

Dog and Cat Management Board

Financial report
for the year ended
30 June 2020



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

To the Chairperson Dog and Cat Management Board

Opinion

I have audited the financial report of the Dog and Cat Management Board (the Board) for the financial year ended 30 June 2020.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Board as at 30 June 2020, their financial performance and their cash flows for the year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The consolidated financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2020
- a Statement of Financial Position as at 30 June 2020
- a Statement of Changes in Equity for the year ended 30 June 2020
- a Statement of Cash Flows for the year ended 30 June 2020
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from a Presiding Member, the Chief Financial Officer, Department for Environment and Water and Program Manager, Department for Environment and Water.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Board. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) have been met.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Board for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as determined is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 25(7) of the *Dog and Cat Management Act 1995*, I have audited the financial report of the Board for the financial year ended 30 June 2020.

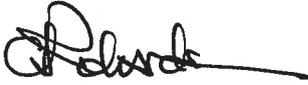
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

A handwritten signature in black ink, appearing to read 'Andrew Richardson', with a long horizontal stroke extending to the right.

Andrew Richardson

Auditor-General

28 September 2020

Dog and Cat Management Board

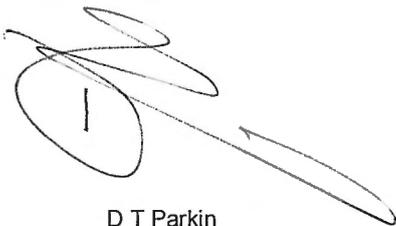
Financial Statements

For the year ended 30 June 2020

We certify that the attached general purpose financial statements for the Dog and Cat Management Board:

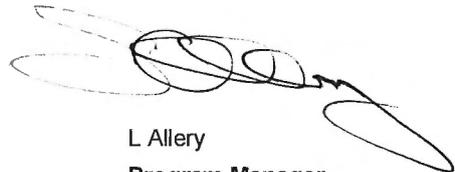
- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards
- are in accordance with the accounts and records of Board
- present a true and fair view of the financial position of the Dog and Cat Management Board as at 30 June 2020 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the Dog and Cat Management Board for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



D T Parkin
Presiding Member

25 September 2020



L Allery
Program Manager

Department for Environment and Water

25 September 2020



S O'Brien
Chief Financial Officer
Department for Environment and Water

25 September 2020

Dog and Cat Management Board
Statement of Comprehensive Income
for the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Income			
Fees and charges	2.1	2 602	3 601
Interest	2.2	26	63
Total income		2 628	3 664
Expenses			
Board and employee benefits expenses	3.3	32	380
Supplies and services	4.1	2 087	2 064
Depreciation and amortisation	4.2	180	135
Other	4.3	12	12
Total expenses		2 311	2 591
Net result		317	1 073
Total comprehensive result		317	1 073

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

Dog and Cat Management Board
Statement of Financial Position
as at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Current assets			
Cash and cash equivalents	6.1	1 998	2 025
Receivables	6.2	91	110
Total current assets		2 089	2 135
Non-current assets			
Property, plant and equipment	5.1	44	54
Intangible assets	5.2	1 336	1 115
Total non-current assets		1 380	1 169
Total assets		3 469	3 304
Current liabilities			
Payables	7.1	193	111
Employee benefits	3.4	-	218
Total current liabilities		193	329
Non-current liabilities			
Payables	7.1	-	2
Employee benefits	3.4	-	14
Total non-current liabilities		-	16
Total liabilities		193	345
Net assets		3 276	2 959
Equity			
Retained earnings		3 276	2 959
Total equity		3 276	2 959

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Dog and Cat Management Board
Statement of Changes in Equity
for the year ended 30 June 2020

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2018	1 886	1 886
Net result for 2018-19	1 073	1 073
Total comprehensive result for 2018-19	1 073	1 073
Balance at 30 June 2019	2 959	2 959
Net result for 2019-20	317	317
Total comprehensive result for 2019-20	317	317
Balance at 30 June 2020	3 276	3 276

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

Dog and Cat Management Board
Statement of Cash Flows
for the year ended 30 June 2020

