

# Appendix 3: Australian National Preventive Health Agency Financial Statements



Essential functions of the Australian National Preventive Health Agency (ANPHA) transferred to the Department of Health from 1 July 2014.

The Secretary of the Department of Health, pursuant to subsection 17A(3) of the Public Governance, Performance and Accountability Rule 2014, is responsible for producing the financial statements for ANPHA, as would have been required by the accountable authority under the *Public Governance, Performance and Accountability Act 2013*.

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# Australian National Preventive Health Agency

Independent Auditor's Report



## INDEPENDENT AUDITOR'S REPORT

To the Minister for Health

### Opinion

In my opinion, the financial statements of the Australian National Preventive Health Agency for the year ended 30 June 2017:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Australian National Preventive Health Agency as at 30 June 2017 and its financial performance and cash flows for the year then ended.

The financial statements of the Australian National Preventive Health Agency, which I have audited, comprise the following statements as at 30 June 2017 and for the year then ended:

- Statement by the Secretary and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Overview comprising significant accounting policies; and
- Notes to and forming part of the financial statements and other explanatory information.

### Basis for Opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Australian National Preventive Health Agency in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* to the extent that they are not in conflict with the *Auditor-General Act 1997* (the Code). I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Accountable Authority's Responsibility for the Financial Statements

As the Accountable Authority of the Australian National Preventive Health Agency the Secretary is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under that Act. The Secretary is also responsible for such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary is responsible for assessing the Australian National Preventive Health Agency's ability to continue as a going concern, taking into account whether the Australian National Preventive Health Agency's operations will cease as a result of an administrative restructure or for any other reason. The Secretary is also responsible for disclosing matters related to going

# Australian National Preventive Health Agency

## Independent Auditor's Report

concern as applicable and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

### Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office 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 the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, 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 my 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 Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Muhammad Qureshi  
Acting Executive Director  
Delegate of the Auditor-General

Canberra  
31 August 2017

## Australian National Preventive Health Agency

Statement by the Secretary and Chief Financial Officer

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The Secretary of the Department of Health pursuant to Section 31 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and subsection 17A(3) of the Public Governance, Performance and Accountability Rule 2014 is the accountable authority responsible to prepare the financial statements of the Australian National Preventive Health Agency for the period ended 30 June 2017.

In our opinion the attached financial statements for the period 1 July 2016 to 30 June 2017:

- a) comply with subsection 42(2) of the PGPA Act;
- b) have been prepared based on properly maintained financial records as per subsection 41(2) of the PGPA Act; and
- c) when this statement was made, there are reasonable grounds to believe that the Australian National Preventive Health Agency will be able to pay its debts as and when they fall due.

Signed.....  


Martin Bowles PSM  
Secretary  
Department of Health

31 August 17

Signed.....  


Craig Boyd  
Chief Financial Officer  
Department of Health

31 August 17

## Australian National Preventive Health Agency

Statement of comprehensive income  
for the period ended 30 June 2017

	Notes	2017 \$	2016 \$
<b>NET COST OF SERVICES</b>			
<b>EXPENSES</b>			
Employee benefits		-	-
Supplier		15,652	20,105
Impairment of other Commonwealth entity travel debts		-	18,007
<b>Total expenses</b>		<u>15,652</u>	<u>38,112</u>
<b>OWN-SOURCE INCOME</b>			
<b>Gains</b>			
Other Gains - FBT refund		-	14,714
<b>Total own-source revenue</b>		<u>-</u>	<u>14,714</u>
<b>Other revenue</b>			
Resources received free of charge		14,954	19,132
<b>Total other revenue</b>		<u>14,954</u>	<u>19,132</u>
<b>Total own-source income</b>		<u>14,954</u>	<u>33,846</u>
<b>Net (cost of) services</b>		<u>(698)</u>	<u>(4,266)</u>
<b>Surplus (Deficit)</b>		<u>(698)</u>	<u>(4,266)</u>
<b>Surplus (Deficit) attributable to the Australian Government</b>	1.3	<u>(698)</u>	<u>(4,266)</u>

The above statement should be read in conjunction with the accompanying notes.

## Australian National Preventive Health Agency

Statement of financial position  
as at 30 June 2017

	Notes	2017 \$	2016 \$
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	1.3	-	17,626
Departmental appropriation receivable		<b>1,364,169</b>	1,347,241
<b>Total financial assets</b>		<b>1,364,169</b>	1,364,867
<b>Total assets</b>		<b>1,364,169</b>	1,364,867
<b>LIABILITIES</b>			
<b>Total liabilities</b>		-	-
<b>Net assets</b>		<b>1,364,169</b>	1,364,867
<b>EQUITY</b>			
Accumulated surplus		<b>1,364,169</b>	1,364,867
<b>Total equity</b>		<b>1,364,169</b>	1,364,867

The above statement should be read in conjunction with the accompanying notes.

