

**INFORMATION SYSTEMS
AUDIT AND CONTROL ASSOCIATION
Sydney Chapter
A.C.N. 002 407 276
(A company Limited by Guarantee)**

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2011**

	Page Number
Directors' Report	2
Auditor's Independence Declaration	10
Statement of Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Statement of Cash Flows	14
Notes to the Financial Statements	15
Director's Declaration	26
Independent Auditor's Report	27

**INFORMATION SYSTEMS AUDIT AND CONTROL ASSOCIATION
FOR THE YEAR ENDED 31 DECEMBER 2011**

Sydney Chapter

(A company Limited by Guarantee)
A.C.N. 002 407 276

DIRECTORS' REPORT

Your directors submit their report for the year ended 31 December 2011.

Directors

The names and details of the company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Garry Barnes
Mr Mike Thompson
Mr David Roche
Miss Carmen Hawkins
Mr Barry Munns
Mr Gurvinder Pal Singh
Mr Derek Matthews (retired April 2011)
Mr Duncan Auty (retired November 2011)
Mr Andrew Stewart (appointed April 2011)
Mr Rizan Rizvi (appointed April 2011)
Mr Asaf Ahmad (appointed April 2011)
Mr Shad Thakkar (appointed April 2011, retired August 2011)

Long and short term objectives of ISACA

ISACA's vision is to enable its members and employers to achieve 'Trust in, and value from, information systems.'

ISACA's objective is to provide its members with education, resource sharing, advocacy and professional networking regarding IS Audit, IT governance, IT risk management and information security.

ISACA aims to enhance its members' skills, expand their professional knowledge and connect them with a vibrant community of peers.

**INFORMATION SYSTEMS AUDIT AND CONTROL ASSOCIATION
FOR THE YEAR ENDED 31 DECEMBER 2011**

Sydney Chapter

(A company Limited by Guarantee)

A.C.N. 002 407 276

DIRECTORS' REPORT

ISACA's Sydney Chapter's short term goals:

- To provide opportunities for professional development of members on IS audit, IT governance, IT risk management and information security
- To provide a forum for members to gather and discuss issues and challenges and potential solutions in the above areas
- To provide regular communications on best practices in these fields
- To communicate relevant benefits to members, their employers, regulators and universities, of utilising IS controls in order to achieve trust in, and value from, information systems
- To promote ISACA's four certifications (CISA, CISM, CGEIT and CRISC) to its members and the industry
- To retain our existing membership and grow our chapter
- To maintain our financial capability to support achievement of our objectives
- To maintain adequate administration capability to support achievement of our objectives

Strategy for achieving the objectives

- To host monthly professional development sessions on IS Audit, IT governance, IT risk management and/or information security between February and December each year
- To host an annual conference or summit providing opportunities for professional development and networking with peers
- Keep members informed of publications, local training opportunities, events and activities organised by ISACA and its partners through fortnightly emails
- Host certification exam review sessions or boot camp sessions twice a year on CISA, CISM, CGEIT and CRISC
- Encourage the writing and distribution of articles through our local newsletter SCAN (Sydney Chapter Activities and News)
- Provide a membership, certification and information session twice a year
- To promote ISACA and its services to members, their employers, regulators and universities
- To gain sponsorship, optimise cashflow and manage expenses

**INFORMATION SYSTEMS AUDIT AND CONTROL ASSOCIATION
FOR THE YEAR ENDED 31 DECEMBER 2011**

Sydney Chapter

(A company Limited by Guarantee)

A.C.N. 002 407 276

DIRECTORS' REPORT

Principle activities of the company

The company's principal activities during the course of the year were to cultivate, promote and disseminate knowledge and information concerning Information Technology (IT) auditing and related subjects.

There have been no significant changes in the nature of these activities during the year.

Performance measurement

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

Key risks to the company have been identified and are reviewed at each Board meeting. The company identifies strategies annually to ensure retention and growth, and alignment of education and other services with member needs and the parent Association's strategies.