	2020	2019
	Inflows (Outflows)	Inflows (Outflows)
Note	\$'000	\$'000
Cash flows from operating activities		
Cash inflows		
Fees and charges	2 612	3 586
Interest	30	61
Cash generated from operating activities	<u>2 642</u>	<u>3 647</u>
Cash outflows		
Employee benefits and Board member expenses	(273)	(173)
Payments for supplies and services	(2 023)	(2 192)
Other payments	(12)	(12)
Cash used in operating activities	<u>(2 308)</u>	<u>(2 377)</u>
Net cash provided by operating activities	<u>334</u>	<u>1 270</u>
Cash flows from investing activities		
Cash outflows		
Purchase of intangibles	(361)	(505)
Cash used in investing activities	<u>(361)</u>	<u>(505)</u>
Net cash used in investing activities	<u>(361)</u>	<u>(505)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(27)</u>	<u>765</u>
Cash and cash equivalents at the beginning of the reporting period	2 025	1 260
Cash and cash equivalents at the end of the reporting period	<u>1 998</u>	<u>2 025</u>

The accompanying notes form part of these financial statements.

Dog and Cat Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2020

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Dog and Cat Management Board

Notes to and forming part of the financial statements

for the year ended 30 June 2020

1 About the Dog and Cat Management Board

The financial activities of the Dog and Cat Management Board (the Board) are administered through the Dog and Cat Management Fund (the Fund) in accordance with the *Dog and Cat Management Act 1995*. The Fund is an interest bearing Deposit Account with the Department of Treasury and Finance (DTF) pursuant to section 21(1) of the *Public Finance and Audit Act 1987*.

The Fund's sources of revenue consist of:

- money required to be paid into the Fund under the Act, comprising registration fees
- any other money received by the Board for professional services
- interest accruing from investment of the Fund.

The Department for Environment and Water (DEW) provides administrative and workforce support to the Board. These services are provided by DEW to the Board on a cost recovery basis under a Service Level Agreement. The Board reflects costs invoiced by DEW under the Service Level Agreement as fee for service expenses (refer to note 4.1).

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*
- relevant Australian Accounting Standards with reduced disclosure requirements.

For the 2019-20 financial statements the Board adopted AASB 9 – *Financial Instruments* and is required to comply with new *Treasurer's Instructions (Accounting Policy Statements)* issued on 22 March 2019. Further information is provided in note 9.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the notes associated with the item measured.

DEW prepares a Business Activity Statement on behalf of the Board under the grouping provisions of the Goods and Services Tax (GST) legislation. Under these provisions, DEW is liable for the payments and entitled to the receipts associated with GST. Therefore the Board's net GST receivable/payable is recorded in DEW's Statement of Financial Position. GST cash flows applicable to the Board are recorded in DEW's Statement of Cash Flows.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Dog and Cat Management Board

Notes to and forming part of the financial statements

for the year ended 30 June 2020

1.2. Objectives and programs

The Board was established under the *Dog and Cat Management Act 1995* (the Act) to:

- plan for, promote, and provide advice about the effective management of dogs and cats throughout South Australia
- oversee the administration and enforcement of the provisions of the Act.

The objectives of the Act are to:

- encourage responsible dog and cat ownership
- reduce public and environmental nuisance caused by dogs and cats
- promote the effective management of dogs and cats through encouragement of de-sexing of dogs and cats.

The priorities of the Board in achieving the objectives of the Act are to:

- improved dog management through responsible dog ownership and community collaboration
- improved cat management through responsible cat ownership and community collaboration
- connecting Councils, community, professionals and agencies interested in and responsible for dog and cat management
- leadership in dog and cat management and effective administration of the Dog and Cat Management Act.

The Board achieves its objectives through activities identified in its strategic, operational and financial plans approved by the Minister.

From 1 July 2018, the Dogs and Cats Online (DACO) system was introduced by the Board as South Australia's central digital database to track pets, replacing separate Council registers. The DACO system is the primary collection process for annual pet registration fees on behalf of Councils, and stores information such as ownership, breeder and microchip data to support Councils and the Board in the discharge of their obligations under the Act. Registration fees collected by the Board through the DACO system are paid into the Fund, and the prescribed percentage of dog registration fees are subsequently disbursed to each Council in respect of the dogs registered in the area of the Council. See note 8 for further details on administered items.

