



FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2021

Keystone Tasmania

Certification of Financial Statements

The attached Statements and notes thereon, to the best of our knowledge and belief presents fairly the state of the Tasmanian Building and Construction Industry Training Board's affairs as at 30 June 2021 and the results of operations for the year then ended.

The financial statements have been prepared on a going concern basis and funds are available to pay creditors as accounts fall due.

Dated 1st November 2021

A handwritten signature in black ink, appearing to read 'K. Mathison'.

Karin Mathison
Chief Executive Officer

A handwritten signature in black ink, appearing to read 'N. McIlpatrick'.

Norm McIlpatrick
Chairperson

Keystone Tasmania

Statement of Comprehensive Income for the Year ended 30 June 2021

	Notes	2021 \$	2020 \$
REVENUES	1.3		
Industry training levy	1.4	5,510,263	3,537,873
Interest		30,969	85,263
Insurance recovery		-	15,909
Other		100	4,532
Launceston apprenticeship pipeline grant		10,000	-
Profit/Loss on disposal of non-financial assets		-	14,085
TOTAL REVENUES		5,551,332	3,657,662
EXPENSES	1.3		
Administration		255,740	182,397
Levy and funding		139,192	221,509
Pathways projects		488,523	398,943
Industry capacity building		81,599	82,141
Stakeholder engagement		379,771	139,075
Executive		558,608	399,312
Finance and accounting		251,870	144,936
Training reimbursement		3,489,411	2,098,809
TOTAL EXPENSES	2	5,644,714	3,667,122
PROFIT/(LOSS) FOR THE YEAR		(93,382)	(9,460)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		(93,382)	(9,460)

The accompanying notes form part of these financial statements.

Keystone Tasmania

Statement of Financial Position as at 30 June 2021

	Notes	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash & cash equivalents	1.5, 10	2,774,839	888,755
Financial assets	10	2,000,000	4,500,000
Receivables	1.5, 3	605,505	323,437
Prepayments		33,022	13,379
TOTAL CURRENT ASSETS		5,413,366	5,725,571
NON-CURRENT ASSETS			
Furniture, equipment, and vehicles	1.5, 1.6, 4	50,616	39,439
Intangibles	1.5, 1.6, 6	252,510	33,616
Right of use assets	5	372,374	90,658
TOTAL NON-CURRENT ASSETS		675,500	163,713
TOTAL ASSETS		6,088,866	5,889,284
LIABILITIES			
CURRENT LIABILITIES			
Payables	1.7, 7	51,900	89,621
Employee benefits	1.8, 8	60,317	33,770
Lease liability	1.12	65,640	75,263
TOTAL CURRENT LIABILITIES		177,857	198,654
NON-CURRENT LIABILITIES			
Employee benefits	1.8, 8	37,387	17,783
Lease liability	1.12	313,747	19,590
TOTAL NON-CURRENT LIABILITIES		351,134	37,373
TOTAL LIABILITIES		528,991	236,027
NET ASSETS		5,559,875	5,653,257
EQUITY			
Accumulated Profits		5,559,875	5,653,257

The accompanying notes form part of these financial statements.

Keystone Tasmania

Statement of Changes in Equity for Year ended 30 June 2021

	Notes	2021 \$	2020 \$
Balance at beginning of financial year		5,653,257	5,662,717
Total comprehensive income for the year		(93,382)	(9,460)
Balance at the end of the financial year		5,559,875	5,653,257

The accompanying notes form part of these financial statements.

Keystone Tasmania

Statement of Cash Flows for the Year ended 30 June 2021

	Notes	2021 \$	2020 \$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from customers		5,293,479	3,792,557
Interest received		66,861	81,358
Interest paid		(8,792)	(5,960)
Payments to suppliers and employees		(5,617,037)	(3,677,755)
Net cash from/used in operating activities	11	(265,489)	190,200
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from term deposits		2,500,000	-
Acquisition of fixed assets		(260,458)	(45,910)
Proceeds / (losses) on disposal of assets		-	17,273
Net cash used in investing activities		2,239,542	(28,637)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayment of lease liability		(87,969)	(68,332)
Net cash used in investing activities		(87,969)	(68,332)
Net increase (decrease) in cash held		1,886,084	93,231
Cash at the beginning of the year		888,755	795,524
Cash at end of reporting year	10	2,774,839	888,755

The accompanying notes form part of these financial statements.

