



Victorian Cytology Service Incorporated

A.B.N 35 430 554 780



Annual Report 2006



Vision

To minimize suffering in women due to diseases preventable by screening.

Mission

Use our expertise in cervical screening to support evidence based screening programs in women's health through the delivery of laboratory and registry services.

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Organisational Overview

Victorian Cytology Service Incorporated (VCS Inc.¹) is a Health Promotion Charity whose activities centre on the provision of laboratory testing and registry services for the Cervical Screening Program. Established in 1965 as a joint initiative between the Victorian State Government and the Anti-Cancer Council, the organisation has a proud history in helping to reduce the incidence of cervical cancer. VCS Inc. is incorporated under the Associations Incorporation Act (Vic) 1981 and governed by a Board of Directors.

The organisation's core laboratory service is the reporting of around 300,000 conventional Pap smears per annum, representing approximately 50% of the total number of Pap smears taken in Victoria and making it the largest single laboratory reporting Pap tests in Australia. Commonwealth and State funding ensures that the Pap screening service is provided free of charge. The organisation also provides a number of important complementary tests – ThinPrep, Histology, HPV and Chlamydia. Revenue generated through these initiatives is invested back into the organisation through its programs and its staff.

VCS Inc. auspices the Victorian Cervical Cytology Registry (the Registry) which works closely with VCS. VCCR (the Registry) is a key component of the cervical screening program in Victoria and records the results of almost all the Pap smears performed in Victoria. VCCR administers a comprehensive Reminder and Follow-up program for each Victorian woman who has her Pap smear result listed with the Registry. VCCR also contains a linked record for each woman containing details of her Pap test, HPV test, colposcopies and biopsies. This data base is used to remind women when their Pap test is overdue and to remind women and doctors when the follow-up of abnormal results is apparently overdue. VCCR also provides history links for laboratories reporting Pap smears and is responsible for production of statistical information on cervical

screening. VCCR is housed, serviced and supported within VCS Inc. premises.

The VCS Inc. role extends beyond the provision of laboratory and registry services. It plays a key role as a centre for research and teaching and provides advice to state and federal governments to assist with policy formulation. VCS Inc. activities include:

- a teaching and training centre for Diagnostic Cytology, with links with major teaching hospitals and universities. Staff at Victorian Cytology Service are involved in education and training of scientific and medical undergraduates, scientists, pathology registrars and pathologists
- conducting and supporting scientific research such as investigations into new technologies and the epidemiology of cervical cancer, leading to publication of findings in international scientific literature
- providing educational sessions for medical practitioners and health professionals to assist them in refining their skills and improving the way Pap smears are performed.

VCS Inc. has a multimillion dollar budget with 60% of funds supplied by the Federal Government and the balance provided by the Victorian State Government. It operates under a Pricing & Funding Agreement with the Department of Human Services.

The organisation employs more than 100 staff in a variety of roles, including, administration, clerical, scientific, medical, courier, information technology and customer service staff. The Registry employs a further 10 staff in a variety of roles.

VCS Inc. is an Equal Employment Opportunity (EEO) employer and a 'smoke free' workplace.

¹ VCS Inc.: Victorian Cytology Service Incorporated – incorporated association under the *Associations Incorporation Act, 1981 (Vic)*, responsible for the management and administration of VCS (the laboratory) and VCCR (the Registry).

President's Report

Victorian Cytology Service Incorporated has again provided high quality cervical cytology services to Victorian practitioners and women in 2005/06. The laboratory has delivered an impressive result with reduced turn around times and increased market share. The market share result for 2005/06 was 50% compared to 49.5% in the previous financial year.

I would like to thank the VCS Inc. Governance Committee (a subcommittee of the VCS Inc. Board of Directors) for their extensive work in reviewing and rewriting the VCS Inc. Rules and Statement of Purpose to appropriately reflect the nature and structure of the organisation and its governance processes. The updated Rules and Statement of Purpose were endorsed at a Special Meeting of the Members and were then approved by the Department of Consumer Affairs in August 2005.

During the year VCS Inc. was recognised as a Health Promotion Charity. The formal recognition as Health Promotion Charity has enabled VCS Inc. to reintroduce salary packaging which has had a very positive impact on staff morale.

VCS Inc. is approaching the end of the strategic planning cycle with the current 2003 strategic plan nearing an end. During the year meetings were held with senior VCS Inc. staff to develop a new plan. The outcome of these meetings together with subsequent work undertaken by a number of staff was the development of a draft Strategic Plan. The new Strategic Plan has been designed to provide the organisation with the specific strategies required to be delivered during the next three years (2006-09) and help lay the foundations for the future. The plan is scheduled to be launched in the first half of 2006/07.

In the course of developing a new Strategic Plan, the organisations Mission, Vision and Values were reviewed and modified to provide VCS Inc. with sufficient scope to deal with the challenges and opportunities ahead.

The past year has been a time of growth for VCS Inc. and the Strategic Plan has been designed to ensure the organisations future success. Congratulations to all the staff, who, without their commitment, such success would not be possible.



Ms Sandy Anderson
President
Victorian Cytology Service Inc.

Director's Report

VCS Inc. has had a commendable year with the seamless implementation of the new NHMRC Guidelines for the management of asymptomatic women with screen-detected abnormalities. The implementation required a major software upgrade to enable the organisation to comply with the new guidelines introduced on the 1st July 2006. The professionalism of the IT team in conjunction with staff members from all departments was a testament to the success of the upgrade.

The laboratory expanded its testing services to include Human Papilloma Virus and Chlamydia testing. The expanded testing enhances the service offering to practitioners, particularly in light of the changed NHMRC Guidelines. The HPV and Chlamydia testing procedures have been accredited by National Testing Authority (NATA) and are now well established in the laboratory with significant effort from the Quality Manager, Laboratory Manager and Central Laboratory Staff.

A new suite of information resources for referring practitioners has been introduced to support the new NHMRC Guidelines for the management of women with screen detected abnormalities and the new HPV and Chlamydia tests. In addition, VCS request and report forms, women's information and service information for practitioners have been updated. All updated resources are accessible on the VCS website.

Our Liaison Physician Dr. Stella Heley experienced an increased workload educating practitioners across Victoria in the changes to the NHMRC Guidelines. Day and night sessions were conducted in both metropolitan and rural areas. It is planned to employ an additional Liaison Physician in 2005/06 to assist Dr. Heley with these education sessions.

I am very pleased to announce the appointment of Associate Professor Dorota Gertig to the position of Epidemiologist at Victorian Cytology Service and Medical Director of the Victorian Cervical Cytology Registry, replacing Dr. Heather Mitchell who retired in November 2005. Associate Professor Gertig has an impressive curriculum vitae and brings significant expertise to VCS Inc.

