

Dog and Cat Management Board

Financial report
for the year ended
30 June 2018



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
DX 56208
Victoria Square
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

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Dog and Cat Management Board for the financial year ended 30 June 2018.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Dog and Cat Management Board as at 30 June 2018, its financial performance and its 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 financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chairperson, the Board Secretary and the Chief Financial Officer, 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 Dog and Cat Management 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 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 Secretary and the Board for the financial report

The Board Secretary 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 Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

The Members of the Board are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

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
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board Secretary
- 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 Secretary and 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 'A. Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

Auditor-General

27 September 2018

Dog and Cat Management Board

Financial Statements

For the year ended 30 June 2018

Dog and Cat Management Board
Certification of the Financial Statements
for the year ended 30 June 2018

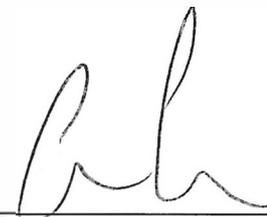
We certify that the attached general purpose financial statements for the Dog and Cat Management Board:

- 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 2018 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.



F Lewis
Chairperson
September 2018



A Lamb
Board Secretary
2.6 September 2018



S O'Brien
Chief Financial Officer
Department for Environment and Water
2.6 September 2018

Dog and Cat Management Board
Statement of Comprehensive Income
for the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Expenses			
Board and employee benefits	3	142	184
Supplies and services	5	1 140	1 292
Depreciation and amortisation	6	22	10
Other	7	11	12
Total expenses		<u>1 315</u>	<u>1 498</u>
Income			
Fees and charges	8	2 194	1 607
Interest	9	18	19
Total income		<u>2 212</u>	<u>1 626</u>
Net benefit from providing services		<u>897</u>	<u>128</u>
Net result		<u>897</u>	<u>128</u>
Total comprehensive result		<u><u>897</u></u>	<u><u>128</u></u>

The net result and total comprehensive result are attributable to the SA Government as owner.

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Dog and Cat Management Board
Statement of Financial Position
as at 30 June 2018

	Note	2018 \$'000	2017 \$'000
Current assets			
Cash and cash equivalents	10	1 260	1 180
Receivables	11	86	2
Total current assets		1 346	1 182
Non-current assets			
Property, plant and equipment	12	64	74
Intangible assets	13	705	-
Total non-current assets		769	74
Total assets		2 115	1 256
Current liabilities			
Payables	14	204	252
Employee benefits	15	17	11
Total current liabilities		221	263
Non-current liabilities			
Employee benefits	15	8	4
Total non-current liabilities		8	4
Total liabilities		229	267
Net assets		1 886	989
Equity			
Retained earnings		1 886	989
Total equity		1 886	989

The total equity is attributable to the SA Government as owner.

Unrecognised contractual commitments	16
Contingent assets and liabilities	17

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Dog and Cat Management Board
Statement of Changes in Equity
for the year ended 30 June 2018

	Retained earnings \$'000	Total equity \$'000
Balance at 30 June 2016	<u>861</u>	<u>861</u>
Net result for 2016-17	128	128
Total comprehensive result for 2016-17	<u>128</u>	<u>128</u>
Balance at 30 June 2017	<u>989</u>	<u>989</u>
Net result for 2017-18	897	897
Total comprehensive result for 2017-18	<u>897</u>	<u>897</u>
Balance at 30 June 2018	<u><u>1 886</u></u>	<u><u>1 886</u></u>

All changes in equity are attributable to the SA Government as owner.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Dog and Cat Management Board
Statement of Cash Flows
for the year ended 30 June 2018