1.3. Impact of COVID-19 pandemic on the Board

The COVID-19 pandemic impacted from March 2020. DEW on behalf of the Board managed the move of a significant number of staff to work from home arrangements where feasible. DEW also ensured precautions were taken for staff and the public where sites and facilities remained open, adopting best practice advice to ensure personal safety at those sites.

Dog and Cat Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2020

2. Income

2.1. Fees and charges

	2020	2019
	\$'000	\$'000
Fees, levies and licences	2 602	3 601
Total revenues from fees and charges	2 602	3 601

Revenue from fees and charges relate to registration fees pursuant to section 26(5) of the Act. The fees are recognised upon receipt.

Fees received in 2019-20 comprise registration fees relating to the 2019-20 year collected through the DACO system.

Fees received in 2018-19 include the prescribed portion of registration fees in relation to the 2017-18 year that were collected directly by Councils prior to the introduction of the DACO system and paid into the Fund in arrears.

	2020	2019
	\$'000	\$'000
Fees, levies and licences received		
Regulation 6 Prescribed Councils	1 856	2 576
Other Councils	503	831
Breeders registration	243	194
	2 602	3 601

2.2. Interest

	2020	2019
	\$'000	\$'000
Interest - Deposits with the Treasurer	26	63
Total interest revenues	26	63

Dog and Cat Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2020

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of the Board include the Minister for Environment and Water, the Board Chairperson and other members of the Board who have responsibility for the strategic direction and management of the Board.

Total compensation for key management personnel was \$30 000 in 2019-20 and \$30 000 in 2018-19.

The compensation disclosed in this note excludes salaries and other benefits the Minister for Environment and Water receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via DTF) under section 6 of the *Parliamentary Remuneration Act 1990*.

No transactions with key management personnel or related parties occurred during 2019-20.

3.2. Board and committee members

Members during the 2020 financial year were:

Dog and Cat Management Board

Dr S J Hazel
Dr M F Jenkins
Dr D Mcfetridge (appointed August 2019)
D T Parkin Chair (appointed December 2019)
S A Reardon
Dr P E J Roetman (appointed August 2019)
G C Russell (resigned June 2020)
Dr R L Somers
P S Warren

Board and committee remuneration

The number of members whose remuneration received or receivable falls within the following bands:

	2020	2019
\$0 - \$19 999	9	9
Total number of members	9	9

The total remuneration received or receivable by members was \$30 000 (2019: \$30 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

Dog and Cat Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2020

3.3. Board and employee benefits expenses

	2020	2019
	\$'000	\$'000
Salaries and wages	-	305
Board and committees fees	29	29
Annual leave	-	15
Employment on-costs - superannuation	1	13
Long Service Leave	-	10
Employment on-costs - other	2	7
Other employment related expenses	-	1
Total Board and employee expenses	32	380

Board member expenses include all board fees and other costs including superannuation. These are recognised when incurred.

The Board had one employee in 2019. Employee benefits expenses included all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These were recognised when incurred.

Costs incurred by DEW in the provision of services to the Board are recovered pursuant to the SLA between DEW and the Board. These are included in Supplies & Services (Note 4.1)

3.4. Employee benefits liabilities

	2020	2019
	\$'000	\$'000
Current		
Accrued salaries and wages	-	199
Annual leave	-	19
Total current employee benefits	-	218
Non-current		
Long service leave	-	14
Total non-current employee benefits	-	14
Total employee benefits	-	232

Services to the Board are also provided by personnel employed by DEW; hence no other employee benefits or related provisions are included in the Board's financial statements. Employee benefits relating to relevant employees are reflected in the financial statements of DEW.

The Board had one employee in 2019. Employee benefits accrued as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits were measured at present value and short-term employee benefits were measured at nominal amounts.

Dog and Cat Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2020

4. Expenses

Board and employee benefits expenses are disclosed in note 3.3.