I would also like to welcome Associate Professor Ruth Salom who was appointed to the position of Managing Pathologist in April 2006. Associate

Professor Salom has extensive experience in both private and public laboratories and her role includes policy development and quality management.

VCCR continued its collaborative work with PapScreen Victoria and the Department of Human Services during 2005. In conjunction with PapScreen Victoria extensive focus group testing was conducted to develop new routine reminder and follow-up letters for women. These new letters were introduced at the end of 2005 and have received positive feedback. Associate Professor Gertig presented at a laboratory workshop run by the Department of Human Services in May, to assist laboratories in implementing the new NHMRC Guidelines. The Registry also continues to provide laboratories with data to assist with the Royal College of Pathologists Australia QAP Performance Standards.

Finally I would like to thank the VCS Inc. Senior Management for their outstanding contributions during a challenging year. Their leadership and commitment is reflected in the positive morale of the staff and the cooperation between departments. Thank you also, to all VCS Inc. staff for their involvement and participation in the many and significant changes occurring during the year.



Marion Saville
Executive Director
Victorian Cytology Service Inc.

Senior Officers

Executive Director and Public Officer

Marion Saville
MBChB, Am Bd (Anat Path & Cytopath), FIAC, Grad Dip Med (Clin Epi)

Immediate Past Deputy Director, Epidemiologist, Medical Director of VCCR

Heather Mitchell
MB, BS, MD, MSc, FRACP, FAFPHM

Epidemiologist of VCS & Medical Director of VCCR

Associate Professor Dorota Gertig
MB, BS (Hons), MHSc, ScD, FAFPHM

Business Manager

Mark Van Zuylekom
BSc, MBA, GAICD

Managing Pathologist

Associate Professor Ruth Salom
MB, BS, MD, BMedSc (Hons), FRCPA, MBA, MIAC

Pathologists

Henry Yeung MB, BS, FRCPA
Kristy Dundas MB, BS, FRCPA
Siew K Tang MB, BS, FRCPA, FIAC
San S Chan MB, BS, FRCPA
Siew Chin Lian MB, BS, FRCPA
Alison Skene MB, BS, BMedSc (Hons), FRCPA

Trainee Cytopathologist

Kate Stewart MB, BS, FRCPA

Liaison Physician

Stella Heley
BA (Hons) MB, BS, Dip Ven (Lond), FACSHF

Laboratory Manager

Gillian Phillips
MAppSc, M. Health Service Management, CT(ASC), CT(IAC)

Information Technology Manager

Matthew Cunningham BBus(InfoSys), MIS

Health Information Manager VCCR

Valerie Scott BHlth Info Management

Data Manager VCCR

Cathy Burrows BSc (Hons)

External Teaching Coordinators

Noni Christou BAppSc, CT (ASC)
Fiona Maxey BAppSc (MLS), CT (ASC)

Finance Manager

Pauline Lomas BBus(Acc), ASA

Human Resources

Sally Wilson BA, BCom

Quality Manager

Cheryl Jones
BAppSc (Medical Technology), Grad Dip Bus Admin

2005/06 Achievements

CONTINUOUS IMPROVEMENT

In July 2005, Pap smear providers using the VCS, including GPs and nurses, were mailed a Service Improvement questionnaire. The primary objective of the survey was to identify how well the overall laboratory service (including courier, clerical, reporting, advice etc) delivers on the requirements of practitioners and assist in the planning of future priorities. Questionnaires from 37% of the survey participants were received.

As in the previous year, respondents rated the laboratory service extremely highly on a range of metrics. On the overall question of service quality 98% of practitioners rated the service quality high (62% very high), similar levels to the 97% recorded in the 2004 survey. The main reasons for rating the service high were:

- prompt, efficient reporting of results
- availability of staff to discuss results
- reliable, consistent reporting of information
- clear/good recommendations and advice.

In addition, VCS reports were identified as being high quality and accurate; while the service was reliable with good follow-up, quality control, helpful staff and good/improved turnaround times.

On average, practitioners considered all service aspects when dealing with the VCS to be "very important", except for the accuracy of results and clear/complete results which were both considered to be "essential".

The "strengths" of the service and as a consequence, the service aspects that contribute most to perceptions of a positive service delivery are:

- accuracy of results
- clear/complete results
- ability to follow-up results
- availability of appropriate staff
- overall customer service
- repeat smear reminders
- helpfulness of staff with enquiries
- general telephone enquiries and access to results via the telephone.

According to practitioners, the performance of the laboratory service (including courier, clerical, reporting, advice etc) has been exceptional during the past 12 months with all measures improved on the 2004 survey.

Courier Service

As a result of the Service Improvement Survey an analysis was completed of the length of time between the actual collection of the test to receipt at Specimen Reception. The analysis revealed that almost 90% of specimens were received in two days or less. In view of the limited courier resources available this is an excellent outcome and reflects the high level of planning undertaken by the team. Courier services are determined by volume and geographic considerations, resulting in a range of courier collection cycles being provided to practices e.g. twice daily, daily, three times per week, twice weekly and once per week. (Figure 1)

Turn Around Time

During the second quarter of 2006 screening staff were gradually able to clear a backlog of work that had built up while the PapScreen Victoria media campaign was running earlier in the year. By the end of the financial year turnaround times were back to the expected 48 hours from date of receipt or less. This result reflects extremely highly on all staff involved in the processing and reporting of tests from our courier, to clerical, scientific and medical staff. (Figure 2)

2005/06 Achievements

Figure 1 COURIER SPECIMENS – Episode date to Receipt date:

