

# Financial Statements

for the financial year ended 30 June 2012



PROFESSIONAL  
STANDARDS  
COUNCIL

PROFESSIONAL STANDARDS COUNCIL OF QUEENSLAND



# Professional Standards Council Financial Statements 2011-12

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## General Information

These financial statements cover the Professional Standards Council (the Council).

The Council is a Queensland Government Entity established under the *Professional Standards Act 2004*.

The Council is controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of the Council is:

Level 17, 50 Ann Street  
BRISBANE QLD 4001

A description of the nature of the Council's operations and its principal activities is included in the notes to the financial statements.

For information in relation to the Council's financial statements please call (07) 323 96251 or email [Peter.Cook@justice.qld.gov.au](mailto:Peter.Cook@justice.qld.gov.au).

Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

**STATEMENT OF COMPREHENSIVE INCOME***for the year ended 30 June 2012*

	Notes	2012 \$'000	2011 \$'000
<b>Income from Continuing Operations</b>			
<i>Revenue</i>			
User charges	2	417	482
Other revenues	3	34	31
<b>Total Income from Continuing Operations</b>		<b>451</b>	<b>513</b>
<b>Expenses from Continuing Operations</b>			
Supplies and services	4	273	240
<b>Total Expenses from Continuing Operations</b>		<b>273</b>	<b>240</b>
<b>Operating Result from Continuing Operations</b>		<b>178</b>	<b>273</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income</b>		<b>178</b>	<b>273</b>

*The accompanying notes form part of these statements.*

**STATEMENT OF FINANCIAL POSITION***as at 30 June 2012*

	Notes	2012 \$'000	2011 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	5	885	735
Receivables	6	16	21
<b>Total Current Assets</b>		<b>901</b>	<b>756</b>
<b>Total Assets</b>		<b>901</b>	<b>756</b>
<b>Current Liabilities</b>			
Payables	7	74	83
Other	8	119	143
<b>Total Current Liabilities</b>		<b>193</b>	<b>226</b>
<b>Total Liabilities</b>		<b>193</b>	<b>226</b>
<b>Net Assets</b>		<b>708</b>	<b>530</b>
<b>Equity</b>			
Accumulated surplus		708	530
<b>Total Equity</b>		<b>708</b>	<b>530</b>

*The accompanying notes form part of these statements.*

## STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2012

	Accumulated Surplus \$'000	TOTAL \$'000
<b>Balance as at 1 July 2010</b>	<b>257</b>	<b>257</b>
Operating Result from Continuing Operations	273	273
<b>Balance as at 30 June 2011</b>	<b>530</b>	<b>530</b>
<b>Balance as at 1 July 2011</b>	<b>530</b>	<b>530</b>
Operating Result from Continuing Operations	178	178
<b>Balance as at 30 June 2012</b>	<b>708</b>	<b>708</b>

*The accompanying notes form part of these statements.*

PROFESSIONAL STANDARDS COUNCIL  
**STATEMENT OF CASH FLOWS**

for the year ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
<b>Cash flows from operating activities</b>			
<i>Inflows:</i>			
User charges		393	485
Interest receipts		39	25
GST input tax credits from ATO		-	19
Other		-	1
<i>Outflows:</i>			
Supplies and services		(282)	(187)
GST paid to suppliers		-	(26)
<b>Net cash provided by (used in) operating activities</b>	9	<b>150</b>	<b>317</b>
Net increase (decrease) in cash and cash equivalents		150	317
Cash and cash equivalents at beginning of financial year		735	418
<b>Cash and cash equivalents at end of financial year</b>	5	<b>885</b>	<b>735</b>

*The accompanying notes form part of these statements.*

# **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2011–12**

Objectives and Principal Activities of the Professional Standards Council

Note 1: Summary of Significant Accounting Policies

Note 2: User Charges

Note 3: Other Revenues

Note 4: Supplies and Services

Note 5: Cash and Cash Equivalents

Note 6: Receivables

Note 7: Payables

Note 8: Other Current Liabilities

Note 9: Reconciliation of Operating Result to Net Cash from Operating Activities

Note 10: Financial Instruments

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2011–12

## Objectives and Principal Activities of the Professional Standards Council

The objectives of the Professional Standards Councils are to promote consumer protection and excellence in professional standards by encouraging the self-regulation of occupational groups through Cover of Excellence schemes.

### a) Cover of Excellence Schemes

Cover of Excellence schemes apply to members of occupational associations that administer professional standards schemes approved by the Councils. Cover of Excellence 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 association to use the Cover of Excellence logo.

### b) The Professional Standards Councils

The Professional Standards Councils were constituted under state and territory professional standards legislation, with the mandate to approve Cover of Excellence 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.

### c) The Queensland 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 43 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.