Keystone Tasmania

Notes to and forming part of the Accounts for the Year ended 30 June 2021

1 ACCOUNTING POLICIES

The following is a summary of the material policies adopted by the Tasmanian Building and Construction Industry Training Board (Keystone Tasmania) in the preparation of the Special Purpose Financial Report.

1.1 BASIS OF ACCOUNTING

In the opinion of the Board, Keystone Tasmania is a non-reporting entity and prepares a Special Purpose Financial Report to meet the information needs of members and the requirements of the *Tasmanian Building and Construction Industry Training Fund Act 1990* (the Act). This Special Purpose Financial Report has been prepared on an accruals basis and is based on historical costs and, except where stated, does not take into account changing money values, or fair values of non-current assets.

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year.

This Special Purpose Financial Report has been prepared in accordance with the requirements of the following Australian Accounting Standards:

AASB 101	<i>Presentation of Financial Statements</i>
AASB 107	<i>Statement of Cash Flows</i>
AASB 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>
AASB 110	<i>Events after Balance Sheet Date</i>
AASB 116	<i>Property, Plant and Equipment</i>
AASB 16	<i>Leases</i>
AASB 119	<i>Employee Benefits</i>
AASB 124	<i>Related Party Disclosures</i>
AASB 137	<i>Provisions, Contingent Liabilities and Contingent Assets</i>
AASB 1004	<i>Contributions</i>
AASB 1048	<i>Interpretation of Standards</i>
AASB 1054	<i>Australian Additional Disclosures</i>

Where appropriate, these accounts have applied the not-for-profit exemptions of these standards. No other applicable Accounting Standards, Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

1.2 NEW AND REVISED AUSTRALIAN ACCOUNTING STANDARDS

The Australian Accounting Standards Board has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to Keystone Tasmania. The Board has decided not to early adopt any of the new and amended pronouncements.

Keystone Tasmania

Notes to and forming part of the Accounts for the Year ended 30 June 2021

1.3 REVENUES AND EXPENSES

Revenues and expenses are recognised when and only if it is probable the flow of economic benefit to or from Keystone Tasmania will occur and can be reliably measured.

Liability in relation to training fees is expensed when a claim has been received and validated by Keystone Tasmania.

Interest on invested funds is recognised as it accrues.

1.4 INDUSTRY TRAINING LEVY

The industry training levy is payable under the *Tasmanian Building and Construction Industry Training Fund Act 1990*. The rate of levy is 0.2% on the value of building and construction work as defined in the Act.

The levy is payable before obtaining a building permit or where a building permit is not required, before commencement of the building and construction work. If an approved agency collects the levy on behalf of Keystone Tasmania it is recognised as revenue when collected by the agency.

1.5 ASSETS

Assets are recognised in the Statement of Financial Position when it is probable that future economic benefits will flow to the Board and the asset has a cost or value that can be measured reliably.

Cash and cash equivalents including bank and term deposits are recognised at their nominal amounts. Cash includes cash on hand, deposits held at call, other short-term highly liquid assets with original maturities of three months or less, and bank overdrafts.

Receivables in respect of accrued levy income and debtors are usually due for settlement within 30 days and are recorded at their recoverable amount. They are not discounted back to their present value.

Financial assets are assessed at each reporting date to determine whether there is any objective evidence of impairment. A financial asset is considered to be impaired if one or more events have had a negative effect on the estimated future cash flows of that asset.

All non-financial assets are recorded at historic cost and are tested for impairment at each reporting date. Impairment is generally limited to where the asset's depreciation is materially understated.

