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To the Presiding Member Teachers Registration Board of South Australia

Opinion

I have audited the financial report of the Teachers Registration Board of South Australia (the Board) for the financial year ended 30 June 2022.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Teachers Registration Board of South Australia as at 30 June 2022, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Reporting Requirements.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Presiding Member, the Acting Registrar and the Acting Manager, Corporate 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 Teachers Registration Board of South Australia. 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 I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Acting Registrar and the Board for the financial report

The Acting Registrar is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards – Simplified Reporting Requirements, 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.

In preparing the financial report, the Acting Registrar is responsible for assessing the entity's ability to continue as a going concern. The Acting Registrar is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

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

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 18(2) of the *Teachers Registration and Standards Act 2004*, I have audited the financial report of the Teachers Registration Board of South Australia for the financial year ended 30 June 2022.

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 Acting Registrar

- conclude on the appropriateness of the Acting Registrar's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- 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 Acting Registrar and 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.



Daniel O'Donohue

Assistant Auditor-General (Financial Audit)

06 October 2022

FINANCIAL STATEMENTS

for the year ended

30 June 2022



**Teachers
Registration Board**
OF SOUTH AUSTRALIA

CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the:

- financial statements of the Teachers Registration Board of South Australia (the Board):
 - are in accordance with the accounts and records of the Board,
 - comply with relevant Treasurer's Instructions,
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Board at the end of the financial year and the result of its operation and cash flows for the financial year.
- internal controls employed by the Board for the financial year over its financial reporting and its preparation of financial statements have been effective.

Dr Jane Lomax-Smith
Presiding Member

30 September 2022

Brett Dixon
Acting Registrar

30 September 2022

Alan Herman
Acting Manager, Corporate Services

30 September 2022

TEACHERS REGISTRATION BOARD OF SOUTH AUSTRALIA STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2022

	Note No.	2022 \$'000	Restated 2021 ¹ \$'000
Income			
Fees and charges	2.1	6,005	4,352
Interest revenue		-	3
Other income	2.2	-	4
Total income		6,005	4,359
Expenses			
Employee benefits expenses	3.3	3,313	3,087
Supplies and services	4.1	1,758	1,502
Depreciation and amortisation expense	5	178	164
Total expenses		5,249	4,753
Net result		756	(394)
Total comprehensive income		756	(394)

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

¹ The 2021 financial year is restated due to a change in accounting policy. See note 1.3 for details.

TEACHERS REGISTRATION BOARD OF SOUTH AUSTRALIA STATEMENT OF FINANCIAL POSITION

as at 30 June 2022

	Note No	2022 \$'000	Restated 2021 ¹ \$'000	Restated 2020 ¹ \$'000
Current assets				
Cash and cash equivalents	6.2	10,630	9,352	10,108
Receivables	6.3	46	44	24
Total current assets		10,676	9,396	10,132
Non-current assets				
Property, plant, and equipment	5.1	23	27	59
Intangible assets	5.4	340	500	351
Receivables	6.3	-	-	1
Total non-current assets		363	527	411
Total assets		11,039	9,923	10,543
Current liabilities				
Employee benefits	3.4	426	297	301
Payables	7.2	252	229	207
Unearned revenue	7.3	3,237	3,407	3,419
Provisions	7.4	12	-	-
Total current liabilities		3,927	3,933	3,927
Non-current liabilities				
Employee benefits	3.4	504	693	1,073
Payables	7.2	49	65	108
Unearned revenue	7.3	3,479	2,944	2,753
Provisions	7.4	36	-	-
Total non-current liabilities		4,068	3,702	3,934
Total liabilities		7,995	7,635	7,861
Net assets		3,044	2,288	2,682
Equity				
Retained earnings		3,044	2,288	2,682
Total equity		3,044	2,288	2,682

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

¹ The 2020 and 2021 financial years are restated due to a change in accounting policy. See note 1.3 for details.

