

FINANCIAL STATEMENTS



INDEPENDENT AUDIT REPORT

To the President of the Senate and the Speaker of the House of Representatives

Scope

The financial statements comprise:

- Statement by the Secretary;
- Statements of Financial Position, Financial Performance and Cash Flows;
- Schedules of Commitments and Contingencies; and
- Notes to and forming part of the Financial Statements

for the Department of the Parliamentary Library for the period ended 31 January 2004.

The Department's Secretary is responsible for the preparation and true and fair presentation of the financial statements in accordance with the Finance Minister's Orders. This includes responsibility 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 in order to express an opinion 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 judgment, 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 the procedures, the audit was not designed to provide assurance on internal controls.

The audit did not involve an analysis of the prudence of business decisions made by the Secretary or management.

FINANCIAL STATEMENTS

Procedures were performed to assess whether in all material respects the financial report presents fairly, in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Department's performance as represented by the statements of financial performance, financial position 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 Secretary.

Independence

In conducting the audit, I have followed the independence requirements of the ANAO which incorporate Australian professional ethical pronouncements.

Audit Opinion

In my opinion the financial statements:

- (i) have been prepared in accordance with Finance Minister's Orders made under the *Financial Management and Accountability Act 1997* and applicable Accounting Standards; and
- (ii) give a true and fair view, of the matters required by applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Finance Minister's Orders, of the financial position of the Department of the Parliamentary Library as at 31 January 2004, and its financial performance and cash flows for the period then ended.



Rebecca Reilly
Acting Executive Director

Delegate of the Auditor-General

Canberra
19 July 2004

CERTIFICATION

In my opinion, the attached financial statements for the period ended 31 January 2004 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*.

Hilary Penfold

Hilary Penfold QC
Secretary

19 / 7 / 2004

FINANCIAL STATEMENTS

Department of the Parliamentary Library - Financial Statements to 31 January 2004

DEPARTMENT OF THE PARLIAMENTARY LIBRARY
STATEMENT OF FINANCIAL PERFORMANCE
for the period ended 31 January 2004

	Notes	31/01/04 \$'000	2002-03 \$'000
Revenues from ordinary activities			
Revenues from government	4A	12,499	21,647
Sale of goods and services	4B	5	7
Revenue from sale of assets	4C	5	45
Other	4D	243	38
Total revenues from ordinary activities		<u>12,752</u>	<u>21,737</u>
Expenses from ordinary activities			
Employees	5A	7,420	11,402
Suppliers	5B	4,069	7,288
Depreciation and amortisation	5C	1,153	2,253
Correction of fundamental error	6	1,065	-
Value of assets sold	4C	56	337
Write-down of assets	5D	41	144
Other	5E	13	6
Total expenses from ordinary activities		<u>13,817</u>	<u>21,430</u>
Net surplus/(deficit)		<u>(1,065)</u>	<u>307</u>
Net credit/(debit) to asset revaluation reserve	10	<u>432</u>	<u>-</u>
Total revenues, expenses and valuation adjustments attributable to the Commonwealth and recognised directly in equity		<u>432</u>	<u>-</u>
Total changes in equity other than those resulting from transactions with owners as owners		<u>(633)</u>	<u>307</u>

The above statement should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

Department of the Parliamentary Library - Financial Statements to 31 January 2004

DEPARTMENT OF THE PARLIAMENTARY LIBRARY
STATEMENT OF FINANCIAL POSITION
as at 31 January 2004

	Notes	31/01/04 \$'000	2002-03 \$'000
ASSETS			
Financial assets			
Cash	7A	680	3,262
Receivables	7B	1,908	77
Total financial assets		2,588	3,339
Non-financial assets			
Plant and equipment, library collection	8A,8B	8,242	8,623
Intangibles	8C	1,248	843
Other	8E	493	445
Total non-financial assets		9,983	9,911
TOTAL ASSETS		12,571	13,250
LIABILITIES			
Provisions			
Employees	9A	4,467	4,398
Total provisions		4,467	4,398
Payables			
Suppliers	9C	19	134
Total payables		19	134
TOTAL LIABILITIES		4,486	4,532
NET ASSETS		8,085	8,718
EQUITY			
Parent entity interest			
Contributed equity	10	77	77
Reserves	10	5,204	4,772
Retained surpluses	10	2,804	3,869
TOTAL EQUITY		8,085	8,718
Current assets		3,081	3,784
Non-current assets		9,490	9,466
Current liabilities		1,883	2,052
Non-current liabilities		2,603	2,480

The above statement should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

Department of the Parliamentary Library - Financial Statements to 31 January 2004

DEPARTMENT OF THE PARLIAMENTARY LIBRARY
STATEMENT OF CASH FLOWS
for the period ended 31 January 2004

	Notes	31/01/04 \$'000	2002-03 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		8,200	17,522
Sale of goods and services		5	49
Interest		-	28
GST received from ATO		366	496
Total cash received		8,571	18,095
Cash used			
Employees		(7,213)	(11,222)
Suppliers		(2,281)	(3,658)
Total cash used		(9,494)	(14,880)
Net cash from/(used by) operating activities	11	(923)	3,215
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of plant and equipment		5	39
Proceeds from maturity of term deposits		-	2,800
Total cash received		5	2,839
Cash used			
Purchase of plant and equipment, library collection		(1,066)	(1,947)
Purchase of intangibles		(598)	(301)
Total cash used		(1,664)	(2,248)
Net cash from/(used by) investing activities		(1,659)	591
FINANCING ACTIVITIES			
Cash used			
Capital use charge paid		-	(862)
Return of contributed equity		-	(13)
Net cash from/(used by) financing activities		-	(875)
Net increase/(decrease) in cash held		(2,582)	2,931
Cash at the beginning of the reporting period		3,262	331
Cash at the end of the reporting period	7A	680	3,262

The above statement should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

Department of the Parliamentary Library - Financial Statements to 31 January 2004

DEPARTMENT OF THE PARLIAMENTARY LIBRARY
SCHEDULE OF COMMITMENTS
as at 31 January 2004

BY TYPE	31/01/04 \$'000	30/06/03 \$'000
Capital Commitments		
Plant and equipment, library collection (1)	753	201
Total capital commitments	753	201
Other Commitments		
Operating leases (2)	11	21
Other commitments (3)	405	674
Total other commitments	416	695
Commitments Receivable	106	81
Net commitments	1,063	815
BY MATURITY		
Capital Commitments		
One year or less	753	201
From one to five years	-	-
Over five years	-	-
Operating lease commitments		
One year or less	11	16
From one to five years	-	5
Over five years	-	-
Other commitments		
One year or less	405	674
From one to five years	-	-
Over five years	-	-
Commitments receivable		
One year or less	106	81
Net commitments by maturity	1,063	815

N.B. Commitments are GST inclusive where relevant. GST recoveries in relation to the commitments are shown as commitments receivable.

