



PROFESSIONAL STANDARDS  
COUNCIL OF SOUTH AUSTRALIA

Financial statements for the  
year ended 30 June 2015

# Contents

Statement of comprehensive income	1
Statement of financial position	2
Statement of changes in equity	3
Statement of cash flows	4
Notes to the accounts	5
Note 1. Objectives of the Professional Standards Council	5
Note 2. Summary of significant accounting policies	6
Note 3. New and revised accounting standards and policies	8
Note 4. Regulatory fees	9
Note 5. Administration	9
Note 6. Cash and cash equivalents	9
Note 7. Receivables	9
Note 8. Payables	10
Note 9. Other current liabilities	10
Note 10. Cash flow reconciliation	10
Note 11. Auditors' remuneration	11
Note 12. Financial instruments	11
Note 13. Transactions with SA Government	13
Note 14. Events after reporting period	13
Note 15. Unrecognised contractual commitments and contingent assets and liabilities	13
Statement by executive	14
Independent auditor's report	15

# Statement of comprehensive income

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Notes	2015 \$'000	2014 \$'000
<b>Income</b>			
Regulatory fees	4	191	185
<b>Total income</b>		<b>191</b>	<b>185</b>
<b>Expenses</b>			
Administration	5	174	161
<b>Total expenses</b>		<b>174</b>	<b>161</b>
<b>Net and total comprehensive result</b>		<b>17</b>	<b>24</b>

The above statement should be read in conjunction with the accompanying notes.

# Statement of financial position

AS AT 30 JUNE 2015

	Notes	2015 \$'000	2014 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6	326	390
Receivables	7	4	4
<b>Total current assets</b>		<b>330</b>	<b>394</b>
<b>Total assets</b>		<b>330</b>	<b>394</b>
<b>Current liabilities</b>			
Payables	8	3	68
Other current liabilities	9	54	70
<b>Total current liabilities</b>		<b>57</b>	<b>138</b>
<b>Total liabilities</b>		<b>57</b>	<b>138</b>
<b>Net assets</b>		<b>273</b>	<b>256</b>
<b>Equity</b>			
Retained earnings		273	256
<b>Total equity</b>		<b>273</b>	<b>256</b>

The above statement should be read in conjunction with the accompanying notes.

Unrecognised contractual commitments	15
Contingent assets and liabilities	15

# Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2015

	Retained earnings \$'000	Total \$'000
<b>Balance at 30 June 2013</b>	<b>231</b>	<b>231</b>
Prior period adjustments to equity	1	1
Net and comprehensive result 2013-14	24	24
<b>Balance at 30 June 2014</b>	<b>256</b>	<b>256</b>
Net and comprehensive result 2014-15	17	17
<b>Balance at 30 June 2015</b>	<b>273</b>	<b>273</b>

The above statement should be read in conjunction with the accompanying notes.

# Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 Inflows (Outflows) \$'000	2014 Inflows (Outflows) \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Regulatory fees		175	178
<b>Cash generated from operations</b>		<b>175</b>	<b>178</b>
<b>Cash outflows</b>			
Administration		(239)	(135)
<b>Cash used in operations</b>		<b>(239)</b>	<b>(135)</b>
<b>Net cash provided by operating activities</b>	<b>10</b>	<b>(64)</b>	<b>43</b>
<b>Net increase in cash and cash equivalents</b>		<b>(64)</b>	<b>43</b>
Cash and cash equivalents at the beginning of the financial year		390	347
<b>Cash and cash equivalents at the end of the financial year</b>	<b>6</b>	<b>326</b>	<b>390</b>

The above statement should be read in conjunction with the accompanying notes.

# Notes to the accounts

## NOTE 1. OBJECTIVES OF THE PROFESSIONAL STANDARDS COUNCIL

The objectives of the Professional Standards Councils are to promote consumer protection and excellence in professional standards by encouraging self-regulation of occupational groups through Professional Standards Schemes. (From February 2014 the name "Professional Standards Scheme" replaced previous reference to "Cover of Excellence® schemes". Schemes approved before this date and that have not expired may still be described as *Cover of Excellence®*. However, for ease of reference this addendum refers to 'Professional Standards Schemes' throughout).