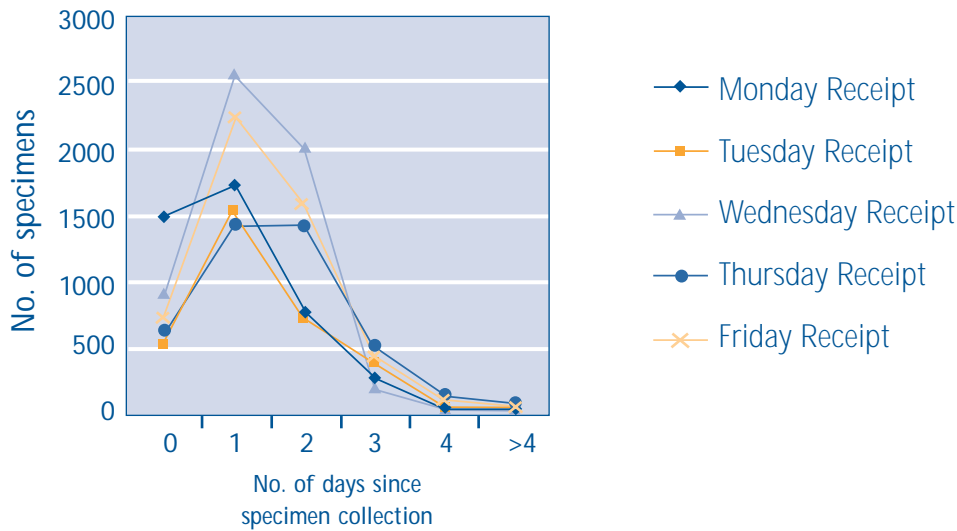
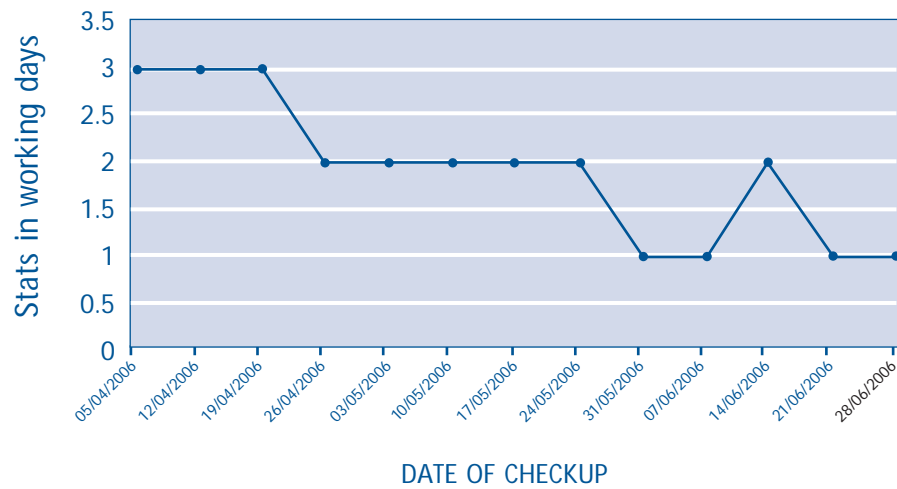


Figure 2 PAP SMEAR TURNAROUND



RESEARCH/TEACHING/TRAINING

The annual Gynaecological cytology courses for both Pathologists and Scientists were held in late August early September. In previous years the courses consisted of a one week advanced course for Cytotechnologists and a two week course for Cytopathologists. This year the courses were combined with a choice of attending for either one or two weeks, or selecting day modules. This restructure was a result

of feedback received from previous course participants and was received favourably.

The External Teaching Coordinator and her Assistant continue to run both the basic cytology course (Cytology 1) and the gynaecological cytology major subject (Cytology 2) at RMIT. Our involvement in this work supports the ongoing viability of these subjects within the RMIT degree course in Medical Laboratory Science, ensuring that Victoria continues

2005/06 Achievements

to lead the way in the education of Cytologists. A record number of twenty-three students completed the Cytology 2 subject this semester and we are pleased and proud to note that the course received the highest rating of all RMIT Medical Laboratory Science subjects in a recent student satisfaction survey.

The laboratory continues to provide ongoing support for various research projects, including the Women's HPV Indigenous Non-Indigenous Urban Rural Study (WHINURS trial), a trial of Infrared Spectroscopic Imaging in the Diagnosis of Cervical Cancer and a trial investigating the effects of DHEA therapy.

VCS has taken on a support role in the extension of Pap smear testing in Tonga and Samoa.

Seven trainee scientists were employed in 2005/06 and all have successfully completed their training. In addition two trainees completed their training early in the financial year and all nine have continued their employment with us. Three professional practice students from RMIT have been gaining valuable experience in the work performed by a laboratory.

Three VCS scientists sat for and passed examinations set by the International Academy of Cytology for the qualification of Cytotechnologist (CT(IAC)).

EXPANSION

VCS has introduced Digene Hybrid Capture II testing into the laboratory enabling the testing for Human Papillomavirus (HPV) and Chlamydia trachomatis testing on cervical samples.

NATA on-site assessment for the HPV and Chlamydia testing was conducted on Thursday 2nd February 2006. The laboratory has been accredited for the testing.

The Quality Manager was responsible for successfully developing and implementing the Digene Hybrid Capture II testing procedures. An additional three staff members have been trained to perform this testing, learning techniques they have not encountered previously. The relatively smooth and trouble free introduction of this work is testament to their hard work and ability. General practitioners,

specialists and nurses were advised of the introduction of the new tests via a newly developed brochure and explanatory letter.

The ThinPrep Imaging System, which uses computer technology to assist in primary screening of ThinPrep Pap test slides, was installed in February 2006 and seven Cytology scientists have been trained to report smears using the new technology. The system has been enthusiastically received by the users.

MARKETING

The volume of Pap smears received in the 2005/06 financial year was 286,213 compared to 291,987 in 2004/05. The main reason for the lower volume in the current financial year was the absence of a major Pap smear marketing campaign in the current year as opposed to last year. Market share for the financial year was 50% compared to 49.5% in the 2004/05 financial year.

Eighty three education sessions were held during the year to GPs across Victoria at either day or night time sessions. A new liaison physician will be recruited in 2006/07 to assist Dr. Stella Heley in conducting these sessions.

Trade booths were attended at the following events:

- Australian Society Colposcopy and Cervical Pathology Conference – QLD
- Australian Society of Cytology Annual Scientific Meeting – VIC
- Royal Women's Hospital Health Conference – VIC
- Royal Australian College General Practitioners – Women in General Practice – VIC

A new suite of information resources for referring practitioners including a summary of the new NHMRC Guidelines for the management of women with screen detected abnormalities and a resource to support the new HPV and Chlamydia testing have been developed. In addition, VCS request and report forms have been updated. All updated resources are accessible on the VCS website.

2005/06 Achievements

HUMAN RESOURCES

The major HR focus during the 2005/06 was the development and negotiation of a new Enterprise Agreement (EA). The EA negotiations were successfully concluded by the staff nominated EA Consultative Committee in October 2005.

The Draft EA was passed by a valid majority of all staff at the end of November 05. On the 23rd of December 2005, the Australian Industrial Relations Committee certified the EA which took effect in December 2005.

INFORMATION TECHNOLOGY

To prepare for the transition to the new National Health and Medical Research Council (NHMRC) Guidelines for the Management of Asymptomatic Women with Screen Detected Abnormalities, significant changes were required to both the VCCR and VCS Cytology Information System (CIS).

