



Institute of Public Administration Australia  
(Victoria)

**ABN: 49 012 662 861**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED**

**30 JUNE 2009**

**Level 3, 37 Little Bourke Street Melbourne Victoria 3000**

**Phone (03) 9653 2000**

**Fax (03) 9639 9663**

**Email [accounts@vic.ipaa.org.au](mailto:accounts@vic.ipaa.org.au)**

**[www.vic.ipaa.org.au](http://www.vic.ipaa.org.au)**

## INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 \$	2008 \$
<b>REVENUE</b>			
Membership Subscriptions		594,908	455,137
Seminars & Conferences		597,555	643,270
Courses		1,169,770	1,038,698
Bank Interest		7,650	38,217
Investment Revenue		45,430	56,851
Other Income		708	-
Gain on Disposal of Assets		-	5,531
<b>TOTAL REVENUE</b>		<b>2,416,021</b>	<b>2,237,704</b>
<b>EXPENDITURE</b>			
Membership Services		190,474	164,389
Seminars & Conferences		383,826	421,237
Courses		529,668	376,511
Employee Remuneration & On-Costs		904,272	810,050
Corporate Services		215,134	259,434
Rental Expenses on Operating Leases		52,500	66,161
Depreciation	7	72,204	32,885
Audit and Accounting Fees		16,850	8,480
Impairment of Financial Assets		264,751	-
ICT Management Platform		47,660	-
<b>TOTAL EXPENDITURE</b>		<b>2,677,339</b>	<b>2,139,147</b>
<b>NET OPERATING (DEFICIT)/SURPLUS attributable to the Institute</b>	2	<b>(261,318)</b>	<b>98,557</b>

The accompanying notes form part of this Financial Report.

## BALANCE SHEET AS AT 30 JUNE 2009

	Notes	2009 \$	2008 \$
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	5	476,242	239,384
Trade & Other Receivables		141,145	36,121
Other Current Assets		60,771	58,738
<b>TOTAL CURRENT ASSETS</b>		<b>678,158</b>	<b>334,243</b>
<b>NON-CURRENT ASSETS</b>			
Intangible Assets	6	75,245	-
Plant and Equipment	7	349,968	395,454
Financial Assets	8	680,985	782,524
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,106,198</b>	<b>1,177,978</b>
<b>TOTAL ASSETS</b>		<b>1,784,356</b>	<b>1,512,221</b>
<b>CURRENT LIABILITIES</b>			
Unearned Revenue		562,392	337,580
Trade & Other Payables	9	293,468	118,303
Provision for Employee Entitlements		31,961	19,911
<b>TOTAL CURRENT LIABILITIES</b>		<b>887,821</b>	<b>475,794</b>
<b>TOTAL LIABILITIES</b>		<b>887,821</b>	<b>475,794</b>
<b>NET ASSETS</b>		<b>896,535</b>	<b>1,036,427</b>
<b>EQUITY</b>			
Reserves	10	(29,897)	(151,323)
Retained Surplus		926,432	1,187,750
<b>TOTAL EQUITY</b>		<b>896,535</b>	<b>1,036,427</b>

The accompanying notes form part of this Financial Report.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

	Notes	Financial Assets Reserve \$	Retained Earnings \$	Total Equity \$
<b>Balance as at 30 June 2007</b>		-	<b>1,089,193</b>	<b>1,089,193</b>
Surplus for the Period		-	98,557	98,557
Revaluation Decrements		(151,323)	-	(151,323)
<b>Balance as at 30 June 2008</b>		<b>(151,323)</b>	<b>1,187,750</b>	<b>1,036,427</b>
Deficit for the Period		-	(261,318)	(261,318)
Revaluation Decrements		(143,325)	-	(143,325)
Impairment of Financial Assets		264,751	-	264,751
<b>Balance as at 30 June 2009</b>		<b>(29,897)</b>	<b>926,432</b>	<b>896,535</b>

The accompanying notes form part of this Financial Report.

## CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 \$	2008 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Membership Contributions		<b>786,355</b>	554,805
Receipts from Program Activities		<b>1,695,666</b>	1,455,257
Interest and Distributions Received		<b>19,134</b>	47,860
Payments to Suppliers & Employees		<b>(2,155,202)</b>	(2,419,780)
<b>NET CASH PROVIDED BY/ (USED IN)</b>			
<b>OPERATING ACTIVITIES</b>	14	<b>345,953</b>	(361,858)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for Investments		<b>(7,132)</b>	(1,206,639)
Redemptions of Investments		-	320,000
Fixed Asset Purchases		<b>(26,718)</b>	(379,205)
ICT Management Platform		<b>(75,245)</b>	-
Proceeds on Disposal of Assets		-	5,531
Payments for Deposits		-	(13,750)
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>		<b>(109,095)</b>	(1,274,063)
Net Increase/ (Decrease) in Cash Held		<b>236,858</b>	(1,635,921)
Cash at the Beginning of the Financial Year		<b>239,384</b>	1,875,305
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	14	<b>476,242</b>	239,384

The accompanying notes form part of this Financial Report.

## NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### Statement of Compliance

The financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with the Australian Accounting Standards, Australian Accounting Interpretations and other pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act (Victoria) 1981.

The Financial Report covers the Institute of Public Administration Australia (Victorian Division) Incorporated, (the "Institute"), as an individual entity. The Institute is an Institute incorporated in Victoria under the Associations Incorporation Act (Vic.) 1981.

The financial report was authorised for issue on 21<sup>st</sup> October 2009.

### BASIS OF PREPARATION

#### Reporting Basis and Conventions

The Financial Report has been prepared on an accrual basis and is based on historical costs and where necessary, modified by the revaluation of selected non-current assets, financial assets and liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the Institute in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

#### a) Income Tax

The Australian Taxation Office has classified the Institute as an Institute exempt from paying income tax under the Income Tax Assessment Act.

#### b) Plant & Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Institute to ensure it is not in excess of the recoverable amounts from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

#### c) Depreciation

The depreciable amounts of all plant and equipment are depreciated on a straight line basis over the useful lives of the assets to the Institute commencing from the time the asset is held ready for use. The depreciation rates range between 10% - 33% per annum. Leasehold improvements are depreciated over the unexpired period of the premises lease.

The depreciation rates used for each class of depreciable assets are:

<b>Class of fixed asset</b>	<b>Depreciation rates</b>	<b>Depreciation basis</b>
Computer Hardware	33 %	Straight line basis
Office Furniture & Equipment	20 %	Straight line basis
Leasehold Improvements	10%	Straight line basis

**d) Leases**

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

**e) Employee Benefits**

Provision is made for the Institute's liability for employee benefits arising from services rendered by employees to balance date.

Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount.

Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

**f) Revenue Recognition**

Membership subscriptions are recognised over the period of membership on an accruals basis.

Seminar and course revenue is also recognised on a proportional basis over the period to which the activity relates. If at balance date an activity has not been completed, a determination of the unearned revenue and accrued expenses or prepayments in relation to the activity is made and recognised on the balance sheet.

**g) Cash**

For the purposes of the Cash Flow Statement, cash includes cash on hand, at banks and on deposit.

**h) Goods and Services Tax**

Revenues, expenses and assets are recognised net of GST, except where the amount of GST incurred is not recoverable from the ATO. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense or prepayments. Receivables and payables in the Balance Sheet are shown inclusive of GST.

**i) Receivables**

Debtors to be settled are carried at amounts due. Debt recovery is assessed at the balance sheet date and specific provision is made for any doubtful debts.

**j) Payables**

Liabilities are recognised for amounts to be paid within the future for goods and services received, whether or not billed to the Institute. Creditors are settled normally within 30 – 45 days.

**k) Critical Accounting Estimates & Judgements**

The members of the Audit, Finance and Risk Committee evaluate estimates and judgements incorporated into the Financial Report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Institute.

