



GOVERNMENT HOUSE  
QUEENSLAND



ANNUAL REPORT  
2007 – 2008





GOVERNMENT HOUSE  
QUEENSLAND

The Honourable M.F. Reynolds, AM, MP  
Speaker of the Legislative Assembly  
Parliament House  
George Street  
BRISBANE QLD 4000

Dear Mr Speaker

I am pleased to present to you the 2007 – 2008 Annual Report of the Office of the Governor.

The Report is submitted as a standing requirement of the *Financial Administration and Audit Act 1977*.

The Report reflects the achievements of the Office in providing an effective and accountable agency which supports the Governor of Queensland.

Yours sincerely

**Mark Gower OAM**

Official Secretary

October 2008





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# SUMMARY OVERVIEW



The Office of the Governor provided a comprehensive range of support services to the Governor, Her Excellency Ms Quentin Bryce, AC and Mr Michael Bryce, AM AE during 2007-2008, the Governor's fifth year in office. This included planning and logistical support for the Governor's program of activities across Queensland, as well as welcoming a range of visitors to Government House during the year.

In 2007-2008 the Governor continued an active program to fulfil her constitutional, ceremonial and community roles. In particular, Her Excellency gave strong support and encouragement to the more than 200 organisations of which she is patron. The Governor and Mr Bryce also travelled extensively throughout Queensland, undertaking 53 regional trips and affording the opportunity to meet a large number, and diverse range, of Queenslanders.

In 2007-2008, the Governor's participated in more than 550 civic and community events at which Her Excellency delivered some 400 speeches. Staff of the Office of the Governor sustained a high level of activity and commitment behind the scenes, in support of these activities.

Government House is recognised for its historical significance and the whole property is entered on the Queensland Heritage Register. The severe drought conditions of the past two years presented particular challenges, leading to new approaches to horticulture management which are now delivering results.

Under the *Financial and Audit Administration Act 1977*, the Office is required to meet all of the accountability and management requirements of a public sector agency. The Office takes positive steps to ensure compliance, equity and flexibility in the workplace, with reference to public sector best practice.

As Official Secretary, I would like to thank staff of the Office of the Governor for their efforts.

# INTRODUCTION



The *Constitution of Queensland 2001* provides that there must be a Governor of Queensland who is appointed by the Sovereign. The Governor, Her Excellency Ms Quentin Bryce, AC is authorised and required to do and execute all matters that pertain to her office, according to law.

The powers of the Governor are derived from the Commission of Appointment, from the provisions of various pieces of Constitutional legislation and from a number of Acts of the State Parliament.

Queensland's Constitution allows the Governor to appoint Ministers; to summon and dissolve Parliament, and establishes the Executive Council, which is presided over by the Governor.

While the Governor, as the representative of The Queen and Head of State in Queensland does not participate in the political process, it is the main constitutional responsibility of the Governor to ensure that the state continues to have a stable government which commands the popular support of the Parliament.

## **Aim of Report**

The aim of this report is to provide a statement of the objectives, activities and performance of the Office of the Governor during the period 1 July 2007 to 30 June 2008.

The report will address:

- mission statement and corporate objectives;
- organisational structure;
- major achievements and activities;
- budget and associated outcomes;
- works and maintenance; and
- outlook for 2008 - 2009.

## **Mission**

The Office of the Governor provides personal, administrative and logistic support to the Governor and manages the Government House Estate.

# INTRODUCTION



## Corporate Objectives

The corporate objectives of the Office of the Governor were defined in the 2005-2008 Strategic Plan which established six goals:

### a. Constitutional and Legal

Provide administrative support enabling the Governor to fulfil her constitutional and legal responsibilities, including assenting to legislation, issuing writs for state elections, considering petitions for the Governor to exercise the power of the Royal Prerogative of Mercy, and presiding over meetings of Executive Council.

### b. Ceremonial

Support the Australian Honours and Awards System and other awards programs, the swearing-in of Government Ministers, the opening of Parliament, and reviewing parades and military ceremonies.

### c. Community engagement

Provide an expanded range of opportunities for Queensland organisations and members of the community to visit Government House. Facilitate the Governor's travel to regional and

remote centres and support organisations of which the Governor is patron.

### d. Promoting Queensland

Assist the Governor in activities that highlight and promote Queensland business, regional produce, culture and trade by offering hospitality and attending events. Support the Governor to host international dignitaries and undertake occasional overseas travel to promote Queensland's interests.

### e. Preserving Government House

Maintain Government House as an official State residence including conserving its heritage-listed facilities and ensuring maintenance, security, occupational health and safety and horticultural services.

### f. Effective Management

Strengthen the corporate governance framework to utilise emerging technologies and continuously improve performance, capability, accountability and value for money service delivery.



# ORGANISATIONAL STRUCTURE



As an independent entity, the Office of the Governor provides administrative and logistic support which enables the Governor to exercise effectively the constitutional powers and responsibilities of office, and to undertake official, ceremonial and civic duties.

The autonomous nature of the Office enables the Governor to function independently of the Government and to remain separate from the political process.

By enabling the Governor to exercise independently her constitutional powers and responsibilities and to undertake duties as Head of State, the Office of the Governor directly contributes to effective government.

# MAJOR ACHIEVEMENTS AND ACTIVITIES



The reporting period was the Governor's fifth year in office. During this period the Governor's activities included:

## **Constitutional**

- Provided assistance to the 52nd Parliament of Queensland.
- Presided at 49 Meetings of Executive Council.
- Assented to 55 Bills presented by the Legislative Assembly of Queensland.
- Conducted swearing-in ceremonies for Government Ministers.
- Considered 42 petitions for pardon, commutation of sentence, or remission of a fine or penalty.

