

State Procurement Board

Financial Statements

for the year ended 30 June 2017

Certification of the Financial Statements

We certify that the:

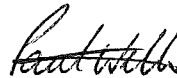
- financial statements of the State Procurement Board:
 - are in accordance with the accounts and records of the State Procurement Board;
 - comply with relevant Treasurer's instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the State Procurement Board at the end of the 30 June 2017 financial year and the results of its operations and cash flows for the financial year.
- Internal controls employed by the State Procurement Board over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the financial year.

Signed in accordance with a resolution of the State Procurement Board.



Nicolle Rantanen
Presiding Member
State Procurement Board

27 September 2017



Paul Williams
Director, Financial Services
Department of Treasury and Finance

27 September 2017

State Procurement Board
Statement of Comprehensive Income
for the year ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Expenses			
Employee benefits expenses	4	63	61
Supplies and services	6	410	505
Total expenses		<u>473</u>	<u>566</u>
Income			
Revenues from fees and charges	7	70	90
Total income		<u>70</u>	<u>90</u>
Net Cost of Providing Services		<u>(403)</u>	<u>(476)</u>
Revenues from SA Government			
Revenues from SA Government	8	450	439
Total revenues from SA Government		<u>450</u>	<u>439</u>
Net Result		<u>47</u>	<u>(37)</u>
Total Comprehensive Result		<u>47</u>	<u>(37)</u>

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

The above statement should be read in conjunction with the accompanying notes.

State Procurement Board
Statement of Financial Position
As at 30 June 2017

	Note	2017 \$'000	2016 \$'000
Current Assets			
Cash and cash equivalents	9	956	909
Receivables	10	1	-
Total current assets		<u>957</u>	<u>909</u>
Total Assets		<u>957</u>	<u>909</u>
Current Liabilities			
Payables	11	46	42
Other liabilities	12	-	3
Total current liabilities		<u>46</u>	<u>45</u>
Total Liabilities		<u>46</u>	<u>45</u>
Net Assets		<u>911</u>	<u>864</u>
Equity			
Retained earnings	16	911	864
Total Equity		<u>911</u>	<u>864</u>

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

	Note
Unrecognised contractual commitments	13
Contingent assets and liabilities	14

The above statement should be read in conjunction with the accompanying notes.

State Procurement Board
Statement of Changes in Equity
for the year ended 30 June 2017

	Retained Earnings \$'000	Total Equity \$'000
Balance at 30 June 2015	901	901
Net result for 2015-16	(37)	(37)
Total comprehensive results for 2015-16	<u>(37)</u>	<u>(37)</u>
Balance at 30 June 2016	<u>864</u>	<u>864</u>
Net result for 2016-17	47	47
Total comprehensive results for 2016-17	<u>47</u>	<u>47</u>
Balance at 30 June 2017	<u>911</u>	<u>911</u>

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

The above statement should be read in conjunction with the accompanying notes.

State Procurement Board
Statement of Cash Flows
for the year ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Cash Flows from Operating Activities			
Cash outflows			
Employee benefit payments		(63)	(61)
Payments for supplies and services		(406)	(515)
Cash used in operations		<u>(469)</u>	<u>(576)</u>
Cash inflows			
Fees and charges		69	91
Other receipts		-	(7)
Cash generated from operations		<u>69</u>	<u>84</u>
Cash flows from SA Government:			
Revenues from SA Government		447	442
Cash generated from SA Government		<u>447</u>	<u>442</u>
Net Cash provided by / (Used in) Operating Activities		<u>47</u>	<u>(50)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		47	(50)
Cash and cash equivalents at the beginning of the period		909	959
Cash and Cash Equivalents at the End of the Period	9	<u>956</u>	<u>909</u>

The above statement should be read in conjunction with the accompanying notes.

State Procurement Board
Notes To And Forming Part Of The Financial Statements

- Note 1 Objective of the State Procurement Board
- Note 2 Significant accounting policies
- Note 3 New and revised accounting standards and policies
- Note 4 Employee benefits
- Note 5 Remuneration of Board members
- Note 6 Supplies and services
- Note 7 Revenues from fees and charges
- Note 8 Revenues from SA Government
- Note 9 Cash and cash equivalents
- Note 10 Receivables
- Note 11 Payables
- Note 12 Other liabilities
- Note 13 Unrecognised contractual commitments
- Note 14 Contingent assets and contingent liabilities
- Note 15 Events after the reporting period
- Note 16 Equity
- Note 17 Related party transactions

State Procurement Board

Notes to and forming part of the financial statements

Note 1 Objective of the State Procurement Board

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

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

- Obtaining value for money in the expenditure of Government funds;
- Providing for ethical and fair treatment of participants; and
- Ensuring probity, accountability and transparency in procurement operations.

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

Note 2 Significant accounting policies

a) Statement of compliance

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

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

The Board has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Board is a not-for-profit entity.

b) Basis of preparation

The preparation of the financial statements requires:

- The use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Board's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, these are outlined in the applicable notes.
- Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.
- Compliance with Accounting Policy Statements issued pursuant to section 41 of the Public Finance and Audit Act 1987. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, which have been included in this financial report:
 - Board / committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The Board's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a twelve month period and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2017 and the comparative information presented.

c) Reporting entity

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

State Procurement Board

Notes to and forming part of the financial statements

d) Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific revised accounting standards and/or accounting policy statements has required a change.

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation in these financial statements unless impracticable.

e) Rounding

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

f) Taxation

The Board is not subject to income tax. The Board is liable for payroll tax, fringe benefits tax, goods and services tax (GST).

