



GPO BOX 11
Sydney NSW 2001

INDEPENDENT AUDIT REPORT

Board Of Surveying And Spatial Information

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Board of Surveying and Spatial Information:

- (a) presents fairly the Board's financial position as at 30 June 2005 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with section 41B of the *Public Finance and Audit Act 1983* (the Act).

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

The Board's Role

The financial report is the responsibility of the members of the Board of the Board of Surveying and Spatial Information. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows and the accompanying notes.

The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Board in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does not guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that Board had not fulfilled their reporting obligations.

My opinion does *not* provide assurance:

- about the future viability of the Board
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- 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 are not compromised in their role by the possibility of losing clients or income.



S R Stanton CPA
Director, Financial Audit Services

SYDNEY
24 October 2005

Statement by Members of the Board

Pursuant to Section 41C (1B) of the Public Finance and Audit Act 1983, and in accordance with a resolution of the members of the Board of Surveying and Spatial Information, we declare on behalf of the Board that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position and transactions for the year ended 30 June, 2005 of the Board of Surveying and Spatial Information.
2. The accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, and the Public Finance and Audit Regulation 2005 and with the Treasurer's Directions as they relate to the preparation of those accounts.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Signed: 

W. Watkins
President and Surveyor-General

Date: *20/10/05*

Signed: 

P. Harcombe

Date: *20/10/05*

DEPARTMENT OF LANDS
BOARD OF SURVEYING AND SPATIAL INFORMATION
STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30 June 2005

	Notes	2005 \$	2004 \$
INCOME FROM ORDINARY ACTIVITIES			
Annual Registration		367,033	371,300
Investment income		37,535	26,462
Fees for Spatial Information activities		-	55,000
Other income		74,914	69,198
TOTAL INCOME FROM ORDINARY ACTIVITIES	2	479,482	521,960
EXPENSES FROM ORDINARY ACTIVITIES			
Depreciation		11,909	8,691
Other expenses		495,728	439,739
TOTAL EXPENSES FROM ORDINARY ACTIVITIES	4	507,637	448,430
(LOSS)/PROFIT FROM ORDINARY ACTIVITIES		(28,155)	73,530
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS			
		(28,155)	73,530

The accompanying notes form part of these financial statements.

DEPARTMENT OF LANDS
BOARD OF SURVEYING AND SPATIAL INFORMATION
STATEMENT OF FINANCIAL POSITION

As at 30 June 2005

	Notes	2005 \$	2004 \$
ASSETS			
Current Assets			
Cash	8(a)	538,825	629,725
Receivables	5	35,765	35,091
Total Current Assets		574,590	664,816
Non-Current Assets			
Property, plant and equipment	7	42,224	29,979
Total Non-Current Assets		42,224	29,979
TOTAL ASSETS		616,814	694,795
LIABILITIES			
Current Liabilities			
Payables	6	46,948	96,774
Total Current Liabilities		46,948	96,774
TOTAL LIABILITIES		46,948	96,774
NET ASSETS		569,866	598,021
EQUITY			
Retained Profits	12	569,866	598,021
TOTAL EQUITY		569,866	598,021

The accompanying notes from part of these financial statements.

DEPARTMENT OF LANDS
BOARD OF SURVEYING AND SPATIAL INFORMATION
STATEMENT OF CASH FLOWS
For the year ended 30 June 2005

	Notes	2005 \$	2004 \$
Cash flows from Operating Activities			
Receipts			
Receipts from operations		447,572	759,066
Interest received		35,895	9,803
GST refund		45,294	29,813
Total Receipts		<u>528,761</u>	<u>798,682</u>
Payments			
Payments to suppliers		(595,314)	(400,921)
Total Payments		<u>(595,314)</u>	<u>(400,921)</u>
Net cash flows from Operating Activities	8(b)	<u>(66,553)</u>	<u>397,761</u>
Cash flows from Investing Activities			
Purchases of fixed assets		(24,347)	(20,439)
Net cash flows from Investing Activities		<u>(24,347)</u>	<u>(20,439)</u>
Net (decrease)/ increase in cash		(90,900)	377,322
Opening cash balance		629,725	252,403
Closing cash balance	8(a)	<u><u>538,825</u></u>	<u><u>629,725</u></u>

The accompanying notes form part of these statements

DEPARTMENT OF LANDS
BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes accompanying and forming part of the Financial Statements

For the year ended 30 June 2005

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Reporting Entity

The Board of Surveying and Spatial Information is constituted under the Surveying Act 2002 to provide for the registration of Land and Mining surveyors, to regulate the making of surveys and to advise the Government on Spatial Information.

b) Basis of Accounting

The Board's financial statements are a general purpose financial report, which has been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Urgent Issues Group (UIG) Consensus Views and the requirements of the Public Finance and Audit Act 1983 and Regulation 2005 and Treasurer's Directions.