- (1) Plant and equipment commitments are primarily orders for purchases of furniture & fittings and IT equipment.
- (2) Operating leases included are effectively non-cancellable and comprise agreements for the provision of motor vehicles to a) a senior executive officer and b) a general vehicle for administrative use. No contingent rentals exist, and there are no renewal or purchase options available to the Department.
- (3) Other commitments include purchase orders raised and yet to be filled as at 31 January 2004.

The above schedule should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

Department of the Parliamentary Library - Financial Statements to 31 January 2004

**DEPARTMENT OF THE PARLIAMENTARY LIBRARY
SCHEDULE OF CONTINGENCIES**

as at 31 January 2004

	31/01/04 \$'000	30/06/03 \$'000
CONTINGENT LOSSES		
Claims for damages/costs	-	-
CONTINGENT GAINS		
Claims for damages/costs	-	-
<i>Net contingencies</i>	-	-

The above schedule should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

DEPARTMENT OF THE PARLIAMENTARY LIBRARY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ending 31 January 2004

CONTENTS

NOTE 1	Departmental structure and objectives
NOTE 2	Statement of significant accounting policies
NOTE 3	Events occurring after balance date
NOTE 4	Operating revenues
NOTE 5	Operating expenses
NOTE 6	Fundamental error in library collection
NOTE 7	Financial assets
NOTE 8	Non-financial assets
NOTE 9	Provisions and payables
NOTE 10	Equity
NOTE 11	Cash flow reconciliation
NOTE 12	Departmental appropriation
NOTE 13	Trust moneys and special accounts
NOTE 14	Executive remuneration
NOTE 15	Collection development expenditure
NOTE 16	Services provided by auditors
NOTE 17	Material resources received free of charge
NOTE 18	Act of grace payments, waivers and write-offs
NOTE 19	Average staffing levels
NOTE 20	Reporting of outcomes
NOTE 21	Financial instruments
NOTE 22	Abolition of the Department

FINANCIAL STATEMENTS

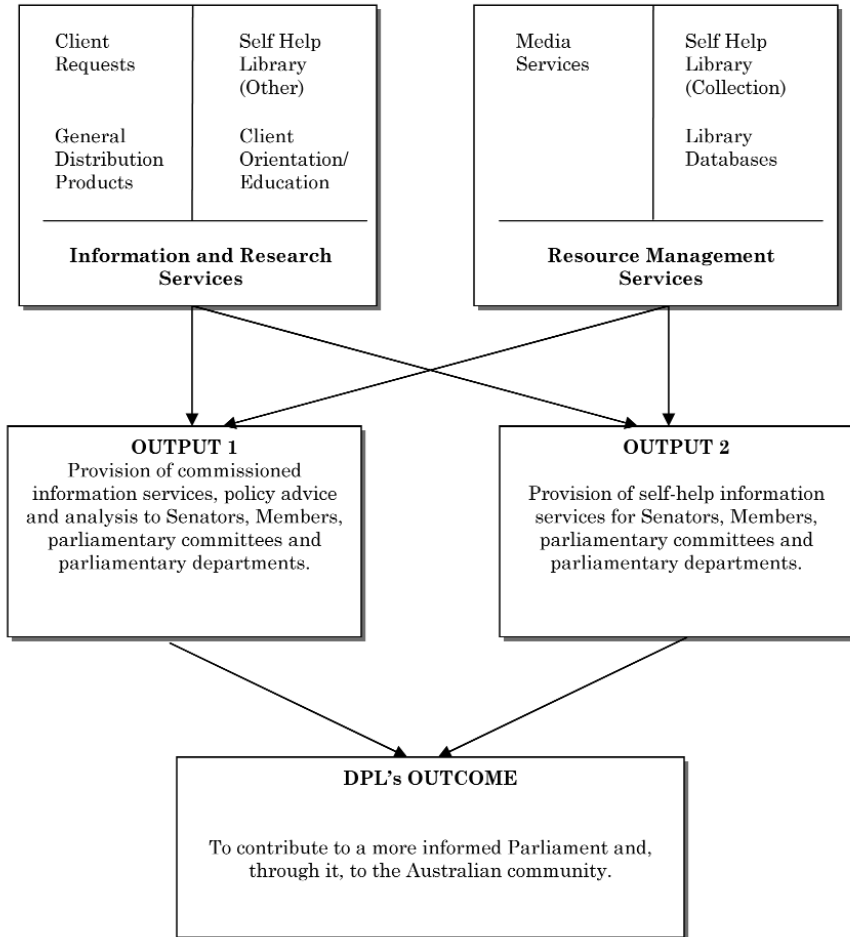
Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

DEPARTMENT OF THE PARLIAMENTARY LIBRARY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JANUARY 2004

NOTE 1 DEPARTMENTAL STRUCTURE AND OBJECTIVES

Appropriations are received on an outcome and outputs basis, whereas output activities are provided and managed on a program basis as shown below.



FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

Vision

The Department's vision is to be the leading resource for the Australian Parliament for information, analysis and advice.

Mission

The Department's mission is to support the parliamentary process by providing Senators and Members with quality information services, analysis and advice.

Values

The Department's values include:

Personal

- Professionalism;
- confidentiality;
- impartiality; and
- integrity.

Organisational

- excellence in service;
- continuous improvement;
- cost-effectiveness; and
- mutual support.

Corporate objectives

The Department's key corporate objectives include:

- to ensure client confidence in DPL services as demonstrated by increased usage;
- to provide resources to meet client needs; and
- to ensure staff provide quality services.

