



**Queensland Studies Authority  
General purpose financial report  
for the year ended 30 June 2003**



# QUEENSLAND STUDIES AUTHORITY

## Financial Report

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## Statement of Financial Performance for the year ended 30 June 2003

	<i>Notes</i>	<i>2003</i> \$
<b>Revenue from ordinary activities</b>		
User charges	1(b) 2(a)	1,448,510
Government contributions	1(b) 2(a)	21,803,900
Interest	1(b)	472,979
Proceeds from sale of minor assets	1(b)	334
Other revenue	1(b)	<u>638,497</u>
<b>Total revenue from ordinary activities</b>		<u>24,364,220</u>
<b>Expenses from ordinary activities</b>		
Employee expenses	2(b)	15,827,880
Supplies and services	2(c)	8,955,037
Depreciation and amortisation	1(e),2(d)	<u>227,396</u>
<b>Total expenses from ordinary activities</b>		<u>25,010,313</u>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<u>(646,093)</u>

The accompanying notes form part of these financial statements.

## Statement of Financial Position as at 30 June 2003

	<i>Notes</i>	<i>2003</i> \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash assets	1(f), 3	3,395,499
Receivables	1(g), 4	265,217
Inventories	1(h), 5	115,499
Other	6	57,426
<b>Total current assets</b>		<u>3,833,641</u>
<b>Non-current assets</b>		
Property, plant and equipment	1(e), 7	431,001
Intangibles	1(e), 8	2,003,472
<b>Total non-current assets</b>		<u>2,434,473</u>
<b>TOTAL ASSETS</b>		<u>6,268,114</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	1(k), 9	638,975
Provisions	1(l), 10	1,068,342
<b>Total current liabilities</b>		<u>1,707,317</u>
<b>TOTAL LIABILITIES</b>		<u>1,707,317</u>
<b>NET ASSETS</b>		<u>4,560,797</u>
<b>EQUITY</b>		
Contributed capital	11	5,206,890
Accumulated deficit	12	(646,093)
<b>TOTAL EQUITY</b>		<u>4,560,797</u>

The accompanying notes form part of these financial statements.

## Statement of Cash Flows for the year ended 30 June 2003

	Notes	2003 \$
<b>Cash Flows from Operating Activities</b>		
<b>Receipts</b>		
User charges		2,238,882
Government contributions		21,803,900
Interest		486,749
GST input tax credits		<u>1,101,650</u>
		<u>25,631,181</u>
<b>Payments</b>		
Payments to Suppliers and Employees		24,565,671
GST remitted to the ATO		<u>205,254</u>
		<u>24,770,925</u>
<b>Net cash from operating activities</b>	13(a)	<u>860,256</u>
<b>Cash Flows from Investing Activities</b>		
Payments for property, plant & equipment		(124,131)
<b>Net cash from investing activities</b>		<u>(124,131)</u>
<b>Cash Flows from Financing Activities</b>		
Cash assumed from predecessor entities	13(b)	2,659,374
<b>Net cash from financing activities</b>		<u>2,659,374</u>
<b>Net movement in cash</b>		3,395,499
Cash at beginning of financial year		0
<b>Cash at end of financial year</b>	3	<u>3,395,499</u>

The accompanying notes form part of these financial statements.

## Notes to the Financial Report for the year ended 30 June 2003

### Note 1 Significant Accounting Policies

#### Queensland Studies Authority

The Queensland Studies Authority was established as a statutory body from 1 July 2002 under the *Education (Queensland Studies Authority) Act 2002*. The Authority encompasses the activities previously undertaken by the Queensland Schools Curriculum Council, Queensland Board of Senior Secondary Schools Studies and the Tertiary Entrance Procedures Authority. All assets and liabilities of these former bodies were transferred into the Authority on 1 July 2002.

#### (a) Basis of Accounting

##### General

These financial statements are a general purpose financial report and have been prepared in accordance with the *Financial Administration & Audit Act 1977*, *Financial Management Standard 1997*, applicable Australian Accounting Standards, Urgent Issues Group Abstracts and Statements of Accounting Concepts.