		2018 (Outflows) Inflows \$'000	2017 (Outflows) Inflows \$'000
Cash flows from operating activities			
Cash outflows			
Employee benefits and Board member expenses		(130)	(174)
Payments for supplies and services		(1 300)	(1 211)
Other payments		(11)	(12)
Cash used in operations		<u>(1 441)</u>	<u>(1 397)</u>
Cash inflows			
Fees and charges		2 190	1 607
Interest		18	19
Cash generated from operations		<u>2 208</u>	<u>1 626</u>
Net cash provided by / (used in) operating activities		<u>767</u>	<u>229</u>
Cash flows from investing activities			
Cash outflows			
Purchase of intangibles		(687)	-
Cash used in investing activities		<u>(687)</u>	<u>-</u>
Net cash provided by / (used in) investing activities		<u>(687)</u>	<u>-</u>
Net increase in cash and cash equivalents		<u>80</u>	<u>229</u>
Cash and cash equivalents at the beginning of the reporting period		1 180	951
Cash and cash equivalents at the end of the reporting period	10	<u>1 260</u>	<u>1 180</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Dog and Cat Management Board

Notes to and forming part of the financial statements

for the year ended 30 June 2018

1 Basis of financial statements

1.1 Reporting entity

The financial activities of the Dog and Cat Management (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 (representing a proportion of dog registration fees received by Councils)
- 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 6).

1.2 Statement of compliance

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with Australian Accounting Standards (Reduced Disclosure Requirements) and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

The Board has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Board is a not for profit entity. Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Board for the period ending 30 June 2018.

1.3 Basis of preparation

The financial statements have been prepared based on a 12 month 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 on a different basis.

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Significant accounting policies are set out in the notes.

1.4 Taxation

The Board is not subject to Income Tax. The Board is liable for Payroll Tax and Fringe Benefits Tax (FBT).

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.

Dog and Cat Management Board

Notes to and forming part of the financial statements

for the year ended 30 June 2018

2 Objectives and Activities

2.1 Objectives

The Dog and Cat Management Board (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 (including through encouragement of de-sexing of dogs and cats).

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

- establish a population of both sociable and safe dogs in our community
- improve the management and care of owned and unowned cats
- maximise the benefits from new and existing partnerships which foster and facilitate leadership and initiative in dog and cat management
- continue the efficient administration of the Act.

2.2 Activities

The Board achieves its objectives through activities identified in its strategic, operational and financial plans approved by the Minister. Administrative support is provided via a service level agreement with DEW.

3 Board and employee benefits expenses

	2018	2017
	\$'000	\$'000
Salaries and wages	84	117
Board and committees fees	31	29
Employment on-costs - superannuation	11	15
Employment on-costs - other	6	9
Annual leave	7	8
Long Service Leave	3	3
Other employment related expenses	-	3
Total Board and employee expenses	142	184

The Board has one employee. Employee benefits expenses include all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

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

Dog and Cat Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2018

3 Board and employee benefits expenses (continued)

Key management personnel

Key management personnel of the Board include the Minister for Sustainability, Environment and Conservation.

Total compensation of the Board's key management personnel was \$35 000 (2017: \$30 000). Salaries and other benefits the Minister for Environment and Water receives are excluded from this total. 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 the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

4 Remuneration of board members

Members of the board and committee during the financial year ended 30 June 2018 were:

Dog and Cat Management Board

Dr F Lewis (Chair)
J Darzanos (retired 13 June 2018)
Dr S J Hazel
V A Jacobs *
J G Kilby
J M Loveday
G Russell (appointed 14 June 2018)
Dr R L Somers (retired 30 June 2018)
W J Wakefield (retired 18 December 2017) *
P S Warren
M A Wiberg (appointed 19 December 2017)

* In accordance with the Premier and Cabinet's Circular No 016, government employees did not receive any remuneration for board/committee duties during the financial year.

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

	2018	2017
\$nil - \$9 999	10	8
\$10 000 - 19 999	1	1
Total number of members	11	9

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any FBT paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$35 000 (2017: \$30 000).