NOTE 2 STATEMENT 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:

- Finance Minister's Orders (being the *Financial Management and Accountability (Financial Statements for reporting periods ending on or after 30 June 2003) Orders*);
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board; and
- Consensus Views of the Urgent Issues Group.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

The Statements of Financial Performance and Financial Position have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future 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.

Revenues and expenses are recognised in the 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 Department ceases to exist in its present form as at 31 January 2004. Its present programs will be taken over by the Department of Parliamentary Services (DPS) and unused appropriation funding will be transferred to DPS (see Note 22).

(b) *Changes in accounting policy*

The accounting policies used in the preparation of these financial statements are consistent with those used in 2002-03.

(c) *Comparative figures*

2002-2003 comparative figures disclosed in these financial statements are for the full 12 months 1 July 2002 – 30 June 2003.

(d) *Rounding*

Amounts have been rounded to the nearest \$1,000 except in relation to the following:

- act of grace payments and waivers;
- remuneration of executives;
- remuneration of auditors; and
- appropriation note disclosures.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

(e) *Agency and administered items*

Agency (ie-departmental) assets, liabilities, revenues and expenses are those items that are financially controlled by the Department. They are used by the Department in producing its outputs, including:

- property, plant and equipment used in providing goods and services;
- liabilities for employee entitlements;
- revenues from appropriations and from user charging where the proceeds are deemed appropriated under section 31 of the *Financial Management and Accountability Act 1997*; and
- employee, supplier and depreciation expenses incurred in producing the Department's outputs.

Administered items are those items that are controlled by the Commonwealth and managed in a fiduciary capacity by the Department.

The Department does not have any administered functions.

(f) *Reporting by outcomes*

DPL has only one outcome. A comparison of budget and actual figures by outputs, and an outline of the output costing methodology, is presented in Note 20.

(g) *Revenues from government*

Departmental outputs appropriations for the year (less any savings offered up in Portfolio Additional Estimates Statement) are recognised as revenue, except for certain amounts which relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

(h) *Other revenue*

Revenue from the sale of goods and services is recognised upon their delivery to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

(i) *Transactions with the Commonwealth as Owner*

Equity injections

From 1 July 2002 amounts of appropriations designated as equity injections are recognised directly in Contributed Equity as at 1 July or later date of effect of the appropriation.

The Department has not had any such injections since 1 July 2002.

Capital Usage Charge

In previous years a capital usage charge was imposed by the Commonwealth on the net assets of the Department. The charge was adjusted to take account of asset gifts and revaluation increments during the financial year. The charge was accounted for in the statements as a dividend to Government.

In accordance with the recommendations of a review of Budget Estimates and Framework, the Government decided that the charge would not operate after 30 June 2003. As 2002-2003 was the final year that the charge operated, it was set for that year at a level that ensured Budget neutrality.

Return of contributed equity

In 2002-2003 the Department returned \$13,000 to the Official Public Account. The \$13,000 represented interest that the Department was not able to retain, given the cessation of the Agency Banking Incentive Scheme. It was accounted for in accordance with Finance Brief 16 *'Accounting for Returns of Cash to the official Public Account'*.

(j) *Taxation*

The Department's activities in the seven months to 31 January 2004 were exempt from all forms of taxation except for fringe benefits tax, the goods and services tax, superannuation guarantee levy and import duties.

Revenues, expenses and assets are recognised net of GST except where the amount of GST incurred is not recovered from the Australian Taxation Office and except for receivables and payables.

(k) *Insurance*

The Department has insured for risks through the Commonwealth's insurable risk managed fund, called 'Comcover'. Workers compensation is insured through Comcare Australia. The Department carries no other insurance, apart from ad hoc travel insurance for official travel overseas, and, in accordance with Commonwealth policy, losses are expensed as they are incurred.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

(l) *Leases*

A distinction is made between finance leases (which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets) and operating leases (under which the lessor effectively retains substantially all such risks and benefits). The Department has not financed any purchases with a finance lease.

Operating lease payments are expensed on a basis which is representative of the pattern of benefits derived from the leased assets.

(m) *Cash*

Cash means notes and coins held and any deposits held at call with a bank or financial institution.

(n) *Term Deposit*

Term Deposit means investments held at market rates with the Reserve Bank of Australia.

(o) *Financial instruments*

Accounting policies for financial instruments are stated at Note 21.

(p) *Receivables*

A provision is raised if necessary for any doubtful debts based on a review of all outstanding accounts as at 31 January 2004. Bad debts are written off in the period they are identified.

(q) *Property, plant and equipment*

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than the threshold limits, which are expensed in the year of acquisition (other than where they form part of a group of similar items which, when taken as a group, have a material cost). Threshold limits applied are shown in the tables included later in this Note 2(q). All monographs added to the collection are capitalised regardless of their individual value as they are regarded as part of a group of similar items significant in total.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

The following assets, not individually over the asset threshold, are considered material as a group because the group cost is \$20,000 or more:

Chairs; desks; work stations; filing cabinets; computer monitors; bookcases; mobile storage units; and tables.

These groups have been capitalised.

Valuation policy

Plant and equipment and the library collection are carried at valuation, other than for asset purchases since the last revaluation (carried at cost until the next revaluation). Revaluations undertaken up to 30 June 2002 were done on a deprival basis. Revaluations since that date are at fair value with the first revaluation of the library collection to fair value as at 1 January 2004. This change in accounting policy is required by Australian Accounting Standard AASB 1041 *Revaluation of Non-Current Assets*.

The financial effect for the seven months to 31 January 2004 of this change in accounting policy relates to those assets to be recognised at fair value at 31 January 2004. The financial effect of the change was the difference between the carrying amount of the library collection at 31 December 2003 and its fair value at 1 January 2004. The effect was to increase the carrying value of the library collection and asset revaluation reserve by \$432,813.

Fair and deprival values for each class of asset are determined as shown below:

Asset class	Fair value measured at:	Deprival value measured at:
Plant & equipment		Depreciated replacement cost
Library collection	Market selling price and Depreciated replacement cost	

Under both deprival and fair value, assets which are surplus to requirements are measured at their net realisable value. At 31 January 2004 the Department had no assets in this situation (2003:Nil).