TEACHERS REGISTRATION BOARD OF SOUTH AUSTRALIA STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2022

	Retained earnings \$'000
Balance at 30 June 2020	8,854
Adjustment to Restate Balance	(6,172)
Restated Balance at 1 July 2020 (Note 1.3)	2,682
Total comprehensive result for 2020-21	(394)
Balance at 30 June 2021	2,288
Total comprehensive result for 2021-22	756
Balance at 30 June 2022	3,044

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

TEACHERS REGISTRATION BOARD OF SOUTH AUSTRALIA STATEMENT OF CASH FLOWS

for the year ended 30 June 2022

	Note No.	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Cash inflows			
Fees and charges		6,370	4,532
Interest received		-	3
Other income		4	-
GST recovered from ATO		164	164
Cash generated from operations		6,538	4,699
Cash outflows			
Employee benefits payments		(3,319)	(3,755)
Payments for supplies and services		(1,928)	(1,435)
Cash used in operations		(5,247)	(5,190)
Net cash provided by/ (used in) operating activities		1,291	(491)
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant, and equipment		(13)	(15)
Purchase of intangible assets		-	(250)
Cash used in investing activities		(13)	(265)
Net increase/(decrease) in cash and cash equivalents		1,278	(756)
Cash and cash equivalents at the beginning of the period		9,352	10,108
Cash and cash equivalents at the end of the period	6.2	10,630	9,352

The accompanying notes form part of these financial statements.

**NOTES TO
AND
FORMING PART
OF THE FINANCIAL
STATEMENTS**

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1. About the Teachers Registration Board of South Australia

The Teachers Registration Board (the Board) is an independent statutory authority established under the *Teachers Registration and Standards Act 2004* (the Act) and the *Teachers Registration and Standards Regulations 2021* (the Regulations) to regulate the teaching profession.

The object of the Act is to establish and maintain a teacher registration system and professional standards for teachers to safeguard the public interest in there being a teaching profession whose members are competent educators and fit and proper persons to have the care of children.

The functions of the Board are stated in Section 6 of the Act:

- (a) to administer the provisions of this Act for the regulation of the teaching profession;
- (ab) to accredit initial teacher education programs;
- (ac) to develop and maintain codes of conduct for registered teachers and persons granted a special authority to teach under this Act;
- (b) to promote the teaching profession, and to promote and implement professional standards for teachers;
- (d) to confer and collaborate with teacher employers, the teaching profession, teacher unions or other organisations and other bodies and persons with respect to requirements for teacher registration and professional and other standards for teachers;
- (e) to confer and collaborate with other teacher regulatory authorities to ensure effective national exchange of information and promote uniformity and consistency in the regulation of the teaching profession within Australia and New Zealand;
- (ea) to undertake or support reviews of research and data collection relating to the teaching profession;
- (eb) to recognise quality teaching and leadership in the teaching profession;
- (f) to keep the teaching profession, professional standards for teachers and other measures for the regulation of the profession under review and to introduce change or provide advice to the Minister as appropriate;
- (g) such other functions as may be assigned to the Teachers Registration Board under this Act or by the Minister.

The Board does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all controlled activities of the Board.

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*; and
- relevant Australian Accounting Standards, applying simplified disclosures.

For the purposes of preparing the financial statements, the Board is a not-for-profit entity. 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 identified in the notes to the financial statements.

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

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 (ATO), 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.

Cash flows include GST in the Statement of Cash Flows.

Assets and liabilities that are to be sold, consumed or realised as part of the normal 12-month operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

1.2. Impact of COVID-19 pandemic on the Board

As was the case in the previous financial year, the COVID-19 pandemic has impacted on the operations of the Board.

There was no material impact on the Board's 2021-22 and 2020-21 financial statements as a result of the COVID-19 pandemic.

1.3. Change in accounting policy

From 1 July 2021, amendments to the *Teachers Registration and Standards Act 2004* and the new *Teachers Registration and Standards Regulations 2021* became effective. One of the main changes in the amended legislation is that most new and renewing teachers are now registered for a five-year period, rather than the previous three-year term. In addition, teachers can choose to pay for 1, 2, 3, 4, or 5 years of annual fees upfront when they register or renew their registration.

Teachers choosing to pay less than the total five years of annual fees upfront can pay their remaining annual fees during the five-year registration period. Teachers must ensure they have paid the annual fee relating to a year in which they are teaching to remain registered. Registration lapses if an annual fee is not paid.

Prior to the current financial year (2021-22), the Board's fees and charges revenues were recorded entirely on a cash basis. The Board's previous cash accounting policy resulted from a determination that registration fees paid by teachers were a low value licence. Under *Accounting Standard AASB 15 Revenue from Contracts with Customers*, an exemption applies for this category of revenue, such that the entire amount of the licence fee can be recognised as revenue on receipt. The change in legislation has resulted in a different timing of cash receipts from teachers for their registration fees than in previous financial years. Whilst the fees may still be considered as a low value licence, the change in accounting policy to apply the revenue over the term of the licence will better reflect the timing of the revenue to the periods in which the teacher is registered.

