



Veterinary Surgeons Board of South Australia

2017-18 Annual Report

Veterinary Surgeons Board of South Australia
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Date presented to Minister: 7 November 2018

2017-18 ANNUAL REPORT for the Veterinary Surgeons Board of South Australia

To:

Hon. Tim Whetstone MP
Minister for Primary Industries and Regional Development

This annual report is presented to Parliament to meet the statutory reporting requirements of the *Veterinary Practice Act 2003* and meets the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the Veterinary Surgeons Board of South Australia by:

John Strachan

Presiding Member



Signature

Date: 7 November 2018

Reason for late submission: Delay in receipt of audit clearance
(notified to Hon. Minister Tim Whetstone MP by letter dated 14 September 2018 -
see also statement issued pursuant to section 12 of the *Public Sector Act 2009*)

Contents

Section A: Reporting required under the Public Sector Act 2009, the Public Sector Regulations 2010 and the Public Finance and Audit Act 1987

Agency purpose or role	1
Objectives	1
Key strategies and their relationship to SA Government objectives	2
Agency programs and initiatives and their effectiveness and efficiency.....	2
Legislation administered by the agency	3
Organisation of the agency	3
Other agencies related to this agency (within the Minister’s area/s of responsibility)	4
Employment opportunity programs	4
Agency performance management and development systems	4
Work health, safety and rehabilitation programs of the agency and their effectiveness ...	4
Work health and safety and return to work performance	5
Fraud detected in the agency	5
Strategies implemented to control and prevent fraud	5
Whistle-blowers’ disclosure	6
Executive employment in the agency	6
Consultants	6
Contractors	7
Financial performance of the agency	7
Other information requested by the Minister(s) or other significant issues affecting the agency or reporting pertaining to independent functions	7
Section B: Reporting required under any other act or regulation	7
Section C: Reporting of public complaints as requested by the Ombudsman	8
Summary of complaints by subject	8
Complaint outcomes	8
Appendix: Audited financial statements 2017-18	9

SECTION A: Reporting required under the *Public Sector Act 2009*, the *Public Sector Regulations 2010* and the *Public Finance and Audit Act 1987*

Agency purpose or role

The Veterinary Surgeons Board of South Australia is established by and operates under the provisions of the *Veterinary Practice Act 2003*.

The agency exercises its regulatory functions under the *Veterinary Practice Act 2003* with the object of protecting animal health, safety and welfare and the public interest by achieving and maintaining high professional standards both of competence and conduct in the provision of veterinary treatment in South Australia.

The purpose of regulating the profession of veterinary surgeons is to protect the public by ensuring that only fit and proper persons who have the necessary qualifications and experience are registered to practise veterinary surgery and medicine in this State, and that veterinary treatment is provided to animals in a safe and professional manner.

The agency is funded by prescribed fees and charges fixed for the purposes of the *Veterinary Practice Act 2003* and for services provided by the agency in the exercise of its statutory functions. During 2017-18, the agency did not receive any revenue from the South Australian Government.

Objectives

- to recognise courses of education or training that provide qualifications for registration on the general register or the specialist register
- to determine the requirements necessary for registration on the general register or the specialist register
- to determine the specialties in which a person may be registered on the specialist register
- to establish and maintain the registers contemplated by the *Veterinary Practice Act 2003*
- to prepare or endorse codes of conduct and professional standards for veterinary surgeons
- to prepare or endorse guidelines on continuing education for veterinary surgeons
- to establish administrative processes for handling complaints received against veterinary surgeons or veterinary services providers (which may include processes under which the veterinary surgeon or veterinary services provider voluntarily enters into an undertaking)
- to provide advice to the Minister as may be appropriate
- to carry out other functions assigned to the agency by or under the *Veterinary Practice Act 2003*

Key strategies and their relationship to SA Government objectives

Key strategy	SA Government objective
Exercising statutory functions with the object of protecting animal health, safety and welfare and the public interest by achieving and maintaining high professional standards both of competence and conduct in the provision of veterinary treatment in this State.	Consumer protection