In the absence of a specific Accounting standard, other authoritative pronouncement of the AASB or UIG Consensus View, the hierarchy of other pronouncements as outlined in AAS6 "Accounting Policies" is considered.

The financial statements have been prepared in accordance with the historical cost convention.

All amounts are rounded to the nearest dollar, unless otherwise stated, and are expressed in Australian currency. The accounting policies adopted are consistent with those of the previous period.

c) Revenue Recognition

Revenue is recognised when invoices are issued. These invoices in the main relate to surveyors' annual registration fees.

Grants and Contributions are recognised when received.

d) Employee Benefits

Salaries and Wages, Annual Leave, Sick Leave and On-Costs:

Lands Employee Services (note 4) represents the cost of employees from the Department of Lands providing administrative assistance to the Board. The Department of Lands is responsible for all superannuation and leave entitlements of its employees.

Accordingly the Board has no liability for employee entitlements.

DEPARTMENT OF LANDS
BOARD OF SURVEYING AND SPATIAL INFORMATION
Notes accompanying and forming part of the Financial Statements
For the year ended 30 June 2005

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Insurance

The Board's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government agencies. The expense (premium) is determined by the Fund manager based on past experience.

f) Accounting for Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where:

- the amount of GST incurred by the Board as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of an asset or as part of an item of expense.
- receivables and payables are stated with the amount of GST included.

g) Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisition of assets controlled by the Board. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenue at their fair value at the date of acquisition.

Fair value means the amount for which an asset could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction.

h) Plant and Equipment

Plant and equipment costing \$5,000 and above is capitalised. Individual items of computer equipment costing \$1,000 and above are capitalised when they form part of a network.

Depreciation is provided for on a straight line basis against all depreciable assets so as to write off the depreciable amount of each depreciable asset as it is consumed over its useful life to the Board.

Depreciation Rates:

Plant and Equipment	20%
Furniture and fittings	10%
EDP Equipment	25%

**DEPARTMENT OF LANDS
BOARD OF SURVEYING AND SPATIAL INFORMATION**

Notes accompanying and forming part of the Financial Statements

For the year ended 30 June 2005

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Receivables

Receivables are recognised and carried at the original amount less provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

j) Payables

Liabilities are recognised for amounts due to be paid in the future for goods and services received, whether or not invoiced. Amounts owing to suppliers (which are secured) are settled in accordance with the policy set out in Treasurers Direction 219.01. If terms are not specified, payment is made no later than the end of the month following the month in which an invoice or statement is received. Treasurers Direction 219.01 allows the Minister to award interest for late payment. No interest was applied during the year.

k) Accrued Expenses

Accruals are recognised for amounts due to be paid in the future for goods and services received whether or not invoiced. Amounts owing to suppliers (which are unsecured) are generally settled within 30 days.

l) Investment Income

Interest revenue is recognised as it accrues.

2) REVENUE

In accordance with the Surveying Act 2002 registration and other fees collected by the former Board of Surveyors were remitted to the Consolidated Fund.

The former Board received a grant from the Department of Lands to meet its operating expenditure. Under agreed arrangements NSW Treasury returned the excess of the registration and other fees over the grant received from Lands.

DEPARTMENT OF LANDS
BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes accompanying and forming part of the Financial Statements

For the year ended 30 June 2005

2) REVENUE (continued)

	2005	2004
	\$	\$
	<hr/>	<hr/>
Annual Registration fees	367,033	371,300
Application for Registration	1,260	2,940
Candidate Workshop Fees	20,290	13,300
Certificate of Registration	(60)	360
Enrolment as Candidate	15,736	12,108
Examination Fees	21,725	17,700
Letters of Accreditation	300	360
Investment income	37,535	26,462
Fees for Spatial Information activities	-	55,000
Professional Training Agreement Fees	4,263	6,800
Restoration to Register	11,400	15,630
Total income from ordinary activities	<hr/> 479,482 <hr/>	<hr/> 521,960 <hr/>

3) BOARD MEMBERS' FEES

Board members' fees payable for 2004-2005 amounted to \$24,720 (2003-2004 - \$24,720). In addition Board members received \$10,790 (2003-04 - \$13,130) for acting as examiners and other Board related activities (included under other service fees) and were refunded travelling and accommodation expenses incurred in connection with the Board's operations (included under travelling and subsistence).