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

Revaluations are being undertaken progressively. The library collection was revalued at 1 January 2004 by the Australian Valuation Office (AVO) using the fair value method.

All plant & equipment was revalued at officer's valuation as at 30 June 2002, with assistance from the AVO, using the deprival method. The next revaluation of plant & equipment using the fair value method is scheduled in 2004-2005. The Department has no reason to believe that reference to fair value would yield significantly different disclosures compared to deprival value at 31 January 2004.

Depreciation/amortisation policy

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential. DPL uses the straight-line method of depreciation/amortisation.

Depreciation/amortisation is provided for monthly, using rates and methods that are reviewed annually. Residual values are normally estimated at zero.

Depreciation/amortisation periods are:

Asset type	No. of years depreciated/ amortised	Capitalisation threshold \$
Computing, plant and office equipment	3-20	1,000*
Furniture and fittings	10-30	1,000*
Library collection	3-30	1

* Subject to the grouping policy detailed above.

Intangibles

The Department's intangible assets comprise internally developed software and software which has been purchased. These assets are carried at cost. Actual costs, including salary and related direct costs of DPL staff, have been included in the total cost of internally developed software and enhancements.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

All software assets have been assessed for impairment at 31 January 2004 and none have been found to be impaired.

Depreciation/amortisation periods are:

Asset type	No. of years depreciated/ amortised	Capitalisation threshold \$
Mainframe software	5	20,000 if internally developed; 1,000 if externally acquired
PC-based software	3	As above

The aggregate amount of depreciation/amortisation allocated for each class of asset during the reporting period is disclosed in note 5C.

(r) *Employee benefits*

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for wages and salaries (including non-monetary benefits) and annual leave are measured at their nominal amounts. Other employee benefits expected to be settled within 12 months of the reporting date are also measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

For the provision for long service leave, this measurement has been made using the shorthand methodology provided by the Australian Government Actuary.

The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees as at 31 January 2004. In determining the present value of the liability, the Department has taken into account attrition rates and pay increases through promotion and inflation.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

Liabilities for annual leave and long service leave take into account both the value of the leave salary and associated employer superannuation contributions (to the extent that leave is likely to be taken during service rather than paid out on termination).

In accordance with Accounting Standard AASB 1028 *‘Employee Benefits’*, a liability for employee benefits in the form of compensated absences is recognised in accrued salaries as at 31 January 2004. These compensated absences arise when employees render service that entitles them to future compensated absences in accordance with the Department’s *Certified Agreement 2002-2005*.

Staff of the Department are mainly members of the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. The liability for those superannuation benefits is recognised in the financial statements of the Commonwealth and is settled by the Commonwealth in due course.

For those schemes, the Department makes employer contributions to the Commonwealth at rates determined by an actuary to be sufficient to meet the cost to the Commonwealth of the superannuation entitlements of the Department’s employees.

For staff who are members of the Australian Government Employees Superannuation Trust, the Department’s employer contributions are in accordance with prescribed amounts under superannuation guarantee legislation.

Provision is made for separation and redundancy payments in circumstances where the Department has formally identified positions as excess to requirements and a reliable estimate of the total amounts payable can be made.

(s) *Foreign currency*

Foreign currency transactions occurring during the year were converted to Australian dollars at the rates of exchange prevailing at the date of each transaction. Where foreign currency transactions have been included in the calculation of accrued expenditure as at 31 January 2004, exchange rates at balance date were used to convert the amounts into Australian dollars. Associated currency gains and losses are not material.

(t) *Resources received free of charge*

Material resources received free of charge are recognised as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of these resources is recognised as an expense.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

(u) *Trust moneys and special accounts*

The Comcare Trust Account operates principally for the purpose of receiving from COMCARE amounts payable to employees under a determination pursuant to the *Safety, Rehabilitation and Compensation Act 1988*. Until a determination is made by COMCARE, the Department makes payments in the nature of salary to the employee. Funds received from COMCARE are deposited into an administered (COMCARE) receipts account as special public monies. Upon receiving a determination, the funds are transferred through an administered (COMCARE) payments account to the Department to reimburse it for the expenditure incurred.

The Department has two special accounts: 'Services for Other Government and Non-Agency Bodies' and 'Other Trust Moneys'.

Further details on the trust account and special accounts are disclosed in Note 13.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

NOTE 3 EVENTS OCCURRING AFTER BALANCE DATE

Apart from the matter outlined at Note 22, no events occurred after balance date that required an adjustment to or disclosure in the financial statements.

NOTE 4 OPERATING REVENUES

	31/01/04 \$'000	2002-03 \$'000
Note 4A - Revenues from Government		
Appropriations for outputs	10,071	17,522
Resources received free of charge	2,428	4,125
Total	<u>12,499</u>	<u>21,647</u>

Note 4B – Sale of Goods and Services

Goods and services	<u>5</u>	<u>7</u>
Goods and services were sold as follows:		
Related entities (Commonwealth Government)	1	1
External entities	<u>4</u>	<u>6</u>
Total	<u>5</u>	<u>7</u>

Note 4C – Net Gains/(Losses) from Disposal of Assets**Plant & Equipment**

Proceeds from disposal	5	45
Less:		
Net book value at disposal	(5)	(158)
Expenses from sale	(1)	(9)
Net gain/(loss)	<u>(1)</u>	<u>(122)</u>

Collection

Proceeds from disposal	-	-
Less:		
Net book value at disposal	(50)	(170)
Net gain/(loss)	<u>(50)</u>	<u>(170)</u>

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

	31/01/04	2002-03
	\$'000	\$'000
Note 4C continued		
Plant & Equipment, Collection		
Total proceeds from disposal	5	45
Less:		
Total value of assets disposed	(55)	(328)
Total expenses from sale	(1)	(9)
Total net gain/(loss) from disposal of assets	<u>(51)</u>	<u>(292)</u>
Note 4D – Other		
Grouped assets brought to account	-	38
Collection adjustments	243	-
Total Other	<u>243</u>	<u>38</u>

Collection adjustments include a regular re-assessment of the provision for future stocktakes (see Note 8B).