## Australian National Preventive Health Agency

Statement of changes in equity  
for the period ended 30 June 2017

	Retained earnings		Total equity	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Opening balance</b>				
Balance carried forward from previous period	<b>1,364,867</b>	1,369,133	<b>1,364,867</b>	1,369,133
<b>Opening balance</b>	<b>1,364,867</b>	1,369,133	<b>1,364,867</b>	1,369,133
<b>Comprehensive income</b>				
Deficit for the period	<b>(698)</b>	(4,266)	<b>(698)</b>	(4,266)
<b>Total comprehensive income</b>	<b>1,364,169</b>	1,364,867	<b>1,364,169</b>	1,364,867
<b>Closing balance as at 30 June</b>	<b>1,364,169</b>	1,364,867	<b>1,364,169</b>	1,364,867

The above statement should be read in conjunction with the accompanying notes.

## Australian National Preventive Health Agency

Cash flow statement

for the period ended 30 June 2017

	Notes	2017 \$	2016 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Net GST received		-	1,656
FBT Refund		-	14,714
<b>Total cash received</b>		<u>-</u>	<u>16,370</u>
<b>Cash used</b>			
Suppliers		<u>(698)</u>	<u>(973)</u>
<b>Total cash used</b>		<u>(698)</u>	<u>(973)</u>
<b>Net cash from operating activities</b>	1.3	<u>(698)</u>	<u>15,397</u>
<b>FINANCING ACTIVITIES</b>			
<b>Cash used</b>			
Cash returned to the Official Public Account		<u>(16,928)</u>	<u>-</u>
<b>Total cash used</b>		<u>(16,928)</u>	<u>-</u>
<b>Net cash from financing activities</b>		<u>(16,928)</u>	<u>-</u>
<b>Net (decrease) in cash held</b>		<u>(17,626)</u>	<u>15,397</u>
Cash and cash equivalents at the beginning of the reporting period		<u>17,626</u>	<u>2,229</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	1.3	<u>-</u>	<u>17,626</u>

The above statement should be read in conjunction with the accompanying notes.



## Australian National Preventive Health Agency

Administered schedule of assets and liabilities  
as at 30 June 2017

	2017	2016
	\$	\$
<b>ASSETS</b>		
<b>Financial assets</b>		
Trade and other receivables	<u>12,382,827</u>	12,382,827
<b>Total financial assets</b>	<u>12,382,827</u>	<u>12,382,827</u>
<b>Total assets administered on behalf of Government</b>	<u>12,382,827</u>	<u>12,382,827</u>
<b>Net assets</b>	<u>12,382,827</u>	<u>12,382,827</u>

## Australian National Preventive Health Agency

Administered reconciliation schedule  
as at 30 June 2017

	2017 \$	2016 \$
<b>Opening administered assets less administered liabilities as at 1 July</b>	<b>12,382,827</b>	12,382,827
<b>Surplus (deficit) items:</b>		
Transfers to OPA	-	-
<b>Closing administered assets less administered liabilities as at 30 June</b>	<b><u>12,382,827</u></b>	<b><u>12,382,827</u></b>

The above schedule should be read in conjunction with the accompanying notes.

# Australian National Preventive Health Agency

## Overview

### Abolition of the Australian National Preventive Health Agency

In the 2014-15 Budget papers the Australian Government announced as part of its Smaller Government initiative that it would abolish the Australian National Preventive Health Agency (ANPHA) and integrate its ongoing functions into the Department of Health, including the administration of social marketing activities and the provision of grants to third parties for preventive health activities.

A bill to abolish ANPHA was introduced to Parliament on 15 May 2014 by the Australian Government. The bill was referred to the Senate Community Affairs Committee on 15 May and on 14 July 2014, the Committee recommended that the Bill be passed. The House of Representatives passed the bill on 3 June 2014 and the bill was introduced to the Senate on 16 June 2014 and was negatived by the Senate on the second reading on 25 November 2014. There is currently no bill before Parliament to abolish ANPHA.

The Department of Health was provided funding in the 2014-15 Budget to integrate and transition the ongoing functions of ANPHA into the Department of Health. All ongoing administered grants to third parties are being managed by the Department of Health.

ANPHA was not provided any annual appropriations in 2014-15, 2015-16, 2016-17 or 2017-18, Appropriation Acts. At 30 June 2017 ANPHA has no debts. ANPHA has no employees. The Chief Executive Officer resigned effective 5 January 2015.

The Secretary of the Department of Finance, pursuant to subsection 17A(3) of the Public Governance, Performance and Accountability Rule 2014 instructed the Secretary of the Department of Health to produce the financial statements for ANPHA as would have been required by the accountable authority.

ANPHA is an Australian Government Agency and does not have a separate legal personality to the Australian Government.

### Objectives of the Australian National Preventive Health Agency

ANPHA is listed as a non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and its role and functions are set out in the *Australian National Preventive Health Agency Act 2010*.