**DEPARTMENT OF LANDS
BOARD OF SURVEYING AND SPATIAL INFORMATION**

Notes accompanying and forming part of the Financial Statements

For the year ended 30 June 2005

4) EXPENSES FROM ORDINARY ACTIVITIES

	2005	2004
	\$	\$
	<hr/>	<hr/>
Depreciation	11,909	8,691
Other Expenses		
Audit	9,023	4,750
Board Member Fees	24,720	24,720
Continuing Professional Development Assessment	570	1,160
Lands Administration Fee	28,915	30,145
Lands Employee Services	161,289	182,375
Lands rent	14,420	15,176
Examination Related Expenses	64,554	47,902
Maintenance	4,773	1,330
Other Service Fees	144,271	73,366
Postage Telephone and Courier	5,714	5,860
Stores and Stationery	7,086	6,416
Travel and Subsistence	30,220	46,539
Loss on disposal of fixed asset	193	-
	<hr/>	<hr/>
	495,728	439,739
Total expenses from ordinary activities	<hr/>	<hr/>
	507,637	448,430
	<hr/>	<hr/>

**DEPARTMENT OF LANDS
BOARD OF SURVEYING AND SPATIAL INFORMATION**

Notes accompanying and forming part of the Financial Statements

For the year ended 30 June 2005

5) RECEIVABLES

	2005	2004
	\$	\$
	<u> </u>	<u> </u>
Trade debtors	2,987	1,017
Interest receivable	18,299	16,659
GST	14,479	17,415
	<u>35,765</u>	<u>35,091</u>

6) PAYABLES

Accrued administration expenses	46,948	71,000
Prepaid registration fees	-	25,774
	<u>46,948</u>	<u>96,774</u>

7) NON CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	Plant	Computer	Total
	\$	\$	\$
At fair value	33,203	37,124	70,327
Less: Accumulated depreciation	(14,252)	(13,851)	(28,103)
Total property, plant and equipment at net book value	<u>18,951</u>	<u>23,273</u>	<u>42,224</u>

DEPARTMENT OF LANDS
BOARD OF SURVEYING AND SPATIAL INFORMATION
Notes accompanying and forming part of the Financial Statements
For the year ended 30 June 2005

7) NON CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the financial year are set out below:

	Building Improvements \$	Plant \$	Computer \$	Total \$
2005				
Carrying amount at 1 July 2004	548	8,884	20,547	29,979
Addition	-	14,742	9,605	24,347
Disposal	(193)	-	-	(193)
Depreciation expense	(355)	(4,675)	(6,879)	(11,909)
Carrying amount at 30 June 2005	-	18,951	23,273	42,224

8) NOTES TO THE STATEMENT OF CASH FLOWS

- a) For the purposes of the Statement of Cash Flows cash consists of cash at bank. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2005 \$	2004 \$
Cash at bank	538,825	629,725
Cash at the end of financial period	538,825	629,725

b) RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO PROFIT FROM ORDINARY ACTIVITIES:

Net profit	(28,155)	73,530
Adjustment for non – cash items:		
Depreciation	11,909	8,691
Loss on disposal of fixed asset	193	-
Changes in Assets & Liabilities		
(Increase)/decrease in Receivables	(674)	240,195
(Decrease)/increase in Payables	(49,826)	75,345
	(66,553)	397,761

**DEPARTMENT OF LANDS
BOARD OF SURVEYING AND SPATIAL INFORMATION**

Notes accompanying and forming part of the Financial Statements

For the year ended 30 June 2005

9) CAPITAL COMMITMENTS

At 30 June 2005 there were no capital commitments. (2004 - NIL)

10) CONTINGENT LIABILITIES

At 30 June 2005 there were no contingent liabilities. (2004 - NIL)

11) ASSISTANCE FROM OTHER AGENCIES

The Board did not receive any material assistance free of charge.

12) CHANGES IN EQUITY

	2005	2004
	\$	\$
	<hr/>	<hr/>
Opening balance at the beginning of financial year	598,021	524,491
(Loss)/Profit for the year	(28,155)	73,530
Closing balance at the end of financial year	<hr/> 569,866 <hr/>	<hr/> 598,021 <hr/>

13) FINANCIAL INSTRUMENTS

Financial instruments give rise to positions that are a financial asset of either the Board or its counterparty and a financial liability (or equity instrument) of the other party. For the Board these include cash at bank, receivables, and creditors. These are recorded at 'cost' being the contractual amount owing or owed. All financial instrument cash flows are recognised on an accruals basis.