The new accounting policy has been applied from 1 July 2021 and applied retrospectively. Reported revenue in the Statement of Comprehensive Income now reflects the annual fees paid by teachers in respect of the 2021-22 financial year. Fees

received that apply to future financial years are recorded as unearned revenue liabilities in the Statement of Financial Position.

Pursuant to *Accounting Standard AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*, the voluntary change in accounting policy requires the Board to restate the impact of the new accounting policy on prior accounting periods. This impacts revenues, liabilities, and equity. The table below shows the changes to 2020-21.

Note	Description	2020-21 Original \$'000	Accounting Policy change \$'000	2020-21 Restatement \$'000
Statement of Comprehensive Income				
Note 2 Income	Fees and charges	4,531	(179)	4,352
Statement of Financial Position				
Note 7 Liabilities	Unearned revenue - current	-	3,407	3,407
Note 7 Liabilities	Unearned revenue – non-current	-	2,944	2,944
Equity	Retained earnings	8,639	(6,351)	2,288

The table below shows the impact of the new accounting policy on the current 2021-22 financial year. The Teachers Registration Board received cash payments of \$6,371,000 during the 1 July 2021 to 30 June 2022 period.

Note	Description	2021-22 Previous policy \$'000	Accounting Policy change \$'000	2021-22 New policy \$'000
Statement of Comprehensive Income				
Note 2 Income	Fees and charges	6,371	(366)	6,005
Statement of Financial Position				
Note 7 Liabilities	Unearned revenue - current	-	3,237	3,237
Note 7 Liabilities	Unearned revenue – non-current	-	3,479	3,479
Equity	Retained earnings	9,760	6,716	3,044

2. Income

2.1. Fees and charges

	2022	Restated
	\$'000	2021
		\$'000
Regulatory application fees and other charges	1,487	36
Regulatory annual registration fees	4,211	3,998
Criminal history check fees	307	318
Total fees and charges	6,005	4,352

Revenues from fees and charges are recognised by the Board at the time the applicable amounts are earned. Application fees, including applications for renewal of registration are recognised on receipt to match the timing of processing those applications. Annual fees are recognised on a straight-line basis over the registration period. Annual fees received in advance of future periods are recorded as unearned revenue liabilities and are brought to the revenue account in the corresponding future period.

An annual fee for teacher registration applies from 1 February to 31 January in the following year.

Registration for most new and renewing teachers up to 30 June 2021 was for a fixed three-year period. Amendments to the *Teachers Registration and Standards Act 2004* and the new *Teachers Registration and Standards Regulations 2021*, that commenced on 1 July 2021 provide new and renewing teachers from that date with a five-year registration period, and includes a separate fee for application for both new and renewing teachers. Those teachers also now have the option to pay for their five annual fees over the duration of their registration period, rather than all upfront. Refer to Note 1.3 for further information.

The amended legislation also provides for a fee to be paid to the Board by a tertiary education provider applying for an Initial Teacher Education program to be accredited. In 2021-22, the Board received one fee-paying application.

2.2. Other income

	2022	2021
	\$'000	\$'000
Other income	-	4
Total other income	-	4

In 2020-21, the Board received a reimbursement from Australian Institute for Teaching and School Leadership (AITSL) for costs incurred in administering the Australian Teacher Workforce Data survey.

3. Board, committees and employees

3.1. Key management personnel

The Board is an independent statutory authority established under the *Teachers Registration and Standards Act 2004* (the Act) and is a wholly owned entity of the Crown.

Key management personnel of the Board include the Minister for Education, the Registrar and Board and Deputy members of the Board who have responsibility for the strategic direction and management of the Board. Total compensation for the Board's key management personnel was \$291,000, (2021: \$311,000).

The compensation disclosed in this note excludes salaries and other benefits the Minister for Education 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 the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

Transactions with key management personnel and other related parties

Nil.

