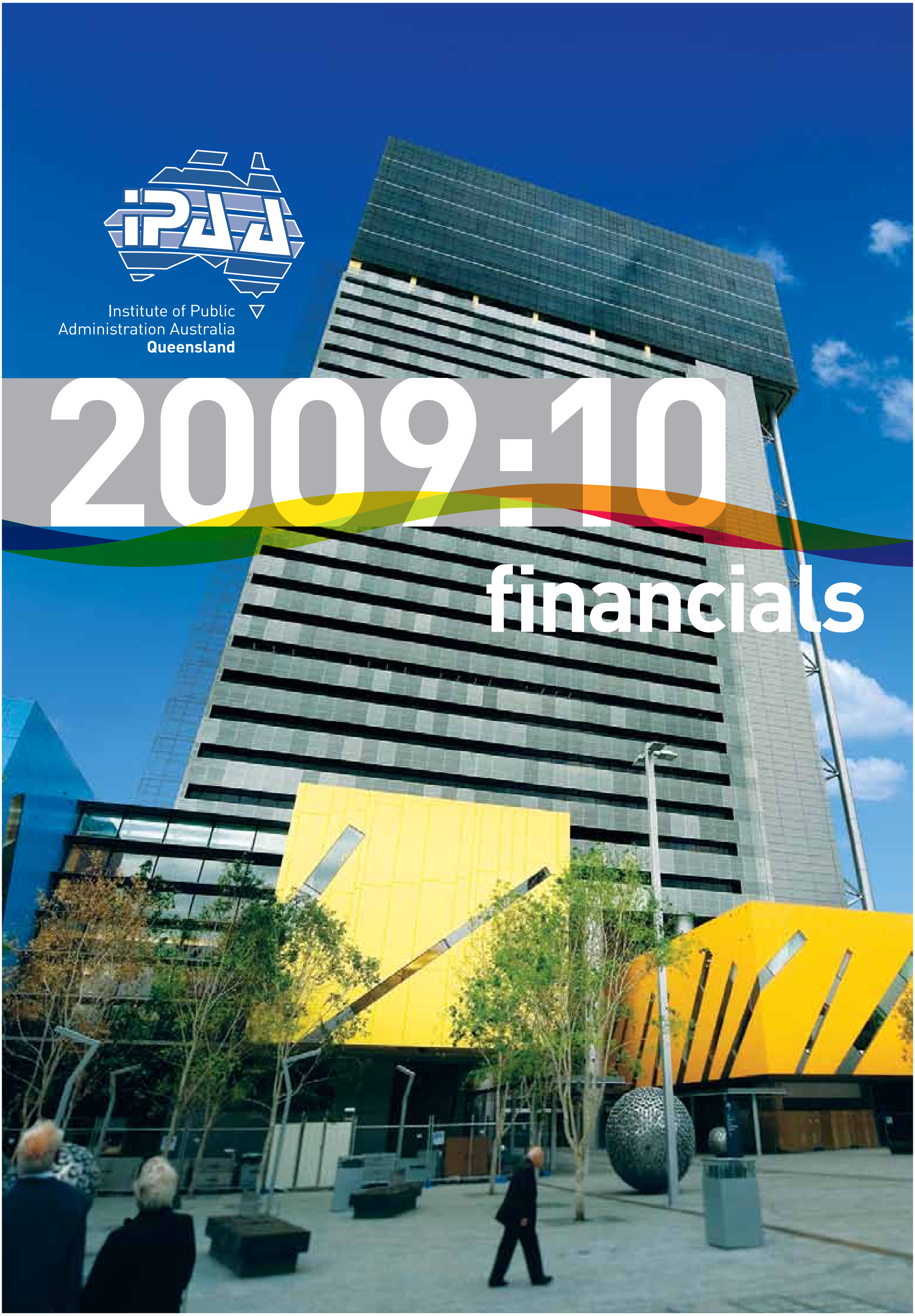
Institute of Public
Administration Australia
Queensland

