



GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDIT REPORT

### Office Of The Protective Commissioner-Administration Fund

To Members of the New South Wales Parliament

#### Audit Opinion

In my opinion, the financial report of the Office of the Protective Commissioner-Administration Fund:

- presents fairly the Office's Administration Fund's financial position as at 30 June 2006 and its performance for the year ended on that date, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia, and
- complies with section 41B of the *Public Finance and Audit Act 1983* (the Act) and the *Public Finance and Audit Regulation 2005*.

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

#### Scope

##### *The Financial Report and the Protective Commissioner's Responsibility*

The financial report comprises the balance sheet, income statement, statement of changes in equity, cash flow statement and accompanying notes to the financial statements for the Office, for the year ended 30 June 2006.

The Protective Commissioner of the Office is responsible for the preparation and true and fair presentation of the financial report in accordance with the Act. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### *Audit Approach*

I conducted an independent audit in order to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing Standards and statutory requirements, and I:

- assessed the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Office in preparing the financial report, and
- examined a sample of evidence that supports the amounts and disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the Protective Commissioner had not fulfilled his reporting obligations.

*My opinion does not provide assurance:*

- about the future viability of the Office's Administration Fund,
- that the Office has carried out the Fund's activities effectively, efficiently and economically, or
- about the effectiveness of the Office's internal controls over the fund.

## Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



John Viljoen, CPA  
Director, Financial Audit Services

SYDNEY  
24 October 2006

**OFFICE OF THE PROTECTIVE COMMISSIONER  
ADMINISTRATION FUND**

**STATEMENT IN ACCORDANCE WITH  
SECTION 41C PUBLIC FINANCE AND AUDIT ACT, 1983**

Pursuant to Section 41C (1B) of the *Public Finance and Audit Act, 1983* I declare that in my opinion:

- a) The accompanying Financial Statements of the Administration Fund and notes thereon exhibit a true and fair view of the financial position and transactions for the year ended 30 June 2006;
- b) The Financial Statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act, 1983* and the *Public Finance and Audit Regulation 2005* and the Treasurer's Directions; and
- c) I am not aware of any circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.



Mark Orr  
ACTING PROTECTIVE COMMISSIONER & PUBLIC GUARDIAN  
Dated: 24 October, 2006

<b>Revenue</b>	Notes	<b>2006 \$'000</b>	<b>2005 \$'000</b>
NSW Government contributions		14,361	14,490
Fees	3	20,768	21,046
Interest income		1,046	1,080
Other revenues		6	89
<b>Total revenue</b>		<b>36,181</b>	<b>36,705</b>
<b>Expenses</b>			
Personnel services	2(e)	20,556	23,895
Lease - minimum lease rentals		3,518	3,562
Doubtful debts expense		-	14
Depreciation and amortisation	8, 9	2,233	1,839
Other operating expenses	4	4,656	4,711
<b>Total expenses</b>		<b>30,963</b>	<b>34,021</b>
<b>Surplus for the year</b>		<b>5,218</b>	<b>2,684</b>

The accompanying notes form an integral part of these Financial Statements.

## Balance Sheet as at 30 June 2006

## ADMINISTRATION FUND

	Notes	2006 \$'000	2005 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	18,386	14,743
Receivables	6	967	2,033
Other assets	7(a)	115	84
<b>Total current assets</b>		<b>19,468</b>	<b>16,860</b>
<b>Non-current Assets</b>			
Other assets	7(b)	2,603	-
Intangible assets	8	4,498	4,266
Plant & equipment	9	1,356	1,678
<b>Total non-current assets</b>		<b>8,457</b>	<b>5,944</b>
<b>TOTAL ASSETS</b>		<b>27,925</b>	<b>22,804</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	1,072	922
Other liabilities	11(a)	6,572	6,159
<b>Total current liabilities</b>		<b>7,644</b>	<b>7,081</b>
<b>Non-current Liabilities</b>			
Other liabilities	11(b)	317	977
<b>Total non-current liabilities</b>		<b>317</b>	<b>977</b>
<b>TOTAL LIABILITIES</b>		<b>7,961</b>	<b>8,058</b>
<b>NET ASSETS</b>		<b>19,964</b>	<b>14,746</b>
<b>EQUITY</b>			
Accumulated funds	12	19,964	14,746
<b>TOTAL EQUITY</b>		<b>19,964</b>	<b>14,746</b>

The accompanying notes form an integral part of these Financial Statements.

	Notes	2006 \$'000	2005 \$'000
Distribution to Common Fund	12	-	(1,173)
<b>Net income recognised directly in equity</b>		<b>-</b>	<b>(1,173)</b>
Surplus	12	5,218	2,684
<b>Total recognised income and expense for the year</b>		<b>5,218</b>	<b>1,511</b>

The accompanying notes form an integral part of these Financial Statements.

# Cash Flow Statement for the Year ended 30 June, 2006

04

## ADMINISTRATION FUND

	Notes	2006 \$'000	2005 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		21,840	21,211
Government contributions		14,361	14,490
GST refunds from ATO		-	1,139
Interest received		1,046	1,080
Payments to employees and suppliers		(31,453)	(30,940)
<b>Net cash provided by operating activities</b>	5	<b>5,794</b>	<b>6,980</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		(2,151)	(1,742)
Proceeds on disposal of plant and equipment	4	-	1
<b>Net cash used in investing activities</b>		<b>(2,151)</b>	<b>(1,741)</b>
<b>Cash flows from financing activities</b>			
Distribution to Common Fund	12	-	(1,173)
<b>Net cash used in financing activities</b>		<b>-</b>	<b>(1,173)</b>
Net increase in cash held		3,643	4,066
Cash at the beginning of the financial year		14,743	10,677
<b>Cash at the end of the financial year</b>	5	<b>18,386</b>	<b>14,743</b>

The accompanying notes form an integral part of these financial statements.