

INDEPENDENT AUDITOR'S REPORT

TO THE TREASURER OF THE SOUTH AUSTRALIAN GOVERNMENT OFR THE AUDITOR- GENERAL'S DEPARTMENT

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Auditor-General's Department (the Department), which comprises the statement of financial position and statement of administered financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows, the statement of administered comprehensive income and the statement of administered cash flow for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the Certification of the Financial Report.

In our opinion the accompanying financial report of Auditor-General's Department, is in accordance with the *Public Finance and Audit 1987*, including:

- (i) The financial report presents fairly, in all material respects, the financial position of the Department as at 30 June 2022, and of its financial performance and cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards - Simplified Disclosures
- (ii) The financial report also complies with the accounts and records of the Department.

We have obtained all of the information and explanations required from the Department.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditor General's responsibility for the Financial Report

The Auditor General is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the *Public Finance and Audit Act 1987* and the Australian Accounting Standards - Simplified Disclosures for such internal control as the Auditor-General determines necessary to enable the preparation of the financial report that presents fairly and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Auditor General is responsible for assessing the Department's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.



Auditor's responsibilities for the audit of the Financial Report

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

A handwritten signature in blue ink that reads 'BDO'.

BDO Audit (SA) Pty Ltd

A handwritten signature in blue ink that reads 'Andrew Tickle'.

Andrew Tickle

Director

Adelaide, 14 September 2022

Auditor-General's Department

Statement of Comprehensive Income for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Expenses:			
Employee expenses	2	13 751	13 805
Supplies and services:			
Contractors		1 163	1 244
Office accommodation and service costs	12	888	770
Consultancies		469	431
Other supplies and services	5	1 445	1 296
Return of cash to the consolidated account	6.1	3 000	-
		<u>6 965</u>	<u>3 741</u>
Depreciation and amortisation		265	284
Total expenses		<u>20 981</u>	<u>17 830</u>
Income:			
Appropriation and contingency provision grant	6.2	18 680	18 443
Services received free of charge	7	80	84
Other income		1	1
Total income		<u>18 761</u>	<u>18 528</u>
Net result		<u>(2 220)</u>	<u>698</u>
Total comprehensive result		<u>(2 220)</u>	<u>698</u>

Net result and total comprehensive result are attributable to the SA Government as owner

**Statement of Financial Position
as at 30 June 2022**

	Note	2022 \$'000	2021 \$'000
Current assets:			
Cash and cash equivalents	8	5 580	8 101
Receivables	9	150	142
Total current assets		<u>5 730</u>	<u>8 243</u>
Non-current assets:			
Computing and office facilities	10	86	306
Right of use plant & equipment	10	13	34
Intangible assets	10	8	16
Total non-current assets		<u>107</u>	<u>356</u>
Total assets		<u>5 837</u>	<u>8 599</u>
Current liabilities:			
Payables	11	601	564
Lease liabilities		10	21
Employee benefits	3	1 992	2 238
Provision for workers compensation	4	24	24
Total current liabilities		<u>2 627</u>	<u>2 847</u>
Non-current liabilities:			
Payables	11	369	390
Lease liabilities		2	13
Employee benefits	3	3 478	3 770
Provision for workers compensation	4	60	58
Total non-current liabilities		<u>3 909</u>	<u>4 231</u>
Total liabilities		<u>6 536</u>	<u>7 078</u>
Net assets		<u>(699)</u>	<u>1 521</u>
Equity:			
Retained earnings		<u>(699)</u>	<u>1 521</u>
Total equity		<u>(699)</u>	<u>1 521</u>

Total equity is attributable to the SA Government as owner

Commitments

12

**Statement of Changes in Equity
for the year ended 30 June 2022**

	Retained earnings \$'000	Total \$'000
Balance at 30 June 2020	823	823
Total comprehensive result for the year 2020-21	698	698
Balance at 30 June 2021	1 521	1 521
Total comprehensive result for the year 2021-22	(2 220)	(2 220)
Balance at 30 June 2022	(699)	(699)