2009-10 financials



INSTITUTE OF PUBLIC ADMINISTRATION AUSTRALIA (QUEENSLAND DIVISION) INC

ABN 22 408 256 124

Financial Statements for the Year Ended 30 June 2010

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 $	2009 $
Revenue	2	2,973,351	3,361,020
Expenditure			
Membership		(69,352)	(112,445)
Professional Activities		(1,493,140)	(1,553,191)
Research and Publications		(6,198)	(45,581)
Corporate Services		(1,538,873)	(1,593,446)
Depreciation		(110,494)	(196,393)
	3	(3,218,057)	(3,501,056)
Surplus/(deficit) before income tax		(244,706)	(140,036)
Income tax expense		-	-
Surplus/deficit) for the year		(244,706)	(140,036)
Other comprehensive income/(deficit) after income tax:			
Net gain/(loss) on revaluation of financial assets		17,256	(13,540)
Total comprehensive income/(deficit) for the year		(227,450)	(153,576)

The accompanying notes form part of these financial statements.

INSTITUTE OF PUBLIC ADMINISTRATION AUSTRALIA (QUEENSLAND DIVISION) INC

ABN 22 408 256 124

Financial Statements for the Year Ended 30 June 2010

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	2010 $	2009 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	329,907	875,240
Trade and other receivables	6	301,392	137,570
Other current assets	7	74,969	108,023
TOTAL CURRENT ASSETS		756,268	1,170,833
NON-CURRENT ASSETS			
Term Deposit	5	50,000	50,000
Other financial assets	8	25,636	178,380
Property, plant and equipment	9	793,399	204,628
TOTAL NON-CURRENT ASSETS		869,035	433,007
TOTAL ASSETS		1,575,303	1,535,947
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	703,501	741,793
TOTAL CURRENT LIABILITIES		703,501	741,793
NON-CURRENT LIABILITIES			
Provision	11	56,007	28,872
Lease incentive liability	10	260,070	-
TOTAL NON-CURRENT LIABILITIES		316,077	28,872
TOTAL LIABILITIES		1,019,578	770,665
NET ASSETS		555,725	783,175
EQUITY			
Accumulated funds	12	538,469	783,175
Reserves		17,256	-
TOTAL EQUITY		555,725	783,175

The accompanying notes form part of these financial statements.

INSTITUTE OF PUBLIC ADMINISTRATION AUSTRALIA
(QUEENSLAND DIVISION) INC
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Financial Statements for the Year Ended 30 June 2010

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	Investment Reserves	Accumulated Funds $	Total $
Balance at 1 July 2008	-	**936,751**	**936,751**
Surplus/(Deficit) attributable to members	-	(153,576)	(153,576)
Balance at 30 June 2009	-	**783,175**	**783,175**
Surplus/(Deficit) attributable to members	-	(244,706)	(244,706)
Total other comprehensive income for the year	17,256	-	17,256
Balance at 30 June 2010	**17,256**	**538,469**	**555,725**

The accompanying notes form part of these financial statements.

INSTITUTE OF PUBLIC ADMINISTRATION AUSTRALIA
(QUEENSLAND DIVISION) INC
ABN 22 408 256 124
Financial Statements for the Year Ended 30 June 2010

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 $	2009 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		3,173,359	3,435,708
Payments to suppliers and employees		(3,204,795)	(3,112,486)
Interest received		15,368	34,972
Net cash provided by operating activities	15	(16,068)	358,194
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investment		170,000	27,300
Purchase of property, plant and equipment		(699,265)	(61,841)
Net cash used in investing activities		(529,265)	(34,541)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of borrowings		-	-
Net cash used in financing activities		-	-
Net increase in cash held		(545,333)	323,653
Cash and cash equivalents at beginning of financial year		925,240	601,587
Cash and cash equivalents at end of financial year	5	379,907	925,240

The accompanying notes form part of these financial statements.

INSTITUTE OF PUBLIC ADMINISTRATION AUSTRALIA (QUEENSLAND DIVISION) INC
ABN 22 408 256 124
Financial Statements for the Year Ended 30 June 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the *Associations Incorporation Act 1981*.

The financial statements cover Institute of Public Administration Australia (Queensland Division) Inc as an individual entity. IPAA QLD Inc is an association incorporated in Queensland under the *Associations Incorporation Act 1981*.

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 to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements has been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

a. **Income Tax**

The directors have received a ruling from the Australian Taxation Office confirming that the association is exempt from income tax.

b. **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Furniture, Plant and Equipment	7.5% - 37.5%
Office Fitout	10% -100%

c. **Financial instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the

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Financial Statements for the Year Ended 30 June 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Impairment

At the end of each reporting period, the association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

d. **Impairment of Assets**

At the end of each reporting period, the association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

e. **Employee Benefits**

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

f. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

g. **Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the individual memberships has been recognised when received.

