INSTITUTE OF
PUBLIC ADMINISTRATION
AUSTRALIA

VICTORIA

ABN: 49 012 662 861

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 $	2017 $
TOTAL REVENUE	2	4,284,481	4,034,868
EXPENDITURE			
Employee benefits expense		1,712,106	1,314,039
Seminars, workshops and events		1,348,519	979,285
Program development		949,632	183,264
Advertising and marketing		191,583	70,473
Rent and occupancy		125,277	138,308
Depreciation	4	43,356	51,327
Doubtful debts		(102,240)	169,000
Other expenses		299,829	257,126
TOTAL EXPENDITURE		**4,568,062**	**3,162,822**
NET OPERATING SURPLUS attributable to the Institute		**(283,581)**	**872,046**
Other comprehensive income		-	-
TOTAL COMPREHENSIVE SURPLUS attributable to the Institute		(283,581)	872,046

The accompanying notes form part of this Financial Report.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	2018 $	2017 $
CURRENT ASSETS			
Cash and cash equivalents	7	1,362,983	1,380,045
Trade and other receiveables	8	871,045	96,894
Other current assets		33,622	348,183
TOTAL CURRENT ASSETS		**2,267,650**	**1,825,122**
NON-CURRENT ASSETS			
Plant and equipment	9	50,466	69,102
Financial assets	10	1,016,331	398,690
TOTAL NON-CURRENT ASSETS		**1,066,797**	**467,792**
TOTAL ASSETS		**3,334,447**	**2,292,914**
CURRENT LIABILITIES			
Unearned revenue		1,028,857	340,729
Trade and other payables	11	874,547	262,890
Provision for employee entitlements		57,504	38,977
TOTAL CURRENT LIABILITIES		**1,960,908**	**642,596**
NON-CURRENT LIABILITIES			
Provision for employee entitlements		9,090	2,288
TOTAL NON-CURRENT LIAIBILITIES		**9,090**	**2,288**
TOTAL LIABILITIES		**1,969,998**	**644,884**
NET ASSETS		**1,364,449**	**1,648,030**
EQUITY			
Retained surplus		1,364,449	1,648,030
TOTAL EQUITY		**1,364,449**	**1,648,030**

The accompanying notes form part of this Financial Report.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Retained Surplus $	Total Equity $
BALANECE AS AT 30 JUNE 2016	**775,984**	**775,984**
Total comprehensive surplus attributed to the Institute	872,046	872,046
BALANCE AS AT 30 JUNE 2017	**1,648,030**	**1,648,030**
Total comprehensive surplus attributed to the Institute	(283,581)	(283,581)
BALANCE AS AT 30 JUNE 2018	**1,364,449**	**1,364,449**

The accompanying notes form part of this Financial Report.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and members		4,813,318	4,096,843
Interest and distributions received		20,657	22,377
Payments to suppliers and employees		(4,223,533)	(3,304,076)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	**15**	**610,442**	**815,144**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire financial assets		(602,784)	(211,716)
Proceeds from sale of financial assets		-	202,765
Payments from plant and equipment		(24,720)	(11,838)
NET CASH (USED IN) / PROVIDED BY INVESTING ACTIVITIES		**(627,504)**	**(20,789)**
Net increase / (decrease) in cash held		(17,062)	794,355
Cash at the beginning of the financial year		1,380,045	585,690
CASH AT THE END OF THE FINANCIAL YEAR	**7**	**1,362,983**	**1,380,045**

The accompanying notes form part of this Financial Report.

NOTE 1
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial report covers the Institute of Public Administration Australia (Victorian Division) Incorporated, (the "Institute"), as an individual entity. The Institute is an Association incorporated in Victoria under the Associations Incorporation Reform Act (Vic) 2012 and domiciled in Australia.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012.The Institute is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

BASIS OF PREPARATION

Reporting basis and conventions

The financial statements have been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Association takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136.

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 exempt from income tax under the Income Tax Assessment Act (1997).

b) **Plant and equipment**

Each class of plant and equipment is carried at cost 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 amortised over the shorter of the useful life or unexpired term of the premises lease.

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

CLASS OF FIXED ASSET	DEPRECIATION RATES	DEPRECIATION BASIS
Computer equipment	33 %	Straight line basis
Office equipment	20%	Straight line basis
Leasehold improvements	10%	Straight line basis

d) **Leases**

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

e) **Employee benefits**

Short-term and long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the association in respect of services provided by employees up to reporting date.

f) **Revenue recognition**

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

Program activities 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 Statement of Financial Position.