NOTE 5 OPERATING EXPENSES

Note 5A - Employee Expenses

Wages and salaries	5,176	7,961
Superannuation	1,049	1,508
Leave and other entitlements	694	1,247
Separations and redundancies	240	238
Other employee related expenses	223	364
Total employee benefits expense	<u>7,382</u>	<u>11,318</u>
Workers compensation premiums	38	84
Total	<u>7,420</u>	<u>11,402</u>

Note 5B – Supplier Expenses

Goods from related entities	54	61
Goods from external entities	526	983
Services from related entities	2,687	5,017
Services from external entities	794	1,213
Operating lease rentals	8	14
Total	<u>4,069</u>	<u>7,288</u>

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

	31/01/04	2002-03
	\$'000	\$'000
Note 5C - Depreciation and Amortisation		
Depreciation of plant and equipment	489	837
Depreciation of library collection	471	1,025
Amortisation of intangibles	193	391
Total	1,153	2,253
Note 5D - Write down of assets		
Provision for collection losses expense	-	144
Stocktake Writedowns	41	-
Total	41	144
Note 5E - Other		
Interest	-	5
Net foreign exchange losses	13	1
Total	13	6

NOTE 6 FUNDAMENTAL ERROR IN LIBRARY COLLECTION

During the current period, it was determined that the large majority of salary costs that had been capitalised in the library collection as General Development Products in the current and prior years did not meet the recognition criteria and characteristics of an asset in accordance with Accounting Standards. This error had the effect of overstating the non-financial assets: library collection by \$1,065,050 as at 30 June 2003 and net surplus from ordinary activities by \$431,000 for the year ended 30 June 2003 and by \$634,000 for the year ended 30 June 2002. Restated financial information for the 31 January 2004, 30 June 2003 and 30 June 2002 reporting periods is presented below and reflects the adjustments to the prior years' salary and depreciation expense as if the error had not been made.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

<i>Note 6 continued</i>	31/01/04	2002-03	2001-02
Restated Statement of Financial Performance	\$000	\$000	\$000
Total revenues from ordinary activities	12,752	21,737	21,895
Expenses from ordinary activities			
Employees	7,420	12,117	11,293
Suppliers	4,069	7,288	7,305
Depreciation and amortisation	1,153	1,969	1,839
Value of assets sold	56	337	-
Write-down of assets	41	144	40
Other	13	6	-
Total expenses from ordinary activities	<u>12,752</u>	<u>21,861</u>	<u>20,477</u>
Net surplus/(deficit)	<u>-</u>	<u>(124)</u>	<u>1,418</u>
Restatement of Accumulated Results	31/01/04	2002-03	2001-02
	\$000	\$000	\$000
Previously reported results at the end of the previous reporting period	3,869	4,397	3,360
Correction of fundamental error	<u>(1,065)</u>	<u>(634)</u>	<u>-</u>
Restated accumulated results at the beginning of the reporting period	2,804	3,763	3,360
Net surplus/(deficit)	-	(124)	1,418
Capital use charge	<u>-</u>	<u>(835)</u>	<u>(1,015)</u>
Restated accumulated results at the reporting date	<u>2,804</u>	<u>2,804</u>	<u>3,763</u>
Restated Statement of Financial Position	31/01/04	2002-03	2001-02
	\$000	\$000	\$000
Assets			
Total financial assets	2,588	3,339	3,339
Total non-financial assets (as restated)	9,983	8,846	9,591
Total Assets	<u>12,571</u>	<u>12,185</u>	<u>12,930</u>
Liabilities	<u>4,486</u>	<u>4,532</u>	<u>4,305</u>
Net Assets	<u>8,085</u>	<u>7,653</u>	<u>8,625</u>
Equity			
Contributed equity	77	77	90
Reserves	5,204	4,772	4,772
Retained surpluses (as restated)	2,804	2,804	3,763
Total Equity	<u>8,085</u>	<u>7,653</u>	<u>8,625</u>

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

NOTE 7 FINANCIAL ASSETS

Note 7A – Cash	31/1/04	30/6/03
Cash on hand	-	2
Cash at bank	<u>680</u>	<u>3,260</u>
Total Cash	<u>680</u>	<u>3,262</u>
Note 7B - Receivables		
GST receivable	36	76
Goods and services	1	1
Appropriation receivable	<u>1,871</u>	<u>-</u>
Total Receivables (net)	<u>1,908</u>	<u>77</u>

Receivables (gross) which are overdue are aged as follows:

	31/1/04	30/06/03
	\$'000	\$'000
Current	1,908	77
Overdue by:		
Less than 30 days	-	-
30 to 60 days	-	-
60 to 90 days	-	-
more than 90 days	-	-
Total receivables (gross)	<u>1,908</u>	<u>77</u>

All receivables are current assets.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

NOTE 8 NON-FINANCIAL ASSETS

Note 8A - Plant and Equipment	31/01/04 \$'000	30/06/03 \$'000
Computing, plant and office equipment – at 2002 valuation	2,365	2,611
Less accumulated depreciation	(1,583)	(1,461)
Carrying amount	782	1,150
Computing, plant and office equipment – at cost	432	303
Less accumulated depreciation	(157)	(35)
Carrying amount	<u>275</u>	<u>268</u>
Furniture and fittings – at 2002 valuation	2,005	2,009
Less accumulated depreciation	(1,057)	(1,004)
Carrying amount	<u>948</u>	<u>1,005</u>
Furniture and fittings – at cost	88	68
Less accumulated depreciation	(5)	(3)
Carrying amount	<u>83</u>	<u>65</u>
Assets under construction – at cost	447	5
Plant and Equipment	<u>2,535</u>	<u>2,493</u>

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

Note 8B - Library Collection	31/01/04	30/06/03
	\$'000	\$'000
Library collection - at 2004 valuation	5,665	7,482
Less accumulated depreciation	(67)	(3,500)
Carrying amount	5,598	3,982
Library collection - at cost	287	2,828
Less accumulated depreciation	(109)	(469)
Carrying amount	178	2,359
Total	5,776	6,341
Less provision for future stocktakes	(69)	(211)
Library Collection	5,707	6,130
Total Plant & Equipment, Library Collection	8,242	8,623
Note 8C - Intangibles		
Software - at cost	2,777	2,589
Less accumulated amortisation	(1,977)	(1,784)
Carrying amount	800	805
Software under development – at cost	448	38
Total Intangibles	1,248	843

