

## Appendix 4

# 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.

Appendix 4 contains the complete set of financial statements for ANHPA.

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# Australian National Preventive Health Agency Independent Auditor's Report



## INDEPENDENT AUDITOR'S REPORT

### To the Minister for Health and Aged Care

I have audited the accompanying annual financial statements of the Australian National Preventive Health Agency for the year ended 30 June 2016, which comprises the 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, Administered Cash Flow Statement and Notes to and forming part of the financial statements, comprising significant accounting policies and other explanatory information.

### *Opinion*

In my opinion, the financial statements of the Australian National Preventive Health Agency:

- (a) comply with Australian Accounting Standards 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 2016 and its financial performance and cash flows for the year then ended.

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

The Secretary of the Department of Health 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 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.

### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing 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 the 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 entity's preparation and fair presentation of the financial statements 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

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## Australian National Preventive Health Agency Independent Auditor's Report

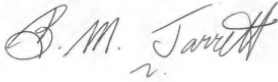
entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Accountable Authority of the entity, as well as evaluating the overall presentation of the financial statements.

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

### *Independence*

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Australian National Audit Office



Brandon Jarrett  
Executive Director  
Delegate of the Auditor-General  
Canberra  
31 August 2016

## Australian National Preventive Health Agency Statement by the Secretary and Chief Financial Officer

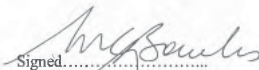
### AUSTRALIAN NATIONAL PREVENTIVE HEALTH AGENCY STATEMENT BY THE SECRETARY AND CHIEF FINANCIAL OFFICER

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The Secretary of the Department of Health pursuant to Section 31 of the *Public Governance, Performance and Accountability Act 2013* required by Section 31 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 2016.

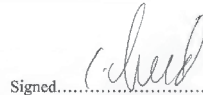
In our opinion the attached financial statements for the period 1 July 2015 to 30 June 2016:

- a) comply with subsection 42(2) of the *Public Governance, Performance and Accountability (PGPA) Act 2013*;
- 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 2016

Signed.....

Craig Boyd  
Chief Financial Officer  
Department of Health

31 August 2016

# Australian National Preventive Health Agency

## Statement of comprehensive income

for the period ended 30 June 2016

	Notes	2016 \$'000	2015 \$'000
<b>NET COST OF SERVICES</b>			
<b>EXPENSES</b>			
Employee benefits		-	171
Supplier		20	57
Impairment of other Commonwealth entity travel debts		<u>18</u>	<u>-</u>
<b>Total expenses</b>		<u>38</u>	<u>228</u>
<b>OWN-SOURCE INCOME</b>			
<b>Gains</b>			
Other Gains - FBT refund		<u>15</u>	<u>-</u>
<b>Total own-source revenue</b>		<u>15</u>	<u>-</u>
<b>Other revenue</b>			
Resources received free of charge		<u>19</u>	<u>65</u>
<b>Total other revenue</b>		<u>19</u>	<u>65</u>
<b>Total own-source income</b>		<u>34</u>	<u>65</u>
<b>Net (cost of) services</b>		<u>(4)</u>	<u>(163)</u>
<b>Surplus (Deficit)</b>		<u>(4)</u>	<u>(163)</u>
<b>Surplus (Deficit) attributable to the Australian Government</b>	1.3	<u>(4)</u>	<u>(163)</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 2016

	Notes	2016 \$'000	2015 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	1.3	18	2
Departmental appropriation receivable		1,347	1,347
Other receivables to Commonwealth entities		-	20
<b>Total financial assets</b>		<b>1,365</b>	<b>1,369</b>
<b>Total assets</b>		<b>1,365</b>	<b>1,369</b>
<b>LIABILITIES</b>			
<b>Total liabilities</b>		<b>-</b>	<b>-</b>
<b>Net assets</b>		<b>1,365</b>	<b>1,369</b>
<b>EQUITY</b>			
Accumulated surplus		1,365	1,369
<b>Total equity</b>		<b>1,365</b>	<b>1,369</b>

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 2016

	Retained earnings		Total equity	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>				
Balance carried forward from previous period	1,369	1,532	1,369	1,532
<b>Opening balance</b>	<b>1,369</b>	1,532	<b>1,369</b>	1,532
<b>Comprehensive income</b>				
Deficit for the period	(4)	(163)	(4)	(163)
<b>Total comprehensive income</b>	<b>1,365</b>	1,369	<b>1,365</b>	1,369
<b>Closing balance as at 30 June</b>	<b>1,365</b>	1,369	<b>1,365</b>	1,369

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 2016

	Notes	2016 \$'000	2015 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Prepayment paid back from Department of Health		-	379
Net GST received		1	47
FBT Refund		15	31
<b>Total cash received</b>		<b>16</b>	<b>457</b>
<b>Cash used</b>			
Employees		-	510
Suppliers		-	24
<b>Total cash used</b>		<b>-</b>	<b>534</b>
<b>Net cash from operating activities</b>	1.3	<b>16</b>	<b>(77)</b>
<b>Net (decrease) in cash held</b>			
		<b>16</b>	<b>(77)</b>
Cash and cash equivalents at the beginning of the reporting period		2	79
<b>Cash and cash equivalents at the end of the reporting period</b>	1.3	<b>18</b>	<b>2</b>