Agency programs and initiatives and their effectiveness and efficiency

Program	Indicators of performance/effectiveness	Outcome
Performance of functions under the <i>Veterinary Practice Act 2003</i> in accordance with principles of natural justice and procedural fairness	<p>The agency performs its functions under the <i>Veterinary Practice Act 2003</i>.</p> <p>The agency has various policies/guidelines to assist it in performing these functions in an effective and appropriate manner including:</p> <ul style="list-style-type: none"> • Policy and Guidelines for Board and Committee Members with respect to Conflict of Interest • Policy and Guidelines for Board and Committee Members and Staff with respect to Confidentiality • Administrative Guidelines for Handling of Notifications about Veterinary Surgeons and Veterinary Services Providers • Administrative Guidelines for Informal Resolution of Notifications • Guidelines for Board Members in Proceedings under the <i>Veterinary Practice Act 2003</i> • Duties of Board Members under the <i>Public Sector (Honesty and Accountability) Act 1995</i> • Duties of Committee Members under the <i>Public Sector (Honesty and Accountability) Act 1995</i> <p>In 2017-18:</p> <ul style="list-style-type: none"> • the number of registrants on the general register increased by 3.15% (from 761 to 785) • the number of notifications concerning allegations of unprofessional conduct by veterinary surgeons and contraventions of the <i>Veterinary Practice Act 2003</i> was maintained at the same level as for 2016-17 (44) <p>Notifications were handled in accordance with the agency's Administrative Guidelines for Handling Notifications.</p> <p>On 15 September 2016 the agency instituted a criminal prosecution in the Magistrates Court of South Australia alleging that an unqualified person (a registered chiropractor) had provided veterinary treatment for fee or reward in contravention of the <i>Veterinary Practice Act 2003</i>. The trial commenced on 12 December 2017 and will resume on 12 December 2018.</p>	The agency exercised its functions under the <i>Veterinary Practice Act 2003</i> with the object of protecting health, safety and welfare and the public interest

Legislation administered by the agency

The agency administers the following legislation:

Veterinary Practice Act 2003

Veterinary Practice Regulations 2017

Organisation of the agency

Due to the small size of the agency, there are no divisions or departments.

During 2017-18 the agency's staffing equated to 2 full-time positions, the Registrar and an administrative assistant. The Registrar reports to the board of the agency and is responsible for management of the agency's operations. The Registrar is also responsible for discharging a range of statutory functions and responsibilities under the *Veterinary Practice Act 2003* and for providing executive services to the board of the agency to support the fulfilment of its regulatory and governance responsibilities.

During 2017-18 the board of the agency consisted of 8 members appointed by the Governor. Deputies were appointed to two of those members.

Appointment	Member/Deputy
<i>Presiding Member</i> (legal practitioner) s6(1)(b)(i)	Mr John Foster STRACHAN AM LLB
Deputy to Mr Strachan	Mr Allan Roy HUNTER LLB
Veterinary surgeon S6(1)(a)	Dr Phillip Mark REEVE BVSc, MAICD
Veterinary surgeon S6(1)(b)(ii)	A/Prof Samantha Helen FRANKLIN BVSc, PhD, Dip ACVSMR
Veterinary surgeon (with experience or knowledge relating to animals used for primary production or horses) s6(1)(b)(ii)(A)	Dr Celia-Jane DICKASON BVSc
Deputy to Dr Dickason	Dr Elise Katherine SPARK BSc, BVMS
Veterinary surgeon (with experience or knowledge relating to other animals) s6(1)(b)(ii)(B)	Dr Kirsten Louise HAILSTONE BSc, BVMS
Community member (with experience or knowledge relating to animal health, safety and welfare) s6(1)(b)(iii)	Mr Richard Ian MUSSELL BBus, MBA, GAICD
Community member s6(1)(b)(iii)	Ms Andrea MICHEALS LLB, BCom, CTA, MAICD
Veterinary surgeon (engaged in teaching veterinary science) s6(1)(c)	A/Prof Kiro Risto PETROVSKI DVM, MVSc, PhD, Dip VCSc

Other agencies related to this agency (within the Minister's area/s of responsibility)

Nil

Employment opportunity programs

Program name	Result of the program
N/A	The agency did not recruit any employees through any public sector wide employment opportunity program

Agency performance management and development system

Performance management and development system	Assessment of effectiveness and efficiency
Performance management and development reviews were undertaken in 2017-18 for staff	100%

Work health, safety and rehabilitation programs of the agency and their effectiveness