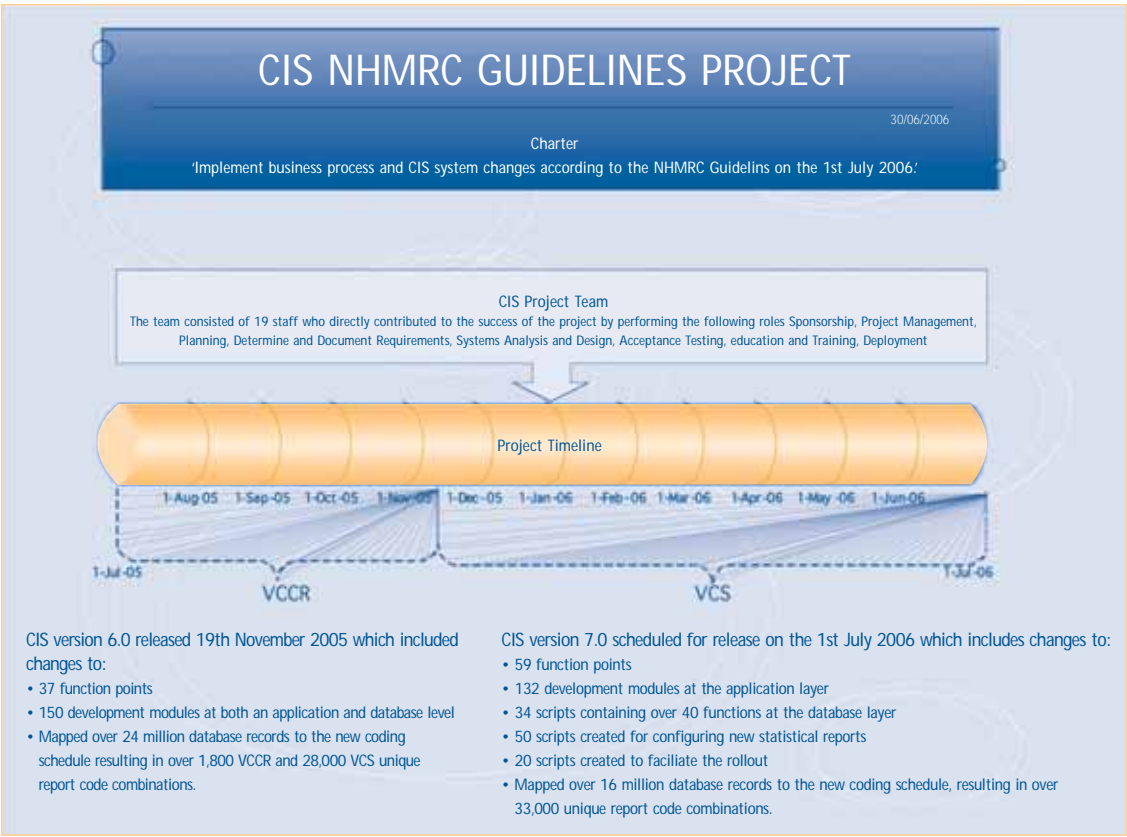
This project, delivered in two phases over a twelve month period, was successfully implemented as scheduled which is credit to the dedicated work of the CIS Project Team. It was a substantial

development project in terms of size and scope, affecting most of the core operational functionality within the CIS.

The diagram below outlines the project timeline and provides a high level summary of the VCS and VCCR deliverables.

A significant infrastructure project to replace core network equipment was successfully completed during the second quarter at a total cost of \$39,747. The project was completed seamlessly on schedule, and significantly under the budgeted figure. The associated support agreement combined with the Core/Edge topology deployed mitigates the adverse impact of equipment failure.

Additional infrastructure upgrades included the procurement of a new server room air conditioner, an upgrade of the PABX to increase capacity, and replacement of the high volume scanners.



2005/06 Achievements

QUALITY

VCS Inc. is accredited to AS ISO/IEC 17025:1999 “General requirements for the competence of testing and calibration laboratories” and is committed to meeting all relevant industry standards including the various requirements of NATA, National Pathology Accreditation Advisory Council (NPAAC), the Royal College of Pathologists Australia (RCPA) and the VCS Inc. insurers.

Quality system activities are coordinated by the Quality Manager and supported by the quality management software, Q-Pulse.

NATA reassessed VCS Inc. in October 2003 and found the laboratory to be “operating at a high standard”.

NATA assessed VCS Inc. in February 2006 for the newly introduced Microbiology testing of HPV and Chlamydia for which the laboratory has been accredited.

OH&S

The administration department of VCS Inc. including the Data Entry and Specimen Reception areas were redesigned to ensure the organisation complies with its OH&S and infection control requirements.



Victorian Cervical Cytology Registry

Organisational Overview

The Registry was established in 1989 by an amendment to the Cancer Act (Central Registers). The Registry provides a framework which has allowed a more structured approach to cervical screening within Victoria and it assists with data collection for monitoring and evaluating of the Program.

The Register is a confidential, computerised database of Victorian women's Pap test results. The main functions of the Registry are to facilitate the regular participation of women in the National Cervical Screening Program by sending reminder letters when their Pap test is overdue, and to provide a safety net for the follow-up of women with abnormal Pap smears.

The Registry has established a record-linked file for each woman who agrees to be registered, and provides screening histories to laboratories to help with the accurate reporting of current tests. In addition, the Registry also provides laboratories with quantitative data to assist with their quality assurance programs, as well as facilitating collaborative research projects relevant to cervical screening.



Victorian Cervical Cytology Registry

Medical Director's Report

The year 2005/06 was a time of significant change for the Registry.

Dr. Heather Mitchell, who had been the Medical Director of the Registry since its inception, retired in November 2005. As well as directing the activities of the VCCR, Heather played a key role in National policy development for cervical screening and her work is widely recognised internationally. Her leadership, dedication and professionalism underpin the approach of the Registry to all of its activities and continue to lay a strong foundation for the future.

The implementation of the NHMRC Guidelines for screening of asymptomatic women was a major focus of the work of the Registry during 2005/06. This involved writing new Business Rules for the implementation of the guidelines as well as substantial changes to follow-up procedures, particularly for women with low-grade abnormalities. This has generated additional administrative activities and correspondence for Registry staff. The changes were largely directed by Heather Mitchell prior to her retirement, and their implementation has been led by Cathy Burrows, who is responsible for follow-up activities for the Registry.

At the end of 2005, new routine reminder and follow-up letters and brochures were introduced, following extensive focus group testing. The Registry worked with PapScreen Victoria on this project, who employed a market research company to conduct focus groups of women and gain their feedback on the letters as well as possible changes. These new letters appear to be well received and copies were requested by a number of other States in preparation for the changeover to the new guidelines.

The good working relationship between the Registry and pathology laboratories continued. The Registry worked closely with the reporting laboratories to implement the common coding schedule for Cervical Cytology Reports by all Pap test Registers in Australia. Dorota Gertig presented at a laboratory workshop run by the Department of Human Services held in May, to assist laboratories in implementing the new guidelines. The Registry

continues to provide laboratories with data to help with the RCPA QAP Performance Standards.