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

**Statement of Cash Flows
for the year ended 30 June 2022**

	2022 Inflows (Outflows) \$'000	2021 Inflows (Outflows) \$'000
Cash flows from operating activities:		
Cash outflows:		
Employee expenses	(14 249)	(13 753)
Supplies and services	(4 258)	(4 016)
Return of cash to the consolidated account	(3 000)	-
Payments for Paid Parental Leave Scheme	(69)	(26)
Cash inflows:		
Other income	1	1
Goods and services tax refunds from Australian Taxation Office	372	355
Receipts for Paid Parental Leave Scheme	56	41
Appropriations and contingency provision grant	18 680	18 443
Net cash provided by (used in) operating activities	(2 467)	1 045
Cash flows from investing activities:		
Cash outflows:		
Purchase of computing and office facilities	(32)	(208)
Purchase of intangible assets	-	(14)
Net cash provided by (used in) investing activities	(32)	(222)
Cash flows from financing activities:		
Cash outflows:		
Repayment of leases	(21)	(28)
Repayment of borrowings	(1)	(1)
Net cash provided by (used in) financing activities	(22)	(29)
Net increase (decrease) in cash and cash equivalents	(2 521)	794
Cash and cash equivalents at 1 July	8 101	7 307
Cash and cash equivalents at 30 June	5 580	8 101

Notes to and forming part of the financial statements

1. Objectives of the Auditor-General's Department (the Department)

The Department is an administrative unit of the public service established under the *Public Finance and Audit Act 1987* (PFAA). It is a wholly owned and controlled entity of the Crown. Accordingly, all government-related entities are related parties of the Department.

The Department's main statutory responsibilities are to audit and examine the activities of State and Local Government agencies and to report the results to Parliament as required by the PFAA.

Controlled

The Department's sole activity is the provision of auditing services covering the various audit and examination responsibilities prescribed under the PFAA. Within this activity class there are two sub-activities:

Prescribed audits

Includes all audit and examination work for State and Local Government agencies initiated and undertaken by the Auditor-General under the PFAA. During the year the Department spent \$17.98 million (\$17.4 million) on this activity. The main component of work relates to the annual statutory audit of State public sector agencies.

Special investigations

Under the PFAA, the Parliament, Treasurer, a Minister or the Independent Commissioner Against Corruption can require the Auditor-General to undertake certain examinations and report these to Parliament. In 2021-22 there were no such requests that resulted in expenditure on this activity. In the 2020-21 year \$421 000 was spent.

Administered

We also administer certain activities on behalf of the SA Government but do not control the related income, expenses, assets or liabilities. These comprise the following two activities:

Receiving and passing on auditing fees

We charge fees for our audits as permitted by section 39 of the PFAA, but do not retain these fees. We transfer audit fees, less GST, into the SA Government's Consolidated Account as they are received.

Administering special acts

Section 24(4) of the PFAA provides that the salary and allowances of the Auditor-General, as determined by the Governor, will be paid from the SA Government's Consolidated Account. The Auditor-General's remuneration, and recoveries from the Consolidated Account for it, are reported as administered items.

2. Employee expenses	2022	2021
Employee benefits:	\$'000	\$'000
Salaries	10 897	10 882
Annual leave	999	940
Long service leave	(215)	(64)
Skills and experience retention leave	71	64
Total employee benefits	11 752	11 822
Employee on-costs:		
Superannuation	1 282	1 232
Payroll tax	662	663
Total employee on-costs	1 944	1 895
Workers compensation	11	24
Other employee related expenses	44	64
Total employee expenses	13 751	13 805

2.1 <i>Remuneration of employees</i> The number of employees whose normal remuneration is equal to or greater than the base executive remuneration level during the year are grouped within the following bands:	Executive		Staff	
	2022 Number	2021 Number	2022 Number	2021 Number
\$154 001 - \$157 000*	n/a	-	n/a	1
\$157 001 - \$177 000	-	-	2	1
\$177 001 - \$197 000	1	-	-	-
\$197 001 - \$217 000	3	4	-	-
\$217 001 - \$237 000	1	-	-	-
\$237 001 - \$257 000	1	1	-	-
\$257 001 - \$277 000	-	1	-	-
\$277 001 - \$297 000	1	-	-	-
\$397 001 - \$417 000	-	1	-	-
\$417 001 - \$437 000	1	-	-	-
Total	8	7	2	2

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2020-21.

The table includes all employees whose normal remuneration is equal to or greater than the base executive remuneration level. Total remuneration received or receivable by these employees was \$2.36 million (\$2.04 million).