The Department of Treasury and Finance (DTF) prepares the Business Activity Statement on behalf of the Board under the grouping provisions of the GST legislation. Under these provisions, DTF is liable for the payments and entitled to the receipt of GST. As such, GST applicable to the Board forms part of the Statement of Comprehensive Income and Statement of Financial Position of DTF.

g) Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the result of subsequent years.

h) Income

Income is recognised to the extent that it is probable that the flow of economic benefits to or from the Board will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

a) Contributions received

Grants for program funding are recognised as revenues when the Board obtains control over the funding. Control over appropriations is normally obtained upon receipt.

b) Fees and charges

Revenues from fees and charges are derived from the provision of training to other SA Government agencies and to the public. The revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

i) Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Board will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Employee benefit expenses

State Procurement Board

Notes to and forming part of the financial statements

Employee benefit expenses include all costs related to employment including wages and salaries and leave entitlements. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by the Board to the superannuation plan in respect of current services of current Board staff.

j) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. The Board has a clearly identifiable operating cycle of twelve months. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

k) Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Special deposit account

The Board records all transactions in the SDA. The Board may only utilise the reported balance in the SDA in accordance with its approved Budget or with prior approval of the Treasurer.

Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position includes cash at bank and deposits at call that are readily converted to cash and which are subject to insignificant risk of change in value.

Cash is measured at nominal value.

The Board's physical cash balance is included within a bank account, namely the Department of Treasury and Finance Support Operations Account, which comprises of cash balances for several deposit accounts and is managed in accordance with Treasurer's Instruction 6 *Deposit Accounts and Banking*.

l) Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Payables

Payables include creditors and accrued expenses.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Board.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Note 3 New and revised accounting standards and policies

The Board did not voluntarily change any of its accounting policies during 2016-17

State Procurement Board
Notes to and forming part of the financial statements

Note 4 Employee benefits

	2017	2016
	\$'000	\$'000
Board fees	55	53
Employment on-costs - superannuation	5	5
Employment on-costs - payroll tax	3	3
Total employee benefits expenses	63	61

The Board has no other employee expenses.

Note 5 Remuneration of Board members

Board members during the 2017 financial year were:

State Procurement Board	Date Appointed/Resigned
Ms Nicolle Rantanen* (Chair)	11-Apr-16 (Appointed)
Ms Deborah Black	08-Oct-15 (Appointed)
Ms Debra Contala*	31-Oct-15 (Appointed)
Mr David Henchcliffe	14-Nov-15 (Appointed)
Mr Martin McMahon*	22-Nov-15 (Appointed)
Mr Jason Schell*	02-Feb-17 (Appointed)
Ms Marielle Smith	08-Oct-15 (Appointed)
Mr Jamin Woolcock*	08-Oct-15 (Appointed)

The members named above also belong to the Procurement Approval Committee (PAC) and their remuneration is included in note 4.

* In accordance with the Department of Premier and Cabinet Circular Number 016, SA Government employees did not receive any remuneration for SA Government Board duties during the financial year. The number of members whose remuneration received or receivable falls within the following bands:

	2017	2016
	Number	Number
\$0 - \$9,999	5	7
\$10,000 - \$19,999	2	3
\$20,000 - \$29,999 ^	1	-
Total number of board members	8	10

^ Includes remuneration of \$9 000 which relates to duties performed by the board member in 2015-16.

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$60 000 (\$58 000).

Amounts paid to a superannuation plan for board/committee members was \$5 000 (\$5 000).

Unless otherwise disclosed, transactions with members are on conditions no more favourable than those which it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

State Procurement Board
Notes to and forming part of the financial statements

Note 6 Supplies and services

	2017 \$'000	2016 \$'000
Professional fees	374	445
Information technology	4	9
Advertising/marketing and promotions	-	6
General administration and consumables	24	39
Other	8	6
Total supplies and services	410	505

Note 7 Revenues from fees and charges

	2017 \$'000	2016 \$'000
Other fees and charges	70	90
Total revenue from fees and charges	70	90

Note 8 Revenues from SA Government

	2017 \$'000	2016 \$'000
Revenues from SA Government	450	439
Total revenues from SA Government	450	439

Note 9 Cash and cash equivalents

	2017 \$'000	2016 \$'000
Deposits with the Treasurer	956	909
Total cash and cash equivalents	956	909

Deposits with the Treasurer are non-interest bearing. The carrying amount of cash and cash equivalents represents fair value.

Note 10 Receivables

	2017 \$'000	2016 \$'000
Current		
Receivables	1	-
Total current receivables	1	-
Total receivables	1	-

State Procurement Board

Notes to and forming part of the financial statements

Note 11 Payables

	2017	2016
	\$'000	\$'000
Current		
Accrued expenses	46	42
Total current payables	<u>46</u>	<u>42</u>
Total payables	<u><u>46</u></u>	<u><u>42</u></u>

Note 12 Other liabilities

	2017	2016
	\$'000	\$'000
Current		
Unearned revenue	-	3
Total current other liabilities	<u>-</u>	<u>3</u>
Total other liabilities	<u><u>-</u></u>	<u><u>3</u></u>

State Procurement Board
Notes to and forming part of the financial statements

Note 13 Unrecognised contractual commitments

There are no unrecognised contractual commitments as at 30 June 2017.

Note 14 Contingent assets and contingent liabilities

The Board is not aware of any contingent assets or liabilities. In addition the Board has made no guarantee.

Note 15 Events after the reporting period

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

Note 16 Equity

	2017	2016
	\$'000	\$'000
Retained earnings	911	864
Total equity	911	864

Note 17 Related party transactions

The Board is established pursuant to the *State Procurement Act 2004 (The Act)*, administered by the Department of Treasury and Finance and is a wholly owned and controlled entity of the Crown.

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

Key Management Personnel

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

For the total compensation for the board's key management personnel refer to note 5.

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

