

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
GIPPSLAND LAKES COMMUNITY HEALTH

ABN: 390 4151 4660

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**Report on the Financial Report**

We have audited the accompanying financial report, being a special purpose financial report of Gippsland Lakes Community Health., which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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WHK Audit (Vic)  
ABN 27 621 602 883

***Directors' Responsibility for the Financial Report***

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

***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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 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 of the financial report that gives a true and fair view 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 directors, 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 confirm that we complied with the independence requirements of the *Corporations Act 2001* and a copy of the independence declaration provided to the directors is attached to the financial report.

**Opinion**

In our opinion:

(a) the financial report of Gippsland Lakes Community Health. is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*;

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**Basis of Accounting**

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.



**ROCHELLE WRIGGLESWORTH - RCA**  
Partner:



**WHK AUDIT (VIC)**

Date: 13 October 2011

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE  
CORPORATIONS ACT 2001****TO THE MEMBERS OF GIPPSLAND LAKES COMMUNITY HEALTH**

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I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been:

- (a) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



**ROCHELLE WRIGGLESWORTH – RCA**  
Partner

Date: 13 October 2011



**WHK AUDIT (VIC)**

13 October 2011

Rochelle Wrigglesworth  
WHK Audit (Vic)  
445 Raymond Street  
SALE VIC 3850

Dear Mrs Wrigglesworth

This representation letter is provided in connection with your audit of the financial report of Gippsland Lakes Community Health for the year ended 30 June 2011, for the purpose of you expressing an opinion as to whether the financial report is, in all material respects, in accordance with:

- (a) the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

We acknowledge our responsibility for ensuring that the financial report is in accordance with:

- (a) the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia,

and confirm that the financial report is free of material misstatements, including omissions.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

1. We have made available to you:
  - (a) all financial records and related data, other information, explanations and assistance necessary for the conduct of the audit; and
  - (b) minutes of all meetings of directors.
2. There:
  - (a) has been no fraud, error or non-compliance with laws and regulations involving management or employees who have a significant role in internal control;
  - (b) has been no fraud, error or non-compliance with laws and regulations that could have a material effect on the financial report; and
  - (c) have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

3. We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error. We have established and maintained adequate internal control to facilitate the preparation of a reliable financial report, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.
4. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.
5. We have considered the requirements of AASB 136, "Impairment of Assets", when assessing the impairment of assets and in ensuring that no assets are stated in excess of their recoverable amount.
6. The following have been properly recorded and/or disclosed in the financial report:
  - (a) related party transactions and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements and guarantees (written or oral);
  - (b) share options, warrants, conversions or other requirements;
  - (c) arrangements involving restrictions on cash balances, compensating balances and line-of-credit or similar arrangements;
  - (d) agreements to repurchase assets previously sold;
  - (e) material liabilities or contingent liabilities or assets including those arising under derivative financial instruments;
  - (f) unasserted claims or assessments that our lawyer has advised us are probable of assertion; and
  - (g) losses arising from the fulfilment of, or an inability to fulfil, any sale commitments or as a result of purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of prevailing market prices.
7. There are no violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial report or as a basis for recording an expense.
8. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral. Allowances for depreciation have been adjusted for all important items of property, plant and equipment that have been abandoned or are otherwise unusable.
9. The entity has complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance.
10. There were no material commitments for construction or acquisition of property, plant and equipment or to acquire other non-current assets, such as investments or intangibles, other than those disclosed in the financial report.
11. We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.
12. No events have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial report.

We understand that your examination was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report of the entity taken as a whole, and that your tests of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.

Yours sincerely,



Joanne Booth – Chairman and Director



Susan Medson, Chief Executive

## GIPPSLAND LAKES COMMUNITY HEALTH

### DIRECTORS' REPORT

Your directors present this report on the entity for the financial year ended 30 June 2011.

#### **Directors**

The names of each person who has been a director during the year and to the date of this report are:

Joanne Booth  
Adrian Jackson  
Jeffrey Wilson  
William Morison  
Edward Hare  
Michael Anketell  
Anne Mwagiru  
Judy Wicks – Resigned 10/6/11  
Paula Morgan

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

#### **Company Secretary**

The following person held the position of entity secretary at the end of the financial year:

Susan Medson, Chief Executive. Sue was appointed to Chief Executive Officer on 31/01/11.

#### **Principal Activities**

The principal activity of the entity during the financial year was as follows:

Gippsland Lakes Community Health is a health service provider in East Gippsland, noted for the provision of health and community services, its ability to relate to and provide services to the most disadvantaged communities, and its championing of the social model of health.

There were no significant changes in the nature of the entity's activity during the financial year.

#### **Operating Results**

The surplus of the entity amounted to \$446,615. (2010, surplus of \$720,369).

#### **Significant Changes in State of Affairs**

No significant changes in the entity's state of affairs occurred during the financial year. Susan Medson was appointed Chief Executive on 31/01/11.

