

**Albury Wodonga
Health Specialty
Purpose Service
Entity**

Financial Statements

for the year ended 30 June 2017



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 2017, the statement of comprehensive income, the statement of changes in equity and the 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 2017, 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 the standards are 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 requirements of the:

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

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament 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
- precluding the Auditor-General from providing 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 the preparation and fair presentation of the financial statements 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 and fair presentation of the financial statements that 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 except where the Division's operations will cease as a result of an administrative restructure. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of 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 description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. 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
- about any other information which may have been hyperlinked to/from the financial statements.



Chris Clayton
Director, Financial Audit Services

26 September 2017
SYDNEY

**Albury Wodonga Health NSW Employment Division
Certification of the financial statements
for the year ended 30 June 2017**


We 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 2017 have been prepared in accordance with:
 - a) Applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
 - b) The requirements of the *Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015*; and
 - c) Financial Reporting Directions mandated by the Treasurer.
- 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) We are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.



Elizabeth Koff
Secretary, NSW Health

25 September 2017



John Roach PSM
Chief Financial Officer & Deputy Secretary,
Financial Services and Asset Management
Division

25 September 2017

Albury Wodonga Health NSW Employment Division
Statement of comprehensive income for the year ended 30 June 2017

| | Notes | Actual 2017 \$'000 | Actual 2016 \$'000 |
|---|-------|--------------------------|--------------------------|
| Expenses | | | |
| Employee related | 3 | 1,097 | 2,271 |
| Total expenses | | 1,097 | 2,271 |
| Revenue | | | |
| Acceptance by the Crown Entity of employee benefits | 2(d) | 1,081 | 2,200 |
| Total revenue | | 1,081 | 2,200 |
| Net result | | (16) | (71) |
| TOTAL COMPREHENSIVE INCOME | | (16) | (71) |

The accompanying notes form part of these financial statements.

Albury Wodonga Health NSW Employment Division
Statement of financial position as at 30 June 2017

| | Notes | Actual 2017 \$'000 | Actual 2016 \$'000 |
|--------------------------------------|-------|--------------------------|--------------------------|
| Assets | | | |
| Current assets | | - | - |
| Non-current assets | | - | - |
| Total assets | | - | - |
| Liabilities | | | |
| Current liabilities | | | |
| Provisions | 4 | 982 | 967 |
| Total current liabilities | | 982 | 967 |
| Non-current liabilities | | | |
| Provisions | 4 | 85 | 84 |
| Total non-current liabilities | | 85 | 84 |
| Total liabilities | | 1,067 | 1,051 |
| Net assets | | (1,067) | (1,051) |
| Equity | | | |
| Accumulated deficit | | (1,067) | (1,051) |
| Total equity | | (1,067) | (1,051) |

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 2017

| | Accumulated Deficit \$'000 | Total \$'000 |
|---|----------------------------------|--------------------|
| Balance at 1 July 2016 | (1,051) | (1,051) |
| Net result for the year | <u>(16)</u> | <u>(16)</u> |
| Total comprehensive income for the year | <u>(16)</u> | <u>(16)</u> |
| Balance at 30 June 2017 | <u>(1,067)</u> | <u>(1,067)</u> |
| 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> |
| Balance at 30 June 2016 | <u>(1,051)</u> | <u>(1,051)</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 2017

| | Actual 2017 \$'000 | Actual 2016 \$'000 |
|---|--------------------------|--------------------------|
| Net cash flows from operating activities | - | - |
| Net cash flows from investing activities | - | - |
| Net cash flows from financing activities | - | - |
| Net increase / (decrease) in cash and cash equivalents | - | - |
| 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 2017

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 Division is a NSW Government Entity and is controlled by the NSW Ministry of Health, which is the immediate parent. The Division is also controlled by the State of New South Wales which is the ultimate parent. The Division is a not-for-profit entity (as profit is not its principal objective).

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.

These financial statements for the year ended 30 June 2017 have been authorised for issue by the Secretary, NSW Health on 25 September 2017.

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.

A letter of support has been issued by the NSW Ministry of Health, which is the immediate parent, 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.

b) 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.

Albury Wodonga Health NSW Employment Division
Notes to the financial statements
for the year ended 30 June 2017

2. Summary of significant accounting policies (continued)

c) Statement of Compliance

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

d) Provisions

Long Service Leave

The Division's liability for long service leave is assumed by the Crown Entity, which is an entity controlled by the ultimate parent. 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'.

Consequential on costs associated with long service liabilities are recognised by the Division (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, Accounting for Long Service Leave and Annual Leave) 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.

e) Revenue Recognition

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

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

(i) Effective for the first time in 2016-17

The accounting policies applied in 2016-17 are consistent with those of the previous financial year except as a result of new or revised Australian Accounting Standards that have been applied for the first time as follows:

AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities extends the scope of *AASB 124 Related Party Disclosures* to include application by not-for-profit public sector entities. The application of this standard has resulted in increased disclosures in the financial statements relating to related party transactions and Key Management Personnel compensation.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise. None of the Standards are likely to have a material impact on these financial statements.

Albury Wodonga Health NSW Employment Division
Notes to the financial statements
for the year ended 30 June 2017

| | 2017 | 2016 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| 3. Employee related | | |
| Long service leave assumed by the Crown Entity, an entity controlled by the ultimate parent | 1,081 | 2,200 |
| Long service leave on-costs | 16 | 71 |
| | 1,097 | 2,271 |
| 4. Provisions | | |
| Current | | |
| Long service leave consequential on-costs | 982 | 967 |
| Total current provisions | 982 | 967 |
| Non-current | | |
| Long service leave consequential on-costs | 85 | 84 |
| Total non-current provisions | 85 | 84 |
| 5. Commitments, contingent liabilities and assets | | |
| At reporting date there are no known contingent liabilities, contingent assets or commitments. | | |

Albury Wodonga Health NSW Employment Division
Notes to the financial statements
for the year ended 30 June 2017

6. Related Party Disclosures

Key management personnel compensation

Compensation for the Secretary, NSW Health (the Secretary) is paid by the Ministry of Health and is not reimbursed by the Division. The personnel compensation of the Secretary is disclosed in the financial statements of the immediate parent.

Transactions with key management personnel and their close family members

There were no transactions between the Division and key management personnel or their close family members during the reporting year.

Other related party transactions

There were no other individually significant related party transactions during the year.

There were no transactions with the ultimate parent during the year.

7. Events after the reporting period

There were no events subsequent to reporting date requiring disclosure.

End of audited financial statements