The Directors table a performance report at each Board meeting and key points are highlighted for discussion. This includes financial reports and education and certification portfolio reports.

Financial

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

Staffing

The company has no employees.

**INFORMATION SYSTEMS AUDIT AND CONTROL ASSOCIATION
FOR THE YEAR ENDED 31 DECEMBER 2011**

Sydney Chapter

(A company Limited by Guarantee)

A.C.N. 002 407 276

Information on directors

Name: Michael Thompson
Title: President
Qualifications: CISA
Experience and expertise: Mike is a Past President of ISACA Chapters in NZ and PNG. Mike's most recent role was IT Audit Manager at ING Direct.
Special responsibilities: Mike was appointed Chapter President in April 2010 and was first appointed to the Board in April 2005.

Name: David Roche
Title: Vice President
Qualifications: CRISC, Prince2
Experience and expertise: David is a management consultant at Governance Architects.
Special responsibilities: David was first appointed to the Board in 2007. He has been the board's risk officer since 2008 and has hosted IT governance review sessions for ISACA members since 2006. In addition to having the CRISC certification, he has passed ISACA's CGEIT and CISM exams.

Name: Garry Barnes
Title: Immediate Past President, Treasurer
Qualifications: Assoc.Dip (Bus) CISA, CISM, CGEIT, CRISC
Experience and expertise: Garry is a Managing Consultant at Stratsec. He is Chair of the 2011-2012 ISACA CISM Certification Committee, a member of the 2011-2012 Credentialing Board and a member of the 2011-2012 ISACA and ITGI Nominating Committees.
Special responsibilities: Garry was first appointed to the Board in April 2003.

Name: Carmen Hawkins
Title: Director
Qualifications: FCPA, FIIA, CIA, CRISC
Experience and expertise: Carmen is a past Sydney Chapter President, a member of the 2011 ISACA Relations Board and the Chair of the 2011-2012 ISACA Membership Growth & Retention Committee.
Special responsibilities: Carmen was appointed to the Board in 1999.

**INFORMATION SYSTEMS AUDIT AND CONTROL ASSOCIATION
FOR THE YEAR ENDED 31 DECEMBER 2011**

Sydney Chapter

(A company Limited by Guarantee)

A.C.N. 002 407 276

Name: **Derek Matthews**
Title: Director
Qualifications: BSc Computing, CISM, CISSP, MBCS
Experience and expertise: Derek joined the Board filling a casual vacancy in February 2010. Derek is the Information Security Risk Manager at HSBC Sydney.
Special responsibilities: Derek resigned from the Board in April 2011

Name: **Gurvinder Pal Singh**
Title: Director
Qualifications: Advanced Diploma in Systems Management, ISMS Lead Implementer and Lead Auditor, CISA, CISM, CRISC
Experience and expertise: Gurvinder is a Senior Auditor, IT & Security at Roads and Maritime Services.
Special responsibilities: Gurvinder joined the Board filling a casual vacancy in February 2010.

Name: **Barry Munns**
Title: Director
Qualifications: BBus, MMgt, MCom, CISA, CISSP
Experience and expertise: Barry has worked in the audit, risk and assurance field for over 20 years and is currently Senior Manager Audit with the Reserve Bank of Australia.
Special responsibilities: Barry was elected to the Board in April 2010.

Name: **Duncan Auty**
Title: Company Secretary
Qualifications: CISA, CRISC, Prince2 Practitioner
Experience and expertise: Duncan is a Director at Deloitte Touche Tohmatsu and prior to that he was a Consultant and Manager at Deloitte UK.
Special responsibilities: Duncan was elected to the Board in April 2010.
Duncan resigned from the Board in November 2011.