### PROFESSIONAL STANDARDS SCHEMES

Professional Standards Schemes apply to members of occupational associations that administer Professional Standards Schemes approved by the Councils. Professional Standards Schemes

- › Recognise those occupational associations who implement robust risk management strategies;
- › Limit occupational liability for members of occupational associations who carry professional indemnity insurance and/or business assets which comply with the association's standard of insurance and are at (or above) the level of the limitation of liability amount (cap); and
- › Entitle participating members of the occupational associations to use the *Cover of Excellence®* logo

(only permitted where the scheme has been approved before February 2014 and remains in force).

### THE PROFESSIONAL STANDARDS COUNCILS

The Professional Standards Councils were constituted under state and territory professional standards legislation, with the mandate to approve Professional Standards Schemes. There are a total of eight Councils, one for each Australian state and territory. Each Council consists of 11 members, who are nominated and appointed pursuant to the Professional Standards Agreement.

### THE SOUTH AUSTRALIA COUNCIL

The Professional Standards Council was established under the *Professional Standards Act 2004* (the Act). The Council is responsible for determining the limitation of liability. When doing so, the Council must consider the claims history of each association member and the need to adequately protect consumers. The Council's other functions are set out in section 46 of the Act, and are in summary:

- › To advise the Minister about publication in the Gazette, amendments to, or revocation of a scheme; the operation of the Act; and anything else about the occupational liability of members of occupational associations;
- › To advise occupational associations about insurance policies relating to limitation of liability;

- › To encourage and assist in the improvement of occupational standards of members of occupational associations;
- › To encourage and assist in the development of self-regulation of occupational associations;
- › To monitor the occupational standards of members of participating occupational associations;
- › To monitor the compliance by an occupational association with its risk management strategies;
- › To publish advice and information about the functions of Council;
- › To conduct forums, approved by the Minister, on issues of interest to members of occupational groups;
- › To collect, analyse and provide the Minister with information on issues and policies about the standards of occupational groups; and
- › To start proceedings in its own name for the prosecution of an offence against the Act or for injunctive or other relief for the offences.

### FUNDING OF THE COUNCIL

The Council is fully funded through the following:

- › A fee of \$5,000 is payable to the Council for a Professional Standards Schemes application for approval, amendments or revocation; and
- › An annual fee of \$50 for each member of occupational associations participating in a Professional Standards Scheme.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

The department has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the department is a not-for-profit entity.

Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the reporting period ending 30 June 2015 (refer note 3).

### B. BASIS OF PREPARATION

The preparation of the financial statements requires:

- › the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Council's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes

- › accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported
- › compliance with accounting policy statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, which have been included in this financial report
- › revenues, expenses, financial assets and liabilities where the counter party/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. These are outlined in Note 13.

The Council's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a twelve month operating cycle and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and the comparative information presented.

### C. REPORTING ENTITY

The financial statements of the Council include income, expenses, assets and liabilities which the Attorney-General's Department administers on behalf of the SA Government.

### D. COMPARATIVE INFORMATION

The presentation and classification of items in the financial statements are consistent with prior periods except where specific Accounting Standards and/or accounting policy statements have required a change.

Where presentation or classification of items in the financial statements has been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

The restated comparative amounts do not replace the original financial statements for the preceding period.

### E. ROUNDING

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

### F. TAXATION

The Council is not subject to income tax. The Council is liable for payroll tax, fringe benefits tax and goods and services tax (GST). GST collections and payments are carried out by the Attorney General's Department (AGD) on behalf of the Council. GST in relation to the Council is reported in the AGD Controlled Financial Statements.