Assets costing less than \$2,000 are included in expenses in the year of acquisition.

All impairment losses are recognised in the Statement of Comprehensive Income.

Keystone Tasmania

Notes to and forming part of the Accounts for the Year ended 30 June 2021

1.6 DEPRECIATION

Items of office furniture & equipment and motor vehicles are depreciated, and software are amortised, on a straight-line basis over their expected useful economic lives after taking into account residual values. The expected lives are:

Motor Vehicle	3 years
Office Furniture and Equipment	3 – 20 years
Software	8 years

1.7 LIABILITIES

Liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

Payables represent liabilities for goods and services received prior to the end of the financial year and which are unpaid. They are recognised at their nominal amounts and are usually paid within 30 days of recognition.

1.8 EMPLOYEE BENEFITS

Keystone Tasmania has made provision for employee benefits for long service leave, recreation leave, superannuation benefits and rostered days off accrued but not taken at year end. Long service and annual leave is recognised on a pro-rata basis in respect of services provided by employees up to the reporting date.

Liabilities in respect of employee benefits are assessed having regard to such factors as, period of service and departures. Sick leave is non-vesting and has not been provided for. Those liabilities expected to be paid within the next 12 months are measured at the amounts expected to be paid. The present value of the benefit at year end is used where payments are expected after 12 months.

An employee benefit liability is classified as a current liability if Keystone Tasmania does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the period. This would include all annual leave and unconditional long service leave entitlements.

Keystone Tasmania contributes to superannuation funds on behalf of its employees to provide benefits on retirement, disability or death. Contributions are charged against revenues and the TBCITB has no legal obligation to make up any shortfall in the funds' assets to meet payments due to employees.

1.9 INSURANCE

Keystone Tasmania has arranged through its brokers to insure all major insurable risks. The excesses payable under the policies vary depending on each class of insurance held.

1.10 COMPARATIVE FIGURES

Comparative figures are shown and have been adjusted, where necessary, to reflect changes in accounting policy, adoption of new standards or reclassifications.

1.11 TAX STATUS

The activities of Keystone Tasmania are exempt from income tax under the Income Assessment Act. Keystone Tasmania is subject to Fringe Benefits Tax and Goods and Services Tax.

1.12 ACCOUNTING FOR LEASES

Keystone Tasmania has applied AASB 16 Leases with effect from 1 July 2019. In accordance with the accounting policy summarised below, this has resulted in the recognition of a Lease Liability and a corresponding Right of Use Assets of \$535,688 for arrangements previously classified as operating leases. At inception of a contract, the Board assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by Keystone Tasmania where Keystone Tasmania is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, Keystone Tasmania uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options;
- and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that Keystone Tasmania anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Keystone Tasmania

Notes to and forming part of the Accounts for the Year ended 30 June 2021

Right-of-use assets relate to building leases for First Floor, 2 Castray Esplanade, Battery Point, Tasmania from 21 November 2011 to 30 September 2021 and Level 5, 85 Macquarie Street, Hobart, Tasmania from 1 November 2020 to 31 July 2024.

1.13 GOODS AND SERVICES TAX

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST. The net amount recoverable from, or payable to, the ATO is recognised as an asset or liability within the Statement of Financial Position.

In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the ATO is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

1.14 JUDGEMENTS AND ASSUMPTIONS

In the application of Australian Accounting Standards, the Board is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The areas where estimates of any material amount are made regularly relate to the recoverability of receivables, provision for employee entitlements and the consideration of options in assessing lease values.

Keystone Tasmania

Notes to and forming part of the Accounts for the Year ended 30 June 2021

2 EXPENSES

Significant expenses are grouped in the Statement of Comprehensive Income by function. The same expenses are shown in natural account form.