This financial report has been prepared on accrual and going concern basis.

The financial report has also been prepared under the historical cost convention except where specifically stated.

##### Classification between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid. The asset or liability is classified as current if it is expected to be turned over within the next twelve months, being the Authority's operational cycle.

#### (b) Revenue recognition

Revenue is recognised when goods or services are delivered.

##### Services acquired for no cost

The value of services received free of charge are recognised as revenue when received.

##### Assets received

When assets are provided to the Authority free of charge, the fair value of those assets is recognised as revenue when the assets are controlled.

##### Government contributions

Government grants and contributions are recognised as operating revenue on receipt or when an entitlement is established whichever is the sooner, and disclosed in the Statement of Financial Performance as *Government Contributions*. However, grants and contributions received from the Queensland State Government which were originally appropriated by the Parliament as additions to net assets or where the Treasurer or Minister for Education has indicated are in the nature of owners' contributions are accounted for as Equity - Contributed Capital.

##### Sale of assets

The profit or loss on sale of an asset is determined when control has passed to the buyer. In accounting for the sale of non-current assets, gross proceeds from the sales are included as other revenue and the written down value of the assets sold is disclosed as an operating expense.

## Notes to the Financial Report for the year ended 30 June 2003

### Note 1 Significant Accounting Policies

#### (c) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as a qualifying asset constructed by the Authority. The weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.

Borrowing costs include interest on bank overdrafts, interest on borrowings and finance lease charges.

#### (d) Recognition and measurement of property, plant and equipment

##### *Acquisition*

The purchase method of accounting is used for all acquisitions of assets, being the fair value of the assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition.

Actual cost is used for the initial recording of all acquisitions of assets controlled and administered by the authority.

Assets acquired at no cost or for nominal considerations are recognised at their fair value at the date of acquisition.

Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use, including architects' fees and engineering design fees.

Where assets are constructed by the Authority, the cost at which they are recorded includes an appropriate share of fixed and variable overheads and any associated borrowing cost.

Property, plant and equipment items with a cost or value in excess of \$5,000 and a useful life of more than one year are recognised as an asset. All other items of property, plant and equipment are expensed on acquisition.

##### *Repairs and maintenance*

Routine maintenance, repair costs and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated.

##### *Finance leases*

Leases of property, plant and equipment where substantially all the risks and benefits incidental to ownership of the asset are assumed by the Authority are classified as finance leases. Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense.

##### *Operating leases*

Lease payments for operating leases are recognised as an expense in the years in which they are incurred as this reflects the pattern of benefits derived by the Authority.

## Notes to the Financial Report for the year ended 30 June 2003

### Note 1 Significant Accounting Policies (Continued)

#### (d) Recognition and measurement of property, plant and equipment (continued)

##### *Leasehold improvements*

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter.

##### *Recoverable Amount*

The carrying amounts of non-current assets recorded at cost are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of the asset exceeds the recoverable amount, the asset is written down to the lower amount with the write-down expensed through the Statement of Financial Performance.

The recoverable amount of an asset is the net amount expected to be recovered through the net cash inflows arising from its continued use and subsequent disposal. Expected net cash flows are discounted to their present value in determining the recoverable amount of major asset groups using a suitable discount rate.

#### (e) Depreciation and amortisation of property, plant and equipment

Depreciation on Computer Hardware, Plant and equipment, and amortisation on Computer Software is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the Authority.

Work-in-progress is not depreciated until it reaches service delivery capacity.

Where assets have separately identifiable components, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Authority.

Major spares purchased specifically for particular assets are capitalised and depreciated on the same basis as the asset to which they relate.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to the Authority or the unexpired period of the lease, whichever is the shorter.

Leased plant and equipment are amortised on a straight line basis over the term of the lease, or, where it is likely that the Authority will obtain ownership of the asset, the expected useful life of the asset to the Authority.