## **G. INCOME**

Income is recognised to the extent that it is probable that the flow of economic benefits to the Council will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

### **Regulatory fees**

Revenues are derived from application fees, annual fees and quarterly adjustments for new entrants to schemes. Revenue deferred is calculated on annual fees and quarterly adjustments only.

## **H. EXPENSES**

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Council will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

### **Administration**

Expenses are initially recognised on a cash basis, but the proportion allocated to South Australia is in accordance with the percentage of revenue over total revenue by State. Service charges invoices to the State were based on estimated expenses as at 30 June 2015.

## **I. CURRENT AND NON-CURRENT CLASSIFICATION**

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

## **J. ASSETS**

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where an asset line item combines amounts expected to be settled within twelve months and more than twelve months, the Council has separately disclosed the amounts expected to be recovered after more than twelve months.

## **Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position includes deposits at call with the Treasurer.

For the purposes of the statement of cash flows, cash consists of cash and cash equivalents as defined above.

Cash is measured at nominal value.

## **Receivables**

Receivables include amounts receivable from occupational associations and other accruals.

Receivables arise in the normal course of selling services to occupational associations. Receivables are generally settled within 30 days after the issue of an invoice or the services have been provided. Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Council would not be able to collect the debt. Bad debts are written off when identified.

## **K. LIABILITIES**

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where a liability line item combines amounts expected to be settled within twelve months and more than twelve months, the Council has separately disclosed the amounts expected to be recovered after more than twelve months.

## **Payables**

Payables include accrued expenses.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

## **Other current liabilities**

Revenue comprises application fee, annual fees and quarterly adjustments recognised for the days the scheme was operating and apportioned to the relevant financial year. The proportion of the days related to the next financial year is recognised as unearned revenue in the current financial year.

## **L. UNRECOGNISED CONTRACTUAL COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES**

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

## **M. EVENTS AFTER THE REPORTING PERIOD**

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provides information about conditions that existed at 30 June.

Note: disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

## **NOTE 3. NEW AND REVISED ACCOUNTING STANDARDS AND POLICIES**

The Council did not voluntarily change any of its accounting policies during 2014-15. The Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Council for the period ending 30 June 2015. The Council has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Council.

#### NOTE 4. REGULATORY FEES

	2015 \$'000	2014 \$'000
SA Law Society	56	52
SA Bar Association	10	7
Certified Practising Accountants	15	12
Institute of Chartered Accountants	110	114
<b>Total regulatory fees</b>	<b>191</b>	<b>185</b>

#### NOTE 5. ADMINISTRATION

	2015 \$'000	2014 \$'000
Administration cost (incl. audit fees)	174	161
<b>Total administration</b>	<b>174</b>	<b>161</b>

Reimbursements paid to the New South Wales Attorney-General's Department for the cost of providing secretariat support to the South Australian Council.

#### NOTE 6. CASH AND CASH EQUIVALENTS

	2015 \$'000	2014 \$'000
Deposits with the Treasurer	326	390
<b>Total cash and cash equivalents</b>	<b>326</b>	<b>390</b>

#### INTEREST RATE RISK

Deposits at call with the Treasurer earn a floating interest rate, based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

#### NOTE 7. RECEIVABLES

	2015 \$'000	2014 \$'000
Annual fees receivables	4	4
<b>Total receivables</b>	<b>4</b>	<b>4</b>

#### INTEREST RATE AND CREDIT RISK

Receivables are raised for all services provided for which payment has not been received. Receivables are normally settled within 30 days. Receivables are non-interest bearing. It is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

A. Maturity analysis of receivables – Refer to note 12.

B. Categorisation of financial instruments and risk exposure information – Refer to note 12.

## NOTE 8. PAYABLES

	2015 \$'000	2014 \$'000
Accrued expenses	3	68
<b>Total payables</b>	<b>3</b>	<b>68</b>

## INTEREST RATE AND CREDIT RISK

Accruals are raised for all amounts billed but unpaid and are settled within the normal terms of payment of 30 days, unless otherwise agreed. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

