

**Albury Wodonga
Health Specialty
Purpose Service
Entity**

Financial Statements

for the year ended 30 June 2016



INDEPENDENT AUDITOR'S REPORT

Albury Wodonga Health NSW Employment Division

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Albury Wodonga Health NSW Employment Division (the Division), which comprise the statement of financial position as at 30 June 2016, 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.

In my opinion the financial statements:

- give a true and fair view of the financial position of the Division as at 30 June 2016, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report.

I am independent of the Division in accordance with the auditor independence requirements of:

- Australian Auditing Standards
- ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (the Code).

I have also fulfilled my other ethical responsibilities in accordance with the Code.

The PF&A Act further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Secretary's Responsibility for the Financial Statements

The Secretary is responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Secretary determines is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary must assess the Division's ability to continue as a going concern unless the Division's operations will cease as a result of an administrative restructure. The assessment must include, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A further description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Division carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented.



Chris Clayton
Director, Financial Audit Services

26 September 2016
SYDNEY

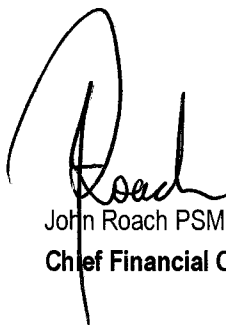
Albury Wodonga Health NSW Employment Division
Certification of the financial statements
for the year ended 30 June 2016

I state, pursuant to section 45F of the *Public Finance and Audit Act 1983*:

- 1) The financial statements of Albury Wodonga Health NSW Employment Division of NSW for the year ended 30 June 2016 have been prepared in accordance with:
 - a) Australian Accounting Standards (which include Australian Accounting Interpretations);
 - b) the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulations 2015* and the Treasurer's Directions;
 - c) the Financial Reporting Code for NSW General Government Sector Entities.
- 2) The financial statements exhibit a true and fair view of the financial position and the financial performance of Albury Wodonga Health NSW Employment Division; and
- 3) I am not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.



Elizabeth Koff
Secretary, NSW Health
23 September 2016



John Roach PSM
Chief Financial Officer & Deputy Secretary, Finance

Albury Wodonga Health NSW Employment Division
Statement of comprehensive income for the year ended 30 June 2016

	Notes	Actual 2016 \$'000	Actual 2015 \$'000
Expenses			
Employee related	3	2,271	3,365
Total expenses		2,271	3,365
Revenue			
Acceptance by the Crown Entity of employee benefits	2(e)(i)	2,200	3,149
Total revenue		2,200	3,149
Net result		(71)	(216)
TOTAL COMPREHENSIVE INCOME		(71)	(216)

The accompanying notes form part of these financial statements.

Albury Wodonga Health NSW Employment Division
Statement of financial position as at 30 June 2016

	Notes	Actual 2016 \$'000	Actual 2015 \$'000
ASSETS			
Current assets		-	-
Non-current assets		-	-
Total assets		-	-
LIABILITIES			
Current liabilities			
Provisions	4	967	902
Total current liabilities		967	902
Non-current liabilities			
Provisions	4	84	78
Total non-current liabilities		84	78
Total liabilities		1,051	980
Net assets		(1,051)	(980)
EQUITY			
Accumulated funds		(1,051)	(980)
Total equity		(1,051)	(980)

The accompanying notes form part of these financial statements.

Albury Wodonga Health NSW Employment Division
Statement of changes in equity for the year ended 30 June 2016

	Notes	Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2015		(980)	(980)
Net result for the year		<u>(71)</u>	<u>(71)</u>
Total comprehensive income for the year		<u>(71)</u>	<u>(71)</u>
Transactions with owners in their capacity as owners			
Increase / (decrease) in net assets from equity transfers	5	-	-
Balance at 30 June 2016		<u>(1,051)</u>	<u>(1,051)</u>
Balance at 1 July 2014		(584)	(584)
Net result for the year		<u>(216)</u>	<u>(216)</u>
Total comprehensive income for the year		<u>(216)</u>	<u>(216)</u>
Transactions with owners in their capacity as owners			
Decrease in net assets from equity transfers	5	(180)	(180)
Balance at 30 June 2015		<u>(980)</u>	<u>(980)</u>

The accompanying notes form part of these financial statements.