The employee remuneration figures detailed above include employee remuneration recorded in both the Department's financial statements and in its administered financial statements.

2.2 *Key management personnel*

The key management personnel of the Department are the Auditor-General, the Deputy Auditor-General, two Assistant Auditor-General's and four Executive Directors.

Total compensation for the Department's key management personnel was \$2.02 million (\$1.73 million). This includes compensation recorded in both the Department's financial statements and in the administered financial statements.

2.3 *Targeted voluntary separation packages*

The number of employees who received a rejuvenation scheme payment during the reporting period was one at a cost of \$47 000, met by the department. No payments were made in the previous financial year.

3. Employee benefits liability	2022	2021
Current:	\$'000	\$'000
Salaries	8	356
Annual leave	1 613	1 497
Long service leave	262	284
Skills and experience retention leave	109	101
Total current	1 992	2 238
Non-current:		
Long service leave	3 478	3 770
Total non-current	3 478	3 770
Total employee benefits	5 470	6 008

Salaries

Liabilities for unpaid salaries for service prior to the reporting date are measured at current pay rates.

Annual leave and skills and experience retention leave

The annual leave liability and the skills and experience retention leave liability are expected to be payable within 12 months and are measured at the undiscounted amount expected to be paid. The salary inflation rate applied decreased from 2% to 1.5%.

Sick leave

No liability is recognised, as all sick leave is non-vesting and the average sick leave taken is estimated to be less than the annual entitlement for sick leave.

Long service leave

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability. An actuarial assessment of long service leave liability has been undertaken by the Department of Treasury and Finance. 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 for SA Government entities. Expected future payments are discounted using government bonds rates with durations that align with estimated future cash flows.

AASB 119 requires the use of the 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 increased from 1.25 % to 3.50% at 30 June 2022.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service liability of \$523,000 and employee benefit expense of \$523,000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption is the long-term discount rate.

The actuarial assessment by the Department of Treasury and Finance left the salary inflation rate at 2.5% for long service leave. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The long service leave expected to be taken in the 12 months to 30 June 2023 (current long service leave), has been estimated by adding the estimated termination payments in this period to the estimated long service leave to be taken by ongoing employees in the 12 months (based on previous years' experience). The basis of calculation is similar to that used in previous years.

	2022	2021
	\$'000	\$'000
4. Provision for workers compensation		
Current:		
Provision for workers compensation	24	24
Total current	<u>24</u>	<u>24</u>
Non-current:		
Provision for workers compensation	60	58
Total non-current	<u>60</u>	<u>58</u>
Total provision	<u>84</u>	<u>82</u>
Carrying amount at 1 July	82	61
Increase (Decrease) in provision	<u>2</u>	<u>21</u>
Carrying amount at 30 June	<u>84</u>	<u>82</u>

The Department is responsible for the payment of workers compensation claims. The provision is for the estimated cost of ongoing payments to employees as required under current legislation. The workers compensation provision is an actuarial estimate of the outstanding liability at 30 June 2022 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

	2022	2021
	\$'000	\$'000
5. Other supplies and services		
Computing and network processing costs	726	787
Staff recruitment, development and training	336	204
Other expenses	246	164
Shared Services SA charges	59	62
Motor Vehicles	50	51
Audit Fees *	18	23
Staff travel, accommodation and allowances	10	5
Total other supplies and services	<u>1 445</u>	<u>1 296</u>

* The Governor, on recommendation of the Treasurer, in accordance with the PFAA, appoints the auditor of the Auditor General's Department.

6. **Payments to/from SA Government**

6.1 *Return of cash to the consolidated account*

In 2021-22 the Department paid \$3 million to the Consolidated Account for the return of surplus cash in accordance with the principles of the cash alignment policy.

6.2 *Appropriation and contingency provision*

Appropriations to the Department in 2021-22 amounted to \$18.68 million (\$18.443 million). A contingency provision grant was not received in 2021-22 or the previous year.

7. **Resources received free of charge**

	2022	2021
	\$'000	\$'000
Services received free of charge – Shared Services SA	58	62
Services received free of charge – ICT Digital Government	22	22
Total resources received free of charge	80	84

The Department is only charged for non-standard services received.