A. Maturity analysis of payables – Refer to table in note 12.

B. Categorisation of financial instruments and risk exposure information – Refer to note 12.

## NOTE 9. OTHER CURRENT LIABILITIES

	2015 \$'000	2014 \$'000
Unearned revenue	54	70
<b>Total other current liabilities</b>	<b>54</b>	<b>70</b>

## NOTE 10. CASH FLOW RECONCILIATION

	2015 \$'000	2014 \$'000
<b>Reconciliation of cash and cash equivalents as at 30 June 2015</b>		
Balance as per the statement of Cash flows	326	390
Cash and cash equivalents disclosed in the Statement of Financial Position	326	390
<b>Reconciliation of net cash provided by operating activities to net result</b>		
Net cash provided by operating activities	(64)	43
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in receivables	–	(10)
(Increase)/decrease in payables	65	(25)
(Increase)/decrease in other current liabilities	16	16
<b>Net result</b>	<b>17</b>	<b>24</b>

## NOTE 11. AUDITORS' REMUNERATION

Audit fees paid/payable to the Auditor-General's Department relating to the audit of the financial statements was \$2,500 (\$700). No other services were provided by the Auditor-General.

## NOTE 12. FINANCIAL INSTRUMENTS

### A. CATEGORISATION OF FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 2 Summary of Significant Accounting Policies.

### Financial assets

Cash and receivables are recorded at carrying amount which approximates fair value.

### Financial liabilities

Payables are recorded at carrying amount which approximates fair value.

### B. CREDIT RISK

The Council has no significant concentration of credit risk. The Council has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

Allowances for impairment of financial assets are calculated on past experience and expected changes in client credit rating. Currently the Council does not hold any collateral security for any of its financial assets.

### C. AGEING ANALYSIS OF FINANCIAL ASSETS

There are no Financial Assets administered by the Council past due.

### D. MATURITY ANALYSIS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The following table discloses the maturity analysis of financial assets and financial liabilities.

	Contractual maturities			
	Carrying amount (\$'000)	<1 year (\$'000)	1-5 years (\$'000)	>5 years (\$'000)
<b>2015</b>				
<b>Financial assets</b>				
Cash and cash equivalents	326	326	-	-
Receivables <sup>(1)</sup>	4	4	-	-
<b>Total financial assets</b>	<b>330</b>	<b>330</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>				
Payables <sup>(1)</sup>	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables.

	Carrying amount (\$'000)	Contractual maturities		
		<1 year (\$'000)	1-5 years (\$'000)	>5 years (\$'000)
<b>2014</b>				
<b>Financial assets</b>				
Cash and cash equivalents	390	390	-	-
Receivables <sup>(1)</sup>	4	4	-	-
<b>Total financial assets</b>	<b>394</b>	<b>394</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>				
Payables <sup>(1)</sup>	67	67	-	-
<b>Total financial liabilities</b>	<b>67</b>	<b>67</b>	<b>-</b>	<b>-</b>

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables.

#### E. LIQUIDITY RISK

The Council's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

#### F. MARKET RISK

Cash is subject to interest rate risk.

#### G. SENSITIVITY DISCLOSURE ANALYSIS

The impact of a 1% movement in interest rates on financial assets is shown in the following table:

	Carrying amount (\$'000)	Interest rate risk	
		-1% Net result (\$'000)	1% Net result (\$'000)
<b>2015</b>			
<b>Financial assets</b>			
Cash and cash equivalents	326	(3)	3
<b>Total increase/(decrease)</b>		<b>(3)</b>	<b>3</b>
<b>2014</b>			
<b>Financial assets</b>			
Cash and cash equivalents	390	(4)	4
<b>Total increase/(decrease)</b>		<b>(4)</b>	<b>4</b>