### d) Funding of the Council

The Council is fully funded through the following:

- A fee of \$5,000 is payable to the Council for a Cover of Excellence scheme application for approval, amendments or revocation; and
- The annual fee of \$50 for each member of occupational associations participating in a *Cover of Excellence*® scheme.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2011-12

## 1. Summary of Significant Accounting Policies

### (a) Statement of Compliance

The Professional Standards Council has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Treasury's Minimum Reporting Requirements for the year ending 30 June 2012, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, the Council has applied those requirements applicable to not-for-profit entities, as the Council is a not-for-profit entity. Except where stated, the historical cost convention is used.

### (b) The Reporting Entity

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of the Council. The Council does not control any other entities.

### (c) User Charges

User charges and fees controlled by the Council are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This involves either invoicing for related goods/services and/or the recognition of accrued revenue. User charges and fees are controlled by the Council where they can be deployed for the achievement of Council objectives.

Where membership fees are received in advance they are recognised as an unearned revenue. The revenues are recognised as they are earned over the membership period.

### (d) Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June.

### (e) Receivables

Trade debtors are recognised at amounts due at the time of sale or service delivery, i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date. If any amount of the annual fee is not paid within 30 days after it is due, simple interest at the rate of 0.05% per day is payable on the outstanding balance until that balance is paid.

The collectability of receivables is assessed periodically with provision being made for impairment. All known bad debts were written-off as at 30 June.

Other debtors generally arise from transactions outside the usual operating activities of the Council and are recognised at their assessed values. Terms are a maximum of three months, no interest is charged and no security is obtained.

### (f) Supplies and Services

Supplies and services represent secretarial support provided by the Department of Justice and Attorney-General NSW. The total cost of secretarial support is proportionately shared among the eight Councils determined by the percentage of revenue each Council has received. These costs comprise employment costs, other operating expenses, grants administered and maintenance. In 2011-12 Queensland's percentage is 18% (2011: 19%).

External audit fees as shown in note 4 represents 18% of the total expected external audit fees for the Professional Standards Council of Australia and does not represent the actual audit costs incurred for the Professional Standards Council of Queensland. External audit fees of the Professional Standards Council of Queensland are paid to the Queensland Audit Office and relate to the 2011-12 financial statements.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2011–12

## **(g) Payables**

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

## **(h) Financial Instruments**

### ***Recognition***

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Council becomes party to the contractual provisions of the financial instrument.

### ***Classification***

Financial instruments are classified and measured as follows:

- Cash and cash equivalents – held at fair value through profit and loss
- Receivables – held at amortised cost
- Payables – held at amortised cost

The Council does not enter into transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the Council holds no financial assets classified at fair value through profit or loss.

All other disclosures relating to the measurement and financial risk management of financial instruments held by the Council are included in Note 10.

## **(i) Taxation**

The Council is a State body as defined under the Income Tax Assessment Act 1936 and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). Where applicable, FBT and GST are the only taxes accounted for by the Council. GST credits receivable from, and GST payable to the ATO, are recognised (refer Note 6).

## **(j) Issuance of Financial Statements**

The financial statements are authorised for issue by the Chairman, Professional Standards Council and Executive Director, Financial Services Branch of Department of Justice and Attorney-General at the date of signing the Management Certificate.

## **(k) Accounting Estimates and Judgements**

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have that potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

The Council has made no judgements or assessments which may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

## **(l) Rounding and Comparatives**

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2011–12

## **(m) New and Revised Accounting Standards**

The Council did not voluntarily change any of its accounting policies during 2011-12. Those new and amended Australian accounting standards that were applicable for the first time in the 2011-12 financial year had no significant impact on the Council's financial statements.

AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13]* became effective from reporting periods beginning on or after 1 January 2011. Given the Council's existing financial instruments, there was only a minor impact on the Council's financial instruments note (Note 10), in relation to disclosures about credit risk. That note no longer needs to disclose amounts that best represent the maximum exposure to credit risk where the carrying amount of the instruments already reflects this. As this was the case with all the Council's receivables as at 30 June 2012 (and as at 30 June 2011), receivables are not included in the credit risk disclosure in this year's financial statements.

As the Council held no collateral or other credit enhancements in respect of its financial instruments, and did not renegotiate the terms of any financial assets, during the reporting periods presented in these financial statements, there were no other changes required to the Council's financial instruments note arising from the amendments to AASB 7 *Financial Instruments: Disclosures*.

AASB 1054 *Australian Additional Disclosures* became effective from reporting periods beginning on or after 1 July 2011. Given the Council's previous disclosure practices, AASB 1054 had no impact on the Council.

AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113]* also became effective from reporting periods beginning on or after 1 July 2011.