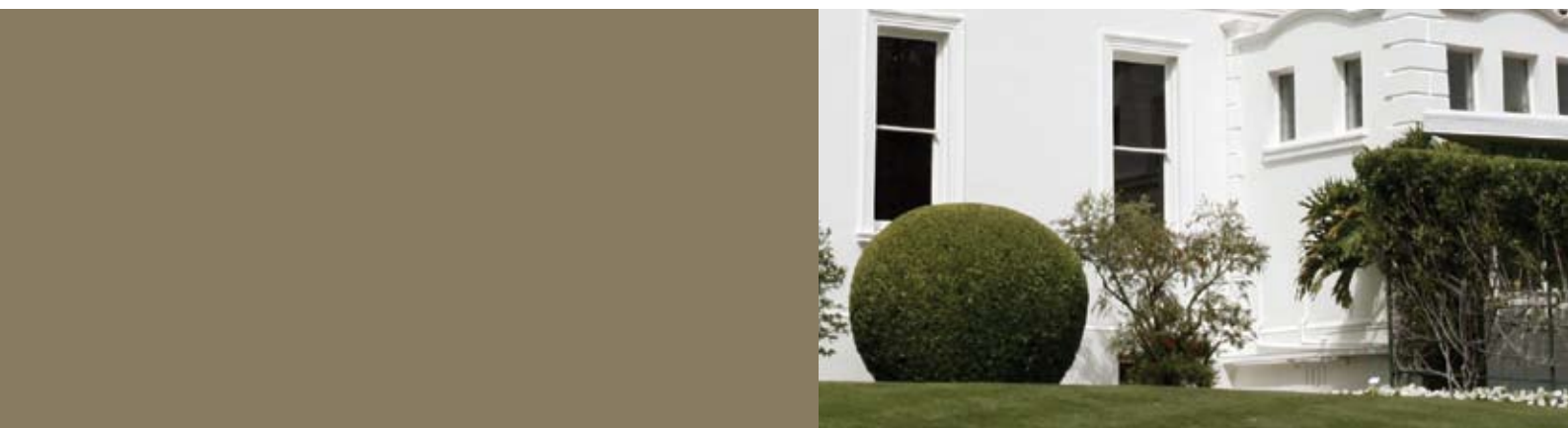
## **Ceremonial**

- Award ceremonies recognise and celebrate the outstanding achievements and contributions of many Queenslanders to the community. The Governor conducted investiture ceremonies to present honours and awards to 254 recipients at 13 Honours and Awards ceremonies at Government House and in regional centres. Investitures were conducted in Cairns, and a second north Queensland investiture ceremony held in Townsville.
- The Governor also presented awards at 25

other ceremonies. Those held at Government House included Winston Churchill fellows, members of the Order of St John and the Royal Humane Society, St John Ambulance, Scouts and Guides and the Boys' and Girls' Brigades.

- Her Excellency addressed the Dawn Service, reviewed the ANZAC Day Parade in Brisbane and attended the Vietnam Veteran's Memorial Service. The Governor and Mr Michael Bryce AM AE, participated in a range of remembrance ceremonies representing the people of Queensland.
- During the year the Governor received official calls from a number of Australian and international military commanders. Her Excellency also attended a wide variety of military events and parades throughout the state.
- As Honorary Colonel of the Army's Royal Queensland Regiment Ms Bryce attended the Regiment's Annual Council and presented the Passendaele Shield. The Governor is also Honorary Air Commodore of No 23 City of Brisbane Squadron, Royal Australian Air Force and in April participated in the review of the annual Air Force Association parade in Brisbane the Squadron paraded and re-dedicated its colours.

# MAJOR ACHIEVEMENTS AND ACTIVITIES



## Regional Tours

In 2007 – 2008 the Office of the Governor organised a total of 53 regional visits and tours for the Governor, at a direct cost of \$77,000. Regional tours are either overnight or longer and cover a series of events and activities. Regional visits are typically a day trip.

The Governor's program of regional travel in Queensland was designed to acknowledge, encourage and assist regional communities and centres while at the same time informing the Governor of issues facing rural and remote communities.

In 2007 – 2008 the Governor visited Townsville, Cairns, and extensively through regional areas of Queensland. Where feasible, the Governor's visits were hosted by local government authorities, and the Governor's program included inspections, calls and speaking commitments at industry, education, health, cultural, military, police and community facilities.

## Interstate Travel

No official interstate travel was completed during the reporting period.

## Overseas Travel

No official overseas travel was undertaken during the reporting period.

## Community Engagement

The Governor's program reflects a commitment to empowering individuals, organisations and communities. In 2007 – 2008 the Governor and Mr Bryce engaged with the more than 200 community and charitable organisations of which they are patron, with emphasis on those that find it difficult to get a profile. This included visits, letters of support and introduction, hospitality, and participation in ceremonies of various kinds. As part of her representational duties in the wider community, the Governor delivered formal and informal speeches, provided written messages and forewords, and opened a range of buildings and facilities.

# MAJOR ACHIEVEMENTS AND ACTIVITIES



In 2007-2008, the Governor:

- participated in 585 civic and community events;
- undertook 202 patronage commitments;
- presented 461 speeches and official messages;
- received calls from Heads of State, spiritual leaders, dignitaries, members of the Diplomatic and Consular Corps, and
- sent 1820 letters of congratulations for 50th and 60th wedding anniversaries and 100th birthday celebrations.

The Governor also encouraged the cultural, trade and tourism initiatives of public and private sectors in Queensland by providing access, hospitality and personal support to events of significance.

Examples of such events included:

- hosting international delegations to discuss bilateral, trade or cultural matters;
- opening trade, industry, business, professional, education and philanthropic conventions and conferences;
- hosting Vice-Regal functions including a farewell function for His Excellency the

Governor General of Australia Major General Jefferies and Mrs Jefferies;

- providing public access to the facilities of Government House and grounds on a regular basis.

Public access to Government House and its grounds was enhanced through scheduled open days . Attendance at Open Days in 2007 – 2008 was approximately 5,000.

Throughout the year there were also guided tours provided to community and school groups, representing over 4,200 visitors, including visits from staff and students of local and regional special schools.

A number of annual general meetings for the Governor's patronage organisations, and other functions for non-government and charity organisations, were also hosted by the Governor at Government House.