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 2016

	2016	2015
	\$'000	\$'000
<b>ASSETS</b>		
<b>Financial assets</b>		
Trade and other receivables	12,383	12,383
<b>Total financial assets</b>	<u>12,383</u>	<u>12,383</u>
<b>Total assets administered on behalf of Government</b>	<u>12,383</u>	<u>12,383</u>
<b>Net assets</b>	<u>12,383</u>	<u>12,383</u>

## Australian National Preventive Health Agency

### Administered reconciliation schedule

as at 30 June 2016

	2016	2015
	\$'000	\$'000
<b>Opening administered assets less administered liabilities as at 1 July</b>	<b>12,383</b>	12,894
<b>Surplus (deficit) items:</b>		
Transfers to OPA	-	(511)
Administered assets and liabilities appropriations	-	-
<b>Closing administered assets less administered liabilities as at 30 June</b>	<b><u>12,383</u></b>	<b><u>12,383</u></b>

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

# Australian National Preventive Health Agency

## Administered cash flow statement

for the period ended 30 June 2016

	2016	2015
	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>		
<b>Cash received</b>		
Sale of goods and rendering of services	-	-
Net GST received	-	511
Other	-	-
<b>Total cash received</b>	<u>-</u>	<u>511</u>
<b>Cash to Official Public Account:</b>		
- Appropriations	-	511
<b>Total cash to official public account</b>	<u>-</u>	<u>511</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	<u>-</u>	<u>-</u>
This 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 the 15 May 2014 by the Australian Government. The bill was referred to the Senate Community Affairs Committee on the 15 May and on the 14 July 2014, the Committee recommended that the Bill be passed. The House of Representatives passed the bill on the 3 June 2014 and the bill was introduced to the Senate on the 16 June 2014 and was negatived by the Senate on the second reading on the 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 or 2016-17, Appropriation Acts. At 30 June 2016, ANPHA's total financial assets are in excess of its total liabilities as reported in the statement of financial position and ANPHA has no debts. At 30 June 2016, ANPHA has no employees. The Chief Executive Officer was the only employee of ANPHA during 2014-15 financial year and 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* has 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 (PGPA) Act 2013*, 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. Government policy is to abolish ANPHA and 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:

- Financial Reporting Rule (FRR) for reporting periods ending on or after 1 July 2015; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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 thousand dollars 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 2015 or 30 June 2016.

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.

# Australian National Preventive Health Agency

## Overview

### 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.

Revised standards that were issued prior to the sign-off date and are applicable to the current reporting period did not have a financial impact, and are not expected to have a future financial impact on the Agency. AASB 1055 'Budgetary Reporting' has no impact on ANPHA's reporting requirements, as ANPHA did not receive any budget for the 2014-15 financial year or beyond and did not present a budget to Parliament.

#### 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.

#### 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 2016.

### Cash

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

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

### 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.

### Contingent Liabilities and Contingent Assets

As at 30 June 2016 and at 30 June 2015, there were no contingent assets or liabilities.

### 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 2015-16 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')

	2016	2015
Authority	\$	\$
<b>DEPARTMENTAL</b>		
Appropriation Act (No.1) 2013-2014	1,347	1,347
<b>Total departmental</b>	<b>1,347</b>	<b>1,347</b>

#### Note 1.2: Special Accounts

##### Special Accounts (Recoverable GST exclusive)

	The Australian National Preventive Health Agency Special Account (Administered) <sup>1</sup>	
	2016 \$'000	2015 \$'000
<b>Balance brought forward from previous period</b>	<b>12,383</b>	<b>12,383</b>
<b>Available for payments</b>	<b>12,383</b>	<b>12,383</b>
<b>Total balance carried to the next period</b>	<b>12,383</b>	<b>12,383</b>

##### Notes:

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

#### Note 1.3: Cash Flow Reconciliation

	2016 \$'000	2015 \$'000
<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	-	2
Statement of financial position	-	2
<b>Difference</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of net cost of services to net cash from operating activities:</b>		
Net cost of services	-	(163)
Revenue from Government	-	-
<b>Adjustment for non cash items</b>		
Depreciation / amortisation	-	-
Net write down of non-financial assets	-	-
<b>Movement in assets / liabilities</b>		
<b>Assets</b>		
(Increase) / decrease in net receivables	20	26
(Increase) / decrease in prepayments received	-	379
<b>Liabilities</b>		
Increase / (decrease) in employee provisions	-	(292)
Increase / (decrease) in supplier payables	-	(16)
Increase / (decrease) in other payable	-	(10)
<b>Net cash from operating activities</b>	<b>20</b>	<b>(77)</b>