

State Procurement Board

Financial report
for the year ended
30 June 2019



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To the Presiding Member State Procurement Board

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 22 of the *State Procurement Act 2004*, I have audited the financial report of the State Procurement Board for the financial year ended 30 June 2019.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the State Procurement Board as at 30 June 2019, 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 2019
- a Statement of Financial Position as at 30 June 2019
- a Statement of Changes in Equity for the year ended 30 June 2019
- a Statement of Cash Flows for the year ended 30 June 2019
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Presiding Member and the Acting Director, Financial Services.

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 State Procurement 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 Director, Financial Services and the Board for the financial report

The Director, Financial Services 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 management determines 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.

The Board is 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, but not for the purpose of expressing an opinion on the effectiveness of the State Procurement 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 flourish extending to the right.

Andrew Richardson

Auditor-General

26 September 2019

State Procurement Board
Certification of the Financial Statements
for the year ended 30 June 2019

We certify that the general purpose financial statements for the State Procurement 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 the State Procurement Board; and
- present a true and fair view of the financial position of the State Procurement Board as at 30 June 2019 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the State Procurement 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.



Nicolle Rantanen
Presiding Member
24 September 2019



Christy McKenzie
AI Director, Financial Services
Department of Treasury and Finance
24 September 2019

State Procurement Board
Statement of Comprehensive Income
for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Expenses			
Employee benefits expenses	2.3	28	49
Supplies and services	3.1	136	204
Total expenses		164	253
Income			
Revenues from fees and charges	4.2	19	-
Total income		19	-
Net cost of providing services		(145)	(253)
Revenues from / (payments to) SA Government			
Revenues from SA Government	4.1	347	337
Total net revenues from SA Government		347	337
Net result		202	84
Total comprehensive result		202	84

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

State Procurement Board
Statement of Financial Position
as at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Current assets			
Cash	5.1	1 197	1 075
Total current assets		1 197	1 075
Total assets		1 197	1 075
Current liabilities			
Payables	6.1	-	80
Total current liabilities		-	80
Total liabilities		-	80
Net Assets		1 197	995
Equity			
Retained earnings		1 197	995
Total Equity		1 197	995

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

State Procurement Board
Statement of Changes in Equity
for the year ended 30 June 2019

	Retained earnings	Total equity
	\$'000	\$'000
Balance at 30 June 2017	911	911
Net result for 2017-18	84	84
Total comprehensive result for 2017-18	84	84
Balance at 30 June 2018	995	995
Net result for 2018-19	202	202
Total comprehensive result for 2018-19	202	202
Balance at 30 June 2019	1 197	1 197

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

State Procurement Board
Statement of Cash Flows
for the year ended 30 June 2019

Cash flows from operating activities	Note	2019	2018
		\$'000	\$'000
		Inflows	Inflows
		(Outflows)	(Outflows)
Cash outflows			
Employee benefit payments		(28)	(49)
Payments for supplies and services		(216)	(170)
Cash used in operations		<u>(244)</u>	<u>(219)</u>
Cash inflows			
Fees and charges		19	1
Cash generated from operations		<u>19</u>	<u>1</u>
Cash flows from SA Government			
Revenues from SA Government		347	337
Cash generated from SA Government		<u>347</u>	<u>337</u>
Net cash provided by / (used in) operating activities		<u>122</u>	<u>119</u>
Net increase / (decrease) in cash		<u>122</u>	<u>119</u>
Cash at the beginning of the reporting period		1 075	956
Cash and cash equivalents at the end of the reporting period	5.1	<u>1 197</u>	<u>1 075</u>

The accompanying notes form part of these financial statements.

State Procurement Board
Notes to and forming part of the financial statements
for the year ended 30 June 2019

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State Procurement Board

Notes to and forming part of the financial statements

for the year ended 30 June 2019

1. About the State Procurement Board

The Board is a body corporate established by statute. Its financial arrangements are administered, but not controlled, by the Department of Treasury and Finance.

1.1. Basis of preparation

The financial statements have been prepared in compliance with:

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

For the 2018-19 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.

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 note associated with the item measured.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

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.

1.2. Objectives

The State Procurement Board (the Board) was established under the *State Procurement Act 2004* (the Act). The Act states the Board is the same body corporate as the State Supply Board established under the *State Supply Act 1985*.

Under the Act, the Board must have regard and seek to further the object of the Act by advancing government priorities and objectives by a system of procurement for public authorities directed towards:

- obtaining value for money in the expenditure of Government funds
- providing for ethical and fair treatment of participants
- ensuring probity, accountability and transparency in procurement operations.