Other Revenue is recognised when received, with the exception of Investment revenue which is recognised when earned.

g) **Cash**

Cash and cash equivalents include cash on hand, deposits held at call with banks, the short- term highly liquid investments with original maturities of three months or less.

h) **Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense;
- or for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

i) **Critical accounting estimates and 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. The Institute makes such estimates and judgements when applying probability to leave entitlements.

j) **Going concern**

The financial statements have been prepared on the basis that the Institute is a going concern, which contemplates the continuity of normal business activities and the realisation of assets and the extinguishment of liabilities in the normal course of business at the amounts stated in the financial statements.

k) **Comparative figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current period.

l) **Financial instruments**

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

m) **Financial assets**

Financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss’ (FVTPL), ‘held-to-maturity’ investments, ‘available-for-sale’ (AFS) financial assets and ‘loans and receivables’. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets at FVTPL
Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:
- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Association manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Association's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement 'permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

Held-to-maturity investments
Bills of exchange and debentures with fixed or determinable payments and fixed maturity dates that the Association has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Loans and receivables
Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial assets, such as trade receivables, assets that are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Association's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

- For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

  For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

  The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

  For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised

  Derecognition of financial assets

  The Association derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Association neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Association recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Association retains substantially all the risks and rewards of ownership of a transferred financial asset, the Association continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

n) **Impairment of assets**

At each reporting date, the Association reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

NOTE 2
REVENUE

	2018 $	2017 $
REVENUE		
Membership subscriptions	1,880,396	1,970,734
Seminars workshops and events	2,320,260	1,617,108
Bank interest	20,657	12,823
Investment revenue	13,502	9,556
Other income	34,809	404,425
Gains on FVTPL financial assets	14,857	20,222
TOTAL REVENUE	**4,284,481**	**4,034,868**

NOTE 3
EXPENDITURE

	2018 $	2017 $
RENTAL EXPENSES ON OPERATING LEASES		
Outer-Metro	-	11,655
Melbourne	125,277	117,993
	125,277	**129,648**

NOTE 4
ITEMS INCLUDED IN SURPLUS/(DEFICIT)
Surplus has been determined after:

	2018 $	2017 $
EXPENSES		
Depreciation of non-current assets		
Computer equipment	9,097	10,540
Plant and equipment	4,890	5,503
Leasehold improvements	29,369	35,284
TOTAL DEPRECIATION EXPENSE	**43,356**	**51,327**
MOVEMENT IN PROVISIONS		
Employee benefits	25,329	(12,481)
TOTAL MOVEMENT IN PROVISIONS	**25,329**	**(12,481)**

NOTE 5

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.

	2018 $	2017 $
Short-term employee benefits	200,913	129,697
Post-employment benefits	19,087	12,321
	220,000	**142,018**

NOTE 7

CASH AND CASH EQUIVALENTS

	2018 $	2017 $
Cash at bank	1,362,983	1,380,045
TOTAL	**1,362,983**	**1,380,045**

NOTE 8

TRADE AND OTHER RECEIVABLES

	2018 $	2017 $
Trade debtors	891,045	265,894
Provision for doubtful debts	(20,000)	(169,000)
TOTAL	**871,045**	**96,894**

Note Provision for doubtful debts has had the following movements:

$169,000	Balance at beginning of year
($46,760)	Provisions used
($102,240)	Reversal of provision
$20,000	Balance at year end

NOTE 9
PLANT AND EQUIPMENT

	Computer Equipment $	Office Equipment $	Lease Improvements $	Total $
Cost	36,558	23,896	39,378	99,832
Accumulated depreciation	5,633	13,664	30,069	49,366
Carrying amounts				
AS AT 30 JUNE 2018	**30,925**	**10,232**	**9,309**	**50,466**
Carrying amount at the beginning of the year	15,968	14,236	38,898	69,102
Additions	24,720	-	-	24,720
Depreciation expense	(9,763)	(4,004)	(29,589)	(43,356)
CARRYING AMOUNT AT THE END OF THE YEAR	**30,925**	**10,232**	**9,309**	**50,466**

NOTE 10
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	2018 $	2017 $
Equity instruments comprise: Investments in managed funds and property syndicates at market value	1,016,331	398,690
TOTAL	**1,016,331**	**398,690**

NOTE 11
TRADE AND OTHER PAYABLES

	2018 $	2017 $
Trade and sundry payables	549,875	99,853
Accrued expenses	269,948	151,028
GST liability	54,724	12,009
TOTAL	**874,547**	**262,890**

NOTE 12
OPERATING LEASE COMMITMENTS

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

	2018 $	2017 $
Payable - minimum lease payments		
- Not later than 1 year	83,165	39,775
- Later than 1 year but not later than 5 years	310,876	-
TOTAL	**394,041**	**39,775**

Melbourne Office
The property lease is a non-cancellable lease with a five-year term, with rent payable monthly in advance. A new lease was entered into on 01/01/2018 for a five year term ending 31/12/2022.