Dog and Cat Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2018

5 Supplies and services

	2018	2017
	\$'000	\$'000
Fee for service - direct salaries	528	479
Service Level Agreement (DEW)	212	173
Fee for service - other	102	144
Sponsorships	83	37
Printing and publishing	71	34
General administration	54	22
Contractors	27	-
Information technology and communication expenses	14	11
Travel and accommodation (includes Council audits)	9	6
Fee for service - Dogs and Cats Online (DACO) project	9	187
Vehicle	7	10
Staff development	3	6
Transportation	3	5
Minor works, maintenance and equipment	1	1
Fee for service - Educational programs	-	165
Other	17	12
Total supplies and services	1 140	1 292

6 Depreciation and amortisation

	2018	2017
	\$'000	\$'000
Depreciation		
Vehicles	10	10
Total depreciation	10	10
Amortisation		
Application software - internally generated	12	-
Total amortisation	12	-
Total depreciation and amortisation	22	10

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.

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>	
Internally developed	10

Dog and Cat Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2018

6 Depreciation and amortisation

Revision of accounting estimates

Assets' residual values and useful lives are reviewed and adjusted if appropriate, on an annual basis. Changes in the expected useful 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, which is a change in accounting estimate.

7 Other expenses

	2018	2017
	\$'000	\$'000
Other (including audit fees)	11	12
Total other expenses	11	12

8 Revenues from fees and charges

	2018	2017
	\$'000	\$'000
Fees, levies and licences *	2 194	1 607
Total revenues from fees and charges	2 194	1 607

* Fees, levies and licences:

Revenues from fees and charges relate to dog registration fees received from councils. The fees are recognised upon receipt.

Pursuant to section 26(5) of the Act, each Council must pay into the Fund the percentage of dog registration fees fixed by Regulation. Councils listed under Schedule 1 to the Regulations are required to contribute twenty percent of dog registration fees to the Fund, whilst all other Councils contribute ten percent of dog registration fees.

	2018	2017
	\$'000	\$'000
Fees, levies and licences received from Councils		
Schedule 1 listed Councils	1 857	1 284
Other Councils	337	323
	2 194	1 607

9 Interest revenues

	2018	2017
	\$'000	\$'000
Interest on deposit accounts - from entities within the SA Government	18	19
Total interest revenues	18	19

Dog and Cat Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2018

10 Cash and cash equivalents

	2018	2017
	\$'000	\$'000
Deposits with the Treasurer	1 260	1 180
Total cash and cash equivalents	1 260	1 180

Cash deposits are recognised at their nominal amounts and interest is credited to revenue as it accrues. The Board invests surplus funds with the Treasurer. Interest is earned on the average monthly balance at rates based on the DTF 90 day average overnight cash interest rate and interest is paid at the end of each quarter.

11 Receivables

	2018	2017
	\$'000	\$'000
Current		
Receivables	4	-
Accrued revenue	2	2
Prepayments	80	-
Total current receivables	86	2
Total receivables	86	2

12 Non-current assets

Revaluation

All non-current tangible assets are valued at fair value and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years. There are no assets with an acquisition cost exceeding \$1 million and therefore all assets are valued at cost (deemed fair value).

Dog and Cat Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2018

12 Property, plant and equipment

	2018	2017
	\$'000	\$'000
Vehicles		
Vehicles at cost (deemed fair value)	147	147
Accumulated depreciation	(83)	(73)
Total vehicles	<u>64</u>	<u>74</u>
Total property, plant and equipment	<u><u>64</u></u>	<u><u>74</u></u>

Acquisition and 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.

Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

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, for example the amount recorded by the transferor public authority immediately prior to the restructure.

All non-current tangible assets with a value of \$10 000 or greater are capitalised.

Carrying amount of property, plant and equipment

All items of property, plant and equipment had a fair value at the time of acquisition that was less than \$1 million or had an estimated useful life that was less than three years, and have not been revalued in accordance with APF III. The carrying value of these items are deemed to approximate fair value.

Impairment

The Board holds its property, plant and equipment for their service potential (value in use).

All non-current tangible assets are valued at fair value. Specialised assets would rarely be sold and typically any costs of disposal would be negligible, accordingly the recoverable amount will be close to or greater than fair value.