The Board is serviced for administrative and financial functions, together with strategic and managerial support by the Department of Treasury and Finance (DTF) and Shared Services SA.

State Procurement Board
Notes to and forming part of the financial statements
for the year ended 30 June 2019

2. Board, committees and employees

2.1. Key management personnel

Key management personnel of the Board includes the Minister and the Board's members who have responsibility for the strategic direction and management of the Board.

The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively are payable from the Consolidated Account (via DTF) under section 6 of the *Parliamentary Remuneration Act 1990*.

Transaction with key management personnel and other related parties

There were no significant related party transactions identified.

2.2. Board and committee members

Board members during the 2019 financial year were:

State Procurement Board

N Rantanen* (Chair)

J Bray*

A Michaels (resigned to take up seat of Enfield in SA Parliament 10/02/2019)

D Henchcliffe

J Schell* (resigned from the employ of Government 12/10/2018)

M Smith (resigned to take up Senate seat in Australian Parliament 06/08/2018)

J Woolcock*

K Tattersall* (appointed 12 December 2018)

C Croser-Barlow*

* In accordance with the Department of Premier and Cabinet Circular Number 016, SA Government employees did not receive any remuneration for board/committee duties during the financial year.

Board and committee remuneration

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

	2019	2018
\$0 - \$19 999	9	11
Total number of Board members	9	11

The total remuneration received or receivable by members was \$27 000 (2018: \$47 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

2.3. Employee benefits expenses

	2019	2018
	\$'000	\$'000
Board and committee fees	25	43
Employment on-costs - superannuation	2	4
Employment on-costs - other	1	2
Total employee benefits expenses	28	49

State Procurement Board
Notes to and forming part of the financial statements
for the year ended 30 June 2019

2.3. Employee benefits expenses (continued)

Employment on-costs – superannuation

The superannuation employment on-cost charge represents the department's contributions to superannuation plans in respect of current services of current employees.

3. Expenses

3.1. Supplies and services

	2019	2018
	\$'000	\$'000
Professional fees	70	200
Information technology expenses	4	3
Consultants	58	-
Other	4	1
Total supplies and services	136	204

Consultants

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	2019	2019	2018	2018
	Number	\$'000	Number	\$'000
Below \$10 000	1	2	-	-
\$10 000 or above	2	56	-	-
Total	3	58	-	-

4. Income

4.1. Net revenues from SA Government

	2019	2018
	\$'000	\$'000
Revenues from SA Government		
Revenues from SA Government	347	337
Total revenues from SA Government	347	337
Net revenues from SA Government	347	337

4.2. Fees and charges

	2019	2018
	\$'000	\$'000
Other fees and charges	19	-
Total fees and charges	19	-

State Procurement Board
Notes to and forming part of the financial statements
for the year ended 30 June 2019

5. Financial assets

5.1. Cash

	2019	2018
	\$'000	\$'000
Deposits with the Treasurer	1 197	1 075
Total cash	1 197	1 075

Deposits with the Treasurer

The Board has one deposit account with the Treasurer:

The Board does not earn interest on its deposits with the Treasurer.

6. Liabilities

6.1. Payables

	2019	2018
	\$'000	\$'000
Current		
Accrued expenses	-	80
Total current payables	-	80
Total payables	-	80

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.

7. Changes in accounting policy

7.1. Treasurer's Instructions (Accounting Policy Statements)

On 22 March 2019 the *Treasurer's Instructions (Accounting Policy Statements) 2019* were issued by the Treasurer under the Public Finance and Audit Act 1987. The Accounting Policy Statements replaced the following Accounting Policy Frameworks:

- Purpose and Scope
- General Purpose Financial Statements Framework
- Asset Accounting Framework
- Financial Asset and Liability Framework
- Income Framework
- Definitions

The new Accounting Policy Statements have largely been prepared on a no-policy change basis. Changes that impact on these financial statements are:

- removal of the additional requirement to report transactions with the SA Government
- increasing the bands from \$10,000 to \$20,000 for employee and Board member reporting

These changes, however, do not impact on the amounts reported in the financial statements.

The Accounting Policy Statements also set out requirements in relation to Accounting Standards and Statements not yet effective.

State Procurement Board
Notes to and forming part of the financial statements
for the year ended 30 June 2019

8. Outlook

8.1. Unrecognised contractual commitments

There are no unrecognised contractual commitments as at 30 June 2019.

8.2. Contingent assets and contingent liabilities

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

8.3. Events after the reporting period

There were no events occurring after the end of the reporting period that had a material financial implication on these financial statements.