**l) Going Concern**

The Institute has an excess of current liabilities over current assets of \$209,663 as at 30 June 2009. The financial statements have been prepared on a going concern basis which contemplates the continuity of normal operating activities and the realisation of assets and settlement of liabilities in the ordinary course of operations. The going concern basis is considered appropriate as included in current liabilities are amounts for unearned revenue of \$562,392 which are to be satisfied through the delivery of services over the next twelve months. The ability of the Institute to continue as going concern is dependent on on-going income from membership contributions and membership activities. In the event of any significant reduction in contributions, the activities of the Institute would need to be reduced.

If the Institute is not able to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. No adjustments have been made as to the amounts and classification of assets or liabilities that might be necessary should the Institute not continue as a going concern, as the board is of the opinion that the Institute will continue to operate as going concern and will be able to pay its debts as and when they become due and payable. The board believes the Institute will be able to fund operations on a positive cash flow basis for the next twelve months.

**m) Reclassification of Financial Information**

Where necessary, comparative information has been reclassified to achieve consistency in disclosures with current financial period amounts and other disclosures:

**n) Financial Instruments**

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Institute becomes a party to the contractual provisions of the instruments. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention. Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit and loss. Transition costs related to instruments classified as at fair value through profit and loss are expensed to profit and loss immediately. Financial instruments are classified and measured as set out below.

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Institute no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit and loss.

## Classification and Subsequent Measurement

### Financial Assets at Fair Value through Profit and Loss

Financial assets are classified at fair value through profit and loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evolution where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains & losses arising from changes in fair value are included in profit and loss in the period in which they arise.

### Loans and Receivable

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

### Held-to-Maturity Investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Institute's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

### Available-for-Sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

### Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

### Impairment

At each reporting date, the Institute reviews whether there is objective evidence that a financial instrument has been impaired. In the case of Available-for-Sale investments, a prolonged decline in the value is considered to determine whether impairment has occurred. Impairment losses are recognised in the income statement.

#### o) Impairment of Assets

At each reporting date, the Institute reviews the carrying value of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the assets fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income Statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Institute estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### p) Intangible Assets

Website, membership and event management system development costs

Expenditure during the planning stages and for training purposes in relation to system development costs are recognised as an expense when incurred.

Development costs are capitalised only when the Institute is able to demonstrate future economic benefits will flow to the entity, including from their ability to generate revenues, achieve cost savings or from other benefits resulting from the use of the assets and these benefits can be reliably measured.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

#### q) New & Revised Accounting Standards & Interpretations

The Institute has adopted all of the new and revised accounting Standards and Interpretations issued by the Australian Accounting Standard Board (AASB) that are relevant to its operations.

The members of the Audit, Finance and Risk Committee have given due consideration to new and revised standards and interpretations issued by the AASB that are not yet effective and do not believe they will have any material financial impact on the Financial Report of the Institute.

## NOTE 2 ITEMS INCLUDED IN (DEFICIT)/SURPLUS

(Deficit) / Surplus has been determined after:

Notes	2009	2008
	\$	\$
<b>EXPENSES</b>		
Depreciation of Non Current Assets		
Computer Equipment	19,475	15,376
Plant & Equipment	19,890	12,239
Leasehold Improvements	32,839	5,270
	<b>72,204</b>	<b>32,885</b>
<b>RENTAL EXPENSE ON OPERATING LEASES</b>		
Annual Rental Expense for Lease	52,500	66,161
<b>MOVEMENT IN PROVISIONS</b>		
Employee Benefits	(12,050)	(6,735)
<b>FINANCIAL ASSETS</b>		
Impairment Losses on Financial Assets	264,751	-

## NOTE 3 KEY MANAGEMENT PERSONNEL COMPENSATION

### Board Members Remuneration

Elected Members of the Board act in an honorary capacity and have not received any remuneration for their services. The Executive Director is an *ex-officio* member of the Board. The Executive Director's remuneration and on-costs are fully funded by the Institute.