3.2. Board and committee members

Members during the 2022 financial year were:

Board members

Jane Lomax-Smith - Presiding Member
Carolyn Granskalns – Deputy Presiding Member (appointed 1 July 2021)
Fiona Brady
Kate Cameron
Marina Elliot*
Nigel Stevenson (appointed 1 July 2021)
Peter McKay* (appointed 1 July 2021)
Susan Boucher (appointed 1 July 2021)
Anthony Haskell (appointed 1 July 2021)
Britta Jureckson (appointed 1 July 2021)
Colleen Tomlian*
David Coulter*
Oskana Kaczmarsky *(appointed 1 July 2021)
Tracey Chapman*(appointed 1 July 2021)

Deputy Board members

David Caruso

Michael Francis
David Freeman
Mark Ward *(appointed 1 July 2021)
Amanda Dempsey *(appointed 1 July 2021)
Nikki Johnston *(appointed 1 July 2021)
Marika Marlow *(appointed 1 July 2021)

All of the above Board and Deputy Board Members were either newly appointed or re-appointed on 1 July 2021. New members are shown as appointed. All the other members were re-appointed.

* In accordance with the Department of Premier and Cabinet Circular 016, 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 falls within the following bands during the financial year:	2022	2021
\$0 - \$19,999	11	15
Total number of members	11	15

The total value of remuneration paid or payable to eligible Board members and deputy Board members during the year was \$48,000 (2021: \$53,000). This amount comprised sitting fees for Board attendance including Initial Teacher Education accreditation panels and disciplinary hearings, and the Admissions and Audit and Risk Sub-Committees of the Board. Eligible Board, panel and Sub-Committee members also receive superannuation where required under Commonwealth law.

As part of these arrangements, legal fees paid to two Board members appointed in their legal capacity during the year was \$4,000 (2021: \$7,000). These legal fees were charged at an hourly rate approved by the Commissioner for Public Sector Employment.

3.3. Employee benefits expenses

	2022	2021
	\$'000	\$'000
Salaries and wages ¹	2,437	2,436
Long service leave ²	(68)	(197)
Annual leave	246	173
Skills and experience retention leave	11	16
Employment on-costs – superannuation	287	267
Employment on-costs – other	117	108
Workers compensation expenses	151	166
Board and committee fees	48	53
Other employee related expenses	84	65
Total employee benefits expenses	3,313	3,087

¹ Temporary agency contractor costs have been reclassified from Salary and wages into supplies and services. Those costs are paid to third party suppliers rather than the individuals which is more appropriately shown as supplies and services (refer Note 4.1).

Employment on-costs superannuation

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

In addition to those directly employed by the Board during 2020-21, there was one staff member nominally employed by the Department for Education. The Board reimbursed the Department for Education for this staff member's salaries and superannuation. Those costs are included in the Board's expenses in the above table.

² The negative long service leave expense in 2021 and 2022 has occurred due to a decrease in the long service liability measurement. The reduction in the liability resulted from an increased discount rate applied (refer Note 3.4), and a further reduction due to employees exiting the agency during the two years.

Executive remuneration

	2022 No	2021 No
The number of employees whose remuneration received or receivable falls within the following bands:		
\$177,001 - \$197,000	-	1
\$237,001 - \$257,000	1	1
Total	1	2

The total remuneration received by those employees for the year was \$243,000 (2021: \$432,000).

The table includes Board employees whose normal remuneration was equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice and fringe benefits and any fringe benefits paid or payable in respect of those benefits as well as any termination benefits for employees who have left the Board.

The Board has only one executive, however a long-term employee exited during 2020-21 and their termination payments are included in the above amounts.

3.4. Employee benefits liability

	2022 \$'000	2021 \$'000
Current		
Accrued salaries and wages	128	55
Annual leave	224	180
Skills and experience retention leave	13	18
Long service leave	61	44
Total current employee benefits	426	297
Non-current		
Long service leave	504	693
Total non-current employee benefits	504	693
Total employee benefits	930	990

Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

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 employees up to the end of the reporting period using the projected unit credit method. The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which is then applied to the Board's employee details.

Key assumptions include whether the characteristics of employee remuneration, terms of service with the public sector, and expectations as to when employees take long service leave, as established by the actuary, are applicable to the employees of the Board. These assumptions affect both the expected amount to be paid that has been factored into the calculation of the liability. The discount rate used in measuring the liability is another key assumption. The discount rate is reflective of long-term Commonwealth Government bonds. The yield on long term Commonwealth Government bonds has increased from 2021(1.25%) to 2022 (3.5%).

This increase in the bond yield, results in a decrease in the reported long service leave liability of \$69,000.