The Registry works closely with practitioners who take Pap smears. New resources were produced and distributed to practitioners and a newsletter was sent in November 2005 to inform them of the changes to Registry practices as a result of the new NHMRC Guidelines. Practice-based reminders and Practice Incentive Program (PIP) lists continue to be sent to practitioners on a quarterly basis.

The VCCR Annual Statistical Report for 2005 was redesigned and revised at the beginning of 2006. Additional information on cervical cancer incidence was kindly provided by the Victorian Cancer Registry and a new section on Pap tests taken by Nurses was included. In the coming year, additional improvements will be made to reflect data relevant to the new guidelines.

Over a seven week period in May/June 2005, Papscreen Victoria ran a media campaign encouraging women to have regular Pap tests. During this period there was a significant increase in the number of Pap tests registered.

The following table shows the average daily number of Pap tests registered in the four quarters of the year.

Quarter	Total	Average daily number of Pap tests by age group (years)						
		<20	20-29	30-39	40-49	50-59	60-69	70+
2004 3rd qtr	2226	56	450	584	529	380	194	33
2004 4th qtr	2197	51	431	564	512	386	216	37
2005 1st qtr	2331	59	481	596	534	410	217	34
2005 2nd qtr	2316	54	455	589	544	410	229	35



Dorota Gertig
Medical Director
Victorian Cytology Service Inc.

VCS Inc. External Committee Involvement and Representation

Victorian Cytology Service Incorporated

The Victorian Branch of the Australian Society of Cytology hosted the 2005 Annual Scientific Meeting of the Australian Society of Cytology. Marion Saville and the Victorian based committee that included eight staff members co-ordinated the event. As it was based in Melbourne all VCS scientists and pathologists were offered the opportunity to attend, with almost all taking up the offer. A number of VCS scientific and medical staff made presentations at this meeting. It was pleasing to note that one of our junior scientists, Wen Lan Lou, won first prize for her poster presentation.

The Victorian Branch of the Australian Society of Cytology also hosted the Annual Country Meeting which was held at Cape Schanck on the Mornington Peninsula.

Executive Director, Marion Saville currently participates in the following committees:

- Member of the Membership Committee of the International Academy of Cytology, 1998 – present.
- Member of the Evolving Technologies Committee of the International Academy of Cytology, 1998 – present.
- Member of the Advisory Committee for PapScreen Victoria, 1999 – present.
- Member of the National Cervical Screening Program Guidelines Review Group, 2001 – 2006.
- Member of the Policy Review and New Technologies Working Group of the Australian Screening Advisory Committee, 2004 – 2006.
- Councillor of the Victorian Branch of the ASC, 2001 – 2006.
- NSW Cancer Screen Advisory Committee – 2005 – present.
- Australian Technical Advisory Group on Immunisation – Human Papillomavirus Working Party, 2005 – present.

Laboratory Manager, Gillian Phillips is a member of the:

- Royal Women's Hospital, Human Research Ethics Committee.
- Program Advisory Committee of the School of Medical Sciences, Discipline of Laboratory Medicine in the Science Engineering and Technology Portfolio of RMIT University.

Quality Manager, Cheryl Jones is the current co-ordinator of the Medical Laboratory Quality Network.

Managing Pathologist, Ruth Salom currently participates in the following committees:

- Board Director Peninsula Health.
- Quality and Clinical Governance Committee Peninsula Health.
- Planning and Future Development Committee Peninsula Health.
- Research and Ethics Committee Peninsula Health (ceased February 2006).
- RCPA Examination Committee.
- Australasian Dermatopathology Society, executive member.
- The Cancer Council, Skin Cancer Committee.
- The Cancer Council, Gynaecological Cancer Committee.
- Monash University Medical Entrance Interview.

Victorian Cervical Cytology Registry

Heather Mitchell participated in the following committees:

- Member of the low-grade and high-grade working parties of Guidelines Review Group which is a national committee reviewing the NHMRC Guidelines for the Management of Women with Screen-Detected Abnormalities.
- Member of the Monitoring and Evaluation Working Group of the Australian Screening Advisory Committee.

Heather Mitchell, Dorota Gertig and Health Information Manager, Valerie Scott were members of the Papscreen Victoria Advisory Committee.

Data Manager, Cathy Burrows, represented VCCR in two National working groups convened to progress the development of a Standardised Data Set and a common Follow-up Protocol for Australian Cervical Cytology Registers.

Cathy Burrows presented information about the new coding/terminology etc at a laboratory meeting organised by DHS in October, at the Mayne Health Cytology Network meeting in October, and at the Victorian branch of the ASC in November.

Board Members



Ms Sandy Anderson, President

Ms Anderson was appointed to the Board in 2000 to fill the role of Nurse with expertise in family planning and was appointed as President of the

VCS Inc. Board in 2004. Ms Anderson is a registered nurse with a Graduate Diploma of Community Health Nursing, Sexual and Reproductive Health Nurse Training, and a Master of Health Management. Ms Anderson has worked with PapScreen Victoria for over five years in a role working with nurse Pap test providers throughout the state and recently has become the Nurse Credentialling Project Coordinator as part of that role. Ms Anderson also currently runs a Well Women's Service at Women's Health Grampians servicing Ballarat and other areas of the Grampians region.



Ms Dorothy Reading

Ms Reading has served on the Board since 1989 and was Chairperson from 1991 to 1997. Ms Reading is responsible for policy and advocacy

work, input into review and planning cycles for all programs and the development of new programs at the Cancer Council Victoria. Ms Reading represents the Cancer Council Victoria on the board of Breast Screen Victoria (as Deputy Chairperson), and also chairs the Cancer Council Australia's Public Health Committee. She organised the production of the National Cancer Prevention Policy 2001-03 and the soon to be released 2004-06 updated. Ms Reading has been nominated to represent the Cancer Council Australia on the new Australian Screening Advisory Committee.



Dr Elisabeth Banks, Immediate Past President

Dr. Banks is a long standing member of the Board joining in 1989 and resided as President from December

2001 retiring in 2004. Dr. Banks has an interest in Medical Education and her many activities include; Consultant to World Health Organisation (WHO) in Primary Health Care, RACGP Exam Panel, Surveyor Australian General Practice Accreditation, Member of National Professional Services Review Panel, the Chair of the Management Committee for the Registry, Maroondah Breast Screen Advisory Committee, Member of Standards Committee for FRACGP and a Member GP Committee – Epworth Hospital and was recently involved in the NHMRC Guidelines for Overweight and Obesity in Australia. Dr. Banks is a General Practice Partner at the Blackburn Clinic.