8. **Cash and cash equivalents**

	2022	2021
	\$'000	\$'000
Deposits with the Treasurer:		
Auditor-General's Department Operating Account	3 411	5 587
Accrual Appropriation Excess Funds	2 169	2 514
Total cash and cash equivalents	5 580	8 101

9. **Receivables**

	2022	2021
	\$'000	\$'000
Current:		
Goods and services tax	149	142
Other	1	-
Total current	150	142

Assets that are sold, consumed or realised as part of the normal operating cycle have been classified as current.

10. **Non-current assets**

	2022	2021
	\$'000	\$'000
10.1 <i>Classes of assets</i>		
Computing and office equipment – at cost	874	871
Accumulated depreciation	863	819
	11	52
Laptop computer equipment – at cost	797	797
Accumulated depreciation	776	606
	21	191
Right of use plant and equipment	56	69
Accumulated depreciation	43	35
	13	34
Leasehold improvements – at cost	864	851
Accumulated depreciation	810	788
	54	63
Intangible assets – Computer software – at cost	534	534
Accumulated amortisation	526	518
	8	16
	107	356

10.2 *Reconciliation of carrying amount*

	Carrying amount			Depreciation/	Carrying amount
	01.07.21	Additions	Disposals	Amortisation	30.06.22
	\$'000	\$'000	\$'000	\$'000	\$'000
Computing and office equipment	52	3	-	44	11
Laptop computer equipment	191	-	-	170	21
Right of use plant and equipment	34	-	-	21	13
Leasehold improvements	63	13	-	22	54
Computer software	16	-	-	8	8
Total computing and office facilities	356	16	-	265	107

Computing and office facilities are held at fair value as required by the Accounting Policy Statements. We use cost less accumulated depreciation to determine fair value. Intangible assets are held at cost less accumulated amortisation. During the year, approval was provided by the Department of Treasury and Finance to increase our threshold for capitalising items to \$10 000. There are no indications of impairment of our assets.

We depreciate/amortise all assets over three years except laptops which we depreciate over two years. Depreciation and amortisation is on a straight-line basis. All computing and office facilities are classified as level 3 as a key input is management's assessment of the useful life and condition.

The Department has motor vehicle leases with the South Australian Government Financing Authority (SAFA), through their agent LeasePlan Australia. Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Lease terms are three years (60 000 km). The lease rate is determined according to the type of vehicle being leased and the number of months of the lease period and are reviewed annually. No variable lease payments are provided for in the lease agreements and no options exist to renew the leases at the end of their term.

11. Payables	2022	2021
Current:	\$'000	\$'000
Employee on-costs	453	409
Creditors	85	87
Accrued expenses	61	53
Paid Parental Leave Scheme payable	2	15
Total current	<u>601</u>	<u>564</u>
Non-current:		
Employee on-costs	<u>369</u>	<u>390</u>
Total non-current	<u>369</u>	<u>390</u>
Total payables	<u>970</u>	<u>954</u>

Employment on-costs

Include payroll tax and superannuation contributions. Superannuation contributions are paid to the South Australian Superannuation Board. The Department does not have any liability for payments to beneficiaries as these have been assumed by the respective superannuation schemes. The superannuation liabilities reported reflect amounts to be paid to the South Australian Superannuation Board.

Other payables

Payables are normally settled within 30 days from the date of the invoice or date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables approximates fair value.

12. Commitments

Other contractual commitments

At the reporting date the Department had the following obligations:	2022	2021
	\$'000	\$'000
Not later than one year	1 816	1 932
Later than one year but not later than five years	1 268	1 731
Total contractual commitments as lessee	<u>3 084</u>	<u>3 663</u>

Office accommodation

The Department has accommodation services provided by the Department for Infrastructure and Transport (DIT) under a Memorandum of Administrative Arrangement (MoAA) issued in accordance with government-wide accommodation policies.

The current tenancy term is to 30 June 2024, with three years right of renewal to 30 June 2027.

Audit services

Obligations under non-cancellable contracts for audit services. These obligations have not been recognised as liabilities.

Other expenditure commitments

Obligations for other services under a contract arrangement, which have not been recognised as liabilities.