The Australian Government established ANPHA on 1 January 2011 to provide a new national capacity to drive preventive health policy and programs.

ANPHA will not continue to exist in its present form and will not continue its programs. Funding has not been provided by Parliament for ANPHA's administration and programs.

ANPHA was structured to meet one outcome:

Outcome 1: A reduction in the prevalence of preventable disease, including through research and evaluation to build the evidence base for future action, and by managing lifestyle education campaigns and developing partnerships with non-government sectors.

ANPHA activities that contributed toward this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by ANPHA in its own right. Administered activities involve the management or oversight by ANPHA, on behalf of the Government, of items controlled or incurred by the Government.

### Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 for reporting periods ending on or after 1 July 2015; and
- Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

# Australian National Preventive Health Agency

## Overview

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The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value.

The financial statements are presented in Australian dollars and values are rounded to the nearest dollar unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FRR, assets and liabilities are recognised in the statement of financial position when and only when it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the contingencies note.

ANPHA had no departmental or administered commitments or contingencies as at 30 June 2016 or 30 June 2017.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

### **Significant Accounting Judgements and Estimates**

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next reporting period.

### **New Australian Accounting Standards**

#### Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

#### Future Australian Accounting Standard Requirements

No new standards, revised standards, interpretations and amending standards that were issued by the Australian Accounting Standards Board prior to the sign-off date, are expected to have a material financial impact on the Agency for future reporting periods.

### **Revenue**

#### Resources Received Free of Charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Financial statement audit services were provided free of charge by the Australian National Audit Office (ANAO) and are recorded at the fair value of resources received 2016-17: \$8,000 (2015-16:\$9,500). No other services were provided by the auditors of the financial statements.

# Australian National Preventive Health Agency

## Overview

### Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when ANPHA gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

### **Employee Benefits**

There were no person's engaged or reportable to ANPHA as at 30 June 2017.

### **Cash**

Cash is recognised at its nominal amount. Cash and cash equivalents include:

- a) cash on hand; and
- b) cash in special accounts.

ANPHA no longer holds any cash independently, ANPHA closed all bank accounts prior to 30 June 2017, balances in these accounts were formally returned to the Official Public Account.

### **Financial Assets**

#### Loans and Receivables

#### Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period.

Financial assets held at cost - If there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

### **Property, Plant and Equipment**

ANPHA has no Property, Plant or Equipment.

### **Taxation / Competitive Neutrality**

ANPHA is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

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

- a) where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- b) for receivables and payables.

### **Events after the Reporting Period**

#### **Departmental**

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of the entity.

#### **Administered**

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of the entity.

#### **Reporting of Administered Activities**

There were no Administered activities to report during 2016-17 or in the comparative year in relation to ANPHA.

## Australian National Preventive Health Agency

Notes to and forming part of the financial statements

### Note 1.1: Appropriations

#### Unspent Annual Appropriations ('Recoverable GST exclusive')

	2017	2016
	\$	\$
<b>Authority</b>		
<b>DEPARTMENTAL</b>		
Appropriation Act (No.1) 2013-2014	1,364,169	1,364,867
<b>Total departmental</b>	<b>1,364,169</b>	<b>1,364,867</b>

### Note 1.2: Special Accounts

#### Special Accounts (Recoverable GST exclusive)

	The Australian National Preventive Health Agency Special Account (Administered) <sup>1,2,3</sup>	
	2017	2016
	\$	\$
<b>Balance brought forward from previous period</b>	<b>12,382,827</b>	12,382,827
<b>Available for payments</b>	<b>12,382,827</b>	12,382,827
<b>Total balance carried to the next period</b>	<b>12,382,827</b>	12,382,827

#### Notes:

1. Appropriation: *Public Governance, Performance and Accountability Act 2013*, Section 80.
2. Establishing Instrument: *Australian National Preventive Health Agency Act 2010*, Section 50.
3. Purposes of the Account:
  - (a) paying or discharging the costs, expenses and other obligations incurred by the Commonwealth in the performance of the CEO's functions;
  - (b) paying any remuneration and allowances payable to any person under the *Australian National Preventive Health Agency Act 2010*; and
  - (c) meeting the expenses of administering the Account.

# Australian National Preventive Health Agency

Notes to and forming part of the financial statements

## Note 1.3: Cash Flow Reconciliation

	2017	2016
	\$	\$
<b>Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement</b>		
<b>Cash and cash equivalents as per:</b>		
Cash flow statement	-	17,626
Statement of financial position	-	17,626
<b>Difference</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of net cost of services to net cash from operating activities:</b>		
Net cost of services	(698)	(4,266)
<b>Movement in assets / liabilities</b>		
<b>Assets</b>		
(Increase) / decrease in net receivables	-	19,663
<b>Liabilities</b>		
<b>Net cash from operating activities</b>	<u>(698)</u>	<u>15,397</u>