



# Auditor General

## INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

### PROFESSIONAL STANDARDS COUNCIL FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2007

I have audited the accounts, financial statements, controls and key performance indicators of the Professional Standards Council.

The financial statements comprise the Balance Sheet as at 30 June 2007, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

#### **Council's Responsibility for the Financial Statements and Key Performance Indicators**

The Council is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

#### **Summary of my Role**

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.

**Professional Standards Council**

**Financial Statements and Key Performance Indicators for the year ended 30 June 2007**

**Audit Opinion**

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Professional Standards Council at 30 June 2007 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Council provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Council are relevant and appropriate to help users assess the Council's performance and fairly represent the indicated performance for the year ended 30 June 2007.



GLEN CLARKE  
ACTING AUDITOR GENERAL  
3 November 2008

# FINANCIAL STATEMENTS AND NOTES

**Certification of Financial Statements** for the financial year 1 July 2006 to 30 June 2007.

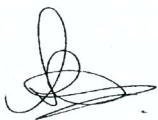
The accompanying financial statements of the Professional Standards Council have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the year ending 30 June 2007 and financial position as at 30 June 2007.

At the date of signing, we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Brian Rayment QC  
Chairman

May 2008



Steven Cole  
Council Member

May 2008



Peter Richards  
Principal Accounting Officer

May 2008



## Financial Statements and Notes

### PROFESSIONAL STANDARDS COUNCIL

#### Income Statement

for the year ended 30 June 2007

|   | Note | 2007<br>\$    | 2006<br>\$    |
|---|------|---------------|---------------|
| <b>COST OF SERVICES</b>                                     |      |               |               |
| <b>Expenses</b>   |      |               |               |
| Other expenses  | 4    | 11,900        | 11,888        |
| <b>Total cost of services</b>                               |      | <u>11,900</u> | <u>11,888</u> |
| <b>Total income other than income from State Government</b> |      | <u>-</u>      | <u>-</u>      |
| <b>NET COST OF SERVICES</b>                                 |      | <u>11,900</u> | <u>11,888</u> |
| <b>INCOME FROM STATE GOVERNMENT</b>                         |      |               |               |
| Service appropriation                                       | 5    |               | -             |
| Resources received free of charge                           |      | 11,830        | 11,830        |
| <b>Total income from State Government</b>                   |      | <u>11,830</u> | <u>11,830</u> |
| <b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>                     |      | <u>(70)</u>   | <u>(58)</u>   |

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



## Financial Statements and Notes

### PROFESSIONAL STANDARDS COUNCIL

#### Balance Sheet

As at 30 June 2007

|                                     | Note | 2007<br>\$     | 2006<br>\$     |
|-------------------------------------|------|----------------|----------------|
| <b>ASSETS</b>                       |      |                |                |
| <b>Current Assets</b>               |      |                |                |
| Cash and cash equivalents           | 11   | 189,538        | 189,608        |
| <b>Total Current Assets</b>         |      | <u>189,538</u> | <u>189,608</u> |
| <b>TOTAL ASSETS</b>                 |      | <u>189,538</u> | <u>189,608</u> |
| <b>LIABILITIES</b>                  |      |                |                |
| <b>Total Liabilities</b>            |      | <u>-</u>       | <u>-</u>       |
| <b>NET ASSETS</b>                   |      | <u>189,538</u> | <u>189,608</u> |
| <b>EQUITY</b>                       |      |                |                |
| Accumulated surplus/(deficit)       | 6    | 189,538        | 189,608        |
| <b>Total Equity</b>                 |      | <u>189,538</u> | <u>189,608</u> |
| <b>TOTAL LIABILITIES AND EQUITY</b> |      | <u>189,538</u> | <u>189,608</u> |

The Balance Sheet should be read in conjunction with the accompanying notes.