Ms Juliann Byron, Treasurer

Ms Byron joined the Board in March 2003 as Treasurer with qualifications including Fellow CPA Australia, Fellow of the Australian Institute of

Company Directors, Member of Chartered Secretaries Australia, and Fellow of the Taxation Institute of Australia. Ms Byron was previously the National Finance Director/Company Secretary for Porter Novelli. She is currently a consultant, advising clients in areas including finance, risk management and strategic planning.



Professor Julia Shelley, Deputy President

Professor Shelley has participated on the Board since 1991 as the representative for Epidemiology.

Professor Shelley's research focuses on women's reproductive health including the epidemiology of Pap smear screening. Professor Shelley is currently a senior lecturer at Deakin University for the School of Health and Social Development and was appointed Deputy President to the VCS Inc. Board in 2004.

Board Members



Dr Peter Hughes

Dr. Hughes joined the Board in March 2003 with expertise in Business. Dr. Hughes has a Bachelor of Architecture, Master Business

Administration and Doctor of Business Administration. He has expertise in strategic and health planning, operations and financial management, human resource management, business development, marketing and communications along with risk management, legal and contractual negotiation, intellectual property protection and development and information technology management. Dr. Hughes is currently the Director of the Epworth Eastern Hospital.



Dr Deborah Neesham

Dr. Neesham joined the Board in 2000 as a nominee of the Royal Women's Hospital with expertise in Gynaecology and Gynaecological

Oncology. Dr. Neesham is currently a consultant appointed to Oncology/Dysplasia unit at the Royal Women's Hospital.



Dr Chris Bayly

Dr. Bayly joined the Board in 2001 as the nominee of the Royal Women's Hospital. Dr. Bayly is a Gynaecologist and is currently the Associate Director

of Women's Services at the Royal Women's Hospital. Dr. Bayly has interests in public health and fertility control and a background in infertility including assisted reproduction techniques.



Ms Patricia Hill

Ms Hill joined the Board in 2000 as a representative of clients. Ms Hill is a Registered Nurse, Midwife with a special interest in women's health

and family planning. Ms Hill is currently located at the Well Women's Clinic at the Mercy Hospital for Women.



Dr Peter Grant

Dr. Grant joined the VCS Inc. Board in 2004 as the representative of Gynaecological Oncology. Dr. Grant is currently the Director of the

Gynaecological Oncology Department at the Mercy Hospital for Women and is a clinical collaborator for the Australian Ovarian Cancer Study at the Peter MacCallum Cancer Institute. Dr. Grant is also the Chairman of Gynaecological Oncology Subspecialty Committee of RANZCOG and a member of the Oncology Subcommittee RACOG



Ms Nicole Mollard

Ms Mollard joined the VCS Inc. Board in June 2005 as a representative of management with legal expertise. Ms Mollard is currently a Medical Faculty

Tutor and Criminal Law Lecturer at Monash University. Ms Mollard has extensive experience in Health Law Practice and Bioethics.



Ms Kate Broun

Ms Broun joined the VCS Inc. Board in September 2005 as a representative of the Cancer Council Victoria.

Ms Broun is the Communications and Recruitment Program Manager of PapScreen Victoria and has extensive experience in health promotion, particularly women's health.

Financial Reports



Treasurer's Report

VCS Inc. generated revenue from cervical cancer screening grants, cancer recruitment grants, trading activities and conducting training courses, of \$9.6m during the 2005/06 year, which equates to a 4.9% increase over the 2004/05 financial year. The increase was due to additional funding received from the Department of Human Services and interest received. Revenue generated from other sources, principally from ThinPrep and Histology screening experienced a reduction over the previous year, although Digene HCII HPV and Chlamydia Hybrid Capture testing was introduced during the year, contributing 5.71% to other income.

The additional funding was utilised to finance an increase in salaries and wages of 6.83% and 1% increase in operating expenses.

The net surplus of \$310,812 represents a larger surplus than anticipated and is a pleasing result.

The number of women screened for cervical cancer for the financial year was 286,212 (2005 293,548) as compared with a target of 280,000.

VCCR generated revenue from cancer surveillance grants and interest of \$1,055,000 during the 2005/06 year, compared with \$981,000 in 2004/05. The cancer surveillance funding increased by \$59,000 over the previous year and contributed to the increase in additional salary and operating costs for the year, resulting in a net surplus of \$105,937.

As in previous years, the Department of Human Services has provided valuable funding which enables VCS Inc. to continue its efforts to provide crucial and effective services in the area of women's health, including education, the provision of well regarded cytology training to the profession and a confidential database of women's Pap test results in Victoria. The introduction of two additional tests (HPV and Chlamydia) has enhanced the services available to women from a central source.



Juliann Byron
Treasurer
Victorian Cytology Service Inc.

Victorian Cytology Service Incorporated

Income Statement for the year ended 30 June 2006

	Notes	2005/06 \$	2004/05 \$
Victorian Cytology Service			
Revenue from continuing operations			
Operating grants		7,885,115	7,440,372
Capital grant		95,278	116,000
Program grants		572,783	563,478
Indirect contributions by Human Services	2	4,032	3,446
Trading activities		812,324	846,829
Bank interest		238,245	191,112
		9,607,777	9,161,237
Expenditure			
Wages and salaries		7,388,924	6,916,257
Operating and administration costs		1,076,336	1,101,593
Medical supplies		499,023	455,310
Depreciation and amortisation		330,484	306,817
Loss on sale of non current assets		2,207	24,879
		9,296,974	8,804,856
Operating surplus for the year		310,803	356,381

Victorian Cervical Cytology Registry

Revenue from continuing operations			
Operating grants		992,680	933,514
Other income		229	79
Bank interest		62,406	47,855
		1,055,315	981,448
Expenditure			
Wages and salaries		648,687	643,002
Operating and administration costs		271,685	244,561
Depreciation and amortisation		29,007	44,433
		949,379	931,996
Operating surplus for the year		105,936	49,452
Total operating surplus for the year		416,739	405,833

Victorian Cytology Service Incorporated

Balance Sheet as at 30 June 2006

	Notes	2005/06 \$	2004/05 \$
Current assets			
Cash and cash equivalents	4	5,505,249	5,262,152
Trade and other receivables	5	161,920	158,463
Inventories	6	71,251	45,911
Other current assets	7	112,488	143,486
Total current assets		5,850,908	5,610,012
Non-current assets			
Plant, equipment & vehicles	8	1,136,954	852,570
Intangible assets	9	36,822	62,808
Total non current assets		1,173,776	915,378
Total assets		7,024,684	6,525,390
Current liabilities			
Payables	10	809,144	714,257
Provisions	11	1,600,908	1,627,736
Total current liabilities		2,410,052	2,341,993
Non-current liabilities			
Provisions	11	429,755	415,260
Total non current liabilities		429,755	415,260
Total liabilities		2,839,807	2,757,253
Net assets		4,184,877	3,768,137
Equity			
Retained surplus	12	4,184,877	3,768,137
Total equity		4,184,877	3,768,137