All revenue is stated net of the amount of goods and services tax (GST).

h. **Goods and Services Tax (GST)**

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

i. **Comparative Figures**

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

j. **Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

k. **Provisions**

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

l. **Adoption of New and Revised Accounting Standards**

During the current year, the association has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these Standards and Interpretations has had on the financial statements of IPAA QLD (Reporting) Inc.

AASB 101: Presentation of Financial Statements

In September 2007, the Australian Accounting Standards Board revised AASB 101, and as a result there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the association's financial statements.

Disclosure impact

Terminology changes — The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity — The revised AASB 101 requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income — The revised AASB 101 requires all income and expenses to be presented in either one statement — the statement of comprehensive income, or two statements — a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The association's financial statements now contain a statement of comprehensive income.

m. **New Accounting Standards for Application in Future Periods**

The AASB has issued new and amended Accounting Standards and Interpretations that have

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

mandatory application dates for future reporting periods and which the association has decided not to early adopt. A discussion of those future requirements and their impact on the association is as follows:

— AASB 9: Financial Instruments and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and amend the classification and measurement of financial assets. The association has not yet determined any potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.

— AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, and clarifies the definition of a 'related party' to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the association.

— AASB 2009–4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009–5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These Standards detail numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. No changes are expected to materially affect the association.

— AASB 2009–9: Amendments to Australian Accounting Standards — Additional Exemptions for First-time Adopters [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).

This Standard specifies requirements for entities using the full-cost method in place of retrospective application of Australian Accounting Standards for oil and gas assets and

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4, when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the association.

— AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the association.

— AASB 2009–13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).

This Standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Standard 19. This Standard is not expected to impact the association.

— AASB 2009–14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

— AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing from 1 July 2010).

This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably, in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the association.

The association does not anticipate early adoption of any of the above Australian Accounting Standards.

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Financial Statements for the Year Ended 30 June 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 2: REVENUE AND OTHER INCOME

	2010 $	2009 $
Revenue		
— Membership subscription	138,602	204,732
— Professional activities	2,661,556	2,959,181
— Other activities	157,555	162,135
— interest received (on financial assets not at fair value through profit or loss)	15,368	34,972
Total revenue	2,973,351	3,361,020

NOTE 3: PROFIT/(DEFICIT) FOR YEAR

Deficit before income tax expenses has been determined after:

Depreciation of non-current assets		
— Fitout	49,107	17,489
— Fitout additional write-off of this asset to nil value at 30/06/09	-	133,868
— Furniture, Plant and Equipment	61,387	45,036
Rental and outgoings	196,703	170,493

NOTE 4: AUDITORS' REMUNERATION

Remuneration of the auditor of the association for:

— auditing or reviewing the financial report (BDO)	15,000	-
— auditing or reviewing the financial report	8.070	9,400

NOTE 5: CASH AND CASH EQUIVALENTS

	Note		
Cash at bank and in hand		149,261	618,397
Short-term bank deposits		230,646	306,843
		329,907	875,240
Non Current			
Term Deposit		50,000	50,000
Total	16	379,907	925,240

INSTITUTE OF PUBLIC ADMINISTRATION AUSTRALIA (QUEENSLAND DIVISION) INC
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Financial Statements for the Year Ended 30 June 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 6: TRADE AND OTHER RECEIVABLES	2010 $	2009 $
CURRENT		
Training fees receivable	239,825	109,775
Other receivables	61,567	27,795
Total current trade and other receivables	301,392	137,570

Current trade receivables are non-interest bearing loans and are generally receivable within 14 days after the training completed. A provision for impairment is recognised against subscriptions where there is objective evidence that an individual trade receivable is impaired. No impairment was required at 30 June 2010 (2009: Nil).

Credit risk

The association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk to the association is considered to relate to the class of assets described as subscriptions receivable.

