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To the Chair Dog and Cat Management Board

Opinion

I have audited the financial report of the Dog and Cat Management Board (the Board) for the financial year ended 30 June 2023.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Board as at 30 June 2023, 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 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chair, the Acting Manager 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 Board. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

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

The Acting Manager 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 Manager is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Acting Manager 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 is 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 25(7) of the *Dog and Cat Management Act 1995*, I have audited the financial report of the Board for the financial year ended 30 June 2023.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Acting Manager'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 Chair and Acting Manager 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)

27 September 2023

Dog and Cat Management Board

Financial Statements

For the year ended 30 June 2023

Dog and Cat Management Board
Certification of the Financial Statements
for the year ended 30 June 2023

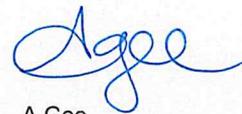
We certify that the:

- financial statements of the Dog and Cat Management 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 Dog and Cat Management Board for the financial year over its financial reporting and its preparation of financial statements have been effective.



D T Parkin
Chair

25 September 2023



A Gee
A/Manager

25 September 2023
Dog and Cat Management



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

25 September 2023

Dog and Cat Management Board
Statement of Comprehensive Income
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income			
Fees and charges	2.1	3 019	2 958
Interest	2.3	146	-
Grant revenue	2.2	50	-
Total income		3 215	2 958
Expenses			
Supplies and services	4.1	2 438	2 315
Depreciation and amortisation	5.1	170	170
Grants and subsidies	4.2	74	253
Board member expenses	3.3	38	28
Other expenses	4.3	11	19
Total expenses		2 731	2 785
Net result		484	173
Total comprehensive result		484	173

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

Dog and Cat Management Board
Statement of Financial Position
As at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents	6.1	3 396	2 980
Receivables	6.2	51	75
Total current assets		3 447	3 055
Non-current assets			
Intangible assets	5.1	818	988
Total non-current assets		818	988
Total assets		4 265	4 043
Current liabilities			
Payables	7.1	120	382
Total current liabilities		120	382
Total liabilities		120	382
Net assets		4 145	3 661
Equity			
Retained earnings		4 145	3 661
Total equity		4 145	3 661

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

Dog and Cat Management Board
Statement of Changes in Equity
for the year ended 30 June 2023

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2021	3 488	3 488
Net result for 2021-22	173	173
Total comprehensive result for 2021-22	173	173
Balance at 30 June 2022	3 661	3 661
Net result for 2022-23	484	484
Total comprehensive result for 2022-23	484	484
Balance at 30 June 2023	4 145	4 145

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

Dog and Cat Management Board
Statement of Cash Flows
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
<i>Cash inflows</i>			
Fees and charges		3 018	2 958
Interest		134	-
GST recovered from DEW		91	75
Grants and contributions		55	-
Cash generated from operating activities		3 298	3 033
<i>Cash outflows</i>			
Payments for supplies and services		(2 750)	(2 165)
Payments for Grants and Subsidies		(81)	(278)
Board member expenses		(39)	(34)
Other payments		(12)	(12)
Cash used in operating activities		(2 882)	(2 489)
Net cash provided by operating activities		416	544
Net increase in cash and cash equivalents		416	544
Cash and cash equivalents at the beginning of the reporting period		2 980	2 436
Cash and cash equivalents at the end of the reporting period	6.1	3 396	2 980

The accompanying notes form part of these financial statements.

Dog and Cat Management Board

Notes to and forming part of the financial statements

For the year ended 30 June 2023

1 About the Dog and Cat Management Board

The Dog and Cat Management Board (DCMB) is a not-for-profit reporting entity, established pursuant to the *Dog and Cat Management Act 1995* (the Act).

The financial activities of the DCMB are administered through the Dog and Cat Management Fund (the Fund) in accordance with the Act.

The Fund is an interest bearing Deposit Account with the Department of Treasury and Finance (DTF) pursuant to section 21(1) of the *Public Finance and Audit Act 1987*.

The Fund's sources of revenue consist of:

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

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

The financial statements and accompanying notes include all the controlled activities of the DCMB.

The DCMB has administered activities which are presented separately and disclosed in note 8. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for the DCMB's transactions.

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.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). The historical cost convention is used unless a different measurement basis is identified in the notes to the financial statements.

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.

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.

DCMB is grouped with the Department for Environment and Water (DEW) for GST purposes, and accordingly DEW prepares the Business Activity Statement on behalf of the Board via the grouping provisions of the GST legislation.