Name: **Andrew Stewart**
Title: Company Secretary from November 2011
Qualifications: CGEIT
Experience and expertise: Andrew is leading the Enterprise Risk Management Program at APA Group.
Special responsibilities: Andrew was appointed to the Board in April 2011

**INFORMATION SYSTEMS AUDIT AND CONTROL ASSOCIATION
FOR THE YEAR ENDED 31 DECEMBER 2011**

Sydney Chapter

(A company Limited by Guarantee)

A.C.N. 002 407 276

Name: Rizan Rizvi
Title: Director
Qualifications: Masters on IT Management, Prince2
Experience and expertise: Rizan is Principal Consultant at Westhill Consulting. He programme managed ISACA's one day Summit in 2011. Rizan has passed both the CISA and CGEIT exams.
Special responsibilities: Rizan was appointed to the Board in April 2011.

Name: Asaf Ahmad
Title: Director
Qualifications: BSc Engineering, M.Tech. Management & Systems, Graduate Certificate in Strategic IT Leadership, CISM, CRISC, COBIT
Experience and expertise: Asaf Ahmad is an Information Security Manager at Fire and Rescue NSW and prior to that he was Manager Information Security at RailCorp, NSW.
Special responsibilities: Asaf was appointed to the Board in April 2011.

Name: Shad Thakkar
Title: Director
Qualifications: CISM
Special responsibilities: Shad was appointed to the Board in April 2011, and resigned in August 2011 for personal reasons.

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
Mike Thompson	11	11
David Roche	9	11
Garry Barnes	9	11
Carmen Hawkins	10	11
Derek Matthews	2	2
Gurvinder Pal Singh	6	11
Duncan Auty	2	9
Barry Munns	5	11
Andrew Stewart	7	8
Rizan Rizvi	8	8
Asaf Ahmad	6	8
Shad Thakkar	4	5

**INFORMATION SYSTEMS AUDIT AND CONTROL ASSOCIATION
FOR THE YEAR ENDED 31 DECEMBER 2011**

Sydney Chapter

(A company Limited by Guarantee)

A.C.N. 002 407 276

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 \$5,795 (2010: deficit \$5,258).

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.

**INFORMATION SYSTEMS AUDIT AND CONTROL ASSOCIATION
FOR THE YEAR ENDED 31 DECEMBER 2011**

Sydney Chapter


(A company Limited by Guarantee)
A.C.N. 002 407 276

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 10.

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

A handwritten signature in black ink, appearing to read 'Garry Barnes', with a long horizontal flourish extending to the right.

Garry Barnes
Treasurer

Dated this 19th day of March 2012



Chartered Accountants
& Business Advisers

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

To the directors of Information Systems Audit and Control Association

I declare to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2011, there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and
- no contraventions of any applicable code of professional conduct in relation to the audit.



PKF
Paul Bull
Partner
Sydney, 19 March 2012

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The PKF East Coast Practice is a member of the PKF International Limited network of legally independent member firms. The PKF East Coast Practice is also a member of the PKF Australia Limited national network of legally independent firms each trading as PKF. PKF East Coast Practice has offices in NSW, Victoria and Brisbane. PKF East Coast Practice does not accept responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Liability limited by a scheme approved under Professional Standards Legislation.

INFORMATION SYSTEMS AUDIT AND CONTROL ASSOCIATION
Sydney Chapter
(A company Limited by Guarantee)
A.C.N. 002 407 276

**STATEMENT OF COMPREHENSIVE INCOME FOR THE
YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 \$	2010 \$
Revenue	3	82,422	56,528
Cost of Sales		<u>(37,595)</u>	<u>(15,464)</u>
Gross Profit		44,827	41,065
Other Revenue	3	5,939	3,667
Administration Expenses	4	<u>(44,971)</u>	<u>(49,990)</u>
Surplus/(Deficit) Before Income Tax		5,795	(5,258)
Income Tax Expense	12	-	-
Surplus/(Deficit)for the year		<u>5,795</u>	<u>(5,258)</u>
Total Comprehensive Income for the year		<u>5,795</u>	<u>(5,258)</u>

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

INFORMATION SYSTEMS AUDIT AND CONTROL ASSOCIATION
Sydney Chapter
(A company Limited by Guarantee)
A.C.N. 002 407 276