Work health, safety and rehabilitation programs	Effectiveness
Work Health & Safety (WHS) Program	<p>The agency has a WHS Policy</p> <p>WHS features as a standing item on agendas for the agency's board meetings</p> <p>Staff and members of the agency's board are encouraged to report any WHS risks/incidents to the Registrar/Presiding Member</p> <p>During 2017-18 office accommodation maintenance and improvements included:</p> <ul style="list-style-type: none"> - improved roof drainage (to address the risk of internal building flooding and slip hazards) - installation of new electrical board - annual asbestos inspection and register update - annual inspection of emergency lighting and fire extinguishers <p>No injuries to staff or members of the agency's board were reported during 2017-18</p>

Work health and safety and return to work performance

	2017/18	2016/17	% Change (+ / -)
Workplace injury claims			
Total new workplace injury claims	0	0	0
Fatalities	0	0	0
Seriously injured workers*	0	0	0
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0
Work health and safety regulation			
Number of notifiable incidents (<i>WHS Act 2012, Part 3</i>)	0	0	0
Number of provisional improvement and prohibition notices (<i>WHS Act 2012 Sections 90, 191 and 195</i>)	0	0	0
Return to work costs**			
Total gross workers compensation expenditure (\$)	0	0	0
Income support payments – gross (\$)	0	0	0

*number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under *Return to Work Act 2014 (Part 2 Division 5)*

**before third-party recovery

Fraud detected in the agency

Category/nature of fraud	Number of instances
No fraud was detected in 2017-18	N/A

Strategies implemented to control and prevent fraud

- The agency has a policy and guidelines for members with respect to the duty to declare conflicts of interest which has been prepared in accordance with the *Public Sector (Honesty and Accountability) Act 1995*
- The agency has a standing item in the agenda for all board meetings relating to the disclosure of conflicts of interest
- Financial reports with a comparison to budget and year to date figures are prepared by a bookkeeper on a monthly basis and reviewed by the Registrar and board of the agency at sessional board meetings

- Receipt of monthly financial reports is recorded in the minutes of the meetings of the board of the agency
- Minutes of meetings of the board and financial reports are retained as official records of the agency and are available for audit
- Two account signatories are required for all payments made by cheque, namely the Presiding Member and the Registrar of the agency
- Duties for staff involved in recording income and expenditure and paying accounts are segregated
- Accounts and statements are reconciled on a monthly basis

Data for the past five years is available from the agency's annual reports available at: www.vsbsa.org.au

Whistle-blowers' disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistle-blowers' Protection Act 1993* Nil

Data for the past five years is available from the agency's annual reports available at: www.vsbsa.org.au

Executive employment in the agency

The agency employs the Registrar (1.0 FTE).

Data for the past five years is available from the agency's annual reports available at: www.vsbsa.org.au

For further information, the Office for the Public Sector has a data dashboard for further information on the breakdown of executive gender, salary and tenure by agency.

Consultants

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken and the total cost of the work undertaken.

Consultants	Purpose	Value
Consultant - below \$10,000	Communications/public relations advice	\$4,800

Consultants	Purpose	Value
Consultants – below \$10,000 each	Expert opinion reports re: disciplinary proceedings and medical fitness to practise investigations concerning veterinary surgeons	\$10,909
Total all consultancies		\$15,709

Data for the past five years is available from the agency's annual reports available at: www.vsbsa.org.au

See also <https://www.tenders.sa.gov.au/tenders/index.do> for a list of all external consultancies, including nature of work and value; and the Consolidated Financial Report of the Department of Treasury and Finance <http://treasury.sa.gov.au/> for total value of consultancy contracts across the SA Public Sector.

Contractors

Contractors	Purpose	Value
Contractors - below \$10,000 each	Inspection of facilities by persons authorised to audit compliance with requirements for accreditation of facilities as veterinary hospitals	\$3,087
	Information technology services	\$3,718
	Accounting services	\$6,517
	Bookkeeping services	\$4,557
	Independent financial audit services	<u>\$4,925</u>
	Total:	\$22,804
	Hender Consulting – above \$10,000	Provision of temporary administrative staff
Total all contractors		\$45,707

Data for the past five years is available from the agency's annual reports available at: www.vsbsa.org.au

The details of all South Australian Government-awarded contracts for goods, services and works are displayed on the SA Tenders and Contracts website. The website also provides details of Across Government contracts.

Financial performance of the agency

The following is a brief summary of the overall financial position of the agency. Full audited financial statements for 2017-18 are attached to this report.