*Financial Statements and Notes*

**PROFESSIONAL STANDARDS COUNCIL**

**Cash Flow Statement**

*for the year ended 30 June 2007*

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|   | Note | 2007<br>\$            | 2006<br>\$            |
|---|------|-----------------------|-----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |      |                       |                       |
| <b>Payments</b>   |      |                       |                       |
| Payments to members and suppliers                           |      | (70)                  | (58)                  |
| <b>Receipts</b>   |      |                       |                       |
| Other receipts  |      |                       | -                     |
| <b>Net cash provided by/(used in) operating activities</b>  |      | <u>(70)</u>           | <u>(58)</u>           |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |      | (70)                  | (58)                  |
| Cash and cash equivalents at start of period                |      | <u>189,608</u>        | <u>189,666</u>        |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>           | 11   | <u><u>189,538</u></u> | <u><u>189,608</u></u> |

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



*Financial Statements and Notes*

**PROFESSIONAL STANDARDS COUNCIL**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2007*

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|   | Note | 2007<br>\$            | 2006<br>\$            |
|---|------|-----------------------|-----------------------|
| <b>Balance of equity at start of period</b> |      | <u>189,608</u>        | <u>189,666</u>        |
| <b>ACCUMULATED SURPLUS</b>                  |      |                       |                       |
| Balance at start of period                  |      | 189,608               | 189,666               |
| Surplus/(deficit) for the period            |      | <u>(70)</u>           | <u>(58)</u>           |
| Balance at end of period                    |      | <u>189,538</u>        | <u>189,608</u>        |
| <b>Balance of equity at end of period</b>   |      | <u><u>189,538</u></u> | <u><u>189,608</u></u> |
| Total income and expense for the period     |      | <u>(70)</u>           | <u>(58)</u>           |

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



# Financial Statements and Notes

## PROFESSIONAL STANDARDS COUNCIL

### Notes to the Financial Statements

for the year ended 30 June 2007

#### 1 Australian Equivalents to International Financial Reporting Standards

##### General

The financial statements for the Professional Standards Council (the "Council" for the purpose of these notes) for the year ended 30 June 2007 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Council has adopted, where relevant to its operations, new and revised standards and interpretations from their operative dates as issued by the Australian Accounting Standards Board (AASB) and formerly the Urgent Issues Group (UIG).

The Australian Accounting Interpretations are adopted through AASB 1048 'Interpretation and Application of Standards' and are classified into those corresponding to International Accounting Standards Board (IASB) Interpretations and those only applicable in Australia.

The AASB has decided to maintain the Statements of Accounting Concepts (SAC 1 and SAC 2) and has continued to revise and maintain accounting standards and the interpretations that are of particular relevance to the Australian environment, especially those that deal more specifically with not-for-profit entity issues and/or do not have an equivalent IASB Standard or Interpretation.

##### Early Adoption of Standards

The Council cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No standards and interpretations that have been issued or amended but are not yet effective have been early adopted by the Council for the financial year ended 30 June 2007.

#### 2 Summary of Significant Accounting Policies

##### (a) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's Instructions (TI's). Several of these are modified by the Treasurer's Instructions to vary the application, disclosure, format and wording. For example, AASB 116 requires land and buildings to be measured at cost or fair value; TI 954 mandates the fair value option.

The Financial Management Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Modifications or clarifications to accounting standards through the TI's are to provide certainty and ensure consistency and appropriate reporting across the public sector.





## Financial Statements and Notes

### PROFESSIONAL STANDARDS COUNCIL

#### Notes to the Financial Statements

for the year ended 30 June 2007

#### 2 Summary of Significant Accounting Policies (continued)

##### (b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar.

##### (c) Reporting Entity

The reporting entity comprises the Council and no other related bodies.

##### (d) Contributed Equity

UIG Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions to be designated by the Government (the owner) as Contributions by Owners (at the time of, or prior to, transfer) before such transfers can be recognised as equity contributions. Capital contributions (appropriations) have been designated as contributions by owners by TI 955 'Contributions by Owners Made to Wholly Owned Public Sector Entities' and have been credited directly to Contributed Equity.

##### (e) Financial Instruments

The Council has one category of financial instrument:

- cash and cash equivalents.

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

##### (f) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents include restricted cash and cash equivalents.

##### (g) Resources Received Free of Charge

Resources received free of charge that can be reliably measured are recognised as income and as assets or expenses as appropriate, at fair value.