NOTE 7: OTHER CURRENT ASSETS

CURRENT		
PREPAYMENTS	49,506	90,130
OTHER DEBTOR	25,463	17,893
	74,969	108,023

NOTE 8: OTHER FINANCIAL ASSETS

Available-for-sale financial assets- Master Trust Managed Fund	25,636	178,380

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

Leasehold Improvement		
At cost	644,239	301,999
Accumulated depreciation	(49,107)	(301,999)
	595,132	-
Furniture, Plant and Equipment:		
At cost	612,910	557,884
Accumulated depreciation	(414,643)	(353,256)
Total leasehold improvements	198,267	204,628
Total property, plant and equipment	793,399	204,628

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

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Financial Statements for the Year Ended 30 June 2010**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010

NOTE 9: PROPERTY, PLANT AND EQUIPMENT	Leasehold Improvement	Furniture, Plant and Equipment	Total
	$	$	$
Balance at 1 July 2008	175,099	164,081	339,180
Additions	-	61,841	61,841
Disposals	-	-	-
Depreciation expense	(175,099)	(21,294)	(196,393)
Balance at 30 June 2009	-	204,628	204,628
Additions	644,239	55,026	699,265
Disposals	-	-	-
Depreciation expense	(49,107)	(61,387)	(110,494)
Carrying amount at 30 June 2010	595,132	198,267	793,399

NOTE 10: TRADE AND OTHER PAYABLES	2010	2009
	$	$
CURRENT		
Trade payables	91,758	125,153
Unearned Income:		
Training	141,269	134,267
Vouchers for Learning	147,569	203,248
National Conference 2009	-	62,104
Annual leave payable	94,248	102,047
Payable to IPAA National	41,865	-
Lease Incentive Liability	58,333	-
GST payable	3,912	56,738
Other payables	124,547	58,236
	703,501	741,793
NON CURRENT		
Lease Incentive Liability	260,070	-

NOTE 11: PROVISIONS

NON CURRENT		
Long service Leave provision	56,007	28,872

NOTE 12: ACCUMULATED SURPLUS

Opening Balance	783,175	936,751
Less: (Deficit) for year	(244,706)	(153,576)
Closing Balance	538,469	783,175

INSTITUTE OF PUBLIC ADMINISTRATION AUSTRALIA (QUEENSLAND DIVISION) INC

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Financial Statements for the Year Ended 30 June 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 13: CAPITAL AND LEASING COMMITMENTS

Operating Lease Commitments

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

Payable — minimum lease payments:

— not later than 12 months	199,316	50,799
— between 12 months and five years	1,361,058	-
— greater than five years	-	-
	1,560,374	50,799

The property lease commitment is a non-cancellable operating lease with a six-year term, with rent payable monthly in advance.

Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by the lower of CPI or 4% per annum.

An option exists to renew the lease at the end of the six-year term for an additional term of three years.

NOTE 14: RELATED PARTY TRANSACTIONS

(a) The following councillors have served on the Management Committee during the year:
Margaret Allison, Jim Varghese, Ray Lane, Dr Patty Renfrow, Don Bletchly, Sandra Beach, Stewart Saini, Karen Anstis, Dan Keating, Paul Martyn, David Mills, Tony Gibson, Glenda Richards, Tanya Hornick, Greg Tosh, Fiona Krause, Frank Prostamo and Michael Hiller.

(b) Councillors of the management committee receive no remuneration for services to the association except those benefits received by all members

NOTE 15: CASH FLOW INFORMATION

Reconciliation of cash flow from operations with surplus/(deficit) after income tax		
Surplus/(Deficit) after income tax	(244,706)	(153,576)
Cash flows excluded from profit/(Deficit) attributable to operating activities		
— depreciation	110,494	196,393
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
— (Increase)/decrease in investments	-	13,540
— (Increase)/decrease in trade & other receivable and prepayments	(123,198)	394,763
— increase/(decrease) in trade and other payables	214,207	(106,622)
— Increase/(decrease) in provision	27,135	13,696
	(16,068)	358,194

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 16: FINANCIAL RISK MANAGEMENT

The association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2010 $	2009 $
Financial assets			
Cash and cash equivalents	5	379,907	925,240
Loans and receivables	6&7	326,855	155,463
Available-for-sale financial assets:	8	25,636	178,380
Total financial assets		732,398	1,259,083
Financial liabilities			
Financial liabilities at amortised cost:			
— trade and other payables	10	262,082	302,231
Total financial liabilities		262,082	302,231

Financial Risk Management Policies

The association's treasurer is responsible for, among other issues, monitoring and managing financial risk exposures of the association. The treasurer monitors the association's transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. Discussions on monitoring and managing financial risk exposures are held bi-monthly and minuted by the committee of management.

