



GPO BOX 12
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT SOUTHERN CROSS UNIVERSITY

To Members of the New South Wales Parliament

Audit Opinion

In my opinion the financial report of the Southern Cross University:

- (a) presents fairly the Southern Cross University's and the consolidated entity's financial position as at 31 December 2003 and their financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with:
 - (i) section 41B of the *Public Finance and Audit Act 1983* (the Act), and
 - (ii) the Guidelines for the Preparation of the Annual Financial Reports for the 2003 Reporting Period by Australian Higher Education Institutions, issued pursuant to the *Higher Education Funding Act 1988*.

My opinion should be read in conjunction with the rest of this report.

The Council's Role

The financial report is the responsibility of Council. It consists of the statements of financial position, the statements of financial performance, the statements of cash flows and the accompanying notes for the Southern Cross University and the consolidated entity. The consolidated entity comprises the Southern Cross University and the entities controlled at the year's end, or during the financial year.

The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Council in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that members of the Council had not fulfilled their reporting obligations.

My opinion does *not* provide assurance:

- about the future viability of the Southern Cross University or its controlled entities,
- that they have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their internal controls.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



E Lumley FCPA
Assistant Auditor-General

SYDNEY
14 April 2004