In August the Governor welcomed students from Seisia, Murray Island and Kowanyama for an overnight stay at Government House. Overnight hospitality at Government House was also extended to the Indigenous women elders of

# MAJOR ACHIEVEMENTS AND ACTIVITIES



Lockhart River, who visited Brisbane as part of the *Lockhart River Learning Summit*.

## **Horticulture Management**

The Office of the Governor regularly convenes the Horticulture Committee which makes a range of recommendations for preservation and improvements to horticulture management on the estate. The Committee consists of representatives from QBuild, the Department of Public Works and two independent horticultural experts. In 2007-08 the Office implemented a number of major new horticultural practices on the Government House estate.

## **Water conservation**

In 2005, a *WaterWise* Audit of the Government House estate was conducted by the Brisbane City Council. In 2006, as the drought worsened, a second *WaterWise* Audit of the grounds was conducted. This was part of an independent horticultural strategy to save the historic trees and gardens at Government House.

Since October 2007, Government House has purchased recycled water in lieu of mains water, at a cost of \$53,041, in an effort preserve the cultivated and historical areas of the estate.

In consultation with the Department of Public Works, a long-term water sustainability plan was developed in an effort to diminish further dependence on either mains or recycled water.

The Office of the Governor maintains a policy of strict compliance with all state and local government water regulations with respect to the conservation of water.



# FINANCIAL AND ASSOCIATED OUTCOMES

## Financial Overview

The Office of the Governor has finalised another successful year with a positive operating result of \$48,000 and a solid cash position of \$474,000.

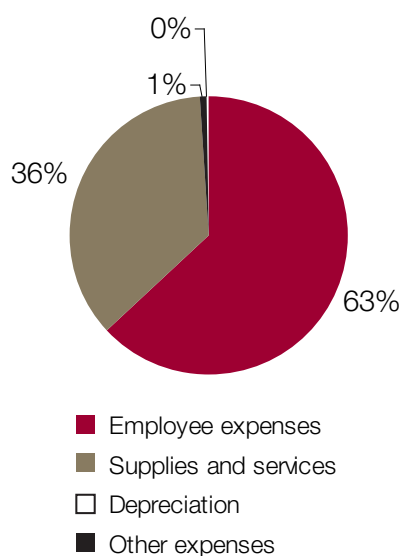
Our total income for 2007-08 was \$4,483,000 all of which was provided through Queensland Government appropriation.

Actual gross operating costs for the Office increased by 1.6% compared with the previous year. Salaries and employee related expenses represented the largest expenditure item at \$2,793,000.

The Office of the Governor has an active program to embrace flexible work practices, including flexible hours, part-time work, a work-from-home scheme and other contemporary practices to encourage productivity and job satisfaction.

Our operating expenses for 2007-08 are outlined in the graph below

## Expenditure 2007 - 2008



The Office of Governor's net asset position as at 30 June 2008 was \$1,138,000 (up from \$1,164,000 in 2006-07)

The Queensland Audit Office undertook an independent audit of financial management in 2007 - 2008. The audit report concluded that the Office of the Governor had complied with the prescribed requirements in respect of the establishment and keeping of accounts in all material respects. The financial statements have been drawn up to present a true and fair view in accordance with the prescribed accounting standards.

## Consultancies

The Office of the Governor did not engage any consultants during the reporting period.

In 2007-08, The Office expended \$136,849 on professional services including sesquicentenary project \$90,910, payroll services \$21,327, audit fees \$13,100, financial / other services \$7,294 and media services \$4,218. Procurement at the Office of the Governor is guided by State Government Purchasing Policy.

## Works and Maintenance

In 2007-08 the Office of the Governor undertook minor new works at a cost of \$8,983.

Work included:

installation of 2 x 5,000L water tanks and pumps near pavillion and tennis court at a cost of \$5,345

Building of new display cabinet for gifts at a cost of \$3,638

Government House has an Estate Conservation Committee which comprises representatives

# FINANCIAL AND ASSOCIATED OUTCOMES

from the Department of Public Works and two independent experts, one a heritage architect.

## Professional Development

Performance management and development processes focus on one-on-one and team planning and review methods. This involves personal performance and development plans negotiated by individual staff with their immediate supervisor. In 2007-2008 all staff employed by the Office of the Governor undertook training and development. This included formal courses in hospitality (TAFE and university level), cooking master-classes, first aid (including senior first aid and defibrillator training), supervisory skills, team building workshops, leadership forums, accounting courses (CPA), public safety and building warden training.

## Workplace Initiatives

The office has an affirmative policy of flexible working hours and leave arrangements where practical. A work-from-home initiative which was initiated in 2005 has continued.

## Public Liability

The Office of the Governor maintains liability insurance cover (property and general liability) against insurable risks with the Queensland Government Insurance Fund (QGIF). The current policy cover provided by QGIF, which has few exclusions and no upper limit on claims, covers the Office of the Governor for any legal liability which may ensue as a result of activities conducted by the Office.

## Waste Management

The Office of the Governor's Waste Management Policy is contained in the agency's *Code of Conduct*.

## Outlook for 2008-2009

The outlook for 2008 - 2009 is for continued effective support to the Governor and the Vice-Regal program.

The following tasks or significant projects are proposed for 2008 - 2009:

- in conjunction with the Department of Public Works, better disabled access to public areas at Government House. This work is already under way, with an equitable access audit of the estate undertaken in 2006-2007 containing recommendations bringing Government House up to the standards of contemporary best practice.
- Conclude the Office of the Governor *Enterprise Bargaining Agreement*, currently being negotiated with the Queensland Public Sector Union.
- Complete a rolling program of restoration of major artworks of historical significance.
- Finalise Service Level Agreements with prime service providers including QBuild and DPC.
- Establish an improved Government House Information Technology environment.
- Conduct an audit and develop plans for the preservation and correct management of all historically significant furniture and fittings.