The agency is committed to exercising its regulatory responsibilities in an efficient manner with the object of protecting animal health, safety and welfare. To enable the agency to discharge its statutory functions and be fiscally responsible, fees and charges are reviewed by the board of the agency annually. In 2015-16 the Board set a financial strategy for the accumulation of an operational cash reserve.

On 30 June 2018 the agency had net assets of \$590,532 as compared to net assets of \$453,352 on 30 June 2017 and net assets of \$254,586 on 30 June 2016.

Other financial information

Any other financial information in respect of the agency's operations required to be reported to Parliament under another Act:

Nil

Other information requested by the Minister(s) or other significant issues affecting the agency or reporting pertaining to independent functions

Nil

Section B: Reporting required by any other act or regulation

Nil

Section C: Reporting of public complaints as requested by the Ombudsman

Summary of complaints by subject

Public complaints received by the Veterinary Surgeons Board of South Australia	
Category of complaints by subject	Number of instances
All categories	0

Data for the past five years is available from the agency's annual reports available at: www.vsbbsa.org.au

Complaint outcomes

Nature of complaint or suggestion	Services improved or changes as a result of complaints or consumer suggestions
N/A	N/A

Appendix: Audited financial statements 2017-18

Veterinary Surgeons Board of South Australia
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Financial Statements
For the Financial Year Ended 30 June 2018

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Contents
For the Financial Year Ended 30 June 2018

Financial Statements	Page
Certification of the Financial Statements	1
Auditors Independence Declaration	2
Statement of Profit or Loss and Other Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
Independent Audit Report	18

Certification of the Financial Statements

We certify that the attached general purpose financial statements for the Veterinary Surgeons Board of South Australia (the Board):

- a. comply with the relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, *Veterinary Practice Act 2003*, the Department of the Premier and Cabinet *Circular PC013 Annual Reporting*, and relevant Accounting Standards, which;
- b. are in accordance with the accounts and records of the Board; and
- c. present a true and fair view of the financial position of the financial position of the Board as at 30 June 2018 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Board for the financial year over its financial reporting and its preparation of the general purpose financial statements has been effective throughout the reporting period.



.....
Mr John Strachan AM LLB
Presiding Member

.....
2nd November 2018
Dated



.....
Ms Carol Irvine LLB (Hons), BCom, GDLP
Registrar

.....
2 November 2018
Dated

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AUDITOR'S INDEPENDENCE DECLARATION TO THE VETERINARY SURGEONS BOARD OF SOUTH AUSTRALIA

As auditor for the audit of Veterinary Surgeons Board of South Australia for the financial year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the auditor independence requirements of the relevant legislation in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Veterinary Surgeons Board of South Australia during the period.

S D Fry
Chartered Accountant
Adelaide

Dated this 5th day of November 2018.

Liability limited by a scheme approved under Professional Standards Legislation

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Veterinary Surgeons Board of South Australia

ISSN 2206 - 9895

ABN 81 994 904 775

**Statement of Profit or Loss and other Comprehensive Income
For the Financial Year ended 30 June 2018**

	Note	2018 \$	2017 \$
Expenses			
Employee benefits expense	5	200,456	208,246
Supplies and Services	6	291,009	178,730
Depreciation and amortisation expense	7	3,217	4,544
Other Operating Expenses	8	-	146
Total Expenses		<u>494,682</u>	<u>391,667</u>
Income			
Registration Fees		590,545	545,388
Interest revenues		1,901	132
Other income		35,790	44,913
Total Revenue		<u>628,236</u>	<u>590,433</u>
Net cost of providing services		<u>133,554</u>	<u>198,766</u>
Revenues from / payments to SA Government			
Revenues from SA Government		-	-
Payments to SA Government		-	-
Net result		-	-
Other Comprehensive Income		-	-
Total Comprehensive result		<u>133,554</u>	<u>198,766</u>

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The above Statement of Profit or Loss and Comprehensive Income should be read in conjunction with the accompanying notes.