	2021	2020
	\$	\$
Accommodation and travel	22,084	8,603
Amortisation	99,073	79,727
Audit and legal fees	55,339	19,547
Bad debts	4,420	-
Bank fees and charges	1,219	1,123
Board development	6,690	852
Board member remuneration	130,330	114,780
Collection charges	42,854	30,782
Consultants' fees	91,132	70,744
Depreciation	22,101	26,209
Diversity program	2,500	9,864
Employee health and wellbeing	2,770	1,286
Fringe benefits tax	20,692	8,402
Heat, light and power	3,659	4,122
Industry capacity building project	19,495	82,141
Insurance	15,763	9,014
Lease Interest	8,792	5,960
Office expenses	31,684	34,877
Pathways projects	405,646	165,392
Postage and phone	16,143	21,893
Printing and stationery	2,021	3,325
Redundancies	-	99,030
Repairs and minor equipment	40,437	5,684
Salaries	704,374	556,985
Scholarships	7,455	-
Staff car parking	20,927	-
Staff development	27,184	4,245
Stakeholder engagement	268,678	139,075
Superannuation	75,275	61,599
Training reimbursements	3,489,411	2,098,809
Vehicle expenses	6,566	3,052
Total Expenses	5,644,714	3,667,122

Keystone Tasmania

Notes to and forming part of the Accounts for the Year ended 30 June 2021

		2021	2020
		\$	\$
3	RECEIVABLES		
	Interest	5,727	41,619
	Goods and services tax	150,196	54,699
	Industry training levy	449,582	222,698
	Other	-	4,421
	Total Receivables	605,505	323,437

4 FURNITURE, EQUIPMENT, AND VEHICLES

	Furniture and equipment at cost	1.5	45,289	49,186
	Less provision for depreciation	1.6	(31,446)	(31,549)
			13,843	17,637
	Motor vehicles at cost	1.5	57,839	28,051
	Less provision for depreciation	1.6	(21,066)	(6,249)
			36,773	21,802
	Total at net book value		50,616	39,439

Reconciliation of carrying amount:

	Furniture and Equipment			
	Carrying amount at beginning of year		17,637	15,813
	Additions		3,490	17,859
	Disposals		-	(92)
	Depreciation		(7,284)	(15,943)
	Carrying amount at end of year		13,843	17,637
	Motor Vehicle			
	Carrying amount at beginning of year		21,802	7,113
	Additions		29,788	28,051
	Disposals		-	(3,096)
	Depreciation		(14,817)	(10,266)
	Carrying amount at end of year		36,773	21,802
	Total		50,616	39,439

Keystone Tasmania

Notes to and forming part of the Accounts for the Year ended 30 June 2021

		2021 \$	2020 \$
5	RIGHT OF USE ASSETS		
	Building lease	553,948	163,185
	Less accumulated amortisation	(181,574)	(72,527)
	Total at net book value	372,374	90,658
	Reconciliation of carrying amount:		
	Building Lease		
	Initial recognition of leases per AASB 16	-	163,185
	Carrying amount at beginning of year	90,658	-
	Additions	390,763	-
	Depreciation	(109,047)	(72,527)
	Carrying amount at end of year	372,374	90,658
6	INTANGIBLES		
	Intellectual property	1.5 73,748	57,603
	Less provision for amortisation	1.6 (32,273)	(23,987)
	Total at net book value	41,475	33,616
	Work in progress - intellectual property	211,035	-
	Total at net book value	252,510	33,616
	Reconciliation of carrying amount:		
	Intellectual property		
	Carrying amount at beginning of year	33,616	40,816
	Additions	16,145	-
	Amortisation	(8,286)	(7,200)
	Carrying amount at end of year	41,475	33,616
	Work In Progress		
	Carrying amount at the beginning of year	-	-
	Additions	211,035	-
	Carrying amount at end of year	211,035	-
7	PAYABLES		
	Creditors	22,159	19,884
	Accrued salaries	3,473	23,621
	PAYG Withholding	20,637	42,623
	Superannuation	5,631	3,493
	Total Payables	51,900	89,621