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

Note 8D - Analysis of Plant and Equipment, Library Collection and Intangibles

Table A – Reconciliation of opening and closing balances for all assets	Plant and equipment \$'000	Library Collection \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2003				
Gross book value	4,996	10,310	2,627	17,933
Accumulated dep'n, amortisation	(2,503)	(3,969)	(1,784)	(8,256)
Provision for future stocktakes	-	(211)	-	(211)
Net book value	2,493	6,130	843	9,466
Additions	538	528	598	1,664
Dep'n, amortisation expense	(489)	(471)	(193)	(1,153)
Disposals	(7)	(49)	-	(56)
Write off of assets	-	(41)	-	(41)
Collection adjustments	-	101	-	101
Revaluation of Assets	-	432	-	432
Provision Adjustments	-	142	-	142
GDP's written off at 1 July 2003	-	(1,065)	-	(1,065)
As at 31 January 2004				
Gross book value	5,337	5,952	3,225	14,514
Accumulated dep'n, amortisation	(2,802)	(176)	(1,977)	(4,955)
Provision for future stocktakes	-	(69)	-	(69)
Net book value	2,535	5,707	1,248	9,490

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

Note 8D - Analysis of plant and equipment, library collection and intangibles – continued.

Table B – Assets at valuation	Plant and equipment	Library collection	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 31 January 2004				
Gross value	4,370	5,665	-	10,035
Accumulated depreciation/amortisation	(2,640)	(67)	-	(2,707)
Net book value	1,730	5,598	-	7,328
As at 30 June 2003				
Gross value	4,620	7,482	-	12,102
Accumulated depreciation/amortisation	(2,465)	(3,500)	-	(5,965)
Net book value	2,155	3,982	-	6,137

Table C – Assets under construction, software under development	Plant and equipment	Library collection	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
Gross value as at 31 January 2004	447	-	448	895
Gross value as at 30 June 2003	5	-	38	43

	31/01/04	30/06/03
	\$'000	\$'000
Note 8E – Other Non-Financial Assets		
Prepayments	493	445

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

NOTE 9 PROVISIONS AND PAYABLES

	31/01/04 \$'000	30/06/03 \$'000
Note 9A - Employee Provisions		
Salaries	150	361
Separations & redundancies	226	37
Annual leave	1,109	1,127
Long service leave	2,982	2,873
Aggregate Employee Entitlement Liability	<u>4,467</u>	<u>4,398</u>
Current	1,864	1,918
Non-current	<u>2,603</u>	<u>2,480</u>
	<u>4,467</u>	<u>4,398</u>
Note 9B – Capital use charge (CUC) provision		
Balance owing 1 July	-	27
CUC provided during the year	-	835
CUC paid	-	(862)
Balance owing at end of period	<u>-</u>	<u>-</u>
Note 9C – Payables		
Trade creditors	-	81
Accrued expenses	19	53
	<u>19</u>	<u>134</u>

All payables are current liabilities.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

NOTE 10 EQUITY

Analysis of Equity

Item	Accumulated Results		Asset Revaluation Reserves		Contributed Equity		TOTAL EQUITY	
	31/01/04 \$'000	30/06/03 \$'000	31/01/04 \$'000	30/06/03 \$'000	31/01/04 \$'000	30/06/03 \$'000	31/01/04 \$'000	30/06/03 \$'000
Opening balance as at 1 July	3,869	4,397	4,772	4,772	77	90	8,718	9,259
Net surplus/deficit	(1,065)	307	-	-	-	-	(1,065)	307
Net revaluation increment/ (decrement)	-	-	432	-	-	-	432	-
Transactions with owner:								
Returns on Capital								
- Capital use charge (CUC)	-	(835)	-	-	-	-	-	(835)
Returns of Capital								
- Return of contributed equity (cessation of Agency Banking Incentive Scheme)	-	-	-	-	-	(13)	-	(13)
Closing balance as at 31 January 2004/30 June 2003	2,804	3,869	5,204	4,772	77	77	8,085	8,718
Total equity attributable to the Commonwealth	2,804	3,869	5,204	4,772	77	77	8,085	8,718

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

NOTE 11 CASH FLOW RECONCILIATION

Reconciliation of Cash per Statement of Financial Position to Statement of Cash Flows	7 Months ended 31/1/04 \$'000	12 Months ended 2002-03 \$'000
Cash at year end per Statement of Cash Flows	680	3,262
Statement of Financial Position	680	3,262
Reconciliation of net cost of services to net cash provided by operating activities:		
Net surplus (deficit)	(1,065)	307
Depreciation / Amortisation	1,153	2,253
Net loss on disposal of assets (incl s.31 receipts)	51	292
Write down of assets	41	144
Grouped assets brought to account	0	(38)
Reduction Collection Write down Provision	(242)	-
Decrease / (Increase) in receivables	(1831)	131
Decrease / (Increase) in prepayments	(48)	(125)
Increase / (Decrease) in employee liabilities	69	235
Increase / (Decrease) in supplier payables	(116)	16
Fundamental error expensed	1065	
Net cash from/(used by) by operating activities	(923)	3,215

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

NOTE 12 DEPARTMENTAL APPROPRIATION

Cash Basis Acquittal of Appropriations from Act 1

	Total
	\$
7 months ended 31 January 2004	
Balance carried from previous year	3,330,387
Appropriation (Parliamentary Departments) Act	17,387,000
Less Appropriation Revenue to be recognised in the Department of Parliamentary Services (Section 54B of the <i>Parliamentary Service Act</i> 1999)	7,315,579
Appropriation Revenue recognised in DPL	<u>10,071,421</u>
Annotations to 'net appropriations' (FMA s.31)	10,765
GST credits (FMA s.30A)	<u>341,329</u>
Available for payments	<u>13,753,902</u>
Payments during the 7 months	<u>11,166,777</u>
Balance carried forward to next period	<u>2,587,125</u>
Represented by:	
Cash	679,800
Accrued revenue	1,871,421
Net GST receivables	35,904
Payables – trade creditors GST portion	-
	<u>2,587,125</u>
Year ended 30 June 2003	
Balance carried from previous year	3,130,788
Appropriation (Parliamentary Departments) Act	17,522,000
Annotations to 'net appropriations' (FMA s.31)	116,098
GST credits (FMA s.30A)	<u>600,069</u>
Available for payments	21,368,955
Payments during the year	<u>18,038,568</u>
Balance carried forward to next year	<u>3,330,387</u>
Represented by:	
Cash	3,262,000
Net GST receivables	76,258
Payables – trade creditors GST portion	<u>(7,871)</u>
	3,330,387

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

NOTE 13 TRUST MONEYS AND SPECIAL ACCOUNTS

a) *Comcare Trust Account*

Purpose – Moneys held in trust and advanced to DPL by Comcare for the purpose of distributing compensation payments made in accordance with *the Safety, Rehabilitation and Compensation Act 1998*.

