



**ASIC**  
Australian Securities &  
Investments Commission

**Australian Securities  
and Investments Commission**

Office address (inc courier deliveries):  
Level 2, 68 Northbourne Avenue  
Canberra ACT 2601

Mail address for Canberra office:  
GPO Box 9827  
Brisbane QLD 4001

Tel: +61 1300 935 075

[www.asic.gov.au](http://www.asic.gov.au)

Joint Committee of Public Accounts and Audit  
PO Box 3021, Parliament House  
Canberra ACT 2600

15 March 2024

Dear Inquiry Secretary

Thank you for your invitation to provide a submission to the Inquiry into the Commonwealth Financial Statements 2022-23 in relation to the moderate finding raised against the Australian Securities and Investments Commissions (ASIC) for the period ended 30 June 2023.

In December 2022, ASIC commenced an internal review of its end-to-end capital management processes initiated by a growing work-in-progress balance and an increasing reliance on Software as a Service arrangements. The initial review prompted ASIC to conduct a more detailed review of ASIC's Asset Management Framework. External support was engaged to assist with this process. The review concluded that there were weaknesses with the implementation of certain elements of the framework across the asset lifecycle. The review also identified significant material misstatement in prior periods dating back several years due to the incorrect classification of intangible assets.

The external review identified six high priority recommendations to strengthen ASIC's Asset Management Framework, all of which were actioned prior to the signing of the 2022-23 financial statements. The report included a further eight (medium/low) recommendations. Seven recommendations are on track to be implemented by 31 March 2024. The remaining recommendation ties into ASIC's business planning and budget process and will be completed before 30 June 2024. ASIC provided the review's recommendations to the ANAO as part of the 2022-23 audit and engaged proactively and constructively with the ANAO during the 2022-23 audit process. The ANAO has confirmed that successfully addressing all recommendations will result in the audit finding being cleared this financial year, with validation to occur prior to the final audit process.

ASIC notes that it is not the only entity where weaknesses in processes for accounting for intangibles were identified during the 2022-23 financial year and that the total cumulative write-downs and impairments across Government was \$789.1 million in the period 2019-20 to 2022-23.

Yours sincerely

Peter Dunlop