#### **After Balance Date Events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

#### **Environmental Issues**

The entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

## **Information on Directors**

**Joanne Booth** Chairperson

*Qualifications:*

Master Public Health  
Grad.Dip. Occupational Health  
Bachelor Arts (Sociology/Politics)  
Cert of Advanced Nursing, Cert of General Nursing.  
AICD Company Directors Course  
IAMA Practitioners Certificate in Mediation

*Experience:*

Consultant and former CEO  
Director Victorian Healthcare Association.  
Director Workways Pty Ltd  
Independent Member Gippsland Water Corporation Audit Committee  
Member Lord Mayors Charitable Fund Health Grants Panel.

*Special Responsibilities:*

Chairperson  
Member of Audit and Risk Committee  
Member of Finance Committee  
Member GLCH/BRH Alliance Committee.

**Adrian Jackson** Vice Chairperson

*Qualifications:*

Bachelor of Law

*Experience:*

Admitted to Legal Practice as a Barrister and Solicitor, Port Moresby 1975. Legal Counsel to Papua New Guinea Electricity Commission.  
Senior Defending Officer Public Solicitors' Office.  
Legal Counsel to Northern Territory Electricity Commission.  
Admitted to Legal Practice, Supreme Court of Victoria, November 1981.  
Criminal Law Barrister in Melbourne.  
September 2008, appointed as a Community Visitor by Department of Justice.  
August 2009, appointed as an Independent Third Person by Department of Justice.

*Special Responsibilities:*

Vice Chairperson  
Member Audit and Risk Committee  
Member GLCH/BRHS Alliance Committee

**Jeffrey Wilson**

*Qualifications:*

Diploma in Metallurgy  
Grad. Diploma in Electronic Computing  
Diploma of Education.

*Experience:*

Principal  
Deputy Chairperson Mallacoota Water Board (4 Yrs)  
Chairperson East Gippsland Network of Schools (5 Yrs)  
Chairperson Gippsland Lakes Community Health Board (10 Yrs).

*Special Responsibilities:*

Chair of Finance Committee  
Member GLCH/BRHS Alliance Committee

**Edward Hare***Qualifications:*

Diploma of Civil Engineering

Teachers Certificate

*Experience:*

Principal/District Liaison Principal.

Former Board Member Lakes Entrance Community Health Centre 1987-93.

Gippsland Regional Board of Education 1987/88.

Member and Chairperson of numerous Committees throughout career as College Principal and District Liaison Principal.

*Special Responsibilities:*

Director

Member of Finance Committee

**Michael Anketell***Experience:*

Board member National Furniture buying and merchandising group (12 Yrs).

*Special Responsibilities:*

Director

Member Finance Committee

**William Morison***Qualifications:*

School Certificate (New Zealand)

*Experience:*

Founding President and Member Committee of Management For Hospice Lakes Entrance Inc (4 Yrs)

Founding Treasurer and member Committee of Management, Lakes Entrance Neighbourhood House Inc (9 Yrs)

Chairperson, Lakes Entrance Police Community Consultative Committee (7 Yrs).

*Special Responsibilities:*

Director

Member Audit and Risk Committee

**Anne Mwangi***Qualifications:*

Masters in Information Technology,

Bachelor of Computer Science

Currently completing a Masters in Business Administration.

*Experience:*

Private and public health organisations.

Board member Gippsland Grammar.

*Special Responsibilities:*

Director

Chair of Audit and Risk Committee

**Judy Wicks**

Resigned 10/06/11

*Qualifications:*

Bachelor Applied Science Optometry.

*Experience:*

Optometry business providing services across East Gippsland.

Board member on numerous community service clubs such as Chamber of Commerce and Rotary.

*Special Responsibilities:*

Director  
Member of Audit and Risk Committee

**Paula Morgan**

*Qualifications:*

Bachelor of Nursing

*Experience:*

Executive Officer of the Lakes Entrance Aboriginal Health Association.

*Special Responsibilities:*

Director

Representative of Lakes Entrance Aboriginal Health Association.

**Meetings of Directors**

During the financial year, 12 meetings of directors were held. Attendance by each director were as follows:

	Number eligible	Number attended
Joanne Booth	12	11
Adrian Jackson	12	10
Jeff Wilson	12	12
Edward Hare	12	7
Mike Anketell	12	11
William Morison	12	10
Anne Mwagiru	12	11
Judy Wicks	12	9
Paula Morgan	12	9

**Indemnifying Officers or Auditor**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the entity.

**Proceedings on Behalf of the Entity**

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

The entity was not a party to any such proceedings during the year.

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on the attachments to the directors' report.

Signed in accordance with a resolution of the Board of Directors.

Director 

Dated this 13<sup>th</sup> day of October 2011

## DIRECTOR'S DECLARATION

The directors of the company declare that:

- A. The financial statements and notes, as set out on the attachments are in accordance with the *Corporations Act 2001* and:
- (i) Comply with Australian Accounting Standards; and
  - (ii) Give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the company.
- B. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Joanne Booth (Chairman and Director)

Dated this.....13.....day of...October.....2011