### NOTE 13. TRANSACTIONS WITH SA GOVERNMENT

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

		SA Government		Non SA Government		Total	
	Notes	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Income</b>							
Regulatory fees	4	–	–	191	185	191	185
<b>Total income</b>		–	–	191	185	191	185
<b>Expenses</b>							
Administration	5	–	–	174	161	174	161
<b>Total expenses</b>		–	–	174	161	174	161
<b>Financial assets</b>							
Cash and cash equivalents	6	326	390	–	–	326	390
Receivables	7	–	–	4	4	4	4
<b>Total financial assets</b>		<b>326</b>	<b>390</b>	<b>4</b>	<b>4</b>	<b>330</b>	<b>394</b>
<b>Financial liabilities</b>							
Payables	8	3	1	–	67	3	68
Other current liabilities	9	–	–	54	70	54	70
<b>Total financial liabilities</b>		<b>3</b>	<b>1</b>	<b>54</b>	<b>137</b>	<b>57</b>	<b>138</b>

### NOTE 14. EVENTS AFTER REPORTING PERIOD

There are no known events after balance date that affect these financial statements.

### NOTE 15. UNRECOGNISED CONTRACTUAL COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

The Council has no commitments contracted for at the reporting date but not recognised as liabilities. The Council has no contingent assets or liabilities.

## Statement by executive

### STATEMENT BY EXECUTIVE

We certify that the attached General Purpose Financial Statements for the South Australian Professional Standards Council:

- comply with relevant Treasurer's Instructions issued under section 41 of the Public Finance and Audit Act 1987, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Council; and
- present a true and fair view of the financial position of the Council as at 30 June 2015 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Council for the financial year over its financial reporting and its preparation of the General Purpose Financial Statements have been effective throughout the reporting period.



**Rick Persse**  
**Chief Executive**  
**Attorney-General's Department**

Dated: 11/11/15



**Andrew Swanson FCPA**  
**Executive Director, Finance, People & Performance**  
**Attorney-General's Department**

Dated: 11<sup>th</sup> NOVEMBER 2015



**Brian Rayment**  
**Chairman**  
**Professional Standards Council**

Dated: 11/11/2015

# Independent auditor's report

## INDEPENDENT AUDITOR'S REPORT



Government of South Australia  
Auditor-General's Department

Level 9  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
DX 56208  
Victoria Square  
Tel +618 8226 9640  
Fax +618 8226 9688  
ABN 53 327 061 410  
audgensa@audit.sa.gov.au  
www.audit.sa.gov.au

### To the Chairman Professional Standards Council

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial report of the Professional Standards Council for the financial year ended 30 June 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015
- a Statement of Financial Position as at 30 June 2015
- a Statement of Changes in Equity for the year ended 30 June 2015
- a Statement of Cash Flows for the year ended 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Chairman, Professional Standards Council, the Chief Executive, Attorney-General's Department and the Executive Director, Finance, People & Performance.

### The Professional Standards Council Member's Responsibility for the Financial Report

The members of the Professional Standards Council are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the members of the Professional Standards Council determines 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

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

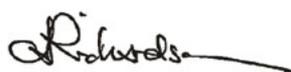
## Independent auditor's report

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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the members of the Professional Standards Council, as well as the overall presentation of the financial report.

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

### **Opinion**

In my opinion, the financial report gives a true and fair view of the financial position of the Professional Standards Council as at 30 June 2015, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



Andrew Richardson  
**Auditor-General**  
16 December 2015

© 2016 Professional Standards  
Council of South Australia.

This addendum has been prepared by the Professional Standards Council of South Australia for general and audit information purposes. Recipients should obtain their own independent advice before making any decisions that rely upon this information.

You may copy, distribute, display, download and otherwise freely deal with this work for any purpose, provided that you attribute the Professional Standards Council of South Australia as the owner, however, you must obtain permission from the Professional Standards Council of South Australia if you wish to (a) charge others for access to the work (other than at cost), (b) include the work in advertising or a product for sale, or (c) modify the work.

Published in January 2016 by the Professional Standards Council of South Australia.



PSC.GOV.AU