13. Significant accounting policies

(a) *Basis of preparation*

The financial statements are general purpose financial statements, prepared in line with applicable Australian Accounting Standards – simplified disclosures, and Treasurer’s Instructions (Accounting Policy Statements) issued under the PFAA. The Accounting Policy Statements require certain disclosures in addition to Australian Accounting Standards.

We have not early-adopted any Australian Accounting Standards or Australian interpretations issued by the Australian Accounting Standards Board.

The Department is a not-for-profit entity for financial reporting purposes.

The historical cost convention is used, unless otherwise stated. This means that assets are recorded at their initial cost and liabilities are valued at the amount initially received in exchange for the obligation.

The administered financial statements have been prepared applying the same accounting policies as for items controlled by the Auditor-General’s Department.

(b) *Taxation*

The Department is liable for payroll tax, fringe benefits tax and goods and services tax (GST) but not income tax. 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 it is recognised as part of the cost of acquisition of an asset or as part of an item of expense
- receivables and payables which are stated with the amount of GST included.

Operating cash flows in the Statement of Cash Flows include GST. The GST on investing and financing cash flows are included as operating cash flows.

(c) *Appropriation and Contingency Provision*

We are funded by Parliamentary appropriations, paid into a special deposit account titled ‘Auditor-General’s Department Operating Account’. We are also appropriated for some expenses that will not require a cash payment, such as depreciation. Some appropriations are deposited into a special deposit account at the Department of Treasury and Finance titled ‘Accrual Appropriation Excess Funds’. Although we control this money, its use must be separately approved by the Treasurer. We do not earn interest on either of these special deposit accounts.

The appropriation for special acts reported in the administered financial statements relates to recoveries from the SA Government for the Auditor-General’s salary. Salary amounts paid which are yet to be recovered are recorded as appropriation receivable.

Other significant accounting policies are described under related notes.

14. Changes in accounting policy

In 2021-22 pursuant to clause 116.A of the Treasurer’s Instructions APS the department received approval to increase the asset materiality threshold for capitalising property, plant and equipment from \$2 000 to \$10 000. As at 30 June 2022 we have a small number of assets with a net value of \$3 700 which had an original purchase price below \$10 000. All but one of these will be fully depreciated in the next 12 months.

15. Financial instruments	Carrying amount	
	2022	2021
Financial assets	\$'000	\$'000
Cash and cash equivalents	5 580	8 101
Receivables*	1	-
Total financial assets	<u>5 581</u>	<u>8 101</u>
Financial liabilities at amortised cost		
Payables	146	140
Lease liabilities	2	34
Total financial liabilities	<u>148</u>	<u>174</u>

* Receivables amounts disclosed exclude amounts relating to statutory receivables where rights or obligations have their source in legislation such as the goods and services tax.

16. Budgetary reporting and explanations of major variances

The following provides details of the 2021-22 original budget, actual amounts and the associated variances.

Statement of Comprehensive Income	Original budget \$'000	Actual \$'000	Variance \$'000
Expenses:			
Employee expenses	14 359	13 751	(608)
Supplies and services:			
Contractors	1 885	1 163	(733)
Office accommodation and service costs	814	888	48
Consultancies	160	469	309
Other supplies and services	1 139	1 445	343
Return of cash to the consolidated account	-	3 000	⁽¹⁾ 3 000
Depreciation and amortisation	258	265	7
Total expenses	<u>18 615</u>	<u>20 981</u>	<u>⁽¹⁾2 366</u>
Income:			
Appropriations and contingency provision grant	18 616	18 680	64
Services received free of charge	-	80	80
Other income	1	1	-
Total income	<u>18 617</u>	<u>18 761</u>	<u>144</u>
Net result and total comprehensive result	<u>2</u>	<u>(2 220)</u>	<u>⁽¹⁾(2 222)</u>
Investing expenditure summary:			
Minor capital works and equipment	245	32	(213)
Total annual programs	<u>245</u>	<u>32</u>	<u>(213)</u>

The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2021-22 Budget Paper 4) and the amounts have not been adjusted to reflect revised budgets. These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements.

⁽¹⁾ The variance in total expenses, total income and the net result and total comprehensive result is due to the payment of \$3 million to the consolidated account for the return of surplus cash in accordance with the principles of the cash alignment policy. The Department is not budgeted for this.