All intangible assets with a cost or other value greater than \$50,000 are recognised in the financial statements, with items of a lesser value being expenses. Each intangible asset is amortised over its estimated useful life to the agency, less any anticipated residual value.

Major depreciation and amortisation periods used are listed below and are consistent with the prior year unless otherwise stated:

<i>Depreciation</i>	<i>Periods</i>
<i>Computer Equipment</i>	<i>5 years</i>
<i>Plant and Equipment</i>	<i>10 years</i>
<i>Amortisation</i>	
<i>Computer software</i>	<i>4 - 5 years</i>



## Notes to the Financial Report for the year ended 30 June 2003

### Note 1 Significant Accounting Policies (Continued)

#### (f) Cash assets

For the purposes of the Statement of Financial Position, cash assets include all cash and cheques received but not banked as well as deposits at call with financial institutions. It also includes liquid investments with short periods to maturity that are convertible readily to cash on hand at the Authority's option and that are subject to a low risk of changes in value. For the Statement of Cash Flows, cash also includes bank overdrafts, which are classified as interest bearing liabilities.

#### (g) Receivables

Trade debtors are recognised at the nominal amounts due to the time of sale or service delivery, with settlement being generally required within 14 days from the invoice date.

The collectability of receivables is assessed periodically with provision being made for doubtful debts.

Bad debts are written off in the period in which they are recognised.

Advances are recognised at their face values. Security is not normally obtained.

Other debtors generally arise from transactions outside the usual operating activities of the Authority and are recognised at their assessed values. Terms are a maximum of 3 months, no interest is charged and no security is obtained.

#### (h) Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost is assigned on a weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition.

Net realisable value is determined on the basis of the Authority's normal selling pattern.

#### (i) Other Financial Assets

Investments are measured at cost.

Interest and dividend revenues are recognised on an accrual basis.

#### (j) Payables

Payables are recognised for amounts payable in the future for goods and services received, whether or not billed to the Authority. Creditors are general unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

#### (k) Interest Bearing liabilities

Loans are unsecured and are carried at the face value of the principal outstanding. Interest is accrued over the period it becomes due and recognised as part of payables.

Finance leases are accounted for at their principle amount with the lease payments discounted to present value using the interest rates implicit in the leases.

## Notes to the Financial Report for the year ended 30 June 2003

### Note 1 Significant Accounting Policies (Continued)

#### (l) Provision for employee entitlements

##### *Annual leave*

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date, having regard to current rates of pay and on-costs. Annual leave entitlements are provided for at their nominal value.

##### *Long service leave*

Under the State Government's long service leave scheme a levy is made on the Authority to cover this expense. Amounts paid to employees for long service leave are claimed from the scheme as and when leave is taken.

No provision for long service leave is recognised in the financial statements, the liability being held on a whole-of-Government basis and reported in the financial report prepared pursuant to AAS 31 - *Financial Reporting by Governments*.

##### *Superannuation*

Employees of Queensland Studies Authority are members of QSuper. Contributions to employee superannuation plans are charged as expense as the contributions are paid or become payable.

For employees in QSuper, the Treasurer of Queensland, based on advice received from the State Actuary, determines employer contributions for superannuation expenses.

No liability is recognised for accruing superannuation benefits in these financial statements, the liability being held on a whole-of-Government basis and reported in the whole of Government financial report prepared pursuant to AAS 31 - *Financial Reporting by Governments*.

#### (m) Taxation

The activities of the Authority are exempt from Commonwealth taxation except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). As such, input tax credits receivable and GST payable from/to the Australian Taxation Office are recognised and accrued.

