



Adjunct Professor Annette Solman  
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Our ref: D1535505/1610

21 September 2015

Dear Adjunct Professor Solman

## **STATUTORY AUDIT REPORT**

**for the year ended 30 June 2015**

**Health Education and Training Institute**

I have audited the financial statements of Health Education and Training Institute (the Institute) as required by the *Public Finance and Audit Act 1983* (PF&A Act). This Statutory Audit Report outlines the results of my audit for the year ended 30 June 2015, and details matters I found during my audit that are relevant to you in your role as one of those charged with the governance of the Institute. The PF&A Act requires that I send this report to the Institute, the Minister and the Treasurer.

This report is not the Independent Auditor's Report, which expresses my opinion on the Institute's financial statements. I enclose the Independent Auditor's Report, together with Institute's financial statements.

My audit is designed to obtain reasonable assurance the financial statements are free from material misstatement. It is not designed to identify and report all matters you may find of governance interest. Therefore, other governance matters may exist, which have not been reported to you.

My audit is continuous. If I identify further significant matters, I will report these to you immediately.

### **Audit Result**

I expressed an unmodified opinion on the Institute's financial statements and I have not identified any significant matters since my previous Statutory Audit Report.

The Independent Auditor's Report for the Institute includes an emphasis of matter paragraph drawing user's attention to the basis of presenting adjusted budget information detailed in Note 2(u) to the financial statements. An emphasis of matter does not constitute a modification to the opinion in the Independent Auditor's Report.

## **Governance Matters**

### **Misstatements in the Financial Statements**

I have certain obligations for reporting misstatements:

- the PF&A Act requires agencies to obtain the Auditor-General's approval for all changes to the financial statements originally submitted for audit. The more significant/material changes will be reported in the Statutory Audit Report
- the Auditing Standards require me to bring matters of governance interest and significant misstatements identified during the audit to the attention of those charged with governance
- where misstatements resulted from, or were not detected because of failures in internal controls and/or systemic deficiencies which pose a significant risk to Institute, I will report these in accordance with my statutory obligations.

The Appendix explains the nature and impact of the misstatements in the Institute's financial statements.

- Table One reports significant corrected misstatements individually.
- Table Two reports significant uncorrected misstatements individually.

### **Compliance with Legislative Requirements**

My audit procedures are targeted specifically towards forming an opinion on the Institute's financial statements. This includes testing whether the Institute has complied with legislative requirements that may materially impact on the financial statements. The results of the audit are reported in this context. My testing did not identify any reportable instances of non-compliance with legislative requirements.

### **Quality and Timeliness of Financial Reporting**

Treasury Circular TC 15/02 'Mandatory Early Close Procedures for 2014-15' required the Ministry of Health to prepare certain aspects of the financial statements before year-end and provide the outcomes to the audit team. Treasury Circular TC 15/11 'Agency guidelines for the 2014-15 Mandatory Annual Returns to Treasury' required the Ministry of Health to submit its year end information to Treasury and its financial statements to the Audit Office on 27 July 2015. The Institute was required to submit its financial statements by 20 July 2015 to the audit team in line with instructions issued by the Ministry of Health.

The Institute completed the early close procedures set out in TC 15/02 and supplied the outcomes to the audit team within the specified timeframe. The Institute also submitted financial information to the Ministry of Health and the financial statements and supporting working papers to the audit team by the due dates.

### **Auditor-General's Report to Parliament**

Volume Ten of the 2015 Auditor-General's Report to Parliament will incorporate the results of the audit.

## Acknowledgment

I thank the Institute's staff for their courtesy and assistance.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Weini Liao', with a stylized flourish at the end.

Weini Liao  
Director, Financial Audit Services

## APPENDIX

### Table One: Corrected Monetary Misstatements and Disclosure Deficiencies

#### Corrected Monetary Misstatements

The financial statements did not contain any significant monetary misstatements.

#### Corrected Disclosure Deficiencies

Some minor disclosure deficiencies were corrected based on our recommendations.

### Table Two: Uncorrected Monetary Misstatements and Disclosure Deficiencies

#### Uncorrected Monetary Misstatements

The following uncorrected monetary misstatements were reported to management. I have received written representations from Mr Yun Tang on 21 September 2015 confirming management's belief the effect of not correcting these misstatements is immaterial, individually and in aggregate, to the financial statements taken as a whole. I agree with management's determination and do not consider the uncorrected misstatements significant enough to modify my opinion in the Independent Auditor's Report.

Description	Assets	Liabilities	Retained earnings/Equity	Comprehensive income
Effect of potential correction	Increase/ (Decrease) \$'000	(Increase)/ Decrease \$'000	(Increase)/ Decrease \$'000	(Increase)/ Decrease \$'000
<b>Factual misstatements</b>				
Overstatement of operating expenditures due to cut-off errors	71	--	19	(90)
<b>Total impact if misstatements were corrected</b>	<b>71</b>	<b>--</b>	<b>19</b>	<b>(90)</b>

#### Uncorrected Disclosure Deficiencies

I did not detect any disclosure deficiencies that remain uncorrected in the financial statements.





## INDEPENDENT AUDITOR'S REPORT

### Health Education and Training Institute

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Health Education and Training Institute (the Institute), which comprise the statement of financial position as at 30 June 2015, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and service group statements for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Institute and the consolidated entity. The consolidated entity comprises the Institute and the entities it controlled at the year's end or from time to time during the financial year.

### Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Institute and the consolidated entity as at 30 June 2015, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

### Emphasis of Matter

Without modification to the opinion expressed above, I draw attention to the basis of presenting adjusted budget information detailed in Note 2(u). The note states that AASB 1055 'Budgetary Reporting' is not applicable to the Institute. It also states that, unlike the requirement in AASB 1055 'Budgetary Reporting' to present original budget information, the Institute's financial statements present adjusted budget information.

### Chief Executive's Responsibility for the Financial Statements

The Chief Executive is responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Chief Executive determines is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institute's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

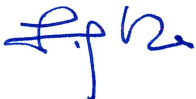
My opinion does *not* provide assurance:

- about the future viability of the Institute or the consolidated entity
- that they carried out their activities effectively, efficiently and economically
- about the effectiveness of the internal control
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

## Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and relevant ethical pronouncements. The PF&A Act further promotes independence by:

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



Weini Liao  
Director, Financial Audit Services

21 September 2015  
SYDNEY