulos	12	14
Mr David Roche	12	14
Mr Paras Shah	9	11
Mr Andrew Stewart	1	7
Mr Mike Thompson	10	14
Mr George Watts	9	14
Mr Michael Wright	9	14

ISACA

Member Contribution

For each class of membership in the company, the amount which a member of that class is liable to contribute if the company is wound up and the total amount that the members of the company are liable to contribute if the company is wound up is as follows:

Class of membership	Contribution per member in the event of winding up
Member	\$50
Total	\$450

The total amount that members of the company are liable to contribute if the company is wound up is \$450, based on 9 current ordinary members.

Results and Dividends

The operating surplus for the year was \$14,666 (2012: Deficit \$9,080).

The company is not permitted under its Memorandum and Articles of Association to pay dividends and the directors therefore do not recommend payment of any dividend. No dividends have been paid or declared since the end of the previous financial year.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Company during the period.

Significant events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

Likely developments and expected results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental regulation and performance

The Company is not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory.

ISACA

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out at page 15.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Andrew Bornhorst II

Andrew Bornhorst
Treasurer

Dated this 17th day of March 2014

DECLARATION OF INDEPENDENCE BY PAUL BULL TO THE DIRECTORS OF INFORMATION SYSTEMS AUDIT AND CONTROL ASSOCIATION

As lead auditor of Information Systems Audit and Control Association for the year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

BDO East Coast Partnership



Paul Bull

Partner

Sydney, 17 March 2014

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE
YEAR ENDED 31 DECEMBER 2013**

	Notes	2013 \$	2012 \$
Revenue	3	124,721	61,070
Expenses			
Cost of sales		(54,833)	(22,116)
Administration expenses		(55,222)	(47,777)
Depreciation expense		-	(257)
Surplus/(deficit) before income tax		14,666	(9,080)
Income tax expense	11	-	-
Surplus/(deficit) after income tax for the year attributable to the members of ISACA		14,666	(9,080)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of ISACA		14,666	(9,080)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

	Notes	2013 \$	2012 \$
Assets			
Current assets			
Cash and cash equivalents	5	97,210	76,094
Trade and other receivables	6	10,091	6,239
Other assets	7	-	130
Total current assets		<u>107,301</u>	<u>82,463</u>
Total assets		<u>107,301</u>	<u>82,463</u>
Liabilities			
Current liabilities			
Trade and other payables	8	29,830	19,658
Total current liabilities		<u>29,830</u>	<u>19,658</u>
Total liabilities		<u>29,830</u>	<u>19,658</u>
Net assets		<u>77,471</u>	<u>62,805</u>
Equity			
Retained surpluses		<u>77,471</u>	<u>62,805</u>
Total equity		<u>77,471</u>	<u>62,805</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Retained surpluses \$	Total equity \$
Balance at 1 January 2012	71,885	71,885
Total Comprehensive Income for the Year	(9,080)	(9,080)
<hr/>		
Balance at 31 December 2012	62,805	62,805
Total Comprehensive Income for the Year	14,666	14,666
<hr/>		
Balance at 31 December 2013	77,471	77,471
<hr/>		

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 31 DECEMBER 2013**

	Notes	2013 \$	2012 \$
Cash flows from operating activities			
Receipts from Customers (inclusive of GST)		131,346	65,472
Payments to Suppliers (inclusive of GST)		(112,744)	(85,671)
Interest Received		2,514	3,346
		<hr/>	<hr/>
Net cash from operating activities		21,116	(16,853)
Net increase in cash and cash equivalents		21,116	(16,853)
Cash at Beginning of the Year		76,094	92,947
		<hr/>	<hr/>
Cash at End of the Year	5	97,210	76,094
		<hr/>	<hr/>

The above statement of cash flows should be read in conjunction with the accompanying notes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2013**

1. Corporate information

The financial report covers ISACA (the Company) as an individual entity. The financial report is presented in Australian dollars, which is the Company's functional and presentational currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

ISACA is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

10 Clovelly Circuit
Kellyville
NSW 2155

The financial report was authorised for issue, in accordance with a resolution of the directors on 17th March 2014. The directors have the power to amend and reissue the financial report.

A description of the nature of the company's operations and principal activities are included in the directors' report.