Veterinary Surgeons Board of South Australia
ISSN 2206 - 9895
ABN 81 994 904 775
Statement of Financial Position
As at 30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
Current assets			
Cash & Cash Equivalents	9	581,414	443,278
Receivables	10	25,362	20,628
Other current assets		-	-
Total Current assets		<u>606,776</u>	<u>463,906</u>
Non-current assets			
Other financial assets	11	54,824	51,204
Property, plant and equipment	7	2,445	5,662
Total Non-current assets		<u>57,269</u>	<u>56,866</u>
TOTAL ASSETS		<u>664,045</u>	<u>520,772</u>
LIABILITIES			
Current liabilities			
Payables	12	43,460	41,289
Employee Benefits	13	30,053	26,131
Total Current liabilities		<u>73,512</u>	<u>67,420</u>
Non-current liabilities			
Employee Benefits liabilities	13	-	-
Total Non-current liabilities		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>73,512</u>	<u>67,420</u>
NET ASSETS		<u>590,532</u>	<u>453,352</u>
Equity			
Retained Earnings		432,333	233,567
Prior Period Adjustment	16	2,481	-
Financial Assets Reserve	14	22,164	21,019
Net Comprehensive Result		<u>133,554</u>	<u>198,766</u>
TOTAL EQUITY		<u>590,532</u>	<u>453,352</u>

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The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Veterinary Surgeons Board of South Australia
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Statement of Changes in Equity
For the financial year ended 30 June 2018

	Financial Assets Reserve	Retained Earnings	Total Equity
	\$	\$	\$
Balance at 30 June 2016	21,019	233,567	254,586
<u>Net result for 30 June 2017</u>			
Total comprehensive result for 30 June 2017	-	198,766	198,766
Transfers to/(from) Equity components	-	-	-
Transactions with SA Government as owner			
Equity contribution received	-	-	-
Equity contribution repaid	-	-	-
Balance as at 30 June 2017	21,019	432,333	453,352
<u>Net result for 30 June 2018</u>			
Total comprehensive result for 30 June 2018	-	133,554	133,554
Transfers to/(from) Equity components	1,145	2,481	3,626
Transactions with SA Government as owner			
Equity contribution received	-	-	-
Equity contribution repaid	-	-	-
Balance as at 30 June 2018	22,164	565,888	590,532

406
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The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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ISSN 2206 - 9895
ABN 81 994 904 775
Statement of Cash Flows
For the financial year ended 30 June 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Cash outflows			
Employee benefits payments		(194,053)	(203,244)
Payments for supplies and services		(315,537)	(198,283)
Other payments		-	(146)
Cash used in operations		<u>(509,590)</u>	<u>(401,673)</u>
Cash inflows			
Fees and charges		585,811	565,312
Interest received on operating accounts		1,901	132
GST recovered from the ATO		26,699	16,156
Other receipts		32,170	20,811
Cash generated from operations		<u>646,581</u>	<u>602,411</u>
Cash flows from the SA Government			
Receipts from the SA Government		-	-
Payments to the SA Government		-	-
Cash generated from SA Government		<u>-</u>	<u>-</u>
Net cash from/(used in) operating activities	17	<u>136,991</u>	<u>200,738</u>
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		-	-
Purchase of investments		-	-
Cash used in investing activities		<u>-</u>	<u>-</u>
Cash inflows			
Proceeds from sale of property, plant and equipment		-	-
Proceeds from sales/maturities of investments		1,145	-
Cash generated from investing activities		<u>1,145</u>	<u>-</u>
Net cash provided by / (used in) investing activities		<u>1,145</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		<u>138,136</u>	<u>200,738</u>
Cash and cash equivalents at the beginning of the financial year		<u>443,278</u>	<u>242,540</u>
Cash and cash equivalents at the end of the financial year		<u>581,414</u>	<u>443,278</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

406
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Veterinary Surgeons Board of South Australia

ISSN 2206 - 9895

ABN 81 994 904 775

Notes to the Financial Statements

For the Financial Year Ended 30 June 2018

1 Basis of Financial Statements

The financial report covers the Veterinary Surgeons Board of South Australia as an individual entity. The Veterinary Surgeons Board of South Australia is established by and operates under the provisions of the *Veterinary Practice Act 2003*.

The financial report was authorised for issue by the Board on 2 November, 2018.

1.1 Statement of Compliance

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *requirements of the Veterinary Practice Act 2003, Public Sector Act 2009, Public Sector Regulations 2010, Public Finance and Audit Act 1987 and the Department of the Premier and Cabinet Circular PC013 Annual Reporting*.

The Veterinary Surgeons Board of South Australia has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Veterinary Surgeons Board of South Australia is a not-for-profit entity. Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Veterinary Surgeons Board of South Australia for the period ending 30 June 2018.

1.2 Basis of Preparation

The financial statements have been prepared based on a 12 month period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

All amounts in the financial statements and accompanying notes have been rounded to the nearest dollar.