4.1. Supplies and services

	2020	2019
	\$'000	\$'000
Fee for service - direct salaries	686	594
Fee for service - Dogs and Cats Online (DACO) project	372	394
Service Level Agreement (DEW)	287	212
Printing and publishing	248	193
Fee for service - Educational programs	212	168
General administration	203	365
Sponsorships	40	23
Information technology and communication charges	13	17
Fee for service - other	12	6
Accommodation	7	9
Staff development	3	4
Vehicle	1	2
Contractors	-	73
Other	3	4
Total supplies and services	2 087	2 064

4.2. Depreciation and amortisation

	2020	2019
	\$'000	\$'000
Depreciation		
Vehicles	10	10
Total depreciation	10	10
Amortisation		
Application software - internally developed	170	125
Total amortisation	170	125
Total depreciation and amortisation	180	135

All non-current assets, having a limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential.

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

Dog and Cat Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2020

4.2 Depreciation and amortisation (continued)

Useful life

Depreciation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

Class of asset	Useful life (years)
<i>Property, plant and equipment</i>	
Vehicles	15
<i>Intangibles</i>	
Application software - internally developed	10

The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

4.3. Other expenses

	2020	2019
	\$'000	\$'000
Other	12	12
Total other expenses	12	12

Dog and Cat Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2020

5. Non-financial assets

5.1. Property, plant and equipment by asset class

	2020	2019
	\$'000	\$'000
Vehicles		
Vehicles at cost (deemed fair value)	147	147
Accumulated depreciation	(103)	(93)
Total vehicles	<u>44</u>	<u>54</u>
Total property, plant and equipment	<u>44</u>	<u>54</u>

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed.

Property, plant and equipment is recorded at fair value. Detail about the Board's approach to fair value is set out in note 11.1.

Impairment

There were no indications of impairment of property, plant and equipment at 30 June 2020.

5.2. Intangible assets

	2020	2019
	\$'000	\$'000
<u>Computer software</u>		
Application software - internally developed	1 643	1 252
Accumulated amortisation	(307)	(137)
Total computer software	<u>1 336</u>	<u>1 115</u>

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date.

Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

The internally developed computer software relates to the Board's DACO system.

Reconciliation 2019-20

	2020	2019
	\$'000	\$'000
Carrying amount at 1 July 2019	1 115	705
Acquisitions	391	535
Amortisation	(170)	(125)
Carrying amount at 30 June 2020	<u>1 336</u>	<u>1 115</u>

Dog and Cat Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2020

6. Financial assets

6.1. Cash and cash equivalents

	2020	2019
	\$'000	\$'000
Deposits with the Treasurer	1 998	2 025
Total cash and cash equivalents	1 998	2 025

6.2. Receivables

	2020	2019
	\$'000	\$'000
<u>Current</u>		
Trade receivables		
From non-government entities	9	19
Total trade receivables	9	19
Accrued revenue	-	4
Prepayments	82	87
Total current receivables	91	110
Total receivables	91	110

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Dog and Cat Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2020

7. Liabilities

Employee benefits liabilities are disclosed in note 3.4.

7.1. Payables

	2020	2019
	\$'000	\$'000
<u>Current</u>		
Trade payables	159	94
Accrued expenses	34	11
Employment on-costs	-	6
Total current payables	193	111
<u>Non-current</u>		
Employment on-costs	-	2
Total non-current payables	-	2
Total payables	193	113

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Dog and Cat Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2020

8. Other disclosures

The Dogs and Cats Online (DACO) system sits within each council and money collected is deposited into the Dog and Cat Management Fund (established under the *Dog and Cat Management Act 1995*).

During the financial year the Board must transfer the percentage of dog registrations fee collected fixed in the *Dog and Cat Management Regulations 2017*. The Board does not control these funds and they are recorded as administered items below.