##### (h) Comparative Figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.



# Financial Statements and Notes

## PROFESSIONAL STANDARDS COUNCIL

### Notes to the Financial Statements

for the year ended 30 June 2007

#### 3 Disclosure of Changes in Accounting Policy and Estimates - Future Impact of Australian Accounting Standards not yet operative

The Council cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Council has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued but are not yet effective. These will be applied from their application date:

1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative, of the Council's exposure to risks, enhanced disclosure regarding components of the Council's financial position and performance, and possible changes to the way of presenting certain items in the financial statements. The Council does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.

2. AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'. The amendments are as a result of the issue of AASB 7 'Financial Instruments: Disclosures', which amends the financial instrument disclosure requirements in these standards. The Council does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.

3. AASB 101 'Presentation of Financial Statements'. This Standard was revised and issued in October 2006 so that AASB 101 has the same requirements as IAS 1 'Presentation of Financial Statements' (as issued by the IASB) in respect of for-profit entities. The Council is a not-for-profit entity and consequently does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.

4. AASB 2007-4 'Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments [AASB 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 1023 & 1038]'. This Standard introduces policy options and modifies disclosures. These amendments arise as a result of the AASB decision that, in principle, all options that currently exist under IFRSs should be included in the Australian equivalents to IFRSs and additional Australian disclosures should be eliminated; other than those now considered particularly relevant in the Australian reporting environment. The Department of Treasury and Finance has indicated that it will mandate to remove the policy options added by this amending Standard. This will result in no impact as a consequence of application of the Standard. The Standard is required to be applied to annual reporting periods beginning on or after 1 July 2007.

5. AASB 2007-5 'Amendment to Australian Accounting Standard - Inventories Held for Distribution by Not-for-Profit Entities [AASB 102]'. This amendment changes AASB 102 'Inventories' so that inventories held for distribution by not-for-profit entities are measured at cost, adjusted when applicable for any loss of service potential. The Department does not have any inventories held for distribution so does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 July 2007.

6. AASB Interpretation 4 'Determining whether an Arrangement contains a Lease [revised]'. This Interpretation was revised and issued in February 2007 to specify that if a public-to-private service concession arrangement meets the scope requirements of AASB Interpretation 12 'Service Concession Arrangements' as issued in February 2007, it would not be within the scope of Interpretation 4. At balance sheet date, the Council has not entered into any arrangements as specified in the Interpretation or within the scope of Interpretation 12, resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.

7. AASB Interpretation 12 'Service Concession Arrangements'. This Interpretation was issued in February 2007 and gives guidance on the accounting by operators (usually a private sector entity) for public-to-private service concession arrangements. It does not address the accounting by grantors (usually a public sector entity). It is currently unclear as to the application of the Interpretation to the Council if and when public-to-private service concession arrangements are entered into in the future. At balance sheet date, the Council has not entered into any public-to-private service concession arrangements resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.



8. AASB Interpretation 129 'Service Concession Arrangements: Disclosures [revised]'. This Interpretation was revised and issued in February 2007 to be consistent with the requirements in AASB Interpretation 12 'Service Concession Arrangements' as issued in February 2007. Specific disclosures about service concession arrangements entered into are required in the notes accompanying the financial statements, whether as a grantor or an operator. At balance sheet date, the Council has not entered into any public-to-private service concession arrangements resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.

The following Australian Accounting Standards and Interpretations are not applicable to the Council as they will have no impact or do not apply to not-for-profit entities:

AASB Standards and Interpretations

|                   |   |
|-------------------|---|
| AASB 8            | 'Operating Segments'  |
| AASB 1049         | 'Financial Reporting of General Government Sectors by Governments'  |
| AASB 2007-1       | 'Amendments to Australian Accounting Standards arising from AASB Interpretation 11 [AASB 2]'  |
| AASB 2007-2       | 'Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]' - paragraphs 1 to 8 |
| AASB 2007-3       | 'Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]'                 |
| Interpretation 10 | 'Interim Financial Reporting and Impairment'  |
| Interpretation 11 | 'AASB 2 – Group and Treasury Share Transactions'  |

| <b>4 Other Expenses</b>           | <b>2007</b>   | <b>2006</b>   |
|-----------------------------------|---------------|---------------|
| Bank charges and credit card fees | 70            | 58            |
| Resources received free of charge | 11,830        | 11,830        |
|                                   | <u>11,900</u> | <u>11,888</u> |