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Notes	2011 \$	2010 \$
CURRENT ASSETS			
Cash and Cash Equivalents	5	92,947	79,656
Trade and Other Receivables	6	6,139	11,403
Other Assets	7	130	130
TOTAL CURRENT ASSETS		99,216	91,189
NON-CURRENT ASSETS			
Property Plant and Equipment	8	257	447
TOTAL NON-CURRENT ASSETS		257	447
TOTAL ASSETS		99,473	91,636
CURRENT LIABILITIES			
Trade and Other Payables	9	27,588	25,546
TOTAL CURRENT LIABILITIES		27,588	25,546
NET ASSETS		71,885	66,090
GUARANTORS' EQUITY			
Retained Earnings		71,885	66,090
TOTAL GUARANTORS' EQUITY		71,885	66,090

The Statement of Financial Position should be read in conjunction with the accompanying notes.

INFORMATION SYSTEMS AUDIT AND CONTROL ASSOCIATION
Sydney Chapter
(A company Limited by Guarantee)
A.C.N. 002 407 276

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011

	Surplus/ (Deficit)	Total
	\$	\$
Balance at 1 January 2010	71,348	71,348
Total Comprehensive Income for the Year	(5,258)	(5,258)
Balance at 31 December 2010	66,090	66,090
Total Comprehensive Income for the Year	5,795	5,795
Balance at 31 December 2011	71,885	71,885

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

INFORMATION SYSTEMS AUDIT AND CONTROL ASSOCIATION
Sydney Chapter
(A company Limited by Guarantee)
A.C.N. 002 407 276

**STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		90,300	57,516
Payments to Suppliers		(80,758)	(60,937)
Interest Received		3,749	3,413
NET CASH FLOWS FROM /(USED IN) OPERATING ACTIVITIES		13,291	(8)
NET CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for Property, Plant and Equipment		-	(569)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		-	(569)
NET INCREASE/(DECREASE) IN CASH HELD		13,291	(577)
Cash at Beginning of the Year		79,656	80,233
Cash at End of the Year		92,947	79,656

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

INFORMATION SYSTEMS AUDIT AND CONTROL ASSOCIATION
Sydney Chapter
(A company Limited by Guarantee)
A.C.N. 002 407 276

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2011

1. Corporate information

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

The company is a 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 19 March 2012. 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 Information Systems Audit and Control Association (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 Information Systems Audit and Control Association Inc, an international body with its headquarters in the USA. The Association was formed in 1969 to provide professional education for Information Systems auditors.

INFORMATION SYSTEMS AUDIT AND CONTROL ASSOCIATION
Sydney Chapter
(A company Limited by Guarantee)
A.C.N. 002 407 276

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2011

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 Information Systems Audit and Control Association comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

Historical Cost Convention

These financial statements have been prepared on an accruals basis and are based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

INFORMATION SYSTEMS AUDIT AND CONTROL ASSOCIATION
Sydney Chapter
(A company Limited by Guarantee)
A.C.N. 002 407 276

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2011

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.

INFORMATION SYSTEMS AUDIT AND CONTROL ASSOCIATION
Sydney Chapter
(A company Limited by Guarantee)
A.C.N. 002 407 276

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2011

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.

**INFORMATION SYSTEMS AUDIT AND CONTROL ASSOCIATION
Sydney Chapter**

(A company Limited by Guarantee)
A.C.N. 002 407 276

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2011**

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 is 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.

INFORMATION SYSTEMS AUDIT AND CONTROL ASSOCIATION
Sydney Chapter
(A company Limited by Guarantee)
A.C.N. 002 407 276

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2011

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.

INFORMATION SYSTEMS AUDIT AND CONTROL ASSOCIATION
Sydney Chapter
(A company Limited by Guarantee)
A.C.N. 002 407 276

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2011

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. CACS2011 was hosted by Brisbane Chapter. CACS conference share of profit is recognised when it is received or when the right to receive payment is established.