**Statement of Administered Comprehensive Income
for the year ended 30 June 2022**

	2022	2021
	\$'000	\$'000
Expenses:		
Employee expenses	316	345
Audit fees paid/payable to Consolidated Account	16 398	16 496
Total expenses	<u>16 714</u>	<u>16 841</u>
Income:		
Fees for audit services	16 398	16 496
Appropriation – Special Acts	352	339
Total income	<u>16 750</u>	<u>16 835</u>
Net result	<u>36</u>	<u>(6)</u>
Total comprehensive result	<u>36</u>	<u>(6)</u>

**Statement of Administered Financial Position
as at 30 June 2022**

	Note	2022	2021
		\$'000	\$'000
Current assets:			
Cash and cash equivalents		525	331
Receivables	A1	780	1 282
Total assets		<u>1 305</u>	<u>1 613</u>
Current liabilities:			
Employee benefits		52	71
Audit fees payable to Consolidated Account		980	1 268
Goods and services tax payable		125	145
Total current liabilities		<u>1 157</u>	<u>1 484</u>
Non-current liabilities:			
Employee benefits – long service leave		360	377
Total non-current liabilities		<u>360</u>	<u>377</u>
Total liabilities		<u>1 517</u>	<u>1 861</u>
Net assets		<u>(212)</u>	<u>(248)</u>
Equity:			
Retained earnings		(212)	(248)
Total equity		<u>(212)</u>	<u>(248)</u>

**Statement of Administered Cash Flows
for the year ended 30 June 2022**

		2021 Inflows (Outflows) \$'000	2021 Inflows (Outflows) \$'000
Cash flows from operating activities:	Note		
Cash outflows:			
Employee expenses		(352)	(339)
Amounts paid to Consolidated Account		(16 686)	(15 632)
Goods and services tax paid to Australian Taxation Office		(1 660)	(1 620)
Cash inflows:			
Fees for audit services	A1	18 553	17 333
Cash flows from SA Government:			
Appropriations – Special Acts		339	339
Net cash provided by (used in) operating activities		<u>194</u>	<u>81</u>
Net increase (decrease) in cash and cash equivalents		194	81
Cash and cash equivalents at 1 July		<u>331</u>	<u>250</u>
Cash and cash equivalents at 30 June		<u><u>525</u></u>	<u><u>331</u></u>

Notes to and forming part of the administered financial statements

A1. Audit Fee Receivables	2022 \$'000	2021 \$'000
Fees outstanding at 1 July	1 256	444
Billings	<u>18 038</u>	<u>18 145</u>
Receipts	19 294	18 589
Fees outstanding at 30 June	<u>18 553</u>	<u>17 333</u>
	<u>741</u>	<u>1 256</u>
Other Receivables	2022 \$'000	2021 \$'000
Appropriation receivable	39	26

Special Acts appropriation for the Auditor-General's salary is received one month in arrears.

A2. Changes in accounting policy

In 2020-21 the recognition of appropriation receivable for special acts in the administered financial statements was introduced to recognise salary paid to the Auditor-General which is yet to be recovered.

A3. Budgetary reporting and explanations of major variances

The following provides details of the 2021-22 original budget, actual amounts and the associated variances. No explanations are provided as the variances do not exceed the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

Statement of Comprehensive Income

	Original Budget \$'000	Actual \$'000	Variance \$'000
Expenses:			
Employee expenses	360	316	(44)
Amounts paid/payable to Consolidated Account	16 641	16 398	(243)
Total expenses	<u>17 001</u>	<u>16 714</u>	<u>(287)</u>
Income:			
Fees for audit services	16 641	16 398	(243)
Appropriation – Special Acts	348	352	4
Total income	<u>16 989</u>	<u>16 750</u>	<u>(239)</u>
Net result and total comprehensive result	<u>(12)</u>	<u>36</u>	<u>48</u>

The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2021-22 Budget Paper 4) and the amounts have not been adjusted to reflect revised budgets. These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements.

Certification of the Financial Statements

We certify that the:

- financial statements of the Auditor-General's Department:
 - are in accordance with the accounts and records of the department;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the department at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the Auditor-General's Department for the financial year over its financial reporting and its preparation of the financial statements have been effective.



Andrew Richardson
Auditor-General

9 September 2022



Megan Stint
Manager, Finance

9 September 2022