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

Significant accounting policies are set out in the notes.

2 Objectives and Activities

2.1 Objectives

The Veterinary Surgeons Board of South Australia exercises its functions under the *Veterinary Practice Act 2003* with the object of protecting animal health, safety and welfare and the public interest by achieving and maintaining high professional standards both of competence and conduct in the provision of veterinary treatment in South Australia.

The purpose of regulating the profession of veterinary surgeons is to protect the public by ensuring that only fit and proper persons who have the necessary qualifications and experience are registered to practice in this State, and that veterinary treatment is provided to animals in a safe and professional manner.

2.2 Activities

The Board undertakes the following activities:

- to recognise courses of education or training that provide qualifications for registration on the general register or the specialist register
- to determine the requirements necessary for registration on the general register of the specialist register
- to determine the specialities in which a person may be registered on the specialist register
- to establish and maintain the registers contemplated by the *Veterinary Practice Act 2003*
- to prepare or endorse guidelines on continuing education for veterinary surgeons

Veterinary Surgeons Board of South Australia

ISSN 2206 - 9895

ABN 81 994 904 775

Notes to the Financial Statements

For the Financial Year Ended 30 June 2018

2.2 Activities (continued)

- to establish administrative processes for handling complaints received against veterinary surgeons or veterinary services (which may include processes under which the veterinary surgeon or veterinary services provider voluntarily enters into an undertaking)
- to provide advice to the Minister as may be appropriate
- to carry out other functions assigned to the agency by or under the *Veterinary Practice Act 2003*

3 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the the Veterinary Surgeons Board of South Australia and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Registration Fees

Registration fees are recognised within the relevant registration period to which they relate.

Other income

Other income is recognised on an accruals basis when the the Veterinary Surgeons Board of South Australia is entitled to it.

(b) Taxation

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

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.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

(c) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Depreciation

Property, plant and equipment is depreciated on a straight-line basis over the assets useful life to the Veterinary Surgeons Board of South Australia commencing when the asset is ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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Notes to the Financial Statements
For the Financial Year Ended 30 June 2018

3 Summary of Significant Accounting Policies (continued)

(e) Property, plant and equipment (continued)

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation Rate	Useful life (Years)
Office Equipment	20-40% Diminishing Value	5 - 10
Leasehold improvements	20% Prime Cost	5

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

4 Critical Accounting Estimates and Judgments

The Board make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information becomes known then the actual results may differ from the estimates.

	2018	2017
	\$	\$
5 Employee Benefits Expenses		
Salary and wages	170,087	186,418
Long Service Leave	-	-
Annual Leave	13,122	2,746
Employment on-costs - superannuation*	16,492	15,800
Employment on-costs - other	-	-
Workers compensation	66	81
Other employee related expenses	689	3,200
Total employee benefits expense	<u>200,456</u>	<u>208,246</u>

*The superannuation employment on-cost charge represents the Veterinary Surgeons Board of South Australia's contributions to superannuation plans in respect of current services of current employees.

5.1 Remuneration of Board and Committee Members

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

\$ 0 - \$19,999	10	10
\$20,000 - \$39,999	-	-
\$40,000 - \$59,999	-	-
Total number of members	<u>10</u>	<u>10</u>

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$17,442 (\$19,558).

506
051118

Notes to the Financial Statements
For the Financial Year Ended 30 June 2018

	2018	2017
6 Supplies and Services	\$	\$
Accommodation and telecommunications	22,910	21,760
Information technology	2,150	2,123
Legal costs	158,258	80,073
Consultants	15,709	13,005
Contractors	45,707	25,917
General administration and consumables	23,813	24,814
Other	22,463	11,038
Total supplies and services	291,009	178,730

6.1 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:

	Number	\$	Number	\$
Consultancies < \$10,000	9	15,709	7	27,666
Consultancies > \$10,000	-	-	-	-
Total paid/payable to the consultants engaged		15,709		27,666

7 Depreciation and Amortisation expense	\$	\$
Office equipment	3,217	4,544
Total depreciation and amortisation	3,217	4,544