Notwithstanding the use of these grouping provisions, intercompany cash alignment occurs to ensure DCMB either recovers the net amount of GST recoverable from or disburses the amount payable to the ATO from DEW.

Dog and Cat Management Board
Notes to and forming part of the financial statements
For the year ended 30 June 2023

1.1. Basis of preparation (continued)

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as operating cash flows.

1.2. Objectives and programs

The DCMB's primary objectives are to:

- encourage responsible dog and cat ownership
- reduce public and environmental nuisance caused by dogs and cats
- 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 priorities of the DCMB to support achieving the objectives of the Act are to:

- improve dog management through responsible dog ownership and community collaboration
- improve cat management through responsible cat ownership and community collaboration
- connect Councils, community, professionals and agencies interested in and responsible for dog and cat management
- provide leadership in dog and cat management and effective administration of the Act.

The DCMB achieves its objectives through activities identified in its strategic, operational and financial plans approved by the Minister. Whilst these activities are delivered through two programs, the revenue and expenses cannot be reliably allocated across these programs and therefore, a Statement of Income and Expenses by Program has not been prepared.

Dog and Cat Management Board
Notes to and forming part of the financial statements
For the year ended 30 June 2023

2. Income

2.1. Fees and charges

	2023	2022
	\$'000	\$'000
Registration fees received		
Metro Councils	2 042	2 010
Regional Councils	552	540
Breeders registration	425	408
Total registration fees	3 019	2 958

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

2.2. Grant revenue

	2023	2022
	\$'000	\$'000
Private Industry	50	-
Total registration fees	50	-

2.3. Interest

	2023	2022
	\$'000	\$'000
Interest - deposits with the treasurer	146	-
Total interest	146	-

During 2022-23 DTF reinstated interest earnings ceased in November 2020. DCMB resumed earning interest on its deposit account backdated from May 2022.

Interest income is recognised on receipt.

3. Board, committees and employees

3.1. Key management personnel

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

Total compensation for key management personnel was \$36 000 in 2022-23 and \$27 000 in 2021-22.

The compensation disclosed in this note excludes salaries and other benefits the Minister 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 under section 6 the *Parliamentary Remuneration Act 1990*.

Transactions with key management personnel and other related parties

No transactions with key management personnel or related parties occurred during 2022-23.

Dog and Cat Management Board
Notes to and forming part of the financial statements
For the year ended 30 June 2023

3.2. Board and committee members

Members of the Dog and Cat Management Board during the 2023 financial year were:

D T Parkin (Chair)	Dr S J Hazel	P S Warren
Dr H G Lemon	Dr D McFetridge	
Dr P E J Roetman	Dr R L Somers	
B W Thomass	K Rokincinski	

Board and committee remuneration

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

	2023	2022
\$0 - \$19 999	9	11
Total number of members	9	11

The total remuneration received or receivable by members was \$36 000 (2022: \$27 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax.

3.3. Board member expenses

	2023	2022
	\$'000	\$'000
Board and committee fees	26	26
Employment on-costs - superannuation	10	1
Employment on-costs - other	2	1
Total board member expenses	38	28

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

Services to the Board are provided by personnel employed by DEW; hence no 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.

Dog and Cat Management Board
Notes to and forming part of the financial statements
For the year ended 30 June 2023

4. Expenses

4.1. Supplies and services

	2023	2022
	\$'000	\$'000
Fee for service - direct salaries	1 039	971
Fee for service - Dogs and Cats Online (DACO) project	434	551
Service Level Agreement (DEW)	328	306
General administration	224	133
Printing and publishing	138	171
Information technology and communication charges	94	62
Fee for service - other	45	48
Fee for service - Educational programs	41	9
Fee for service - Legislative review	35	17
Contractors	27	17
Training and development	9	8
Other	8	1
Fee for service - Compliance programs	7	16
Sponsorships	6	5
Accommodation	3	-
Total supplies and services	2 438	2 315

4.2. Grants and subsidies

	2023	2022
	\$'000	\$'000
Local Councils	74	220
Animal Management in Rural and Remote Indigenous Communities (AMRRIC)	-	33
Total grants and subsidies	74	253

4.3. Other expenses

	2023	2022
	\$'000	\$'000
Audit Fees	11	11
Work in progress write-offs	-	8
Total other expenses	11	19

Audit fees

Audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$11 400 (2022: \$11 200). No other services were provided by the Auditor-General's Department.

