



## AUDITOR GENERAL

**To the Parliament of Western Australia**

**THE BOARD OF THE ART GALLERY OF WESTERN AUSTRALIA  
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002**

**Matters Relating to the Electronic Presentation of the Audited Financial Statements**

This audit opinion relates to the financial statements of The Board of the Art Gallery of Western Australia for the year ended June 30, 2002 included on The Board of the Art Gallery's web site. The Board is responsible for the integrity of The Board of the Art Gallery's web site. I have not been engaged to report on the integrity of this web site. The audit opinion refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to or from these statements. If users of this opinion are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this web site.

**Scope**

I have audited the accounts and financial statements of The Board of the Art Gallery of Western Australia for the year ended June 30, 2002 under the provisions of the Financial Administration and Audit Act 1985.

The Board is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing and presenting the financial statements, and complying with the Act and other relevant written law. The primary responsibility for the detection, investigation and prevention of irregularities rests with the Board.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, the controls exercised by the Board to ensure financial regularity in accordance with legislative provisions, evidence to provide reasonable assurance that the amounts and other disclosures in the financial statements are free of material misstatement and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions so as to present a view which is consistent with my understanding of the Board's financial position, its financial performance and its cash flows.

The audit opinion expressed below has been formed on the above basis.

**The Board of the Art Gallery of Western Australia  
Financial statements for the year ended June 30, 2002**

**Qualifications**

***Exhibition Revenue***

The controls exercised by the Board over the collection and banking of exhibition revenue during the year were inadequate due to the absence of a reconciliation between the amounts of exhibition revenue collected and banked. As a consequence, I am unable to form an opinion on the completeness and reliability of exhibition revenue of \$2 696 000 included in User charges and fees of \$2 972 000 recognised in the Statement of Financial Performance.

***Works of Art***

The controls exercised by the Board over the recording of revaluations of art works in the accounting records during the year were inadequate due to the absence of appropriate supporting documentation. As a consequence, I am unable to form an opinion as to whether the increase in the value of art works of \$8 222 000 included in Works of Art (\$95 478 000) and the Asset Revaluation Reserve (\$58 953 000) recognised in the Statement of Financial Position is fairly presented.

**Qualified Audit Opinion**

In my opinion, except for the effects of the matters referred to in the qualification paragraphs,

- (i) the controls exercised by The Board of the Art Gallery of Western Australia provide reasonable assurance that the receipt, expenditure and investment of moneys and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows and the Notes to and forming part of the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Board at June 30, 2002 and its financial performance and its cash flows for the year then ended.



D D R PEARSON  
AUDITOR GENERAL  
November 29, 2002