The following table shows the composition of the Trust Account balance at the end of the period:

	31/01/04	2002-03
	\$	\$
Balance carried forward from previous year	3,506	21,580
- receipts during the year	<u>110</u>	<u>11,833</u>
- available for payment	3,616	33,413
- payments made during the year	3,616	29,907
Balance carried forward to next year	<u>-</u>	<u>3,506</u>

b) *Services for Other Governments and Non-Agency Bodies Special Account*

This account was established for expenditure in connection with services performed on behalf of other Governments and bodies that are not agencies under the *Financial Management & Accountability Act 1997*. For the periods ended 31 January 2004 and 30 June 2003, this special account had a \$Nil balance and there were no transactions debited or credited.

c) *Other Trust Moneys Special Account*

This account was established for expenditure of moneys temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth. For the periods ended 31 January 2004 and 30 June 2003, this special account had a \$Nil balance and there were no transactions debited or credited.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

NOTE 14 EXECUTIVE REMUNERATION

	To	2002-03
	31/01/04	
The number of senior executive officials whose total remuneration exceeds \$100,000:	Number	Number
\$140,000 to \$149,999	-	1
\$160,000 to \$169,999	-	1
\$250,000 to \$259,999	1	-
The aggregate amount of remuneration for senior executive officials shown above (including the aggregate amount allowed during the period for separation and redundancy payments)	\$252,544	\$311,363
The aggregate amount of separation and redundancy/termination payments during the period to executive officials included in above	\$152,000	

No performance pay was paid or payable during the year.

The above figures include employer superannuation contributions paid by the Department to Comsuper at an actuarially determined average rate set for all DPL staff. Remuneration actually received from the Commonwealth by individual senior executive officials may differ significantly from the average payments made.

The Department also reimburses the Department of the Parliamentary Reporting Staff 25% of the cost of its joint department head.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

NOTE 15 COLLECTION DEVELOPMENT EXPENDITURE

As the annual expenditure for purposes of information resources development is a significant proportion of the Department's total supplier expenses, more detailed disclosure of this item is below:

Class of purchase	7 Months ended 31/1/04 \$'000	12 Months ended 30/6/03 \$'000
Expensed:		
Serials	459	740
External databases	154	338
News services	159	75
Other information resources	47	82
Capitalised:		
Reference serials	254	265
Monographs	148	368
General distribution products for Senators and Members	—	936
	1,221	2,804

The library collection depreciation expense is at Note 8D.

NOTE 16 SERVICES PROVIDED BY AUDITORS

a) External Audit Services

The fair value of services provided by the Auditor-General for the financial statement audit for the seven months to 31 January 2004 was \$57,000 (\$55,000 for the 2002-2003 financial statement audit).

These services were provided free of charge. No other services were provided to the Department by the Auditor-General.

b) Internal Audit Services

Internal audit services are provided by Deloitte Touche Tohmatsu. For the seven months to 31 January 2004 they were paid \$13,400 for those services (2002-2003: \$47,163). No other services were provided by Deloitte Touche Tohmatsu.

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

NOTE 17 MATERIAL RESOURCES RECEIVED FREE OF CHARGE

During the financial period ending 31 January 2004, a number of Commonwealth departments and agencies provided services to the Department without charge. Expenditure for these services was met from those departments' appropriations.

In determining the cost of resources provided to, or received from, other Commonwealth departments and agencies free of charge, provision has been made for the costs directly related to the institution of Parliament, Senators and Members to be deducted from actual costs. The material services received were as follows:

	Value Provided 31/01/04 \$'000	Value Provided 2002-03 \$'000
Australian National Audit Office (Note 16)		
Auditing services	57	55
Department of the Senate		
Copies of Bills, Notice Papers, Journals, and Parliamentary papers	10	16
The provision of security services	100	171
Department of the House of Representatives		
Copies of Bills, Notice Papers, Votes and Proceedings and Parliamentary papers	4	8
The provision of security services	73	125
Department of the Parliamentary Reporting Staff		
The supply of Hansard and transcription services	15	36
Provision, maintenance and training in computer, sound and vision systems	941	1,613
Telephone and Telecommunication services	235	389
Joint House Department		
The provision of office accommodation Engineering Services and Capital works	963	1,651
National Library of Australia		
The provision of original and photocopied documentary material	30	61
	2,428	4,125

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

NOTE 18 ACT OF GRACE PAYMENTS, WAIVERS AND WRITE-OFFS

No 'Act of Grace' payments were made during the reporting period. (2003: No payments made.)

No waivers of amounts owing to the Commonwealth were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997*. (2003: No waivers made.)

No waivers of amounts owing to the Commonwealth were made pursuant to subsection 37A of the *Fauna and Flora Act 1985*. (2003: No waivers made.)

No payments were made under the "Defective Administration Scheme" during the reporting period. (2003: No payments made.)

NOTE 19 AVERAGE STAFFING LEVELS

Average staffing levels by program and in total during the year were as follows:

	31/01/04	2002-03
Program 1: Information and Research Services	101	103
Program 2: Resource Management Services	<u>62</u>	<u>66</u>
Total	<u>163</u>	<u>169</u>

FINANCIAL STATEMENTS

Note 20 REPORTING OF OUTCOMES

The Department's costings are based on an activity based costing model. Where possible, costs are applied directly to the service they relate to. Labour costs are allocated to services based on daily records of how staff members spend their time. Overhead costs are allocated to services based on the most appropriate driver of those costs.