Statement of Changes in Equity for the year ended 30 June 2006

	Retained earnings	Total
Balance at 1 July 2004	3,362,305	3,362,305
Operating surplus for the year	405,833	405,833
Balance at 30 June 2005	3,768,138	3,768,138
Operating surplus for the year	416,739	416,739
Balance at 30 June 2006	4,184,877	4,184,877

Victorian Cytology Service Incorporated

Cash Flow Statement for the year ended 30 June 2006

	2005/06 \$	2004/05 \$
Cash flows from operating activities		
Receipts		
Receipts from trading activities	830,337	919,780
Interest received	275,114	186,205
Receipts from grants	10,500,441	9,958,700
Payments		
Wages and salaries	(8,019,552)	(7,241,073)
Suppliers	(2,723,148)	(2,838,136)
Net cash inflow from operating activities	863,192	985,476
Cash flows from investing activities		
Purchase of plant and equipment	(800,048)	(485,453)
Proceeds from sale of plant and equipment	179,952	64,893
Net cash flow from investing activities	(620,096)	(420,560)
Net increase (decrease) in cash held	243,096	564,916
Cash and cash equivalents at the beginning of the financial year	5,262,153	4,697,237
Cash and cash equivalents at the end of the financial year	5,505,249	5,262,153
Reconciliation of net cash provided by operating activities to operating result		
Operating surplus (deficit)	416,739	405,834
Add depreciation and amortisation	359,491	351,250
Loss on sale of fixed assets	2,207	24,879
Change in operating assets/liabilities		
(Increase) decrease in accounts receivable	(15,446)	5,326
(Increase) decrease in inventories	17,647	38,014
(Decrease) increase in accounts payable	94,887	(83,835)
(Decrease) increase in provision for employee entitlements	(12,333)	244,008
Net cash provided by operating activities	863,192	985,476

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act Victoria.

The financial report covers Victorian Cytology Service Inc. an Association incorporated on 3 September 1991 in Victoria under the Associations Incorporation Act 1981. VCS Inc. comprises the Victorian Cytology Service and the Victorian Cervical Cytology Registry (The Registry).

The financial report of VCS Inc. as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation

First-time adoption of Australian Equivalents to International Financial Reporting Standards.

VCS Inc. has prepared financial statements in accordance with the AIFRS from 1 July 2005.

In accordance with the requirements of AASB 1: First-time adoption of AIFRS, adjustments to the accounts resulting from the introduction of AIFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied.

These accounts are the first financial statements of VCS Inc. to be prepared in accordance with AIFRS.

The accounting policies set out below have been consistently applied to all years presented.

Reconciliations of the transition from previous Australian GAAP to AIFRS have been included in Note 18 First-time Adoption to AIFRS to this report.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Income Tax

The activities of the VCS Inc. are exempt from income tax and payroll tax. Payments for fringe benefits tax are made in accordance with the relevant legislation.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first in, first out principal.

(c) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. Assets are capitalised when in excess of \$1,000.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building is depreciated on a straight-line basis over their useful lives commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:	Class of Fixed Asset	Depreciation Rate
	Plant and equipment	5 – 50%
	Motor Vehicles	20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

(d) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(e) Financial Instruments

Recognition

Financial instruments are classified depending on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition. Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(f) Impairment of Assets

At each reporting date, VCS Inc. reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, VCS Inc. estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Employee Benefits

A provision at VCS Inc. has been made for the liability of employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been

Victorian Cytology Service Incorporated

measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks and other short-term highly liquid investments with original maturities of three months or less.

(i) Revenue

Grant revenue is recognised upon receipt from the Department of Human Services.

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

Revenue from the rendering of a service is recognised upon the delivery of goods to customers.

All revenue is stated net of the amount of goods and services tax (GST).

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis.

(k) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(l) Critical Accounting Estimates and Judgments

The management evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within VCS Inc.

NOTE 2: Indirect contributions by Human Services Victoria

The Department of Human Services makes certain payments on behalf of VCS Inc. which, in accordance with the Department's requirements, have been brought to account for determining the operating results for the year.

NOTE 3: Operating expenses

	2005/06	2004/05
	\$	\$
The net result has been determined after:		
Auditors remuneration – auditing the accounts	9,000	9,250
Rental expenses on operating leases	41,982	42,192

Victorian Cytology Service Incorporated

	2005/06	2004/05
	\$	\$
NOTE 4: Cash and cash equivalents		
Cash at bank and on hand	163,985	383,977
Deposits at call	2,585,273	2,251,843
Term deposits	2,755,991	2,626,332
	5,505,249	5,262,152

NOTE 5: Trade and other receivables

Current		
Trade debtors and accrued revenue	81,299	96,893
Less: Provision for doubtful debts	(9,712)	(3,226)
	71,587	93,667
Interest receivable	90,333	64,796
	161,920	158,463

NOTE 6: Inventories

Medical and surgical supplies	71,251	45,911
	71,251	45,911

NOTE 7: Other current assets

Prepayments	112,488	143,486
	112,488	143,486

NOTE 8: Plant, equipment & vehicles

Plant and equipment at cost	3,004,063	2,534,114
Accumulated depreciation	(2,218,300)	(1,996,653)
Written down value	785,763	537,461
Vehicles at cost	462,273	429,090
Accumulated depreciation	(111,082)	(113,981)
Written down value	351,191	315,109
Carrying amount at the end of the year	1,136,954	852,570

	Plant & equipment	Motor Vehicle	Total
Movement in carrying amounts			
Balance at the beginning of the year	539,856	315,109	854,965
Additions	482,148	315,080	797,228
Disposals		(182,159)	(182,159)
Depreciation	(236,241)	(96,839)	(333,080)
Carrying amount at the end of the year	785,763	351,191	1,136,954

Victorian Cytology Service Incorporated

NOTE 9: Intangibles

	2005/06 \$	2004/05 \$
Software and licences at cost	196,044	193,224
Accumulated amortisation	(159,222)	(130,416)
Carrying amount at the end of the year	36,822	62,808

Movement in Carrying Amounts

	Software	Licences	Total
2005			
Balance at the beginning of the year	65,583	32,800	98,383
Additions	2,982	–	2,982
Depreciation	(29,537)	(9,020)	(38,557)
Carrying amount at the end of the year	39,028	23,780	62,808
2006			
Balance at the beginning of the year	39,028	23,780	62,808
Additions	2,820	–	2,820
Amortisation	(17,983)	(10,823)	(28,806)
Carrying amount at the end of the year	23,865	12,957	36,822

NOTE 10: Payables

Current		
Trade creditors	209,561	153,950
Other creditors	599,583	560,307
	809,144	714,257

NOTE 11: Provisions

Employee benefits

Current

Provision for annual leave – short term	595,501	650,178
Provision for annual leave – long term	190,512	223,082
Provision for long service leave	689,052	628,633
Provision for sabbatical leave	125,843	125,843
	1,600,908	1,627,736

Non-Current

Provision for long service leave	429,755	415,260
	429,755	415,260

Employee numbers

Average number of employees during the financial year	124	120
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NOTE 12: Retained surplus

Retained surplus	3,768,138	3,362,304
Surplus/Deficit for the year	416,739	405,833
Retained surplus at the end of the year	4,184,877	3,768,137

Victorian Cytology Service Incorporated

NOTE 13: Financial instruments

The organisation's principal financial instruments comprise of cash and short term deposits and finance leases, along with various other financial assets and liabilities such as trade receivables and trade payables which arise from its operations.