Notes	2009	2008
	\$	\$
Short-term Employee Benefits	80,000	67,844
Post-Employment Benefits	95,901	79,515
	<b>175,901</b>	<b>147,359</b>

**NOTE 4  
AUDITOR'S REMUNERATION**

	Notes	2009	2008
		\$	\$
Auditing the financial reports		9,500	8,480
Additional prior year audit fees		4,450	-
		<b>13,950</b>	<b>8,480</b>

**NOTE 5  
CASH & CASH EQUIVALENTS**

	Notes	2009	2008
		\$	\$
Cash on Hand		500	500
Cash at Bank		475,742	238,884
Cash & Cash Equivalents		<b>476,242</b>	<b>239,384</b>

**NOTE 6  
INTANGIBLE ASSETS**

	Notes	2009	2008
		\$	\$
ICT Management Platform		75,245	-

**NOTE 7  
PLANT AND EQUIPMENT**

	Computer Equipment	Office Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$
<b>Gross Carrying Amount</b>				
Balance at 30 June 2008 – at cost	117,902	110,246	317,105	545,253
Additions	14,149	9,589	2,980	26,718
<b>Balance at 30 June 2009</b>	<b>132,051</b>	<b>119,835</b>	<b>320,085</b>	<b>571,971</b>
<b>Accumulated Depreciation</b>				
Balance at 30 June 2008	91,621	52,908	5,270	149,799
Depreciation Expense	19,475	19,890	32,839	72,204
<b>Balance at 30 June 2009</b>	<b>111,096</b>	<b>72,798</b>	<b>38,109</b>	<b>222,003</b>
<b>Carrying Amount</b>				
As at 30 June 2008	26,281	57,338	311,835	395,454
<b>As at 30 June 2009</b>	<b>20,955</b>	<b>47,037</b>	<b>281,976</b>	<b>349,968</b>

**NOTE 8  
FINANCIAL ASSETS**

	Notes	2009	2008
		\$	\$
<b>Available-for-Sale Financial Assets</b>		<b>680,985</b>	<b>782,524</b>

Available-for-sale financial assets comprise:  
Investments in managed funds and property syndicates at market value

		<b>680,985</b>	<b>782,524</b>
--	--	----------------	----------------

**NOTE 9  
TRADE & OTHER PAYABLES**

	Notes	2009	2008
		\$	\$
Trade & Sundry Payables		125,800	78,437
Accrued Expenses		94,399	25,849
GST Liability		73,269	14,017
		<b>293,468</b>	<b>118,303</b>

**NOTE 10  
RESERVES**

**Financial Assets Reserve**

The Financial Assets Reserve records revaluations of financial assets.

**NOTE 11  
OPERATING LEASE COMMITMENTS**

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

	Notes	2009	2008
		\$	\$
Payable – minimum lease payments			
- Not later than 1 year		54,600	52,500
- Later than 1 year but not later than 5 years		143,140	247,500
		<b>197,740</b>	<b>300,000</b>

The property lease is a non-cancellable lease with a five-year term, with rent payable monthly in advance. An option exists to renew the lease at the end of the five year term for an additional five years. The lease does not allow for subletting of the leased premises and is due to expire on 1 January 2013 with a further term of 5 years.

**NOTE 12  
CONTINGENT LIABILITIES**

As at 30 June 2009, there were no contingent liabilities.

**NOTE 13  
TRANSACTIONS WITH RELATED PARTIES**

(a) The Institute provides membership services to organisations for which some Board Members hold executive positions.

(b) A Board member was during the 2008-09 year, the Deputy Chairman of The Allen Consulting Group, a business contracted directly to the Institute for the delivery of a short course, How Government Works. The amount paid during the 2008-09 year was \$11,684 (2007-08, \$26,582). There were no amounts owing at year end (2007-08, \$4,728). A conflict of interest was declared and the Board Member did not participate in the preparation of the Tender, the selection process or in the management of the contract.