# OFFICE OF THE GOVERNOR FINANCIAL REPORT 2007-08



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# FOREWORD

These general purpose financial statements have been prepared on an accrual basis in accordance with the prescribed requirements. They comprise an Income Statement, a Balance Sheet, a Statement of Changes in Equity and a Cash Flow Statement. As required and as appropriate, notes supporting the statements are also provided.

As distinct from the traditional cash basis of reporting, the accrual method brings revenues and expenses to account when they are incurred along with any acquired asset or liability without regard to the date of receipt or payment of cash.

The Income Statement in effect identifies the operating result for the year as well as the resultant impact on the net assets of the Office.

# OFFICE OF THE GOVERNOR

## INCOME STATEMENT

For the year ended 30 June 2008

		<b>2008</b>	<b>2007</b>
	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Income</b>			
<i>Revenue</i>			
Output revenue	2	4,483	4,375
Other revenue	3	-	10
<i>Gains</i>			
Gain on sale of plant and equipment	4	-	9
<b>Total Income</b>		<b>4,483</b>	<b>4,394</b>
<b>Expenses</b>			
Employee expenses	5	2,793	2,791
Supplies and services	6	1,596	1,519
Depreciation	7	29	34
Other expenses	8	17	22
<b>Total Expenses</b>		<b>4,435</b>	<b>4,366</b>
<b>Operating Surplus</b>		<b>48</b>	<b>28</b>

The accompanying notes form part of these statements.



# OFFICE OF THE GOVERNOR BALANCE SHEET

as at 30 June 2008

		<b>2008</b>	<b>2007</b>
	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current Assets</b>			
Cash and cash equivalents	9	474	533
Receivables	10	27	30
Inventories	11	23	28
Other	12	1	5
<b>Total current assets</b>		<b>525</b>	<b>596</b>
<b>Non-current assets</b>			
Plant and equipment	13	1,058	1,062
<b>Total Non-Current Assets</b>		<b>1,058</b>	<b>1,062</b>
<b>Total Assets</b>		<b>1,583</b>	<b>1,658</b>
<b>Current Liabilities</b>			
Payables	14	379	349
Accrued employee benefits	15	66	190
<b>Total Current Liabilities</b>		<b>445</b>	<b>539</b>
<b>Net Assets</b>		<b>1,138</b>	<b>1,119</b>
<b>Equity</b>			
Contributed equity		764	764
Retained surpluses		(94)	(142)
Asset revaluation reserve	16	468	497
<b>Total Equity</b>		<b>1,138</b>	<b>1,119</b>

The accompanying notes form part of these statements.

# OFFICE OF THE GOVERNOR

## STATEMENT OF CHANGES IN EQUITY

*For the year ended 30 June 2008*

	Retained Surpluses		Asset Revaluation Reserve		Contributed Equity	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance 1 July</b>	(142)	(170)	496	542	764	764
Operating Surplus	48	28	-	-	-	-
Non-Owner changes in equity:	-	-	-	-	-	-
- Decrease In Asset Revaluation Reserve	-	-	(28)	-	-	-
- Correction of error	-	-	-	(46)	-	-
Transactions with Owners as Owners	-	-	-	-	-	-
- Equity injections	-	-	-	-	-	-
<b>Balance 30 June</b>	<b>(94)</b>	<b>(142)</b>	<b>468</b>	<b>496</b>	<b>764</b>	<b>764</b>

*The accompanying notes form part of these statements.*

# OFFICE OF THE GOVERNOR

## CASH FLOW STATEMENT

For the year ended 30 June 2008

		<b>2008</b>	<b>2007</b>
	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
<i>Inflows:</i>			
Output receipts		4,483	4,375
GST input tax credits from ATO		177	137
GST collected from customers		-	2
Interest receipts		-	12
Other		-	1
<i>Outflows:</i>			
Employee expenses		(2,799)	(2,815)
Supplies and services		(1,690)	(1,374)
GST paid to suppliers		(170)	(145)
GST remitted to ATO		-	-
Other		(7)	(17)
<b>Net cash provided by (used in) operating activities</b>	<b>17</b>	<b>(6)</b>	<b>176</b>
<b>Cash flows from investing activities</b>			
<i>Inflows:</i>			
Sales of plant and equipment		-	84
<i>Outflows:</i>			
Payments for plant and equipment		(53)	(112)
<b>Net cash provided by (used in) investing activities</b>		<b>(53)</b>	<b>(28)</b>
Net increase/(decrease) in cash held		(59)	148
Cash at beginning of financial year		533	385
<b>Cash at end of financial year</b>	<b>9</b>	<b>474</b>	<b>533</b>

The accompanying notes form part of these statements.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2007-08

## **Objectives and Principal Activities of the Office**

Note 1: Summary of Significant Accounting Policies

Note 2: Reconciliation of Payments from Consolidated Fund to Output  
Revenue Recognised in Income Statement

Note 3: Other Revenues

Note 4: Gains

Note 5: Employee Expenses/Number of Employees/Official Secretary's Remuneration

Note 6: Supplies and Services

Note 7: Depreciation and Amortisation

Note 8: Other Expenses

Note 9: Cash and cash equivalents

Note 10: Receivables

Note 11: Inventories

Note 12: Other Current Assets

Note 13: Plant and Equipment

Note 14: Payables

Note 15: Accrued Employee Benefits

Note 16: Asset Revaluation Reserve by class

Note 17: Reconciliation of Operating Surplus to Net Cash Provided by (Used in) Operating Activities

Note 18: Financial Instruments

Note 19: Commitments for Expenditure

Note 20: Contingencies

Note 21: Events Occurring after Balance Date

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2007-08

## **Objectives and Principal Activities of the Office**

The Office is responsible for providing the following output -

*“Personal, administrative and logistic support to the Governor and management of the Government House Estate.*

The provision of personal, administrative and logistical support to the Governor enables the Governor to exercise her statutory and constitutional, official and ceremonial, and civic and social duties. As a separate entity, the Office enables the Governor to provide independent, non-political authority to the parliamentary process.

The Office also has a custodial responsibility for the management of the Government House Estate.