## Notes to the Financial Report for the year ended 30 June 2003

### Note 2 Statement of financial performance - disclosures

<b>(a) Revenue</b>	2003
	\$
<u>User charges</u>	
- Visa student fees	298,750
- Sale of publications, syllabuses, past papers	363,933
- Workshops	475,947
- Verification of Student Education Profiles	12,790
- Examinations	90,761
- Attainment certificate statements	41,515
- Certificates	26,176
- Other	138,638
	<u>1,448,510</u>
<u>Government contributions</u>	
- Operating	<u>21,803,900</u>
<b>(b) Employee expenses</b>	
Wages and salaries	13,229,430
Employee superannuation deductions	1,198,928
Long service leave	142,638
Other payroll costs	1,256,884
	<u>15,827,880</u>
The Authority had 220 full time equivalent employees at 30 June 2003	
<b>(c) Supplies and services</b>	
-Administration and finance	3,566,866
-Asset operating costs	1,225,903
-Consulting, contracting & bureau fees	2,919,245
-Property costs & maintenance	1,217,991
-Other	25,032
	<u>8,955,037</u>

## Notes to the Financial Report for the year ended 30 June 2003

### Note 2 Statement of financial performance - disclosures (continued)

#### (d) Net gains and expenses

The deficit from ordinary activities includes the following specific net gains and expenses

Net loss on disposal  
- Plant & equipment

2003  
\$

8,307

Depreciation  
- Computer Equipment  
- Plant & equipment

68,960  
105,410  
174,370

Amortisation  
- Computer software

53,026

Assets written off  
- Computer Equipment  
- Plant & equipment  
- Computer software

161,749  
242,157  
1,566  
405,472

Bad and doubtful debts

6,773

Rental expense - operating lease

969,330

Auditors' remuneration  
Queensland Audit Office -

24,030

### Note 3 Cash assets

Cash on hand 760  
Cash at bank 114,739  
Deposits at call 3,280,000  
3,395,499

### Note 4 Receivables

*Current*  
Trade debtors 135,633  
Less provision for doubtful debts (6,773)  
Other debtors 136,357  
265,217

### Note 5 Inventories

Publications 1,137,500  
Provision for Obsolescence (1,022,001)  
Total inventories 115,499

Following a review of the requirements of Accounting Standards AASB 1018 and AAS 2/AASB 1019, the Authority has recognised the value of Publications as inventories for the first time. The effect in the year ended 30 June 2003 was an increase in current assets of \$132,952 and an adjustment to contributed capital of \$132,952.

## Notes to the Financial Report for the year ended 30 June 2003

<b>Note 6</b>	<b>Other assets</b>	2003 \$
	<i>Current</i>	
	Prepayments	<u>57,426</u>
<b>Note 7</b>	<b>Plant and equipment</b>	
	<i>Computer equipment</i>	
	At cost	353,589
	Less accumulated depreciation	<u>(239,720)</u>
		113,869
	<i>Plant and equipment</i>	
	At cost	1,005,658
	Less accumulated depreciation	<u>(688,526)</u>
		317,132
	<i>Total</i>	<u>431,001</u>
	Equipment and motor vehicles are valued at cost.	

### Movements during the reporting period

	Opening WDV	Additions	Disposals	Depreciation	Closing WDV
<i>Computer equipment</i>	303,610	40,968	(161,749)	(68,960)	113,869
<i>Plant and equipment</i>	589,775	83,282	(250,515)	(105,410)	317,132
	<u>893,385</u>	<u>124,250</u>	<u>(412,264)</u>	<u>(174,370)</u>	<u>431,001</u>

### Note 8 Intangibles

Computer Software					
At cost and fair value					2,086,005
Less accumulated					
Amortisation					<u>(82,533)</u>
					2,003,472

### Movements during the reporting period

	Opening WDV	Additions	Disposals	Depreciation	Closing WDV
<i>Computer Software</i>	58,064	0	(1,566)	(16,040)	40,458
<i>Computer Software</i>					
- developed in house	0	2,000,000	0	(36,986)	1,963,014
	<u>58,064</u>	<u>2,000,000</u>	<u>(1,566)</u>	<u>(53,026)</u>	<u>2,003,472</u>

The fair value of in - house developed software, namely the Queensland Student Information System was recognised as a non - current asset during the period. In order to establish the fair value of the asset an exercise was performed by an independent valuer - CITEC, on 23 May 2003. The exercise estimated the redevelopment cost at between \$ 3.7 - 5.5 million. Based on the age of the software, management have brought \$2,000,000 to account as representing the fair value of the system with effect from 1 June 2003. Contributed capital has been adjusted by \$2,000,000. This amount will be written off over its remaining useful life of four and a half years.