(c) A Board member is the Principal of MW Group Consulting Group, a business contracted directly to the Institute for the delivery of a short course, Brief Writing. The amount paid during the 2008-09 year was \$14,850 (2007-08, \$ nil). There were no amounts owing at year end. A conflict of interest was declared and the Board Member did not participate in the preparation of the Tender, the selection process or in the management of the contract.

(d) The above amounts are based on normal commercial forms no more or less favourable than may be negotiated with any other independent party.

**NOTE 14  
CASH FLOW INFORMATION**

Notes	2009 \$	2008 \$
<b>(A) RECONCILIATION OF CASH &amp; CASH EQUIVALENTS</b>		
Cash on Hand	500	500
Cash at Bank	475,742	238,884
	<b>476,242</b>	<b>239,384</b>
<b>(B) RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING (DEFICIT) /SURPLUS</b>		
Operating Surplus (Deficit)/ Surplus	(261,318)	98,557
<b>Non-Cash Flows in Operating (Deficit)/Surplus</b>		
Depreciation	72,204	32,885
Gain on Disposal of Assets	-	(5,531)
Reinvestment of Investment Distributions	(34,654)	(47,208)
Impairment Losses on Financial Assets	264,751	-
<b>Changes in Assets &amp; Liabilities</b>		
(Increase)/ Decrease in Trade Receivables	(105,024)	46,368
Increase in Prepayments	(2,033)	(17,618)
Increase / (Decrease) in Unearned Revenue	224,812	(173,411)
Increase / (Decrease) in Creditors & Accruals	175,165	(289,165)
Increase/ (Decrease) in Provisions	12,050	(6,735)
<b>Net Cash Provided by Operating Activities</b>	<b>345,953</b>	<b>(361,858)</b>

**NOTE 15  
FINANCIAL RISK INSTRUMENTS**

The Institute's financial instruments consist mainly of deposits with banks, local money market instruments, short - term investments, accounts receivable and payable.

The Institute does not have any derivative instruments at 30 June 2009.

**Financial Risk Exposures and Management**

The main risks the Institute is exposed to through its financial instruments are interest rate risk, liquidity risk credit risk and price risk.

**Interest Rate Risk**

Interest rate risk is managed with a mixture of fixed and floating rate debt.

**Sensitivity Analysis – Interest Rates**

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date. At 30 June 2009, if interest rates had moved, as illustrated in the table below, with all other variables held constant, net profit and equity would have been affected as follows:

	Net Profit Higher/(Lower)		Net Assets Higher / (Lower)	
	Year Ended 30 June		As at 30 June	
	2009	2008	2009	2008
	\$	\$	\$	\$
Increase in interest rates of 1% (100 basis points)	4,762	2,394	4,762	2,394
Decrease in interest rate of 2% (200 basis points)	(9,524)	(4,788)	(9,524)	(4,788)

**Foreign Currency Risk**

The Institute is not exposed to fluctuations in foreign currencies.

**Liquidity Risk**

The Institute manages liquidity risk by monitoring forecast cash flows and ensuring that adequate un-utilised borrowing facilities are maintained. The Institute's policy is to ensure no more than 30% of borrowings should mature in any 12 month period.

Trade and Sundry Payables are expected to be paid as follows:

	2009	2008
Less than 6 months	\$293,468	\$118,303

### Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any allowances for doubtful debts, as disclosed in the Balance Sheet and notes to the financial report. The Institute does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Board.

### Price Risk

The Institute is exposed to equity securities price risk. This arises from investments held in managed funds and classified on the balance sheet as available-for-sale. The Institute is not exposed to commodity price risk.

A Finance Committee consisting of senior committee members meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The committee's overall risk management strategy seeks to assist the Institute in meeting its financial targets, whilst minimising potential adverse effects on financial performance. The Finance Committee operates under policies approved by the senior committee members. Risk management policies are approved and reviewed by the committee on a regular basis. These include the use of credit risk policies and future cash flow requirements.