**5 Income from State Government**

Appropriation revenue received during the year:

|                        |          |          |
|------------------------|----------|----------|
| Service appropriations | <u>-</u> | <u>-</u> |
|------------------------|----------|----------|

Resources received free of charge <sup>(a)</sup>

Determined on the basis of the following estimates provided by agencies:

Department of the Attorney General

|                           |               |               |
|---------------------------|---------------|---------------|
| - administrative services | 11,830        | 11,830        |
|                           | <u>11,830</u> | <u>11,830</u> |
|                           | <u>11,830</u> | <u>11,830</u> |

<sup>(a)</sup> Where assets or services have been received free of charge or for nominal cost, the Council recognises revenue (except where the contributions of assets or services are in the nature of contributions by owners in which case the Council shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.



## Financial Statements and Notes

### PROFESSIONAL STANDARDS COUNCIL

#### Notes to the Financial Statements

for the year ended 30 June 2007

|                 |             |             |
|-----------------|-------------|-------------|
| <b>6 Equity</b> | <b>\$</b>   | <b>\$</b>   |
|                 | <b>2007</b> | <b>2006</b> |

Equity represents the residual interest in the net assets of the Council. The Government holds the equity interest in the Council on behalf of the community.

|                            |         |         |
|----------------------------|---------|---------|
| Accumulated surplus        |         |         |
| Balance at start of period | 189,608 | 189,666 |
| Result for the period      | (70)    | (58)    |
| Balance at end of period   | 189,538 | 189,608 |

#### 7 Notes to the Cash Flow Statement

##### Reconciliation of cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

|                           |         |         |
|---------------------------|---------|---------|
| Cash and cash equivalents | 189,538 | 189,608 |
|                           | 189,538 | 189,608 |

##### Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

|   |          |          |
|---|----------|----------|
| Net cost of services                                | (11,900) | (11,888) |
| Resources received free of charge                   | 11,830   | 11,830   |
| Increase/(decrease) in liabilities:                 |          |          |
| Current payables                                    | -        | -        |
| Net change in GST receivables/payables              | -        | -        |
| Net cash provided by/(used in) operating activities | (70)     | (58)     |

#### 8 Remuneration of Members of the Council

##### Remuneration

The number of members of the Council, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year fall within the following bands, are:

|   |             |             |
|---|-------------|-------------|
| <b>\$</b>                                     | <b>2007</b> | <b>2006</b> |
| 0 - 10,000                                    | 11          | 11          |
| Total remuneration of members of the Council: | \$0         | \$0         |

- The Queensland nominee was appointed from 30 January 2006 but resigned from the Council on 20 November 2006. Where a members remuneration is zero the member shall be included in a band labelled \$0 - \$10,000.



## Financial Statements and Notes

### PROFESSIONAL STANDARDS COUNCIL Notes to the Financial Statements for the year ended 30 June 2007

#### 8 Remuneration of Members of the Council (cont)

- The current members and their terms of office are as follows:

| Members and Status           | Nominated by | Date appointed | Date of expiry |
|------------------------------|--------------|----------------|----------------|
| Brian Rayment QC, Chairman   | NSW          | 3-Jan-06       | 31-Dec-08      |
| Robert Beaton                | NSW          | 3-Jan-06       | 30-Jun-08      |
| Esther Alter                 | VIC          | 28-Jun-06      | 30-Jun-08      |
| Ronald Farrell               | VIC          | 10-Oct-06      | 31-Dec-08      |
| Steven Cole                  | WA           | 3-Jan-06       | 31-Dec-08      |
| Joanne Metcalfe              | ACT          | 30-Jan-06      | 30-Jun-08      |
| Iain Summers                 | NT           | 3-Jan-06       | 31-Dec-08      |
| Justin Harper                | QLD          |                |                |
| Madeleine Ogilvie            | TAS          | 28-Jun-06      | 31-Dec-08      |
| Terry Evans                  | SA           | 10-Oct-06      | 31-Dec-08      |
| Warwick Wilkinson            | CTH          | 28-Jun-06      | 30-Jun-08      |
| Steven Cole, Deputy Chairman |              | 10-Oct-06      | 30-Jun-08      |

#### 9 Remuneration of Auditor

|   | \$<br>2007 | \$<br>2006 |
|---|------------|------------|
| Remuneration payable to the Auditor General for the financial year is as follows: |            |            |
| Auditing the accounts, financial statements and performance indicators            | \$6,300    | \$6,300    |

#### 10 Contingent liabilities and contingent assets

##### Contingent liabilities

In addition to the liabilities incorporated in the financial statements, the Council contingently may assume the following liability:

##### Outstanding fees

Discussions are in train concerning payment of secretarial fees and travelling expenses totalling \$92,941 to the New South Wales Attorney-General's Department.