The Council is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from the Treasury Department. Consequently, the Council has not applied any Australian accounting standards and interpretations that have been issued but are not yet effective. The Council applies standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, the expected impacts of new or amended Australian accounting standards with future commencement dates are as set out below.

AASB 1053 *Application of Tiers of Australian Accounting Standards* applies as from reporting periods beginning on or after 1 July 2013. AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two tiers of reporting requirements – Australian Accounting Standards (commonly referred to as “tier 1”), and Australian Accounting Standards – Reduced Disclosure Requirements (commonly referred to as “tier 2”). Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the tier 1 and tier 2 requirements is that tier 2 requires fewer disclosures than tier 1.

Pursuant to AASB 1053, public sector entities like the Council may adopt tier 2 requirements for their general purpose financial statements. However, AASB 1053 acknowledges the power of a regulator to require application of the tier 1 requirements. In the case of the Council, Treasury Department is the regulator. Treasury Department has advised that its policy decision is to require adoption of tier 1 reporting by all Queensland Government departments and statutory bodies (including the Council) that are consolidated into the Whole-of-Government financial statements. Treasury's policy also prohibits the early adoption of the arrangements outlined in AASB 1053 and its accompanying amending standards. Therefore, the release of AASB 1053 and associated amending standards will have no impact on the Council.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the Council's activities, or have no material impact on the Council.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2011-12

	2012 \$'000	2011 \$'000
<b>2. User Charges</b>		
Annual fees	417	482
<b>Total</b>	<b>417</b>	<b>482</b>
<b>3. Other Revenues</b>		
Interest	34	26
Application fees	-	5
<b>Total</b>	<b>34</b>	<b>31</b>
<b>4. Supplies and Services</b>		
Secretariat support *	273	240
<b>Total</b>	<b>273</b>	<b>240</b>
* Included in secretariat support is an amount of \$4,583 for External audit fees (2011: \$5,016). There are no non-audit services in this amount. Refer to Note 1(f) Supplies and services.		
<b>5. Cash and Cash Equivalents</b>		
Cash at bank	885	735
<b>Total</b>	<b>885</b>	<b>735</b>
Interest earned on cash held with the Commonwealth Bank earned between 4.25% and 4.55% in 2012 (2011: 4.35% to 4.60%).		
<b>6. Receivables</b>		
GST receivable	7	13
Interest receivable	3	3
Other	6	5
<b>Total</b>	<b>16</b>	<b>21</b>
<b>7. Payables</b>		
Trade creditors	74	83
<b>Total</b>	<b>74</b>	<b>83</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2011–12

		2012 \$'000	2011 \$'000
<b>8. Other Current Liabilities</b>			
Unearned revenue		119	143
<b>Total</b>		<b>119</b>	<b>143</b>
<b>9. Reconciliation of Operating Result to Net Cash from Operating Activities</b>			
Operating Result		178	273
Change in assets and liabilities:			
(Increase)/decrease in receivables		5	(13)
Increase/(decrease) in accounts payable		(9)	53
Increase/(decrease) in unearned revenue		(24)	4
<b>Net Cash provided by (used in) Operating Activities</b>		<b>150</b>	<b>317</b>
<b>10. Financial Instruments</b>			
<i>(a) Categorisation of Financial Instruments</i>			
The Council has the following categories of financial assets and financial liabilities:			
Category	Note	2012 \$'000	2011 \$'000
<b>Financial Assets</b>			
Cash and cash equivalents	5	885	735
Receivables	6	16	21
<b>Total</b>		<b>901</b>	<b>756</b>
<b>Financial Liabilities</b>			
Financial liabilities measured at amortised cost:			
Payables	7	74	83
<b>Total</b>		<b>74</b>	<b>83</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2011–12

## 10. Financial Instruments (cont'd)

### (b) Financial Risk Management

The Council's activities expose it to a variety of financial risks – interest rate risk, credit risk, liquidity risk and market risk.

Financial risk management is implemented by the Council through policies that focus on the unpredictability of financial markets. These policies seek to minimise potential adverse effects on the financial performance of the Council.

The Council measures risk exposure using a variety of methods as follows:

<b>Risk Exposure</b>	<b>Measurement Method</b>
Credit Risk	Ageing analysis, earnings at risk
Liquidity Risk	Sensitivity analysis
Market Risk	Interest rate sensitivity analysis

### (c) Credit Risk Exposure

Credit risk exposure refers to the situation where the Council may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment.

The following table represents the Council's maximum exposure to credit risk based on contractual amounts net of any allowances:

<b>Maximum Exposure to Credit Risk</b>			
	<b>Note</b>	<b>2012 \$'000</b>	<b>2011 \$'000</b>
<b>Financial Assets</b>			
Cash	5	885	735
Receivables	6	16	21
<b>Total Financial Assets</b>		<b>901</b>	<b>756</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2011-12

## 10. Financial Instruments (cont'd)

### (c) Credit Risk Exposure (cont'd)

#### Financial Assets

No collateral is held as security and no credit enhancements relate to financial assets held by the Council.