### Sensitivity Analysis – Equity Prices

The following sensitivity analysis is based on the equity price risk exposures in existence at the balance sheet date at 30 June 2009, if equity prices had moved, as illustrated in the table below, with all other variables held constant and equity would have been affected as follows:

	Net Assets Higher / (Lower)	
	As at 30 June	
	2009	2008
	\$	\$
Increase in equity prices of 10%	68,099	78,252
Decrease in equity prices of 10%	(68,099)	(78,252)

### Net Fair Values

The net fair values of equity investments have been valued at the quoted market bid price at balance date adjusted for transactions costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised for other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the Institute intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

## NOTE 16 SEGMENT REPORTING

The Institute operates in the provision of education and professional development services to Members of the Institute within Victoria.

## NOTE 17 SUBSEQUENT EVENTS

No matter or circumstances have arisen since the end of the financial year which significantly effected or may significantly effect the operations of the Institute, the results of those operations, or the state of affairs of the Institute in future financial years.

## NOTE 18 INSTITUTE DETAILS

The registered office and principal place of business of the Institute is:

Institute of Public Administration Australia (Victorian Division) Inc.  
Level 3, 37 Little Bourke Street  
MELBOURNE VIC 3000

The principal activities of the Institute are to facilitate membership, networking and leadership opportunities for executives, managers, and young professionals working in or servicing the public sector and the provision of seminars and courses relevant to the public sector.

# STATEMENT BY MEMBERS OF THE BOARD FOR THE YEAR ENDED 30 JUNE 2009

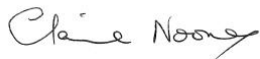
In the opinion of the Board:

1. Presents a true and fair view of the financial position of the Institute of Public Administration Australia (Victorian Division) Incorporated as at 30 June 2009 and its performance for the year ended on that date, in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act (Victoria) 1981.

2. At the date of this statement, there are reasonable grounds to believe that the Institute of Public Administration Australia (Victorian Division) Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:

Chair, Audit, Finance & Risk Committee



Dr Claire Noone BA/LLB, DipEd,  
MBA (Melb), DBA (RMIT)

Member, Audit, Finance & Risk Committee



Paula Giles BA Hons, MA (La Trobe)

Dated at Melbourne this 21<sup>st</sup> day of October 2009



Chartered Accountants  
& Business Advisers

## INDEPENDENT AUDIT REPORT TO THE MEMEBERS OF INSTITUTE OF PUBLIC ADMINISTRATION AUSTRALIA (VICTORIA DIVISION) INCORPORATED

We have audited the accompanying financial report of the Institute of Public Administration Australia (Victorian Division) Incorporated (the Institute) which comprises the Balance Sheet as at 30 June 2009 and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Members of the Board.

### The Responsibility of the Members of the Board for the Financial Report

The Members of the Board of the Institute are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporation Act (Vic) 1981. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Members of the Board, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

### Auditor's Opinion

In our opinion, the financial report of the Institute of Public Administration Australia (Victorian Division) Incorporated is in accordance with the Associations Incorporation Act (Vic) 1981 including:

- (i) giving a true and fair view of the Institute's financial position as at 30 June 2009 and of its performance and cash flows for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporation Act (Vic) 1981.



PKF

Melbourne  
21 October 2009

Tel: 61 3 9603 1700 | Fax: 61 3 9602 3870 | www.pkf.com.au  
PKF | ABN 83 236 985 726  
Level 14, 140 William Street | Melbourne | Victoria 3000 | Australia  
GPO Box 5099 | Melbourne | Victoria 3001



J A Mooney  
Partner

The PKF East Coast Practice is a member of the PKF International Limited network of legally independent member firms. The PKF East Coast Practice is also a member of the PKF Australia Limited national network of legally independent firms each trading as PKF. PKF East Coast Practice has offices in NSW, Victoria and Brisbane. PKF East Coast Practice does not accept responsibility or liability for the actions or inactions in the part of any other individual member firm or firms.

Liability limited by a scheme approved under Professional Standards Legislation.