##### Contingent assets

There are no known contingent assets.

#### 11 Financial Instruments

##### (a) Financial Risk Management Objectives and Policies

Financial instruments held by the Council are cash and cash equivalents, receivables and payables. The Council has limited exposure to financial risks. The Council's overall risk management program focuses on managing the risks identified below.

##### Credit Risk

The Council trades only with recognised, creditworthy third parties. The Council has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Council's exposure to bad debts is minimal. There are no significant concentrations of credit risk.



# Financial Statements and Notes

## PROFESSIONAL STANDARDS COUNCIL

### Notes to the Financial Statements

for the year ended 30 June 2007

#### 11 Financial Instruments (cont)

##### Liquidity Risk

The Council has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

##### Cash Flow Interest Rate Risk

The Council is not exposed to interest rate risk because cash and cash equivalents are non-interest bearing, and it has no borrowings.

#### (b) Financial Instrument Disclosures

##### Interest Rate Risk Exposure

The following table details the Council's exposure to interest rate risk as at the balance sheet date:

|   | Weighted<br>average<br>effective<br>interest rate | Fixed interest rate maturities |                  |                 |                      | Non<br>interest<br>bearing | Total   |
|---|---|--------------------------------|------------------|-----------------|----------------------|----------------------------|---------|
|   |   | Variable<br>interest rate      | Within 1<br>year | 1 to 5<br>years | More than<br>5 years |                            |         |
| 2007                                    | %   | \$                             | \$               | \$              | \$                   | \$                         | \$      |
| <b>Financial assets</b>                 |   |                                |                  |                 |                      |                            |         |
| Cash and cash equivalents               |   |                                |                  |                 |                      | 189,538                    | 189,538 |
| Restricted cash and cash<br>equivalents |   |                                |                  |                 |                      |                            | -       |
| Receivables                             |   |                                |                  |                 |                      |                            | -       |
|   |   | -                              | -                | -               | -                    | 189,538                    | 189,538 |
| <b>Financial liabilities</b>            |   |                                |                  |                 |                      |                            |         |
| Payables                                |   |                                |                  |                 |                      |                            | -       |
|   |   | -                              | -                | -               | -                    | -                          | -       |
| Net financial assets/(liabilities)      |   | -                              | -                | -               | -                    | 189,538                    | 189,538 |
| <b>2006</b>                             |   |                                |                  |                 |                      |                            |         |
| Financial assets                        |   |                                |                  |                 |                      | 189,608                    | 189,608 |
| Financial liabilities                   |   |                                |                  |                 |                      |                            | -       |
| Net financial assets/(liabilities)      |   | -                              | -                | -               | -                    | 189,608                    | 189,608 |

##### Net Fair Values

All financial assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.



## *Financial Statements and Notes*

### **PROFESSIONAL STANDARDS COUNCIL** **Notes to the Financial Statements** *for the year ended 30 June 2007*

#### **12 Supplementary Financial Information**

- There were no losses of public moneys or other public property through theft or default during the financial year (2006: nil).
- There were no write offs of public money or other public property during the financial year (2006: nil).
- There were no gifts of public property during the financial year (2006: nil).
- There were no events occurring after the balance date at the end of the financial year.
- The Council had no related bodies during the financial year (2006: nil).
- The Council had no affiliated bodies during the financial year (2006: nil).

#### **13 Explanatory Statement**

Significant variations are considered to be those greater than 10% or \$20,000. There were no significant variations between estimates and actuals for 2007, or between actuals for 2006 and actuals for 2007.



# CONTACT DETAILS

## Contact the Secretariat of the Professional Standards Council

### By Mail:

Locked Bag 5111  
PARRAMATTA NSW 2124

### By Phone:

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