## **1. Summary of Significant Accounting Policies**

### **(a) Basis of Accounting**

The financial statements have been prepared in accordance with Australian Equivalents to International Financial Reporting Standards (AEIFRS). This financial report is a general purpose financial report.

In particular, the financial statements comply with AAS29 *Financial Reporting by Government Departments*, as well as the Treasurer's Minimum Reporting Requirements for the year ending 30 June 2008, and other authoritative pronouncements. Except where stated, the financial statements have been prepared in accordance with the historical cost convention. The accounting policies adopted are materially consistent with those adopted in the prior year.

The Office is not responsible for administering any resources, which it does not control, on a whole-of-Government basis. The accrual basis of accounting has been adopted for the controlled transactions of the Office.

### **(b) The Reporting Entity**

The financial statements include all assets, liabilities, equities, revenues and expenses of the Office.

The Office has no controlled entities.

### **(c) Output Revenue**

The Office is funded by parliamentary appropriations. Appropriation payments to the Office under the *Annual Appropriations Act* are recognised as revenue when received.

### **(d) Grants and Contributions**

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the Office obtains control over them. Where grants are received that are reciprocal in nature, revenue is accrued over the term of the funding arrangements.

Contributed assets are recognised at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would have been purchased if they had not been donated.

### **(e) Cash and cash equivalents**

For the purposes of the Balance Sheet and the Cash Flow Statement, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions.

### **(f) Receivables**

Receivables are recognised at the nominal amounts owed to the Office at the end of the financial year, where an invoice has been issued or where an amount is determined to be owing to the Office.

### **(g) Inventories**

Inventories Held for Distribution comprise household supplies purchased and are measured at the lower of cost and current replacement cost.

### **(h) Acquisitions of Assets**

Actual cost is used for the initial recording of all non-current physical asset acquisitions. Cost is determined as the value given in consideration plus costs incidental to the acquisition, including all other



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2007-08

costs incurred in getting the assets ready for use. However, any training costs are expensed as incurred.

Assets acquired at no cost or for nominal consideration are recognised at their fair value at date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

## (i) Plant and Equipment

Items of plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Other (including heritage and cultural) \$5,000

Items with a lesser value are expensed in the year of acquisition.

## (j) Revaluations of Non-Current Physical Assets

Heritage and cultural assets are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment* and Queensland Treasury's *Non-Current Asset Accounting Policies for the Queensland Public Sector*.

Plant and equipment, are measured at cost. The carrying amounts for plant and equipment at cost should not materially differ from their fair value.

All non-current physical assets measured at fair value are comprehensively revalued every five years. Those assets that meet or are above the asset recognition threshold as determined by the Queensland Treasury's *Non-Current Asset Accounting Policies for the Queensland Public Sector*, are revalued on an annual basis."

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation reserve of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation reserve relating to that class.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

## (k) Depreciation of Plant and Equipment

Plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the Office.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the depreciable amount is depreciated over the remaining useful life of the asset.

For each class of depreciable asset the following depreciation rates are used:

Class	Depreciation Rate
<i>Plant and Equipment</i>	
Motor Vehicles	20%
Office Equipment	15%
Plant and Machinery	9%

## Heritage and Cultural Assets

The service potential of heritage and cultural assets held by the Office of the Governor is not expected to diminish with time or use and accordingly depreciation is not charged against this class of assets.

## (l) Impairment of Non-Current Assets

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Office of the Governor determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2007-08

Income Statement, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation reserve of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. Refer also note 1(j).

## **(m) Payables**

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

## **(n) Employee Benefits**

### *Wages, Salaries, Annual Leave and Sick Leave*

Wages, salaries and annual leave due but unpaid at reporting date are recognised in the Balance Sheet at the remuneration rates expected to apply at the time of settlement and include related on-costs such as long service leave levies and employer superannuation contributions. Workers Compensation insurance is a consequence of employing employees and as such is not counted in an employee's total remuneration package. It is not an employee benefit and is recognised separately as an employee related expense.

For unpaid entitlements expected to be paid within 12 months the liabilities are recognised at their undiscounted values.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to recur in

future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

### *Long Service Leave*

Under the Queensland Government's long service leave scheme, a levy is made on the Office to cover this expense. Levies are expensed in the period in which they are paid or payable. Amounts paid to employees for long service leave are claimed from the scheme as and when leave is taken.

No provision for long service leave is required in the financial statements, the liability being held on a whole-of-Government basis and reported in the financial report prepared pursuant to AAS 31 - *Financial Reporting by Governments*.

### *Annual Leave*

An Annual Leave Central Scheme (ALCS) has been established by the Queensland Government as at 30 June 2008 for government departments, commercialised business units and shared service providers. The Office of the Governor has joined this scheme and has transferred our annual leave liabilities as at 30 June 2008 to the scheme. This liability is shown as a sundry payable to the Crown. The annual leave liability will be shown on a whole-of-government basis and disclosed in the Queensland Governments report on State Finances. Under the ALCS, member agencies must contribute a levy equal to their accrued quarterly annual leave cost, including leave loading and on-costs. Amounts paid to employees for annual leave are claimed back from the scheme.

Calculations for annual leave liabilities are estimated on the basis of an employee's statutory and contractual requirements.

Prior to becoming a member of the ALCS the office reported annual leave liabilities under Balance Sheet item Accrued employee benefits.

### *Superannuation*

The State Actuary determines the rate of employer

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2007-08

contributions for superannuation expense. These contributions are paid to QSuper, the superannuation plan for Queensland Government employees.

Contributions are expensed in the period in which they are paid or payable. The Office's obligation is limited to its contribution to QSuper.

No liability is recognised for accruing superannuation benefits in these financial statements, the liability being held on a whole-of-Government basis and reported in the financial report prepared pursuant to AAS31 - *Financial Reporting by Governments*.