Note 20A – Net Cost of Outcome Delivery

	Outcome 1	
	Actual 31/01/04 \$'000	Actual 2002/03 \$'000
Departmental expenses	13,817	21,430
Other external Departmental revenues		
- Sale of publications, subscriptions	5	7
- Revenue from disposal of assets	5	45
- Other	243	38
Net cost of Budget outcome	13,564	21,340

Note 20B – Major Departmental Revenues and Expenses by Output

	Output 1		Output 2		Total	
	31/01/04 \$'000	2002/03 \$'000	31/01/04 \$'000	2002/03 \$'000	31/01/04 \$'000	2002/03 \$'000
Departmental expenses:						
Employees	5,328	8,551	2,092	2,851	7,420	11,402
Suppliers	2,922	5,466	1,147	1,822	4,069	7,288
Depreciation and amortisation	828	1,690	325	563	1,153	2,253
Value of assets sold	4	253	2	84	6	337
Write-down of assets	65	108	26	36	91	144
Fundamental Error	1,065				1,065	
Other expenses	9	4	4	2	13	6
Total Departmental expenses	10,221	16,072	3,596	5,358	13,817	21,430

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

	Output 1		Output 2		Total	
	31/01/04 \$'000	2002/03 \$'000	31/01/04 \$'000	2002/03 \$'000	31/01/04 \$'000	2002/03 \$'000
Funded by:						
Revenues from Government	8,956	16,235	3,543	5,412	12,499	21,647
Sale of publications, subscriptions	4	5	1	2	5	7
Revenue from disposal of assets	4	34	1	11	5	45
Other non-taxation revenues	174	28	69	10	243	38
Total Departmental revenues	9,138	16,302	3,614	5,435	12,752	21,737

FINANCIAL STATEMENTS

NOTE 21 FINANCIAL INSTRUMENTS

Note 21A – Terms, conditions and Accounting Policies

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms & conditions affecting the amount, timing and certainty of cash flows)
<i>Financial Assets</i>		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash	7A	Cash is recognised at its nominal amounts. Interest is credited to revenue as it accrues.	Moneys in the Department's bank accounts are swept into the Official Public Account nightly. Changes in the Agency Banking Incentive Scheme have resulted in a NIL interest rate for the year.
Receivables for goods and services	7B	These receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less likely rather than more likely.	Apart from \$13, as at 31 January 2004 all receivables are with entities internal to the Commonwealth. As at 30 June 2003 all receivables were with entities external to the Commonwealth, with credit terms of net 30 days.

FINANCIAL STATEMENTS

Department of the Parliamentary Library Notes to and forming part of the Financial Statements

Note 21A – Terms, conditions and Accounting Policies (continued)

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms & conditions affecting the amount, timing and certainty of cash flows)
Financial Liabilities		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Trade creditors	9C	Creditors and accruals are recognised at their nominal amounts, being the amounts at which liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).	All creditors are entities that are not part of the Commonwealth legal entity. Settlement is usually made as per contractual terms or else on net 30 days.
Unrecognised financial liabilities			
Indemnities		The maximum amount payable under any indemnities given is disclosed in the Schedule of Contingencies. At the reporting date, there were no indemnities.	

FINANCIAL STATEMENTS

Department of the Parliamentary Library Notes to and forming part of the Financial Statements

Note 21B – Interest rate risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate Maturing in						Non-Interest Bearing		Total		Weighted Average Effective Interest Rate		
		2004 \$'000	2003 \$'000	1 year or less	1 to 5 years	> 5 years	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000		
Financial Assets																
Cash at bank	7A	-	-	-	-	-	-	-	-	-	680	3,262	680	3,262	n/a	n/a
Receivables	7B	-	-	-	-	-	-	-	-	-	87	77	87	77	n/a	n/a
Appropriation Receivable	7B	-	-	-	-	-	-	-	-	-	1,871	-	1,871	-	n/a	n/a
Total		-	-	-	-	-	-	-	-	-	2,588	3,339	2,588	3,339	n/a	n/a
Total Assets													12,571	13,250		
Financial Liabilities																
Trade creditors	9C	-	-	-	-	-	-	-	-	-	-	81	-	81	n/a	n/a
Total		-	-	-	-	-	-	-	-	-	-	81	-	81		
Total Liabilities													4,486	4,532		
Unrecognised Indemnity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

FINANCIAL STATEMENTS

Department of the Parliamentary Library – Notes to and forming part of the Financial Statements

Note 21C - Net Fair Values of Financial Assets and Liabilities

The net fair value of each class of financial assets and liabilities equal the carrying amounts for both the current and previous financial years.

Note 21D – Credit Risk Exposures

The Department's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Performance.

The Department has no significant exposures to any concentrations of credit risk.

NOTE 22 – ABOLITION OF THE DEPARTMENT

In October 2002, a report titled *Review of Aspects of the Administration of the Parliament* (the Podger Report) was tabled in both Houses of the Parliament of Australia. That report recommended, inter alia, that the three joint parliamentary departments (the Department of the Parliamentary Library, the Department of the Parliamentary Reporting Staff and Joint House Department) be amalgamated into one service department. The report also made a number of recommendations relating to the role and responsibilities of the Parliamentary Library in a new single department.

On 14 August 2003 the House of Representatives resolved that the three joint departments be abolished effective from 31 January 2004 and the Department of Parliamentary Services be established from 1 February 2004, and resolved to support the Presiding Officers in their endeavours to reinforce the independence of the Parliamentary Library. Similar resolutions were passed by the Senate on 18 August 2003.

As a result, on 1 February the Department of Parliamentary Services will take over the Statement of Financial Position, Schedule of Commitments and Schedule of Contingencies reported in these financial statements.

The remaining unspent appropriation from each of the three was transferred to the Department of Parliamentary Services under s54b of the *Parliamentary Service Act 1999*. The total transfer from the former Department of the Parliamentary Library to the Department of Parliamentary Services of the portion of the 2003-04 appropriation not needed to offset expenses for the seven month period to 31 January 2004 was \$7,315,579. Refer to Note 12.