Dog and Cat Management Board
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5. Non-financial assets

5.1. Intangible assets

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

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

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

Reconciliation 2022-23

	Internally developed \$'000
Carrying amount at 1 July 2022	988
Amortisation	(170)
Carrying amount at 30 June 2023	818

Reconciliation 2021-22

	Internally developed \$'000
Carrying amount at 1 July 2021	1 166
Amortisation	(170)
Write-offs	(8)
Carrying amount at 30 June 2022	988

Useful life

Amortisation is calculated on a straight line basis. Intangible assets amortisation is calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Application software - internally developed	10

Impairment

There were no indications of impairment for intangible assets at 30 June 2023.

Dog and Cat Management Board
Notes to and forming part of the financial statements
For the year ended 30 June 2023

6. Financial assets

6.1. Cash and cash equivalents

	2023	2022
	\$'000	\$'000
Deposits with the Treasurer	3 396	2 980
Total cash and cash equivalents	3 396	2 980

Deposits with the Treasurer

The Dog and Cat Management Fund is established under section 25 of the *Dog and Cat Management Act 1995*. The Dog and Cat Management Fund deposit account was established under section 21 of the *Public Finance and Audit Act 1987*.

Deposits at call and with the Treasurer earn a floating interest rate, based on daily bank deposit rates. There was no interest earned during 2022 due to Treasury advising public authorities in November 2020 that, given interest rates were approximately 0%, no interest would be paid on any interest bearing accounts held with the Treasurer. Interest recommenced being paid in September 2022 on cash balances from May 2022.

6.2. Receivables

	2023	2022
	\$'000	\$'000
<u>Current</u>		
Prepayments	28	41
Accrued revenue	13	-
GST recoverable from DEW	10	34
Total current receivables	51	75
Total receivables	51	75

Prepayments are not interest-bearing as they are not financial assets.

Dog and Cat Management Board
Notes to and forming part of the financial statements
For the year ended 30 June 2023

7. Liabilities

7.1. Payables

	2023	2022
	\$'000	\$'000
<u>Current</u>		
Accrued expenses	74	13
Trade payables	46	369
Total current payables	120	382
Total payables	120	382

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.

Statutory payables included in the table above relate to employee related payables, such as payroll tax, Fringe Benefits Tax, GST payable, and Auditor-General's Department audit fees total \$11 000 (2022: \$13 000)

8. Other disclosures

The Dogs and Cats Online (DACO) system is South Australia's central dog and cat registration database that is accessible within each council. DACO is the primary collection process for annual pet registration fees on behalf of Councils, and stores information such as ownership, breeder and microchip data to support Councils and the DCMB in the discharge of their obligations under the Act.

Registration fees collected by the DCMB through DACO are deposited into the Dog and Cat Management Fund which was established under the *Dog and Cat Management Act 1995*.

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

Dog and Cat Management Board
Notes to and forming part of the financial statements
For the year ended 30 June 2023

8.1. Administered items

Statement of Comprehensive Income for the Year Ended 30 June 2023	2023	2022
	\$'000	\$'000
Income		
Registration fee	10 709	10 466
Total income	10 709	10 466
Expenses		
Registration fee remittance payments to Councils	10 709	10 466
Total expenses	10 709	10 466
Net result	-	-
Statement of Financial Position as at 30 June 2023	2023	2022
	\$'000	\$'000
Current assets		
Cash and cash equivalents	152	254
Receivables	280	40
Total current assets	432	294
Total assets	432	294
Current liabilities		
Payables	432	294
Total current liabilities	432	294
Total liabilities	432	294
Net assets	-	-
Equity		
Retained earnings	-	-
Total equity	-	-
Statement of Cash Flows for the Year Ended 30 June 2023	2023	2022
	\$'000	\$'000
Cash flows from operating activities		
<u>Cash inflows</u>		
Registration fee	10 469	10 481
Cash generated from operating activities	10 469	10 481
<u>Cash outflows</u>		
Registration fee remittance payments to Councils	(10 571)	(10 649)
Cash used in operating activities	(10 571)	(10 649)
Net cash (used in) / provided by operating activities	(102)	(168)
Net increase in cash and cash equivalents	(102)	(168)
Cash and cash equivalents at the beginning of the reporting period	254	422
Cash and cash equivalents at the end of the reporting period	152	254

Dog and Cat Management Board
Notes to and forming part of the financial statements
For the year ended 30 June 2023

9. Outlook

9.1. Unrecognised contractual commitments

Other contractual commitments

Other contractual commitments reflect DACO system support and maintenance costs.

	2023	2022
	\$'000	\$'000
Within one year	514	416
Later than one year but not longer than five years	-	174
Total expenditure commitments	514	590

9.2. Contingent assets and liabilities

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

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

9.3. Events after the reporting period

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