## *Executive Remuneration*

The executive remuneration disclosures in the employee expenses note (Note 5) in the financial statements include:

- the aggregate remuneration of all senior executive officers (including the Official Secretary) whose remuneration for the financial year is \$100,000 or more; and
- the number of senior executives whose total remuneration for the financial year falls within each successive \$20,000 band, commencing at \$100,000.

The remuneration disclosed is all remuneration received or receivable, directly or indirectly, from the entity or any related party in connection with the management of the affairs of the entity or any of its subsidiaries, whether as an executive or otherwise.

For this purpose, remuneration includes:

- wages and salaries;
- accrued leave (that is, the increase/decrease in the amount of annual and long service leave owed to an executive, inclusive of any increase in the value of leave balances as a result of salary rate increases or the like);
- accrued superannuation (being the value of all employer superannuation contributions during the financial year, both paid and payable at 30 June);
- the cost of motor vehicles, such as fuel costs, registration/insurance, and repairs/maintenance incurred by the Office during the financial year, both paid and payable as at 30 June, net of amounts subsequently paid by executives;

- fringe benefit tax included in remuneration agreements.

The disclosures apply to all senior executives appointed by Governor in Council and classified as SES 1 and above, with remuneration above \$100,000 in the financial year. 'Remuneration' means any money, consideration or benefit, but excludes amounts:

- in payment or reimbursement of out-of pocket expenses incurred for the benefit of the Office.

In addition, separate disclosure of separation and redundancy/termination benefit payments is included.

## **(o) Provisions**

Provisions are recorded when the Office has a present obligation, either legal or constructive as a result of a past event. They are recognised at the amount expected at reporting date to settle the obligation in a future period, but where the timing and/or amount required to settle the obligation at reporting date is uncertain at reporting date, discounted to the present value using the pre-tax discount rate. The amounts recognised as provisions in relation to the dismantling and removal of assets and the restoration of land on which the assets have been located, have been included in the cost of those assets.

## **(p) Insurance**

The Office's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund, premiums being paid on a risk assessment basis. In addition, the Office is covered by WorkCover Queensland in respect of its obligations for employee compensation.

## **(q) Services Received Free of Charge or for Nominal Value**

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and expense.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2007-08

## **(r) Taxation**

The Office is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). As such, GST credits receivable from/payable to the Australian Taxation Office (ATO) are recognised and accrued.

## **(s) Issuance of Financial Statements**

The financial statements are authorised for issue by the Official Secretary at the date of signing the Management Certificate.

## **(t) Judgements and Assumptions**

The Office of the Governor has made no judgements or assumptions which may cause a material adjustment to the carrying amounts of assets and liabilities with the next reporting period.

## **(u) Rounding and Comparatives**

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where the amount is \$500 or less, to zero. Sub-totals and totals may not add due to rounding, but the overall discrepancy is no greater than two.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

## **(v) New and Revised Accounting Standards**

No Australian accounting standards and interpretations issued or amended and applicable for the first time in the 2007-08 financial year have an effect on the Office. Also, the Office has not voluntarily changed any of its accounting policies. The Office is not permitted to early adopt a new accounting standard ahead of the specified commencement date unless approval is obtained from the Treasury Department. Consequently, the Office has not applied any Australian accounting standards and interpretations that have been issued but are not yet effective. The Office will apply these standards and interpretations in accordance with

their respective commencement dates.

At the date of authorisation of the financial report, a number of new or amended Australian accounting standards with future commencement dates will have a significant impact on the office. Details of such impacts are set out below.

AASB 1004 Contributions has been revised, and will affect the office as from 2008-09.

The revised standard requires that substantially more detail will need to be disclosed in respect of the office's appropriations e.g. break-downs between recurrent, capital or other major appropriations (refer to note 2), comparisons between the original amounts of such appropriations and total actual amounts appropriated, explanations of the nature and probable financial effect of any relevant non-compliance with externally-imposed requirements etc.

AASB 101 Presentation of Financial Statements has been revised, but such revisions will not impact on the office until 2009-10. This revised standard does not have measurement or recognition implications. Instead, there will be significant changes to the presentation of the office's overall financial performance and position, particularly the content of the Statement of Changes in Equity, and preparation of a new Statement of Comprehensive Income (which will include certain items currently disclosed in the Statement of Changes in Equity, in line with the definition of 'comprehensive income' in the revised AASB 101. Ignoring other potential impacts on the operating result, if the revised AASB 101 was applied by the office for 2007-08 reporting, it would have reported comprehensive income of \$28 thousand. The increase in the asset revaluation reserve for 2007-08 (\$28 thousand) would not therefore be included in the Statement of Changes in Equity. All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the department, or have no material impact on the office.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2007-08

AASB 101 Presentation of Financial Statements has been revised, but such revisions will not impact on the office until 2009-10. This revised standard does not have measurement or recognition implications. Instead, there will be significant changes to the presentation of the office's overall financial performance and position, particularly the content of the Statement of Changes in Equity, and preparation of a new Statement of Comprehensive Income (which will include certain items currently disclosed in the Statement of Changes in Equity, in line with the definition of 'comprehensive income' in the revised AASB 101. Ignoring other potential impacts on the operating result, if the revised AASB 101 was applied by the office for 2007-08 reporting, it would have reported comprehensive income of \$28 thousand. The increase in the asset revaluation reserve for 2007-08 (\$28 thousand) would not therefore be included in the Statement of Changes in Equity.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the department, or have no material impact on the office.

<b>2.Reconciliation of Payments from Consolidated Fund to Output Revenue Recognised in Income Statement</b>	<b>2008 \$'000</b>	<b>2007 \$'000</b>
Budgeted output appropriation	4,443	4,226
Plus - Unforeseen expenditure	40	149
<b>Output revenue recognised in income statement</b>	<b>4,483</b>	<b>4,375</b>

## 3.Other revenues

Interest*	-	9
Sale of books	-	1
<b>Total</b>	<b>-</b>	<b>10</b>

\*Due to the abolition of the Cash Management Incentives Regime from 1 January 2007, the Office no longer earns interest on its surplus funds with Queensland Treasury Corporation.

