

## APPENDIX B – INDEPENDENT AUDIT REPORT



### INDEPENDENT AUDIT REPORT

To the Parliamentary Secretary to the Treasurer

#### Scope

#### *The financial statements and Chief Executive Officer's responsibility*

The financial statements comprise:

- Statement by the Chief Executive Officer and Chief Finance Officer;
- Income Statement, Balance Sheet and Statement of Cash Flows;
- Statement of Changes in Equity;
- Schedule of Commitments;
- Schedule of Administered Items; and
- Notes to and forming part of the Financial Statements

of the Royal Australian Mint (the Mint) for the year ended 30 June 2006.

The Chief Executive Officer is responsible for preparing the financial statements that give a true and fair presentation of the financial position and performance of the Mint, and that comply with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, Accounting Standards and mandatory financial reporting requirements in Australia. The Chief Executive Officer is also responsible for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

#### *Audit approach*

I have conducted an independent audit of the financial statements in order to express an opinion on them to you. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

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I have performed procedures to assess whether, in all material respects, the financial statements present fairly, in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997* and Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Mint's financial position, and of its financial performance and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Chief Executive Officer.

### ***Independence***

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

### **Audit Opinion**

In my opinion, the financial statements of the Royal Australian Mint:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (b) give a true and fair view of the Mint's financial position as at 30 June 2006 and of its performance and cash flows for the year then ended, in accordance with:
  - (i) the matters required by the Finance Minister's Orders; and
  - (ii) applicable Accounting Standards and other mandatory financial reporting requirements in Australia.

Australian National Audit Office



Carla Jago  
Executive Director

Delegate of the Auditor-General  
Canberra

6 September 2006

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### ROYAL AUSTRALIAN MINT STATEMENT BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2006 have been prepared based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.



J Murphy  
Chief Executive Officer

6/9/06



M McClelland  
Chief Finance Officer

6/9/06