The Board also expects for all other non-current tangible assets that any costs of disposal will be negligible and the recoverable amount to be close to or greater than fair value.

There were no indications of impairment of property, plant and equipment at 30 June 2018.

Dog and Cat Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2018

13 Intangible assets

	2018	2017
	\$'000	\$'000
Internally developed intangible assets		
Computer software - at cost (deemed fair value)	717	-
Accumulated amortisation	(12)	-
Total internally generated computer software	<u>705</u>	<u>-</u>
Total intangible assets	<u><u>705</u></u>	<u><u>-</u></u>

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition criteria (identifiability, control and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$10 000.

The internally developed computer software relates to the Board's Dog and Cat Online System.

Intangible asset movement reconciliation schedule

	2018	2017
	\$'000	\$'000
Carrying amount at the beginning of the period	-	-
Acquisitions	717	-
Amortisation	(12)	-
Carrying amount at the end of the period	<u>705</u>	<u>-</u>

14 Payables

	2018	2017
	\$'000	\$'000
Current		
Creditors	174	227
Accrued expenses	27	24
Employment on-costs	3	1
Total current payables	<u>204</u>	<u>252</u>
Total payables	<u><u>204</u></u>	<u><u>252</u></u>

Dog and Cat Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2018

15 Employee benefits

	2018 \$'000	2017 \$'000
Current		
Accrued salaries and wages	3	2
Annual leave	14	9
Total current employee benefits	17	11
Non-current		
Long service leave	8	4
Total non-current employee benefits	8	4
Total employee benefits	25	15

The Board has one employee. These benefits accrue for the employee as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

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.

Salaries and wages, annual leave, skills and experience retention leave and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability and the skills and experience retention leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employee up to the end of the reporting period using the projected unit credit method.

AASB 119 *Employee Benefits* specifies the calculation methodology for long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

AASB 119 *Employee Benefits* requires the use of yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has remained unchanged from 2017 (2.50%).

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

Dog and Cat Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2018

15 Employee benefits (continued)

The actuarial assessment performed by DTF left the salary inflation rate at 4% for long service leave liability and 3% for annual leave and skills, experience and retention leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The unconditional portion of the long service leave provision is classified as current as the board does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after 10 years of service.

16 Unrecognised contractual commitments

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO). If GST is not payable to, or recoverable from, the ATO, the commitments and contingencies are disclosed on a gross basis.

The Board had no unrecognised contractual commitments as at 30 June 2018. All capital commitments associated with the Board are managed by the Department for Environment and Water and reflected in their financial statements.

17 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.

18 Related party transactions

The Dog and Cat Management Board is a body corporate and was established pursuant to the *Dog and Cat Management Act 1995* and is wholly owned and controlled by the Crown.

Related parties of the Board include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

Compensation of key management personnel is disclosed at note 3.

Dog and Cat Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2018

19 Financial risk management / financial instruments

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, credit and market) is insignificant based on past experience and current assessment of 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.

There have been no changes in risk exposure since the last reporting period.

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 note 2 or the respective financial asset/financial liability note.

The carrying amounts of each of the following categories of financial assets and liabilities: receivables and payables measured at costs are detailed below.

		2018	2017
Category of financial asset and financial liability	Note	Carrying amount \$'000	Carrying amount \$'000
Financial assets			
Cash and cash equivalents			
Cash and cash equivalents		1 260	1 180
Loans and receivables			
Receivables	(1), (2)	6	2
Total financial assets		1 266	1 182
Financial liabilities			
Financial liabilities at cost			
Payables	(1)	190	240
Total financial liabilities		190	240

(1) 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 (AGD) 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 etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

(2) Receivables amount disclosed here excludes prepayments. Prepayments are presented in note 11 as prepaid supplies and services in accordance with paragraph 78(b) of AASB 101 *Presentation of Financial Statements*. However, prepayments are not financial assets as defined in AASB 132 *Financial Instruments: Presentation* as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

20 Events after the reporting period

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