## 4.Gains

Gain on sale of plant and equipment	-	9
<b>Total</b>	<b>-</b>	<b>9</b>



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2007-08

## 5. Employee Expenses/Number of Employees/Official Secretary's Remuneration

<b>Employee expenses</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Wages and salaries	2,356	2,241
Salary related taxes	145	247
Employer superannuation contributions	210	213
Long service leave levy	32	31
Workers compensation premium*	7	-
Other	43	59
<b>Total</b>	<b>2,793</b>	<b>2,791</b>

\*Costs of workers' compensation insurance are a consequence of employing employees, but are not counted in employees' total remuneration package. They are not employee benefits, but rather employee related expenses. Employer superannuation and contributions and the long service levy are regarded as employee benefits.

<b>Number of Employees</b>	<b>35.4</b>	<b>35.4</b>
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*The number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis.*

## Executive Remuneration

The number of senior executives who received or were due to receive total remuneration of \$100,000 or more:

\$100,000 to \$119,999	-	-
\$120,000 to \$139,999	2	1
<b>Total</b>	<b>2</b>	<b>1</b>
<b>Total remuneration of executives shown above**</b>	<b>\$164,022</b>	<b>\$139,934</b>

Total amount of separation and redundancy/termination benefit payments during the year shown to executives above nil

\*\* The amount calculated as executive remuneration in these financial statements includes the direct remuneration received, as well as items not directly received by senior executives, such as the movement in leave accruals and fringe benefits tax paid on motor vehicles. This amount will therefore differ from advertised executive remuneration packages which do not include the latter items.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2007-08

## 6. Supplies and Services

	2008 \$'000	2007 \$'000
Contracted services	642	596
Household costs	316	268
Administration costs	378	253
Estate operations	127	156
Travel	77	175
Motor vehicle running costs	31	27
Repairs and maintenance	25	44
<b>Total</b>	<b>1,596</b>	<b>1,519</b>

## 7. Depreciation and Amortisation

Depreciation and amortisation incurred in respect of:

### Plant and Equipment

Motor Vehicles	23	29
Office Equipment	3	2
Plant and Machinery	3	3
<b>Total</b>	<b>29</b>	<b>34</b>

## 8. Other Expenses

Losses from disposal of non-current assets	-	6
External audit fees*	13	12
Insurance	4	4
<b>Total</b>	<b>17</b>	<b>22</b>

\* Total external audit fees relating to the 2007-08 financial year are estimated to be \$14,000 (2006-07: \$12,000). There are no non-audit services included in this amount.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2007-08

<b>9. Cash and Cash Equivalents</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank	474	533
<b>Total</b>	<b>474</b>	<b>533</b>

*The above figures are reconciled to cash at the end of the year as shown in the Cash Flow Statement.*

## **10. Receivables**

### *Current*

GST receivable	18	24
Sundry debtors	4	6
Long service leave reimbursements	5	-
<b>Total</b>	<b>27</b>	<b>30</b>

## **11. Inventories**

### *Current*

Household supply inventories held for distribution - at cost	23	28
<b>Total</b>	<b>23</b>	<b>28</b>

## **12. Other Current Assets**

Prepayments	1	5
<b>Total</b>	<b>1</b>	<b>5</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2007-08

## 13. Plant and Equipment

	2008 \$'000	2007 \$'000
Heritage and cultural assets	926	936
Less: Accumulated impairment losses	(11)	-
	915	936
Plant and equipment	200	154
Less: Accumulated depreciation	(57)	(28)
	143	126
<b>Total</b>	<b>1,058</b>	<b>1,062</b>

Independent valuations of heritage and cultural assets were performed as at 30 June 2008 by Pickles Valuation Services using "fair value" principles.

The valuation of heritage and cultural assets is based on current market values. For those assets for which there is no reliable market information available, the asset has been valued the lesser of depreciated replacement cost and depreciated reproduction cost.

Plant and equipment is valued at cost in accordance with Queensland Treasury's *Non-Current Asset Accounting Policies for the Queensland Public Sector*.

## Plant and Equipment Reconciliation

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current reporting period.

	Heritage & Cultural		Plant & Equipment		Total	
	2008	2007	2008	2007	2008	2007
Carrying amount at 1 July	936	936	126	128	1062	1064
Acquisitions	7	-	46	112	53	112
Disposals	-	-	-	(80)	-	(80)
Revaluation increments	-	-	-	-	-	-
Revaluation decrements	(17)	-	-	-	(17)	-
Impairment losses recognised in equity	(11)	-	-	-	(11)	-
Depreciations/amortisations	-	-	(29)	(34)	(29)	(34)
<b>Carrying amount at 30 June</b>	<b>915</b>	<b>936</b>	<b>143</b>	<b>126</b>	<b>1058</b>	<b>1062</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2007-08

The Office of the Governor has plant and equipment with an original cost of \$52,663 that has been written down to zero still being used in the provision of services.

An assessment by piano tuners has determined that a piano held within heritage and cultural assets is no longer able to be tuned and is in need of restoration. As a result, this asset has been determined as being impaired and written down to its fair value, less costs to sell, based upon a valuation assessment provided by Pickles Valuation Services as at 30 June 2008

The 1 July 2007 carrying amount for Heritage and Cultural assets includes the correction of a \$45,300 accounting error contained within the 2005-06 financial statements. The error involved the inclusion of two assets which have recently been identified as being on loan to the Office with a 30 June 2006 fair value of \$90,000 and the unintentional omission of five assets with a 30 June 2006 fair value of \$44,700.

## 14. Payables

<i>Current</i>	<b>2008</b> \$'000	<b>2007</b> \$'000
Trade creditors	78	167
Sundry accruals	176	182
Annual Leave Central Scheme (ALCS) payable	125	0
<b>Total</b>	<b>379</b>	<b>349</b>

## 15. Accrued Employee Benefits

<i>Current</i>		
Recreation leave	-	137
Wages outstanding	66	53
<b>Total</b>	<b>66</b>	<b>190</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2007-08

## 16. Asset Revaluation Reserve by class

	Heritage & Cultural Assets	Total
Balance 1 July 2007	496	496
Revaluation increments	-	-
Revaluation decrements	(17)	-
Impairment losses through equity	(11)	-
Balance 30 June 2008	468	496

The assets revaluation reserve represents the net effect of upwards and downwards revaluations of assets to fair value.