The treasurer's overall risk management strategy seeks to ensure that the association meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

Specific Financial Risk Exposures and Management

The main risks the association is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and equity price risk.

a. **Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the association.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by the association securing trade and other receivables.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 16: FINANCIAL RISK MANAGEMENT

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 6.

The association has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 6.

b. Liquidity risk

Liquidity risk arises from the possibility that the association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk through the following mechanisms:

— preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;

— only investing surplus cash with major financial institutions; and

— proactively monitoring the recovery of unpaid subscriptions.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
	$	$	$	$	$	$	$	$
Financial liabilities due for payment								
Trade and other payables (excluding annual leave and grants receivable in advance)	262,082	302,231	-	-	-	-	262,082	302,231
Financial lease liabilities	-	-	-	-	-	-		-
Total contractual outflows	262,082	302,231	-	-	-	-	262,082	302,231
Total expected outflows	262,082	302,231	-	-	-	-	262,082	302,231
Financial assets — cash flows realisable								
Cash and cash equivalents	379,907	925,240	-	-	-	-	379,907	925,240
Trade and other receivables	326,855	155,463	-	-	-	-	326,855	155,463
Available-for-sale investments	25,636	178,380	-	-	-	-	25,636	178,380
Total anticipated inflows	732,398	1,259,083	-	-	-	-	732,398	1,259,083
Net (outflow)/inflow on financial instruments	470,316	956,852	-	-	-	-	470,316	956,852

INSTITUTE OF PUBLIC ADMINISTRATION AUSTRALIA
(QUEENSLAND DIVISION) INC
ABN 22 408 256 124
Financial Statements for the Year Ended 30 June 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 16: FINANCIAL RISK MANAGEMENT

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability.

c. **Market risk**

(i) *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows.

(ii) *Price risk*

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

The association is exposed to securities price risk on available-for-sale investments. Such risk is managed through diversification of investments across industries and geographic locations.

The association's investments are held in diversified management fund portfolios.

Sensitivity analysis

The following table illustrates sensitivities to the association's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reporting at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit	**Equity**
Year ended 30 June 2010	**$**	**$**
+/- 2% in interest rates	-	-
+/- 10% in available-for-sale investments	2,564	(2,464)
Year ended 30 June 2009		
+/- 2% in interest rates	-	-
+/-10% in listed investments	17,838	(17,838)

No sensitivity analysis has been performed on foreign exchange risk, as the association is not exposed to foreign currency fluctuations.

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

— quoted prices in active markets for identical assets or liabilities (Level 1);

— inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and

— inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

**INSTITUTE OF PUBLIC ADMINISTRATION AUSTRALIA
(QUEENSLAND DIVISION) INC
ABN 22 408 256 124
Financial Statements for the Year Ended 30 June 2010**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 16: FINANCIAL RISK MANAGEMENT	Level 1 $	Level 2 $	Level 3 $	Total $
2010				
Financial assets				
Available-for-sale financial assets	-	25,636	-	25,636
	-	25,636	-	25,636
2009				
Financial assets				
Available-for-sale financial assets	-	178,380	-	178,380
	-	178,380	-	178,380

Included within Level 1 of the hierarchy are listed investments. The fair value of these financial assets has been based on the closing quoted bid prices at the end of the reporting period, excluding transaction costs.

NOTE 17: ASSOCIATION DETAILS

The principal places of business is:
Insititute of Public Administration Australia - Queensland
Level 9, ING Building
100 Edward Street
Brisbane QLD 4000

INSTITUTE OF PUBLIC ADMINISTRATION AUSTRALIA
(QUEENSLAND DIVISION) INC
ABN 22 408 256 124
Financial Statements for the Year Ended 30 June 2010

STATEMENT BY MEMBERS OF THE COMMITTEE

In the opinion of the committee the financial report as set out on pages 1 to 17:

1. Presents a true and fair view of the financial position of Institute of Public Administration Australia (Queensland Division) Inc as at 30 June 2010 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Institute of Public Administration Australia (Queensland Division) Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

President ....

Margaret Allison

Treasurer ....