In accordance with AAS 33 "Presentation and Disclosure of Financial Instruments" information is disclosed here in respect of the interest rate risk and credit risk of financial instruments. Such amounts are carried in the accounts at net fair value unless otherwise stated. Financial instruments applicable to this Board consist of cash at bank, receivables and creditors.

DEPARTMENT OF LANDS
BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes accompanying and forming part of the Financial Statements

For the year ended 30 June 2005

(a) Interest Rate Risk

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturities			Non Interest Bearing	Total Carrying Amount As per the Statement of Financial Position \$000
			1 year Or less	1 to 5 years	More than 5 years		
	%	\$000	\$000	\$000	\$000	\$000	\$000
30 June 2005							
Financial Assets							
Cash	4.33	539	-	-	-	-	539
Receivables			-	-	-	36	36
Total Financial Assets		539	-	-	-	36	575
30 June 2004							
Cash	4.18	630	-	-	-	-	630
Receivables			-	-	-	35	35
Total Financial Assets		630	-	-	-	35	665
30 June 2005							
Financial Liabilities							
Payables			-	-	-	47	47
Total Financial Liabilities			-	-	-	47	47
30 June 2004							
Payables			-	-	-	97	97
Total Financial Liabilities			-	-	-	97	97

(b) Credit Risk

Credit risk is the risk of financial loss arising from another party to a contract / or financial position failing to discharge a financial obligation thereunder. The Board's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the balance sheet.

(c) Net Fair Value

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value.

**DEPARTMENT OF LANDS
BOARD OF SURVEYING AND SPATIAL INFORMATION**

Notes accompanying and forming part of the Financial Statements

For the year ended 30 June 2005

14) IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Board of Surveying and Spatial Information (BOSSI) will apply the Australian equivalents to International Financial Reporting Standards (AEIFRS) from 2005-06.

The BOSSI's AEIFRS implementations are managed by the Department of Lands and the following strategy is being implemented by the Department to manage the transition to AEIFRS:

- Forming AEIFRS steering committee
- Send steering committee members to attend AEIFRS seminars
- Engaging accounting professionals to provide expert advice
- AEIFRS Business Impact Analysis
- Revised 1 July 2004 opening balance
- Changes to systems, processes and policies
- Train staff
- Implementation

To date, the Department has sent the financial steering committee members to attend seminars on AEIFRS implementation issues and AEIFRS annual reports presentation and disclosures sponsored by the NSW Treasury and the CPA Australia. The AEIFRS business impact analysis and the revised opening balance in compliance with AEIFRS have also been completed.

The Department has determined the key areas where changes in accounting policies are likely to impact the financial report. Some of these impacts arise because AEIFRS requirements are different from existing AASB requirements (AGAAP). Other impacts are likely to arise from options in AEIFRS.

To ensure consistency at the whole of government level, NSW Treasury has advised agencies of options it is likely to mandate for the NSW Public Sector. The impacts disclosed below reflect Treasury's likely mandates (referred to as "indicative mandates").

The Department did not identify any financial impacts of AEIFRS on the BOSSI as at the date of preparing the 30 June 2005 financial report.

The Department has referred to AASB 136 – Impairment of Assets, the draft HOTARAC (Head of Treasuries Accounting and Reporting Advisory Committee) policy for the definition of a 'not-for-profit entity' and has considered the following factors in determining the status of a 'not-for-profit' entity for BOSSI:

- Statements by owners about objectives of the entity
- Governance framework-extent that private sector type frameworks apply
- Purpose, nature and extent of funding from owners
- Targeted financial performance of the entity, agreed between owners and board/management
- Classification under Government Finance Statistics (GFS)
- Comparison with Treasury's previous approach

**DEPARTMENT OF LANDS
BOARD OF SURVEYING AND SPATIAL INFORMATION**

Notes accompanying and forming part of the Financial Statements

For the year ended 30 June 2005

14) IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (*continued*)

BOSSI does not anticipate any material impacts on its reported equity, profit/loss or its cash flows. The actual effects of the transition may differ because of pending changes to the AEIFRS, including the IIG Interpretations and/or emerging accepted practice in their interpretation and application. BOSSI's accounting policies may also be affected by a proposed standard to harmonise accounting standards with Government Finance Statistics (GFS). However, the impact is uncertain because it depends on when this standard is finalised and whether it can be adopted in 2005-06.

END OF AUDITED FINANCIAL STATEMENTS