## Notes to the Financial Report for the year ended 30 June 2003

		2003
<b>Note 9</b>	<b>Payables</b>	<b>\$</b>
	Trade creditors	579,900
	Other creditors	59,075
		<u>638,975</u>
<b>Note 10</b>	<b>Provisions</b>	
	<i>Current</i>	
	Employee entitlements	
	- Annual leave	<u>1,068,342</u>
<b>Note 11</b>	<b>Contributed capital</b>	
	Balance at the beginning of the reporting period	
	Cash	2,659,373
	Other Assets and Liabilities assumed	968,858
	Capital contributions - Inventory (note 5)	132,952
	Capital contributions - Intangible assets (note 8)	2,000,000
	Net transfer out of Annual Leave Provision	(159,622)
	Adjustment to Liabilities taken up	<u>(394,671)</u>
	Balance at the end of the reporting period	<u>5,206,890</u>
<b>Note 12</b>	<b>Accumulated deficit</b>	
	Balance at the beginning of the reporting period	0
	Net deficit	<u>(646,093)</u>
	Balance at the end of the reporting period	<u>(646,093)</u>
<b>Note 13</b>	<b>Statement of cash flows - disclosures</b>	
	<b>(a) Reconciliation of net cash from operating activities to net result for the period</b>	
	Net deficit for period	(646,093)
	Depreciation	174,370
	Amortisation	53,026
	Assets written off and movements in provisions	1,219,054
	Net loss on sale of non-current assets	8,307
	Change in operating assets and liabilities	
	Decrease in receivables and inventory	172,209
	Increase in payables	463,472
	Decrease in provisions	<u>(584,089)</u>
	Net cash from operating activities	<u>860,256</u>

## Notes to the Financial Report for the year ended 30 June 2003

**Note 13** **Statement of cash flows - disclosures (continued)** 2003  
\$

**(b) Assets and liabilities introduced  
by owners**

On formation of the authority on 1 July 2002, the following assets and liabilities were introduced by the owners:

Non Current Assets	951,569
Accounts Receivable	510,262
Current liabilities and provisions	<u>(492,973)</u>
Net assets introduced by owners excluding cash balances	968,858
Cash Balances	<u>2,659,373</u>
Equity introduced by owners	<u>3,628,231</u>

**Note 14** **Financial Instruments**

**(a) Interest rate risk**

The exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at balance date, are as follows:

Financial assets	Floating interest rate	Fixed interest rate maturing in			Non interest bearing	Total carrying amount as per Statement of Financial Position	Weighted average interest rates
		One year or less	One to 5 years	Over 5 years			
		2003	2003	2003			
	\$	\$	\$	\$	\$	\$	
<i>Financial assets</i>							
Cash assets	114,739	3,280,000			760	3,395,499	
Receivables					265,217	265,217	
Other financial assets							
<b>Total financial assets</b>	<b>114,739</b>	<b>3,280,000</b>			<b>265,217</b>	<b>3,660,716</b>	
<i>Financial liabilities</i>							
Payables					638,975	638,975	
Interest-bearing liabilities							
<b>Total financial liabilities</b>					<b>638,975</b>	<b>638,975</b>	

**(b) Net fair values**

The aggregate net fair values of financial assets and financial liabilities, at balance date, are as shown in the Statement of Financial Position.

**(c) Credit Risk**

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Statement of Financial Position. There are no concentrations of credit risk.

**Note 15** **Segment Information**

The Queensland Studies Authority's business is predominantly to provide syllabus development, and assessment services for Queensland students.