Stewart Saini

Dated this 3rd day of September 2010

BDO

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GPO Box 457 Brisbane QLD 4001
Australia

INDEPENDENT AUDITOR'S REPORT

To The Members of Institute Of Public Administration Australia (Queensland Division) Inc

Report on the Financial Report

We have audited the accompanying financial report of Institute of Public Administration Australia (Queensland Division) Inc (the association) which comprises the statement of financial position as at 30 June 2010 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Associations Incorporation Act Queensland Act 1981. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

BDO

Auditor's Opinion

In our opinion:

The financial report of Institute of Public Administration Australia (Queensland Division) Inc is in accordance with the Associations Incorporation Act Queensland Act 1981. including:

i. giving a true and fair view of the association's financial position as at 30 June 2010 and of its performance and its cash flows for the year ended on that date; and

ii. complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Associations Incorporation Act Queensland Act 1981.

BDO Audit (QLD) Pty Ltd

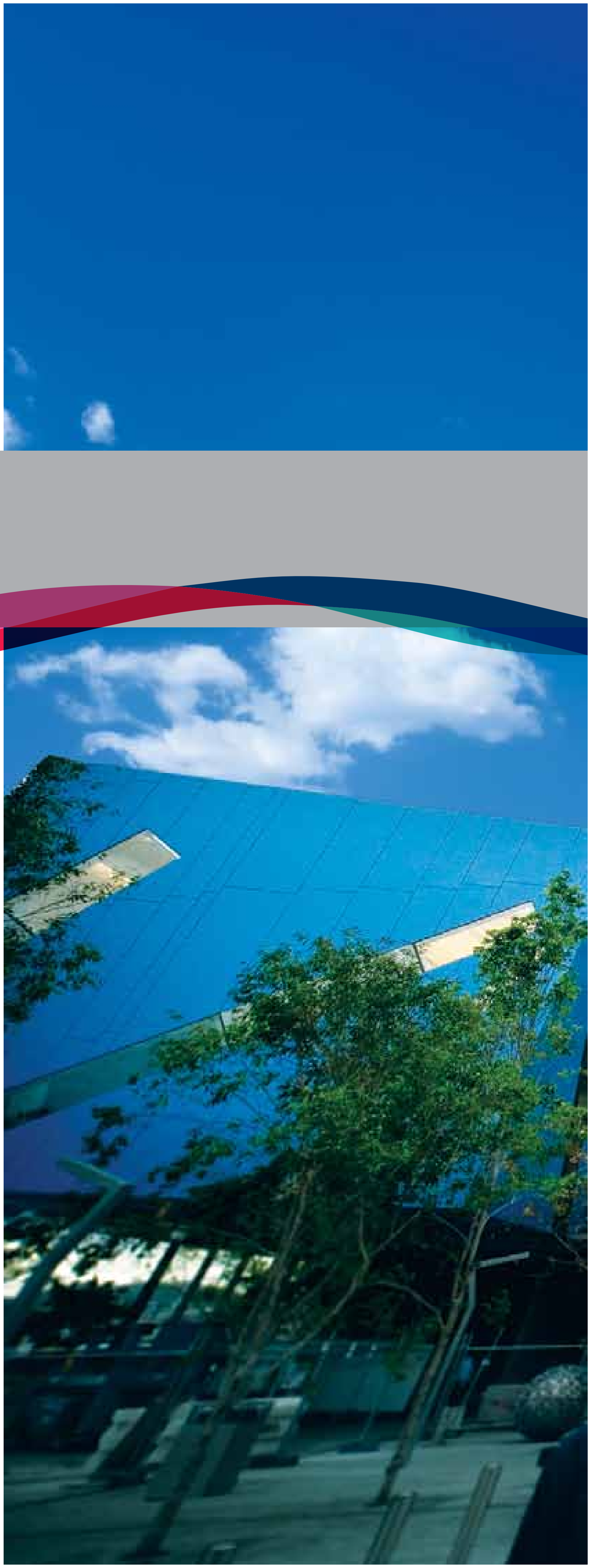
BDO

Christopher J Skelton

Director

Brisbane, 06 September 2010

Institute of Public
Administration Australia
Queensland



OUR DETAILS

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OUR SERVICES

TRAINING EVENTS RESOURCES BOOKS