Members guarantee

The Sydney Chapter of the ISACA (the Company) is a company limited by guarantee with each member liable to a maximum of \$50 in the event that the Company is wound up and the assets are exceeded by liabilities. Members of the Company are members of the ISACA Inc, an international body with its headquarters in the USA. The Association was formed in 1969 to provide professional education for Information Systems auditors.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2013**

2. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

In preparing the financial report the company has taken the exemptions available to not for profit entities.

Compliance with Australian Accounting Standards – Reduced Disclosure Requirements

The financial statements of the ISACA comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

Historical Cost Convention

The financial statements have been prepared under the historical cost convention.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2013**

2. Summary of Significant Accounting Policies (continued)

Sales Revenue

The company accounts for member's subscription on an accrual basis. Function income and sponsorship are recognised in the year in which it relates. Interest income is recognised as it accrues, using the effective rate method.

Expenditure Carried Forward

Significant items of expenditure having a benefit or relationship to more than one period are written off over the periods to which such expenditure relates.

Income Tax

The Company is subject to the Income Tax Assessment Act, 1997 (amended) which provides that under the concept of mutuality under which the entity is, it is only liable for income tax on income derived from non-members and from outside entities.

The charge for current income tax expense is based on the surplus for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Comprehensive Income except where it relates to items that may be credited directly to equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the association will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2013**

2. Summary of Significant Accounting Policies (continued)

Translation of Foreign Currency Transactions

Transactions in foreign currencies of the Company are converted to local currency at the rate of exchange ruling at the date of the transaction. Amounts payable to and by the Company that are outstanding at the balance date and are denominated in foreign currencies have been converted to local currency using estimation at the end of the financial year. All resulting exchange differences arising on settlement or re-statement are brought to account in determining the surplus or deficit for the financial year.

Cash and Cash Equivalents

Cash and Cash Equivalents includes cash on hand and at bank.

Impairment of Assets

At each reporting date, the entity reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Where the future economic benefits of the asset are not primarily dependent upon the assets ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Trade and Other Receivables

Trade and other receivables represent the principal amounts due at the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2013**

2. Summary of Significant Accounting Policies (continued)

Financial Assets

The company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. They arise when the company provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the Statement of Financial Position date which are classified as non-current assets. Loans and receivables are included in receivables in the Statement of Financial Position.

Property, Plant and Equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

The depreciable amount of all fixed assets is depreciated using the straight line/ diminishing value methods to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Computer equipment	3 years
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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2013**

2. Summary of Significant Accounting Policies (continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Comprehensive Income.

Trade and Other Payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the Australian Tax Office is included as a current asset or liability in the Statement of Financial Position. Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financial activities, which are disclosed as operating cash flows.

Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained by both externally and within the company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2013**

2. Summary of Significant Accounting Policies (continued)

CACS Conference Share of Profit

Each year a different Oceania Chapter hosts a conference usually in September/October named Oceania CACS. Every five years the Sydney Chapter applies to host the conference. Once the profit generated from the conference has been determined, it is split between the Oceania Region of Australia, NZ and PNG. 50% goes to the host and the remaining 50% is distributed between the Oceania Region. Losses are absorbed by the host. CACS2013 was hosted by Adelaide Chapter and a loss was incurred. CACS conference share of profit is recognised when it is received or when the right to receive payment is established.

New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

The company has early adopted AASB 1053 'Application of Tiers of Australian Accounting Standards,' AASB 2010-02 'Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements' and later amending Standards, as relevant. No other new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have been early adopted.

Any significant impact on the accounting policies of the company from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 1053 Application of Tiers of Australian Accounting Standards

The company has early adopted AASB 1053 from 1 January 2010. This standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements, being Tier 1 Australian Accounting Standards and Tier 2 Australian Accounting Standards - Reduced Disclosure Requirements. The company being classed as Tier 2 continues to apply the full recognition and measurements requirements of Australian Accounting Standards with substantially reduced disclosure in accordance with AASB 2010-2 and later amending Standards, as relevant.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2013**

2. Summary of Significant Accounting Policies (continued)

New, revised or amending Accounting Standards and Interpretations adopted

AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements

The company has early adopted AASB 2010-2 from 1 January 2010. These amendments make numerous modifications to a range of Australian Accounting Standards and Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities in preparing general purpose financial statements. The adoption of these amendments has significantly reduced the company's disclosure requirements.

AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements

AASB 2012-7 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements and

AASB 2012-11 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments

The company has early adopted AASB 2011-2, AASB 2012-7 and 2012-11 amendments from 1 January 2010, to the extent that they related to other standards already adopted by the company. These amendments make numerous modifications to a range of Australian Accounting Standards and Interpretations to significantly reduce the company's disclosure requirements.

AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income

The company has applied AASB 2011-9 amendments from 1 January 2013. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The amendments also introduced the term 'Statement of profit or loss and other comprehensive income' clarifying that there are two discrete sections, the profit or loss section (or separate statement of profit or loss) and other comprehensive income section.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2013**

3. Revenue

	2013	2012
	\$	\$
<i>Sales revenue:</i>		
Member Subscriptions	39,937	25,807
Education (Workshops and One Day Summit)	15,822	5,325
Certification	30,099	16,918
Marketing (Sponsorship and Advertising)	36,116	4,250
CACS 2012 – share of profit / (loss)	-	4,220
Other revenue	233	412
	122,205	56,932
 Other income		
Interest - other persons / corporations	2,514	3,346
Other income - recovery of ACSP expenses	-	792
	124,721	61,070
	124,721	61,070

4. Surplus from Ordinary Activities

	2013	2012
	\$	\$
Surplus from ordinary activities before income tax expense has been determined after;		
<u>Expenses</u>		
Remuneration of Auditor		
- Audit of financial report in the current year	5,000	5,000
	5,000	5,000
	5,000	5,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2013**

5. Cash and Cash Equivalents

	2013	2012
	\$	\$
Cash at Bank	97,210	76,064

6. Trade and Other Receivables

	2013	2012
	\$	\$
Trade Receivables	10,091	5,906
GST Receivable	-	333
	<u>10,091</u>	<u>6,239</u>

7. Other Assets

	2013	2012
	\$	\$
Membership prepayment	-	130

8. Trade and Other Payables

	2013	2012
	\$	\$
Membership Subscriptions in Advance	19,153	14,001
Sundry Payables	9,907	5,657
GST Payable	770	-
	<u>29,830</u>	<u>19,658</u>

9. Remuneration of Directors

In accordance with the Memorandum and Articles of Association, directors' remuneration is not permitted and none was paid.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2013**

10. Related Party Disclosure

Transactions with director-related services:

During the year the Company paid for training services given by a number of director-related organisations. These services were provided in the ordinary course of business and on normal commercial terms and conditions.

11. Income Tax Expense

	2013	2012
	\$	\$
a) the components of tax expense comprise:		
current tax	-	-
b) Reconciliation of income tax expense to prima facie tax payable		
Surplus/(Deficit) before income tax expense	14,166	(9,080)
Less Surplus derived from members	(18,482)	(12,129)
Non-members Surplus/(Deficit) before income tax expense	3,816	(21,209)
Tax at the Australian tax rate of 30%	1,145	(6,363)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
- losses brought forward from previous year	(8,952)	(2,589)
- losses available for carried forward	7,807	8,952
Income tax expense	-	-

The potential future income tax benefits arising from tax losses and temporary difference has not been recognised as an asset because it is not probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2013**

11. Income Tax Expense (continued)

The potential future income tax benefit will be obtained if:

- i. The Company derives future assessable income of a nature an amount sufficient to enable the benefit to be realised; and
- ii. The Company continues to comply with the conditions for deductibility imposed by the law.
- iii. No changes in tax legislation adversely affect the Company in realising the benefit.

12. Events Subsequent to the reporting date.

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

DIRECTOR'S DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the financial statements and notes thereto give a true and fair view of the company's financial position as at 31 December 2013 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution made pursuant to section 295(5) of the Corporations Act 2001.

Andrew Bornhorst II

Andrew Bornhorst
Treasurer

Dated this 17th day of March 2014

INDEPENDENT AUDITOR'S REPORT

To the members of ISACA Sydney Chapter

Report on the Financial Report

We have audited the accompanying financial report of Information Systems Audit and Control Association, which comprises the statement of financial position as at 31 December 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Information Systems Audit and Control Association, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion the financial report of Information Systems Audit and Control Association is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2013 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

BDO East Coast Partnership

A handwritten signature in black ink. The signature consists of the letters 'BDO' written above a stylized, cursive signature that appears to be 'P. Bull'.

Paul Bull
Partner

Sydney, 17 March 2014