Keystone Tasmania

Notes to and forming part of the Accounts for the Year ended 30 June 2021

	2021	2020
	\$	\$
8 EMPLOYEE BENEFITS		
Annual leave	53,871	30,020
Long service leave	37,387	17,781
Superannuation	6,446	3,752
Total Employee Benefits	97,704	51,553
Current	60,317	33,770
Non-Current	37,387	17,783
	97,704	51,553

9 COMMITMENTS

9.1 TRAINING FEES

Under the Building and Construction Training and Upskilling Programs Keystone Tasmania has commitments for training fees payable to employers and host employers of apprentices employed under training agreements during 2017 to 2021. The expected payments could be made up to 30th June 2025 and are outcome based including continued employment for the term of the apprenticeships and the achievement of predetermined competencies. The commitment for these future payments as at the 30 June 2021 is \$746,000 (30 June 2020 \$1,134,855), this assumes takeup of new programs of fifty (50) percent and an apprenticeship attrition rate of twenty (20) percent.

10 RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, the Board considers cash to include cash in hand and in banks and term deposits held that mature within three months. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash & cash equivalents	2,774,839	388,755
Term deposits	-	500,000
Total cash & cash equivalents	2,774,839	888,755

Keystone Tasmania also holds \$2,000,000 in term deposits (30 June 2020, \$4,500,000) that are held for periods greater than three months and therefore do not meet the classification requirements for cash and cash equivalents.

Keystone Tasmania

Notes to and forming part of the Accounts for the Year ended 30 June 2021

	2021 \$	2020 \$
11 RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO PROFIT FOR THE YEAR		
Comprehensive income for the year	(93,382)	(9,460)
Depreciation & amortisation	121,174	105,936
(Profit) / loss on disposal of assets	-	(14,085)
Increase / (decrease) in payables and accruals	(37,721)	(13,088)
Increase / (decrease) in employee benefits	46,151	(116,637)
(Increase) / decrease in sundry debtors	(282,068)	237,221
(Increase) / decrease in prepayments	(19,643)	313
	(265,489)	190,200

12 CREDIT STANDBY ARRANGEMENT WITH BANKS

Credit card facility	6,000	6,000
Amount utilised	-	-
	6,000	6,000

13 AUDIT FEES

The Statements of Keystone Tasmania are audited by the Auditor-General in accordance with the Audit Act 2008. The fee for the Keystone Tasmania's 30 June 2021 audit is \$13,610 (30 June 2020, \$15,400) excluding GST.

14 EVENTS OCCURRING AFTER BALANCE DATE

There has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of Keystone Tasmania, the results of those operations, or the state of affairs of the Board in financial years subsequent to this financial year.

15 RELATED PARTY TRANSACTIONS

AASB 124 *Related Party Disclosures* requires related party disclosures to ensure that the financial statements contain disclosures necessary to draw attention to the possibility that Keystone Tasmania's financial results may have been affected by the existence of related parties and by transactions with such parties.

This note is not intended to disclose conflicts of interest for which there are administrative procedures in place.

Keystone Tasmania

Notes to and forming part of the Accounts for the Year ended 30 June 2021

The extent of information disclosed about related party transactions and balances is subject to the application of professional judgement by Keystone Tasmania. It is important to understand that the disclosures included in this note will vary depending on factors such as the nature of the transactions, the relationships between the parties to the transaction and the materiality of each transaction. Those transactions which are not materially significant by their nature, impact or value, in relation to Keystone Tasmania's normal activities, are not included in this note.

The total value of related party transactions is as follows:

	2021 Aggregate value of transactions \$	2020 Aggregate value of transactions \$
Apprentice employment opportunities	82,590	-
Training reimbursements	13,835	15,992
Total related party transactions	96,425	15,992

Vonette Mead is a current director and her business, Mead Con, received payments as part of normal training reimbursements. Ben Wilson is a current director of Keystone Tasmania and CEO of Centacare Evolve Housing. Keystone and Centacare Evolve Housing have a formal funding agreement to support apprentice employment opportunities. These transactions were completed on normal commercial terms.

