

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2001

## NOTE 1

### OBJECTIVES OF DEPARTMENT OF FINANCE AND ADMINISTRATION

The objectives of the Department of Finance and Administration are detailed in the body of this annual report.

The Department is structured to meet the following outcomes:

Outcome 1: Sustainable Government Finances

Outcome 2: Improved and More Efficient Government Operations

Outcome 3: Efficiently Functioning Parliament

## NOTE 2

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Accounting

The financial statements are required by section 49 of the *Financial Management and Accountability Act 1997* and are a general purpose financial report.

The statements have been prepared in accordance with:

- *Requirements for the Preparation of Financial Statements of Commonwealth Agencies and Authorities* made by the Minister for Finance and Administration (Schedule 1 of the Financial Management and Accountability (FMA) Orders).
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Boards;
- Other authoritative pronouncements of the Australian Accounting Standards Boards; and
- the Consensus Views of the Urgent Issues Group.

The statements have been prepared having regard to:

- Statements of Accounting Concepts; and
- the Explanatory Notes to Schedule 1 issued by the Department of Finance and Administration.

These financial statements have been prepared on an accrual basis and in accordance with the historical cost convention except for certain assets which, as noted, are at valuation. They do not take account of changing money values on the results or the financial position, except where stated.

Assets and liabilities are recognised in the Agency Statement of Financial Position when and only when it is probable that future Department's economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionately unperformed are however not recognised unless required by an Accounting Standard. Liabilities and assets which are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than remote contingencies, which are reported at Note 33).

Revenues and expenses are recognised in the Agency Statement of Financial Performance when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

The continued existence of the Department in its present form, and with its present outcomes, is dependent on Government policy, and on continuing appropriations by Parliament for the Department's administration and outcomes.