## Notes to the Financial Report for the year ended 30 June 2003

<b>Note 16</b>	<b>Commitments</b>	2003 \$
	<b>Operating commitments</b>	
	<b>Lease commitments</b>	
	At 30 June the Authority had the following operating lease commitments inclusive of GST: <i>Operating leases for property, office equipment and motor vehicles.</i>	
	Outstanding lease commitments are due for payment as follows:	
	* within one year	1,145,994
	* one to five years	5,798,137
	* over five years	<u>1,271,056</u>
		<u>8,215,187</u>

**Note 17**     **Contingent liabilities**

There were no known contingent assets or liabilities of a significant nature as at 30 June 2003.

**Note 18**     **Superannuation**

The Authority contributes in respect of its employees to the following superannuation scheme:  
QSuper

Contribution details are shown in the following table:

Type of Scheme	Contribution Rate %	2003 \$
Defined Benefit	12.75	727,882
Accumulation Account	9 - 12.75	<u>471,046</u>
<b>Total contributions to all schemes</b>		<u>1,198,928</u>

The disclosure requirements for defined benefit schemes, detailed in AASB 1028 have not been provided as the liability is held and reported on a whole-of-government basis.



## Notes to the Financial Report for the year ended 30 June 2003

### Note 19 Remuneration of Board Members

Remuneration received, or due and receivable by Board Members from the Authority in connection with the management of the Authority.

The number of responsible persons whose remuneration from the Authority was within the following specified bands were:

			2003
			No.
			\$
0	-	5,000	10
5,001	-	10,000	1

The Authority's Board comprises the following members:

Professor R.Lingard (Chairperson)  
Dr B.J.Amison  
B.Beekhuizen  
S.Darby  
Professor J.Herbert  
L.Jeffcoat  
Z.Johnston  
D.C.Kiddell  
J.A.McCullough  
Professor J.Mienczakowski  
R.Morely  
L.Perry  
W.Read  
P.Reust  
C.R.Seymour  
Professor R.Slee  
D.E.Strange  
W.D.Thomasson  
C.Webb

## CERTIFICATE OF QUEENSLAND STUDIES AUTHORITY

This general purpose report has been prepared pursuant to section 46F(1) of the Financial Administration and Audit Act 1977 (the Act), and other prescribed requirements. In accordance with Section 40F(3) 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 Queensland Studies Authority for the financial year ended 30 June 2003 and of the financial position of the Authority at the end of that year.



P. Luxton  
Director

19 August 2003



Professor R. Lingard  
Chairperson

19 August 2003

## INDEPENDENT AUDIT REPORT

### To the Queensland Studies Authority

#### Scope

##### *The financial statements*

The financial statements of Queensland Studies Authority consist of the statement of financial performance, statement of financial position, statement of cash flows, notes to and forming part of the financial statements and certificates given by the Chairperson and Director of Queensland Studies Authority, for the year ended 30 June 2003.

##### *The Authority's responsibility*

The Authority is responsible for the preparation and true and fair presentation of the financial statements, the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

##### *Audit approach*

As required by law, an independent audit was conducted in accordance with QAO Auditing Standards to enable me to provide an independent opinion whether in all material respects the financial statements present fairly, in accordance with the prescribed requirements, including any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland.

##### *Audit procedures included -*

- examining information on a test/sample basis to provide evidence supporting the amounts and disclosures in the financial statements,
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Authority,
- obtaining written confirmation regarding the material representations made in conjunction with the audit, and
- reviewing the overall presentation of information in the financial statements.

#### Independence

The *Financial Administration and Audit Act 1977* promotes the independence of the Auditor-General and QAO authorised auditors.

The Auditor-General is the auditor of all public sector entities and can only be removed 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 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.

#### Audit Opinion

In accordance with section 46G of the *Financial Administration and Audit Act 1977* -

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
  - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the statements have been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Queensland Studies Authority for the financial year 1 July 2002 to 30 June 2003 and of the financial position as at the end of that year.

O C CLARE, FCPA  
Director of Audit  
as Delegate of the Auditor-General of Queensland



Queensland Audit Office  
Brisbane