(a) Credit Risk Exposure

The credit risk on financial assets of the organisation which has been recognised on the Income Statement, is generally the carrying amount, net of any provisions for doubtful debts. Receivables are monitored on a regular basis to ensure the exposure to bad debts is not significant.

(b) Interest Rate Risk Exposure

The organisation's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out as follows. Exposures arise predominantly from assets bearing variable interest rates as the organisation intends to hold any fixed rate assets to maturity.

2006	Floating Interest Rate \$	Non-interest Bearing \$	Total \$
Financial assets			
Cash and deposits	5,504,679	570	5,505,249
Trade and other receivables		161,920	161,920
	5,504,679	162,490	5,667,169
Weighted average interest rate	5.62%		
Financial liabilities			
Trade and other creditors		809,144	809,144
Net financial assets (liabilities)	5,504,679	(646,654)	4,858,025
2005			
Financial assets			
Cash and deposits	5,261,512	640	5,262,152
Trade and other receivables		158,463	158,463
	5,261,512	159,103	5,420,615
Weighted average interest rate	4.95%		
Financial liabilities			
Trade and other creditors		714,257	714,257
Net financial assets (liabilities)	5,261,512	(555,154)	4,706,358

(c) Net fair value of financial assets and liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the entity approximates their carrying value.

Victorian Cytology Service Incorporated

NOTE 14: Segment Reporting

VCS Inc. operates in the health sector providing cytology services to the public within Victoria.

NOTE 15: Association Details

The principal address of the business of the association is:

Victorian Cytology Service Incorporated

752 Swanston Street

Carlton South, Vic. 3053

NOTE 16: Related parties

The names of persons who were Board members at any time during the year are set out in the Annual Report.

There were no transactions that require disclosure for the year ended 30 June 2006. The Directors did not receive any remuneration during the financial year ended 30 June 2006.

	2005/06	2004/05
	\$	\$
Key management personnel compensation		
Key management personnel comprise directors and other persons having authority and responsibility for planning, directing and controlling the activities of VCS Inc.		
Short term employee benefits	910,204	786,642
Post-employment benefits	102,873	93,143
	1,013,077	879,785

NOTE 17: Defined Benefit Scheme

VCS Inc. contributes to a Defined Benefit Scheme maintained by Health Super Fund and has an ongoing obligation to share in the future experience of the Fund. Favourable or unfavourable variations may arise should the experience of the Fund differ from the assumptions made by the Fund's actuary in estimating the Fund's accrued benefits liability.

The trustee of the Scheme has determined that the notional excess net assets attributable to the staff who are members of the scheme for the year ended 30 June 2006 total \$30,322.38. The actuary has advised that the contributions will remain unchanged for the current year.

Victorian Cytology Service Incorporated

NOTE 18: First time adoption of Australian equivalents to International reporting standards

Restated Balance Sheet as at 1 July 2005

Effect of transition to AIFRS on the Balance Sheet is set out below:

	30/6/05	AIFRS Adjustment	1/7/05
Current assets			
Cash and cash equivalents	5,262,152		5,262,152
Trade and other receivables	158,463		158,463
Inventories	45,911		45,911
Other financial assets	143,486		143,486
Total current assets	5,610,012		5,610,012
Non-current assets			
Plant, equipment & vehicles ⁽¹⁾	915,378	(62,808)	852,570
Intangible assets		62,808	62,808
Total non-current assets	915,378		915,378
Total Assets	6,525,390		6,525,390
Current liabilities			
Payables	714,257		714,257
Provisions	1,627,736		1,627,736
Total current liabilities	2,341,993		2,341,993
Non-current liabilities			
Provisions	415,260		415,260
Total non-current liabilities	415,260		415,260
Total liabilities	2,757,253		2,757,253
Net assets	3,768,137		3,768,137
Equity			
Retained surplus	3,768,137		3,768,137
Total Equity	3,768,137		3,768,137

(1) Reclassification of Software to Intangible asset

Victorian Cytology Service Incorporated

NOTE 19:

Contingent Liabilities

There were no contingent liabilities at 30 June 2006.

NOTE 20:

Events Occuring After the Balance Sheet Date

No significant events have occurred since reporting date.

WHISTLEBLOWER'S PROTECTION

On January 1st 2002, the Victorian Whistleblower's Protection Act came into effect. VCS Inc. has provided policy to facilitate the making of disclosures, where it is believed improper or corrupt conduct has occurred, is occurring or about to occur in the management or conduct of VCS Inc., (including apprehension of detriment).

There were no reported incidents in 2005 – 2006



Agency Certification

Managers' Annual Certificate

We certify that Victorian Cytology Service Inc. has complied with the terms and conditions of the Service Agreement dated 01 July 2003 and has expended funding received from the Department of Human Services on the services as specified in schedule 3 of that Agreement.

We certify that Victorian Cytology Service Inc. is a financially viable Agency able to continue to provide services on behalf of the Department of Human Services.

We certify that Victorian Cytology Service Inc. is required to produce audited financial statements and has adhered to the relevant incorporation governing legislation in respect of financial account preparation and lodgement and any other requirements as specified by the relevant governing legislation.

We certify that the attached Financial Accountability Requirements Statement for Victorian Cytology Service Inc. (the Agency) for the year ended 30 June 2006

- fairly presents the financial position for the year then ended and performance as at 30 June 2006 as required by the Department of Human Services
- the statements have been extracted from the accounting records of the Organisation which have been prepared on the basis of accounting policies consistent with applicable Australian Accounting Standards (AAS) and/or Australian Accounting Standards Board (AASB) and
- are GST exclusive for the Income Statement.

Ms Sandy Anderson
Chairperson

Date
5/10/2006

Mr Mark Van Zuylekom
Business Manager

Date
5/10/2006

Independent Audit Report

Independent Audit Report
Will take one page – yet to be provided