New Accounting Standards and Interpretations early adopted

The entity has elected to apply the following pronouncements to the annual reporting period beginning 1 January 2010:

- AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The early adoption of AASB 1053 enables the entity to be part of the Tier 2 reporting requirements for general purpose financial statements. The Tier 2 reporting framework comprises the recognition and measurement requirements of Tier 1 but substantially reduced disclosure requirements. The entity is eligible to adopt the new Australian Accounting Standards – Reduced Disclosure Requirements and has adopted the requirements of the standard effective from the financial year ended 31 December 2010.

The early adoption of AASB 1053 did not have any impact on the financial performance or position of the company.

No other new, revised or amending Accounting Standard or Interpretations have been early adopted.

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.

INFORMATION SYSTEMS AUDIT AND CONTROL ASSOCIATION
Sydney Chapter
(A company Limited by Guarantee)
A.C.N. 002 407 276

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2011

3. Revenue

	2011	2010
	\$	\$
<i>Operating activities</i>		
Sales revenue:		
Member Subscriptions	25,245	27,716
Education (Workshops and One Day Summit)	35,927	16,332
Certification	4,389	3,495
Marketing (Sponsorship and Advertising)	11,287	5,123
CACS 2010 – share of profit / (loss)	-	3,862
CACS 2011 – share of profit / (loss)	4,828	-
Other revenue	746	-
	82,422	56,528
<i>Other Revenue</i>		
Interest - other persons / corporations	3,749	3,412
Other income - recovery of ACSP expenses	2,190	255
	88,361	60,195

4. Surplus from Ordinary Activities

	2011	2010
	\$	\$
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	4,725
- Additional fees charged for 2010 audit	-	1,400
	5,000	6,125

INFORMATION SYSTEMS AUDIT AND CONTROL ASSOCIATION
Sydney Chapter
(A company Limited by Guarantee)
A.C.N. 002 407 276

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2011

5. Cash and Cash Equivalents

	2011	2010
	\$	\$
Cash at Bank	92,947	79,656

6. Trade and Other Receivables

	2011	2010
	\$	\$
CACS 2009 Profit Share	-	1,805
Trade Receivables	6,139	7,261
GST Receivable	-	2,337
	6,139	11,403

7. Other Assets

	2011	2010
	\$	\$
Membership prepayment	130	130

8. Plant, Property and Equipment

	2011	2010
	\$	\$
Computer Equipment	447	569
Accumulated Depreciation	(190)	(122)
Total Plant Property and Equipment	257	447

INFORMATION SYSTEMS AUDIT AND CONTROL ASSOCIATION
Sydney Chapter
(A company Limited by Guarantee)
A.C.N. 002 407 276

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2011

Reconciliation

	2011	2010
Computer Equipment	\$	\$
Carrying Amount at Beginning of Year	447	-
Additions	-	569
Depreciation	(190)	(122)
Carrying Amount at End of Year	<u>257</u>	<u>447</u>

9. Trade and Other Payables

	2011	2010
	\$	\$
Membership Subscriptions in Advance	9,028	11,456
Sundry Payables	16,030	14,090
GST Payable	2,530	-
	<u>27,588</u>	<u>25,546</u>

10. Remuneration of Directors

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

11. 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2011

12. Income Tax Expense

	2011	2010
	\$	\$
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	5,795	(5,258)
Less Surplus derived from members	(2,118)	(7,050)
Non-members Surplus/(Deficit) before income tax expense	3,677	(12,308)
Tax at the Australian tax rate of 30%	1,103	(3,692)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
- losses brought forward from previous year	(3,692)	-
- losses available for carried forward	2,589	3,692
Income tax expense	-	-

13. 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.

**INFORMATION SYSTEMS AUDIT AND CONTROL ASSOCIATION
Sydney Chapter**


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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 2011 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.



Garry Barnes
Treasurer

Dated this 19th day of March 2012



Chartered Accountants
& Business Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Information Systems Audit and Control Association

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 2011, the statement of 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 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 entity'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 entity'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*.

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Opinion

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

- (i) giving a true and fair view of the company's financial position as at 31 December 2011 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.



PKF
PKF
Paul Bull
Partner
Sydney, 19 March 2012