The portion of the long service leave provision classified as current is estimated in accordance with the average amounts of long service leave taken over the past three years.

4. Expenses

Employee benefits expenses are disclosed in note 3.3.

4.1. Supplies and services

	2022 \$'000	2021 \$'000
Accommodation and cleaning	294	312
Consultants	-	12
Criminal history checks	287	309
Information technology expenses	388	281
Insurance	11	11
Legal costs	213	157
Minor works, maintenance, and equipment	15	5
Postage and courier expenses	36	35
Printing, stationery, and office consumables	53	34
Professional fees	33	22
Promotions, research, and sponsorship	20	13
Sundry operating expenses	34	26
Telecommunications	43	40
Temporary agency contractors ¹	331	245
Total supplies and services	1,758	1,502

¹ Temporary agency contractor costs have been reclassified from Salary and wages into supplies and services. Those costs are paid to third party suppliers rather than the individuals which is more appropriately shown as a supplies and services expense.

Professional fees include audit fees paid / payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$27,000, (2021: \$22,000). No other services were provided by the Auditor-General's Department.

Accommodation

The Board's accommodation is provided by the Department for Infrastructure and Transport (DIT) under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of lease set out in AASB 16.

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:

	No	2022 \$'000	No	2021 \$'000
Below \$10,000	-	-	-	-
\$10,000 or above	-	-	1	12
Total	-	-	1	12

5. Non-financial assets

5.1. Property, plant, and equipment by asset class

Property, plant, and equipment comprises tangible assets owned by the Board.

	2022 \$'000	2021 \$'000
Accommodation improvements		
Accommodation improvements at cost (deemed fair value)	579	579
Accumulated depreciation at the end of the period	(579)	(567)
Total accommodation improvements	-	12
Plant and equipment		
Plant and equipment at cost (deemed fair value)	149	135
Accumulated depreciation at the end of the period	(126)	(120)
Total plant and equipment	23	15
Total property, plant, and equipment	23	27

5.2. Useful life and depreciation/amortisation

Depreciation and amortisation are calculated on a straight-line basis and are calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Plant and equipment	1-7
Computer software	5
Accommodation improvements	Life of MoAA

Review of accounting estimates

Assets' residual values, useful lives and depreciation or 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.

5.3. Property, plant, and equipment owned by the Board

Property, plant, and equipment owned by the Board with a value equal to or in excess of \$10,000 is capitalised, otherwise it is expensed. Owned property, plant and equipment is subsequently measured at fair value.

Plant and equipment

All items of plant and equipment owned by the Board had a fair value at the time of acquisition less than \$1.5 million or had an estimated useful life less than three years have not been revalued. The carrying value of these items is deemed to approximate fair value.

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

Reconciliation 2021-22

	Accommodation improvements	Plant and equipment	Total
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2021	12	15	27
Additions	-	14	14
Depreciation	(12)	(6)	(18)
Carrying amount at 30 June 2022	-	23	23

5.4. Intangible assets

	2022 \$'000	2021 \$'000
Computer software		
Computer software	1,804	1,598
Accumulated amortisation	(1,464)	(1,304)
Total computer software	340	294
Work in progress	-	206
Total intangible assets	340	500

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 any accumulated amortisation and any accumulated impairment losses.

The acquisition of internally 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 work in progress relates to enhancements to the Board's Customer Relationship Management system to enable it to manage with changes to the Regulations, including the move to a five-year registration term. The project was completed by 30 June 2021, with the enhancements being moved into production for amortisation from 1 July 2021.

Reconciliation 2021-22

	Work in Progress \$'000	Computer software \$'000	Total \$'000
Carrying amount at 1 July 2021	206	294	500
Transfer from WIP	(206)	206	-
Amortisation	-	(160)	(160)
Carrying amount at 30 June 2022	-	340	340

6. Financial assets

6.1. Categorisation of financial assets

	2022 Carrying amount \$'000	2021 Carrying amount \$'000
<u>Financial assets</u>		
Financial assets at amortised cost		
Cash and cash equivalents	10,630	9,352
Receivables	-	4
Total financial assets	10,630	9,356

Receivables as disclosed in this note does not include prepayments or statutory amounts as these are not financial instruments.