<b>17. Reconciliation of Operating Surplus to Net Cash Provided by (Used in) Operating Activities</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Operating surplus/deficit	48	28
<i>Non-cash items:</i>		
Depreciation/amortisation expense	29	34
Net loss on sale of plant and equipment	-	6
Gain on sale of plant and equipment	-	(9)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in net receivables	(3)	(2)
(Increase)/decrease in GST input tax credits receivable	5	(7)
(Increase)/decrease in inventories	5	(1)
(increase)/decrease in prepayments	4	(1)
Increase/(decrease) in payables	(97)	131
Increase/(decrease) in accrued employee benefits	2	(3)
<b>Net Cash provided by operating activities</b>	<b>(6)</b>	<b>176</b>



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2007-08

## 18. Financial Instruments

### Categorisation of Financial Instruments

The Office of the Governor has categorised the financial assets and financial liabilities held as:

Financial Assets	Category
Cash	
Receivables	Receivables (at nominal value)
<b>Financial Liabilities</b>	
Payables	Financial liability not at fair value through the Profit and Loss (nominal Value)

Due to the nature of the Office of the Governor's financial assets and liabilities, the exposure to credit, liquidity and market risk is minimal.

The following table sets out the credit, liquidity and interest risks of financial instruments held by the Office of the Governor.

### 2008

### Credit, Liquidity and Interest Risk Tables Maturity Date:

	Less than 1 month	1-3 months	3 months to 1 year	1 to 5 years	greater than 5 years	carrying amount	Weighted Average Rate:
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Financial Assets							
Non- interest bearing*	501	-	-	-	-	501	NA
<b>Total</b>	<b>501</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>501</b>	
Financial Liabilities							
Non- interest bearing	379	-	-	-	-	379	NA
<b>Total</b>	<b>379</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>379</b>	

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2007-08

**2007**

## **Credit, Liquidity and Interest Risk Tables**

### **Maturity Date**

	<b>Less than 1 month</b>	<b>1-3 months</b>	<b>3 months to 1 year</b>	<b>1 to 5 years</b>	<b>Greater than 5 years</b>	<b>Carrying amount</b>	<b>Weighted Average Rate:</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Financial Assets							
Non- interest bearing	563	-	-	-	-	563	NA
<b>Total</b>	<b>563</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>563</b>	
Financial Liabilities							
Non- interest bearing	349	-	-	-	-	349	NA
<b>Total</b>	<b>349</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>349</b>	

## **19. Commitments for Expenditure**

<b>Payable:</b>	<b>2008 \$'000</b>
Not later than one year	115
Later than one year and not later than five years	95
<b>Total</b>	

Amounts shown represent a commitment inclusive of GST, contracted for at reporting date but not recognised in the accounts payable.

## **20. Contingencies**

A possible contingent liability exists at 30 June 2008 in the form of penalties payable to the Australian Taxation Office (ATO) in relation to Fringe Benefits Tax (FBT). The Office of the Governor submitted amended the Fringe Benefits Tax return to the ATO for the 2006 FBT year. However, it is not known whether the ATO will apply a penalty in relation to this return.

## **21. Events Occurring after Balance Date**

No matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect the operation or financial performance of the Office or the financial position of the Office in subsequent financial years.

# OFFICE OF THE GOVERNOR

These general purpose financial statements have been prepared pursuant to Section 40(1) of the *Financial Administration and Audit Act 1977* (the Act), and other prescribed requirements. In accordance with Section 40(3) of the Act I certify that in my opinion:

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Office of the Governor for the financial year ended 30 June 2008 and of the financial position of the Office at the end of that year.



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Mark Gower OAM  
**Official Secretary**  
27 August 2008



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Tracey Bennett CPA  
**Accountant**  
27 August 2008

# INDEPENDENT AUDITOR'S REPORT

## To the Accountable Officer of the Office of the Governor

### Matters Relating to the Electronic Presentation of the Audited Financial Report

The audit report relates to the financial report of the Office of the Governor for the financial year ended 30 June 2008 included on the Office of the Governor's web site. The Accountable Officer is responsible for the integrity of the Office of the Governor's web site. We have not been engaged to report on the integrity of the Office of the Governor's web site. The audit report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report, available from the Office of the Governor, to confirm the information included in the audited financial report presented on this web site.

### Report on the Financial Report

I have audited the accompanying financial report of the Office of the Governor, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity, cash flow statement and a summary of significant accounting policies, other explanatory notes and the certificates given by the Accountable Officer and officer responsible for financial administration.

### The Accountable Officer's Responsibility for the Financial Report

The Accountable Officer is responsible for the preparation and fair presentation of the financial report in accordance with prescribed accounting requirements identified in the Financial Administration and Audit Act 1977 and the Financial Management Standard 1997, including compliance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls 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

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the Auditor-General of Queensland Auditing Standards, which incorporate the Australian Auditing Standards. These Auditing Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed 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 judgement, including the assessment of risks of material misstatement in 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, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by the Accountable Officer, as well as evaluating the overall presentation of the financial report and any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland.

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

### Independence

The Financial Administration and Audit Act 1977 promotes the independence of the Auditor-General and QAO authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

### Auditor's Opinion

In accordance with s.40 of the Financial Administration and Audit Act 1977 –

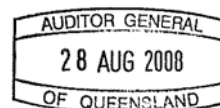
- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
  - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Office of the Governor for the financial year 1 July 2007 to 30 June 2008 and of the financial position as at the end of that year.



**G G POOLE FCPA**

Auditor-General

Queensland Audit Office, Brisbane



# OFFICE OF THE GOVERNOR, QUEENSLAND

## Contact Officer

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