No other KMP's entered into a material contract with Keystone Tasmania since the end of the previous financial period and there were no material contracts involving KMP' interests existing at the end of the period.

	Short Term Employee Benefits			Post Employment Benefits			Total Compensation
	2021	Salary	Allowance	Vehicles	Superannuation	Redundancy	
Board Members							
Chairperson (2)	19,061	1,107	-	1,811	-	-	21,979
Directors (8)	101,697	2,870	-	7,762	-	-	112,329
Total Board	120,758	3,977	-	9,573	-	-	134,308
Senior Management							
\$160,000-\$220,000 1 Employee	178,168	2,780	11,271	16,926	-	-	209,145
\$50,000-\$120,000 3 Employees	218,506	3,095	-	29,414	-	-	251,015
Total Senior Management	396,674	5,875	11,271	46,340	-	-	460,160

Keystone Tasmania

Notes to and forming part of the Accounts for the Year ended 30 June 2021

15 RELATED PARTY TRANSACTIONS (CONTINUED)

2020	Short Term Employee Benefits			Post Employment Benefits			Total Compensation
	Salary	Allowance	Vehicles	Superannuation	Redundancy	LSL and A/L Movements	
Board Members							
Chairperson	19,061	244	-	1,811		-	21,116
Directors (8)	85,761	1,519	-	8,148		-	95,428
Total Board	104,822	1,763	-	9,959		-	116,544
Senior Management							
\$160,000-\$220,000 1 Employee	189,880	210	-	14,309	83,850	(82,138)	206,111
\$70,000-\$120,000 3 Employees	274,526	1,542	14,884	29,295	-	(45,678)	274,569
Total Senior Management	464,406	1,752	14,884	43,604	83,850	(127,816)	480,680

1 November 2021

Mr N McIlfatrick
Chairperson
Tasmanian Building and Construction Industry Training Board
Hobart TAS 7000

Issued by email only

Dear Mr McIlfatrick

Tasmanian Building and Construction Industry Training Board – Final Management Letter - Audit of Financial Statements for the Year Ended 30 June 2021

The audit of the financial statements for the Tasmanian Building and Construction Industry Training Board (the Board) has been completed in accordance with the agreed financial audit strategy. I have issued my audit report on the financial statements, a copy of which is enclosed.

I have prepared this letter solely for the use of the Board. As you know, this letter forms part of a continuing dialogue between the Board and the Auditor-General and, therefore, it is not intended to include every matter, whether large or small, that has come to my attention. For this reason I believe that it would be inappropriate for this letter to be made available to third parties and, if such a third party were to obtain a copy without my prior written consent, I would not accept any responsibility for any reliance that they might place on it.

Audit findings

A memorandum of audit findings is being drafted, setting out matters that came to my attention during the audit and my recommendations for improvements. These matters will be provided to management for review and response. The finalised memorandum of audit findings will be forwarded to you upon completion.

Review of the annual report

Please will you forward to me a copy of the final draft of the Department's annual report for review by my staff prior to its publication. This review will be conducted in accordance with Auditing Standard ASA 720 *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Report* to identify any material inconsistencies between the financial statements and other information disclosed in the annual report.

Appreciation is expressed for the assistance and co-operation provided to my staff during the course of the audit.

Please note that a copy of this letter together with the auditor's report will be provided to the Minister for Skills, Training and Workforce Development, The Hon Sarah Courtney MP in accordance with section 19(2) of the *Audit Act 2008*.

If you have any queries regarding the audit or any other matters, please contact me on (03) 6173 0900.

Yours sincerely



Helen Grube

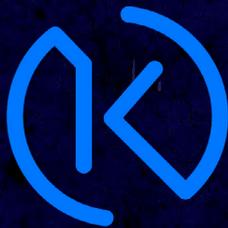
Senior Manager, Financial Audit Services

Encl.

Copy for:

Dr K Mathison, Chief Executive Officer, Tasmanian Building and Construction Industry Training Board

Ms A Flakemore, Senior Partner, Crowe



Keystone
TASMANIA