8.1. Administered items

Statement of Comprehensive Income for the Year Ended 30 June 2020	2020	2019
	\$'000	\$'000
Income		
Registration fee	9 645	9 238
Total income	9 645	9 238
Expenses		
Registration fee remittance payments to Councils	9 645	9 238
Total expenses	9 645	9 238
Net result	-	-
Statement of Financial Position as at 30 June 2020	2020	2019
	\$'000	\$'000
Current assets		
Cash and cash equivalents	13	449
Receivables	66	102
Total current assets	79	551
Total assets	79	551
Current liabilities		
Payables	79	551
Total current liabilities	79	551
Total current liabilities	79	551
Total liabilities	79	551
Net assets	-	-
Equity		
Retained earnings	-	-
Total equity	-	-

Dog and Cat Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2020

8.1. Administered items (continued)

Statement of Cash Flows for the Year Ended 30 June 2020	2020	2019
	Inflows (Outflows)	Inflows (Outflows)
	\$'000	\$'000
Cash flows from operating activities		
Cash inflows		
Registration fee	9 681	9 136
Cash generated from operating activities	<u>9 681</u>	<u>9 136</u>
Cash outflows		
Registration fee remittance payments to Councils	(10 117)	(8 687)
Cash used in operating activities	<u>(10 117)</u>	<u>(8 687)</u>
Net cash (used in) / provided by operating activities	<u>(436)</u>	<u>449</u>
Net increase in cash and cash equivalents	(436)	449
Cash and cash equivalents at the beginning of the reporting period	449	-
Cash and cash equivalents at the end of the reporting period	<u><u>13</u></u>	<u><u>449</u></u>

Dog and Cat Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2020

9. Changes in accounting policy

9.1. Presentation of Financial Statements

Treasurer's Instructions (Accounting Policy Statements) issued on 1 June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The net cost of services is the total cost of services less any revenue retained by public authorities involved in the provision of services but does not include items classified as revenues from and payments to the South Australian Government.

Presentation of the Statement of Comprehensive Income on an 'income and expense' basis allows information to be presented in such a way that eliminates potential confusion as to the source of funding for the department. As well as changes to the format of the Statement of Comprehensive Income, there are presentational changes to remove the net cost of services format from the Statement of Cash Flows. These statements now show income before expenses, and cash receipts before cash payments. Related disclosures also reflect this changed format.

10. Outlook

10.1. Unrecognised contractual commitments

	2020	2019
	\$'000	\$'000
Within one year	165	165
Later than one year but not longer than five years	165	330
Total expenditure commitments	330	495

Expenditure commitments reflect DACO system support and maintenance costs.

10.2. Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

The Board is not aware of any contingent assets or contingent liabilities.

10.3. COVID-19 pandemic outlook for the Board

The COVID-19 pandemic may continue to impact the operations of the Board in 2020-21. Minor delays in delivery of outputs may continue to arise from travel restrictions, and changes to working arrangements for staff.

10.4. Events after the reporting period

There are no known events after balance date that affects these general purpose financial statements in a material manner.

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11. Measurement and risk

11.1. Fair value

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Initial recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements then the assets are recognised at book value (that is the amount recorded by the transferor public authority immediately prior to the restructure).

Revaluation

Property, plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation.

Non-current tangible assets are valued at fair value and revaluation of non-current assets or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years. All PPE held by the Board was acquired for less than 1.5 Million and is therefore recognised at cost (deemed fair value).

Financial risk management

Risk management is managed by the Board and Board Secretary with the support of DEW officers and departmental risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The Board's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

Liquidity risk

The Board is funded principally from regulatory fees received from local government. The Board works with DTF to determine the cash flows associated with its government-approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Refer to note 7.1 for further information.

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset/financial liability note.

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11.1. Fair value (continued)

Classification of financial instruments

The Board measures all financial instruments at amortised cost.

		2020	2019
Category of financial asset and financial liability	Note	Carrying amount \$'000	Carrying amount \$'000
Financial assets			
Cash and cash equivalents			
Cash and cash equivalents		1 998	2 025
Financial assets at amortised cost			
Receivables	(1), (2)	-	4
Total financial assets		1 998	2 029
Financial liabilities			
Financial liabilities at amortised cost			
Payables	(1)	151	96
Total financial liabilities		151	96

Receivables and payables

- (1) The Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (for example, Commonwealth, State and Local Government taxes, fees and charges: Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at amortised cost.
- (2) The receivables amount disclosed here excludes prepayments. Prepayments are presented in note 6.2.