NOTE 13

CONTINGENT LIABILITIES

As at 30 June 2018, there were no contingent liabilities, other than in the form of a rental bank guarantee for $63,750 (2017 $13,750). This is secured to Bendigo Bank by a term deposit of $63,750 (2017 $13,750).

NOTE 14

TRANSACTIONS WITH RELATED PARTIES

The Institute provides membership services to organisations in which some Board Members hold executive positions and the amounts are based on normal commercial terms no more or less favourable than may be negotiated with any other independent party.

NOTE 15

CASH FLOW INFORMATION

	2018 $	2017 $
(a) RECONCILIATION OF CASH AND CASH EQUIVALENTS		
Cash on hand	-	-
Cash at bank	1,362,983	1,380,045
TOTAL	**1,362,983**	**1,380,045**

	2018 $	2017 $
(b) RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO OPERATING SURPLUS / (DEFICIT)		
Operating surplus	(283,581)	872,046
Non-cash flows in operating surplus		
Depreciation	43,356	51,327
Provision for doubtful debts	(102,240)	169,000
Gains on financial assets at fair value through profit or loss	(14,857)	(20,222)
Changes in assets and liabilities		
(Increase) / decrease in assets:		
Trade receivables	(671,911)	(33,808)
Other current assets	314,561	(103,648)
Increase / (decrease) in liabilities:		
Unearned revenue	688,128	138,378
Trade and other payables	611,657	(270,410)
Provision for employee entitlements	25,329	12,481
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	**610,442**	**815,144**

NOTE 16

FINANCIAL RISK MANAGEMENT

The Institute's financial instruments consist mainly of deposits with banks, investments in managed funds, and accounts receivable and payable.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

	2018 $	2017 $
FINANCIAL ASSETS		
Cash and cash equivalents	1,362,983	1,380,045
Loans and receivables	871,045	96,894
Financial assets at fair value through profit or loss - investments in managed funds and property syndicates	1,016,331	398,690
TOTAL FINANCIAL ASSETS	**3,250,359**	**1,875,629**

FINANCIAL LIABILITIES		
Financial liabilites at amortised cost		
- Accounts payable and other payables	819,823	250,881
TOTAL FINANCIAL LIABILITIES	**819,823**	**250,881**

NOTE 17

SUBSEQUENT EVENTS

No matters 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 2018

In the opinion of the Board the accompanying financial statements and notes thereto:

1. Present a true and fair view of the financial position of the Institute of Public Administration Australia (Victorian Division) Incorporated as at 30 June 2018 and of its performance for the year ended on that date, in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board, the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the requirements of the Associations Incorporation Reform Act 2012 (Vic).
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 and Risk Committee	Member, Audit, Finance and Risk Committee
Dean Yates	**Emily Phillips**

Dated at Melbourne this 30 October 2018

SAWARD / DAWSON
chartered accountants

Institute of Public Administration Australia (Victorian Division) Incorporated

ABN 49 012 662 861

Independent Audit Report to the members of Institute of Public Administration Australia (Victorian Division) Incorporated

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, there have been:

(i) No contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and

(ii) No contraventions of any applicable code of professional conduct in relation to the audit.

Saward Dawson

Saward Dawson

Jeffrey Tulk

Jeffrey Tulk
Partner

Blackburn

Date: 30 October 2018

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PRINCIPALS: Bruce Saward FCA, Peter Shields FCA, Joshua Morse CA, Jeff Tulk CA, Matthew Stokes CA

Directors: Marie Ickeringill SSA, Cathy Braun CA, Murray Nicholls CA, Vicki Adams CA CPA CFP®

Institute of Public Administration Australia (Victorian Division) Incorporated

ABN 49 012 662 861

Independent Audit Report to the members of Institute of Public Administration Australia (Victorian Division) Incorporated

Opinion

We have audited the financial report of the Institute of Public Administration Australia (Victorian Division) Incorporated (the entity), which comprises the statement of financial position as at 30 June 2018, statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and the statement by members of the board.

In our opinion, the accompanying financial report of the Institute of Public Administration Australia (Victorian Division) Incorporated, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(a) giving a true and fair view of the entity's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibility of the Board Members for the Financial Report

The board members of the entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the board members determine 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.

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Institute of Public Administration Australia (Victorian Division) Incorporated

ABN 49 012 662 861

Independent Audit Report to the members of Institute of Public Administration Australia (Victorian Division) Incorporated

In preparing the financial report, the board members are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board members either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board members.
- Conclude on the appropriateness of the board members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

SAWARD / DAWSON
chartered accountants

Institute of Public Administration Australia (Victorian Division) Incorporated

ABN 49 012 662 861

Independent Audit Report to the members of Institute of Public Administration Australia (Victorian Division) Incorporated

We communicate with the board members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Saward Dawson

Saward Dawson

Jeffrey Tulk

Jeffrey Tulk
Partner

Blackburn

Date: 30 October 2018