The Council manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the Council invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

The method for calculating any provision for impairment is based on past experience, current and expected changes in economic conditions and changes in client credit ratings. These economic and geographic changes form part of the Council's documented risk analysis assessment in conjunction with historic experience and associated industry data.

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

The Council has no financial assets past due at reporting date.

The Council has no impaired financial assets.

#### Financial Liabilities

The Council has no financial liabilities that have credit risk exposure at reporting date.

### (d) Liquidity Risk

Liquidity risk refers to the situation where the Council may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Council is exposed to liquidity risk in respect of its payables.

The Council manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the Council has sufficient funds available to meet supplier obligations as they fall due. This is achieved by ensuring that sufficient levels of cash are held within the various bank accounts so as to match the expected duration of the various supplier liabilities.

The following table sets out the liquidity risk of financial liabilities held by the Council. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date.

	Note	2012 Payable in			Total \$'000
		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000	
<b>Financial Liabilities</b>					
Payables	7	74	-	-	74
<b>Total</b>		<b>74</b>	<b>-</b>	<b>-</b>	<b>74</b>
	Note	2011 Payable in			Total \$'000
		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000	
<b>Financial Liabilities</b>					
Payables	7	83	-	-	83
<b>Total</b>		<b>83</b>	<b>-</b>	<b>-</b>	<b>83</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2011-12

## 10. Financial Instruments (cont'd)

### (e) Market Risk

The Council does not trade in foreign currency and is not materially exposed to commodity price changes. The Council is exposed to interest rate risk through its cash deposited in interest bearing accounts. The Council does not undertake any hedging in relation to interest risk and manages its risk as per the liquidity risk management strategy.

### (f) Interest Rate Sensitivity Analysis

The following interest rate sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome on operating result if interest rates would change by +/-1% from the year end rates applicable to the Council's financial assets. With all other variables held constant, the Council would have a surplus and equity increase/(decrease) of \$9,000 (2011: \$7,000). This is mainly attributable to the Council's exposure to variable interest rates on its cash deposited in interest bearing accounts.

Financial Instruments	Carrying Amount \$'000	2012 Interest rate risk			
		-1%		1%	
		Operating Result \$'000	Equity \$'000	Operating Result \$'000	Equity \$'000
Cash	885	(9)	(9)	9	9
<b>Potential impact</b>		<b>(9)</b>	<b>(9)</b>	<b>9</b>	<b>9</b>

Financial Instruments	Carrying Amount \$'000	2011 Interest rate risk			
		-1%		1%	
		Operating Result \$'000	Equity \$'000	Operating Result \$'000	Equity \$'000
Cash	735	(7)	(7)	7	7
<b>Potential impact</b>		<b>(7)</b>	<b>(7)</b>	<b>7</b>	<b>7</b>

### (g) Fair Value

The fair value of trade receivables and payables is assumed to approximate the value of the original transaction less any allowance for impairment.

## CERTIFICATE OF THE PROFESSIONAL STANDARDS COUNCIL

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Professional Standards Council for the financial year ended 30 June 2012 and of the financial position of the Council at the end of that year.



**Peter Cook**  
CPA  
Executive Director,  
Department of Justice and Attorney-General



**Brian Rayment QC**  
BA, LLB  
Chairman,  
Professional Standards Council

**24 August 2012**

**24 August 2012**

## INDEPENDENT AUDITOR'S REPORT

To the Council Members of the Professional Standards Council

### Report on the Financial Report

I have audited the accompanying financial report of the Professional Standards Council, which comprises the statement of financial position as at 30 June 2012, and 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, and certificates given by the Chairman and Executive Director Financial Services, Department of Justice and Attorney-General.

### The Council Members' Responsibility for the Financial Report

The Council 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 prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Council Members' responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that gives a true and fair view and 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 *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

### *Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

### *Opinion*

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
  - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Professional Standards Council for the financial year 1 July 2011 to 30 June 2012 and of the financial position as at the end of that year.

### **Other Matters - Electronic Presentation of the Audited Financial Report**

This auditor's report relates to the financial report of the Professional Standards Council for the year ended 30 June 2012. Where the financial report is included on the Professional Standards Council's website the Council is responsible for the integrity of the Professional Standards Council's website and I have not been engaged to report on the integrity of the Professional Standards Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or otherwise included with the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

These matters also relate to the presentation of the audited financial report in other electronic media including CD Rom.



O C Clare FCPA  
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office  
Brisbane



**Queensland  
Government**

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Published in September 2012 by the Professional Standards Council of Queensland.