Albury Wodonga Health NSW Employment Division
Statement of cash flows for the year ended 30 June 2016

	Actual 2016 \$'000	Actual 2015 \$'000
Net cash flows from operating activities	-	-
Net cash flows from investing activities	-	-
Net cash flows from financing activities	-	-
NET INCREASE / (DECREASE) IN CASH	-	-
Opening cash and cash equivalents	-	-
CLOSING CASH AND CASH EQUIVALENTS	-	-

The accompanying notes form part of these financial statements.

Albury Wodonga Health NSW Employment Division
Notes to the financial statements
for the year ended 30 June 2016

1. The Reporting Entity

The Albury Wodonga Health NSW Employment Division (the Division) is a Division of the Government Service, established pursuant to section 116(4) of the Health Services Act 1997.

The creation of the Division enabled the staff primarily employed in connection with the Albury Base Hospital to be transferred from the former Greater Southern Area Health Service (GSAHS) to the Division. The employees of the Division have been seconded to Albury Wodonga Health, a Victorian Government entity appointed to run the Albury Base Hospital as part of an inter governmental agreement. This has resulted in this Division carrying only the long service leave of the NSW staff seconded to Albury Wodonga Health.

The reporting entity is a NSW Government entity which is consolidated as part of the NSW Ministry of Health and NSW Total State Sector Accounts. The Division is a not-for-profit entity (as profit is not its principal objective).

These financial statements for the year ended 30 June 2016 have been authorised for issue by the Secretary, NSW Health on 23 September 2016.

2. Summary of significant accounting policies

a) Basis of Preparation

The Division's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the *Health Services Act 1997* and its regulations (including observation of the Accounts and Audit Determination for Public Health Organisations), the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*, and the Treasurers' Directions.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

b) Going Concern Basis of Accounting

The financial statements have been prepared on a going concern basis. A letter of support has been issued by the NSW Ministry of Health to the Division to ensure that sufficient funding be made available to enable the Division to pay its liabilities as and when they fall due.

Albury Wodonga Health NSW Employment Division
Notes to the financial statements
for the year ended 30 June 2016

c) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

d) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.

e) Provisions

i) Long Service Leave

The Division's liability for long service leave is assumed by the Crown Entity. The Division accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown Entity of employee benefits and other liabilities'.

Consequential on costs associated with long service liabilities assumed by the Crown Entity have been recognised (Refer Note 4).

Long service leave is measured at present value in accordance with AASB 119, *Employee Benefits*. This is based on the application of certain factors (specified in NSW Treasury Circular 15/09) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

f) Revenue Recognition

Revenue is measured at the fair value of the consideration or contribution received or receivable.

g) Changes in accounting policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2015-16

The accounting policies applied in 2015-16 are consistent with those of the previous financial year.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise. There have been no new Australian Accounting Standards issued which will impact the Division.

Albury Wodonga Health NSW Employment Division
Notes to the financial statements
for the year ended 30 June 2016

	2016	2015
	\$'000	\$'000
3. Employee related		
Long service leave accepted by the Crown Entity	2,200	3,149
Long service leave on-costs recognised by Division	71	216
	2,271	3,365

4. Provisions

Current

Long service leave consequential on-costs	967	902
Total current provisions	967	902

Non-current

Long service leave consequential on-costs	84	78
	84	78

5. Increase/(decrease) in net assets from equity transfers

Equity transfers effected in the 2014/15 year were:

On 1 July 2014 employees from the mental health and general community health of Murrumbidgee Local Health District transferred to Albury Wodonga Health (Victoria). The Division is responsible for their long service leave entitlements.

Assets and Liabilities transferred to the Division:	2016	2015
	\$'000	\$'000
Liabilities		
Long service leave consequential on-costs	-	180
Increase /(decrease) in net assets from equity transfers	-	180

6. Commitments, contingent liabilities and assets

At reporting date, there are no known contingent liabilities, contingent assets or commitments.

7. Events after the reporting period

There were no other events subsequent to reporting date requiring disclosure.

End of audited financial statements