6.2. Cash and cash equivalents

	2022 \$'000	2021 \$'000
Deposits with the Treasurer	10,630	9,352
Imprest account/ cash on hand	-	-
Total cash and cash equivalents	10,630	9,352

The Teachers Registration Board has one deposit account with the Treasurer which is a general operating account. The Board earned interest on its deposits with the Treasurer until October 2020 when the Treasurer advised that the effective interest rate had reduced to 0%. The interest rate continued to be 0% for the full 2021-22 financial year and this meant no interest was received by the Board for the year.

6.3. Receivables

	2022 \$'000	2021 \$'000
Current		
Contractual receivables		
<u>Trade receivables</u>		
From non- government entities	-	4
Total contractual receivables	-	4
Statutory receivables		
GST input tax recoverable	30	30
Total statutory receivables	30	30
<u>Other</u>		
Prepayments	16	10
Total other receivables	16	10
Total current receivables	46	44
Total receivables	46	44

Trade receivables arise in the normal course of selling goods and services to other government agencies and to the public. Trade receivables are normally settled within 30 days after the issue of an invoice for the goods/services have been provided under a contractual arrangement.

Statutory receivables do not arise from contracts with customers. They are recognised and measured similarly to contractual receivables (except impairment) but are not classified as financial instruments for disclosure purposes.

Receivables are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

There are no impairment losses recognised.

7. Liabilities

Employee benefits liabilities are disclosed in note 3.4.

7.1. Categorisation of financial liabilities

	2022 Carrying amount \$'000	2021 Carrying amount \$'000
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Payables	60	88
Accrued expenses	36	10
Total financial liabilities	96	98

Payables as disclosed in this note does not include statutory amounts as these are not financial instruments.

7.2. Payables

	2022 \$'000	2021 \$'000
<u>Current</u>		
Contractual payables		
Trade payables	60	88
Accrued expenses	36	10
Total contractual payables	96	98
Statutory payables		
PAYG	58	40
Employee-on-costs	76	70
Audit fees payable	22	21
Total statutory payables	156	131
Total current payables	252	229
<u>Non-current</u>		
Statutory payables		
Employee on-costs	49	65
Total non-current payables	49	65
Total payables	301	294

Payables and accruals are raised for all amounts owing but unpaid. Trade 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 represent fair value due to their short-term nature.

Statutory payables do not arise from contracts.

Employment on-costs

Employee on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the portion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

The Board contributes to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the employee's superannuation funds.

7.3. Unearned revenue

	2022 \$'000	Restated 2021 \$'000
<u>Current</u>		
Unearned revenue	3,237	3,407
Total current unearned revenue	3,237	3,407
<u>Non-current</u>		
Unearned revenue	3,479	2,944
Total non-current unearned revenue	3,479	2,944
Total unearned revenue	6,716	6,351

The liabilities for unearned revenue relate to annual registration fees received from teachers in advance of the periods for which the fees cover. See note 2.1 for details.

7.4. Provisions

	Workers Compensation 2022 \$'000	Total 2022 \$'000
Carrying amount at the beginning of the period	-	-
Additions	48	48
Carrying amount at the end of the period	48	48

The Board is self-insured for workers compensation purposes. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2022 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

The provision is for the estimated cost of ongoing payments to employees as required under current legislation. The Board is responsible for the payment of workers compensation claims. For the period from 1 July 2021 to 30 June 2022 the Board received 1 workers compensation claim (2021:1).

The compensation claim received during the period from 1 July 2021 to 30 June 2022 was finalised at 30 June 2022.

8. Outlook

8.1. Unrecognised contractual commitments

Commitments arising from contractual sources and are disclosed at their nominal value.

Capital commitments

	2022 \$'000	2021 \$'000
Not later than one year	-	13
Total capital commitments	-	13

Expenditure commitments	2022 \$'000	2021 \$'000
Not later than one year	302	196
Later than one year not longer than five years	1,200	798
More than five years	404	511
Total expenditure commitments	1,906	1,505

The Board had only two commitments as at 30 June 2022. The primary commitment relates to its office accommodation contracted with the Department of Infrastructure and Transport (DIT). The MoAA arrangement was renewed during the 2021 financial year and ends in September 2028. The second commitment relates to a small purchase of IT equipment.

8.2. Contingent assets and liabilities

The Board did not identify any contingent assets or liabilities as at 30 June 2022.

8.3. Events after the reporting period

The Board has not identified any events after the 30 June 2022 that would have an impact on the financial statements.