



Tasmanian Audit Office

Report of the Auditor-General Financial Statements of State entities

Volume 1

State entities 31 December 2018

Presentation to Members of Parliament

21 May 2019

Report contents

- University of Tasmania (plus subsidiaries)
- Other State entities 31 December 2018
- North East Care Incorporated
- Audits dispensed with
- Financial reporting and audit developments

Presentation summary

- Summary of audits and findings
- University of Tasmania:
 - Financial position
 - Developments
 - Audit risks
- Theatre Royal development
- Audits dispensed with
- Auditing and accounting developments

Summary of audits and findings

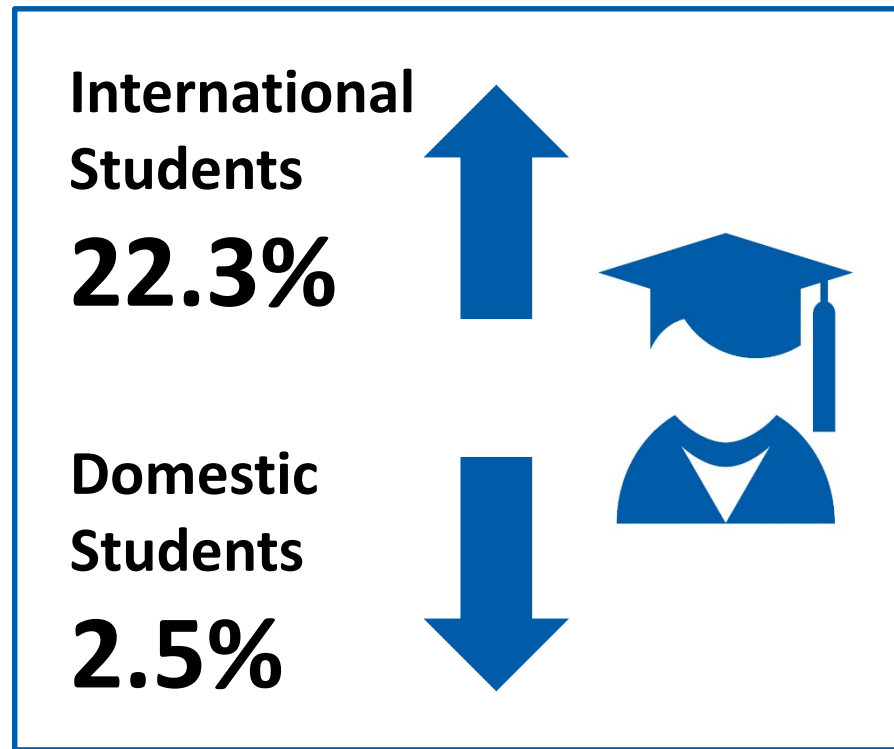
Audit opinions issued and matters arising from the performance of our audits are summarised below:

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Audit opinions	11 Unmodified audit opinions issued		
Audit findings	High Risk	Moderate Risk	Low Risk
Internal control findings reported	0	4	2
Accounting issues reported	0	1	0
Unresolved prior year findings	0	2	3

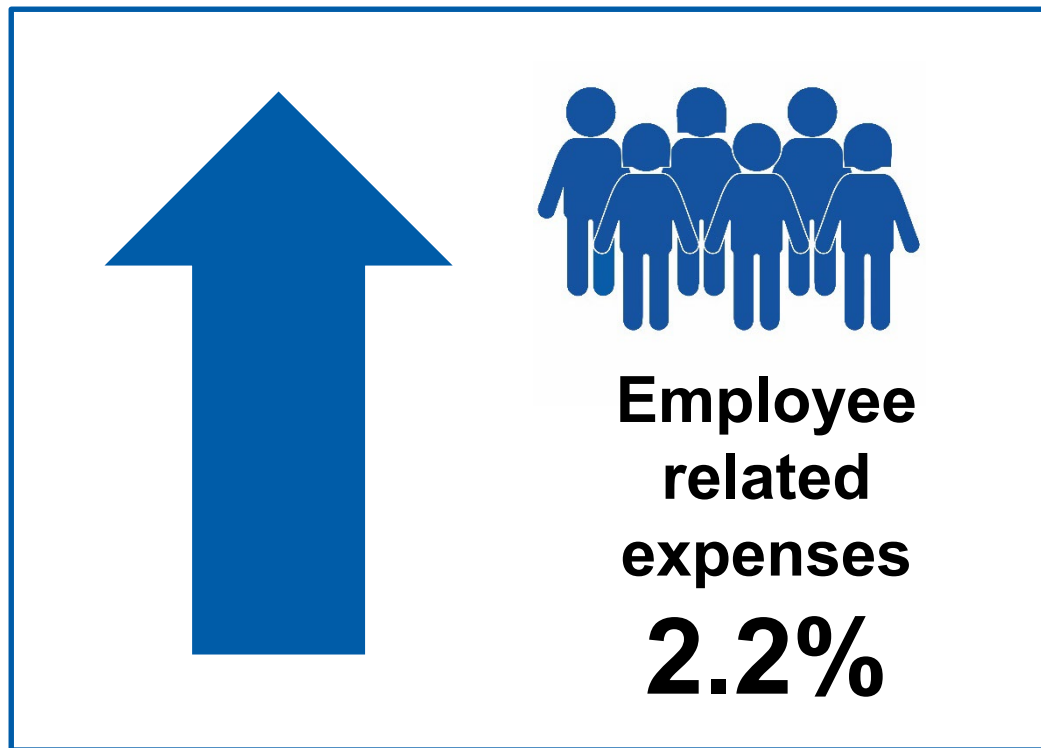
University of Tasmania

Financial performance:



University of Tasmania

Financial performance (continued)



University of Tasmania

Property acquisitions and developments:

- University Northern Transformation project
- The Hedberg, Hobart
- University City Apartments, Hobart
- 79-83 Melville Street, Hobart
- New student accommodation
 - 40 Melville Street
 - Midcity Hotel
 - Fountainside Hotel



University of Tasmania

Property acquisitions and developments (continued):

- Southern campus strategy
- University of Tasmania Foundation Inc.
- Hobart floods in May 2018

University of Tasmania

Key audit matters:

- Valuation of land and buildings
- Land and building acquisitions and disposals
- Depreciation of land and buildings
- Capital expenditure
- Investments

University of Tasmania

Significant risks:

- Student related revenue
- Research grant income
- Employee expenditure, benefits and provisions
- Borrowings
- Management override of controls

Theatre Royal

- Theatre upgraded as part of the The Hedberg project
- Ceased operations for around 8 months
- Board assessed financial impact and ability to continue as a going concern
- Audit concluded going concern basis appropriate

Audits dispensed with

AUDITS DISPENSED WITH

Auditor-General
can dispense with
audits of State
entities

Auditor-General
must consult with
Treasurer prior to
giving
dispensation

Entities must
demonstrate
appropriate financial
reporting

For 2017-18, 38 audits
were dispensed



Accounting and reporting developments

Reporting in 2018-19:

- *AASB 9 Financial Instruments*
- *AASB 15 Revenue from Contracts with Customers*
(for profit entities)

Accounting and reporting developments

Looking further forward:

- *AASB 15 Revenue from Contracts with Customers (Not-for-Profit Entities)*
- *AASB 1058 Income of Not-for-Profit Entities*
- *AASB 16 Leases*
- Special purpose financial statements
- Service Concession Arrangements: Grantors

Questions



Thank you