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

	Office Equipment \$	TOTAL \$
30 June 2018		
Balance at the beginning of year	5,662	5,662
Additions	-	-
Disposals	-	-
Depreciation Expense	(3,217)	(3,217)
Net Revaluation increase	-	-
Balance at the end of year	<u>2,445</u>	<u>2,445</u>
30 June 2017		
Balance at the beginning of year	10,206	10,206
Additions	-	-
Disposals	-	-
Depreciation Expense	(4,544)	(4,544)
Net Revaluation increase	-	-
Balance at the end of year	<u>5,662</u>	<u>5,662</u>

Veterinary Surgeons Board of South Australia
ISSN 2206 - 9895
ABN 81 994 904 775

Notes to the Financial Statements
For the Financial Year Ended 30 June 2018

	2018	2017
	\$	\$
8 Other Operating Expenses		
Allowances for doubtful debts	-	-
Other	-	146
Total other expenses	<u>-</u>	<u>146</u>
9 Cash & Cash Equivalents		
Cash on Hand	150	30
Cash at Bank	581,264	443,248
	<u>581,414</u>	<u>443,278</u>
Cash is measured at nominal amounts.		
10 Receivables		
Current		
Fines Receivable & Costs Recoverable	36,000	36,000
Provision for impairment	(a) (36,000)	(36,000)
	-	-
Receivables	6,821	3,500
Prepayments	11,510	10,891
GST recoverable	7,032	6,237
	<u>25,362</u>	<u>20,628</u>
10.1 Movement in the Allowance for Doubtful Debts		
Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Veterinary Surgeons Board of South Australia will not be able to collect the debt. Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.		
Carrying amount as at 1 July 2017	36,000	36,000
Increase the in the allowance	-	-
Amounts written off	-	-
Amounts recovered during the year	-	-
Increase/(Decrease) in the allowance recognised in profit or loss	-	-
Carrying amount as at 30 June 2018	<u>36,000</u>	<u>36,000</u>
11 Other financial assets		
BT Balanced Return Fund	<u>54,824</u>	<u>51,204</u>

506
05/11/18

Notes to the Financial Statements
For the Financial Year Ended 30 June 2018

	2018	2017
	\$	\$
12 Payables		
CURRENT		
Creditors	33,039	18,823
Superannuation payable	1,915	7,308
PAYG payable	2,981	9,345
GST Payable	-	-
Other Accruals	5,525	5,813
Total current payables	<u>43,460</u>	<u>41,289</u>

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owing but unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received. Employment on-costs are settled when the respective employee benefits that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

13 Employee Benefits		
CURRENT	\$	\$
Accrued Salaries and wages	3,503	-
Annual Leave	26,550	26,131
Long Service Leave	-	-
Total current employee benefits	<u>30,053</u>	<u>26,131</u>
NON CURRENT		
Long Service Leave	-	-
Total non current employee benefits	<u>-</u>	<u>-</u>
Total employee benefits	<u>30,053</u>	<u>26,131</u>

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

608
05/11/18

Notes to the Financial Statements
For the Financial Year Ended 30 June 2018

	2018	2017
14 Equity	\$	\$
Contributed capital		-
Accumulated Surplus	565,887	432,333
Financial Assets reserve	22,164	21,019
Total Equity	<u>588,051</u>	<u>453,352</u>

The Financial assets reserve is used to record increments and decrements in the quoted market (redemption) value as at balance date . Relevant amounts are transferred to retained earnings when a financial asset derecognised.

15 Related Parties

(a) The Veterinary Surgeons Board of South Australia's main related parties are as follows:

Key management personnel and Board members.

Related parties include close family members of key management personnel and Board members and entities that are controlled or significantly influenced by those key management personnel or Board members or their close family members.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Member Remuneration

Members and former members (including deputies) received remuneration in accordance with a remuneration determination of the Governor. Payments were in the form of retention allowances and sitting fees.

16 Prior Period Adjustment

Review of accrual for payroll expenses and associated superannuation relating to the financial year ended 30 June 2017 determined the accrual was no longer applicable and was reversed at 30 June 2018. As this matter related to a prior financial year it has been recorded as a prior period adjustment.

506
051118

Notes to the Financial Statements
For the Financial Year Ended 30 June 2018

	2018	2017
	\$	\$
17 Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	581,414	443,278
Balance as per the Statement of Cash Flows	<u>581,414</u>	<u>443,278</u>
Reconciliation of net cash provided by operating activities to net cost of providing services		
Net cash provided by (used in) operating activities	133,554	198,766
Less revenues from SA Government	-	-
Add payments to SA Government	-	-
Add/less non cash items		
Depreciation and amortisation expense of non-current assets	3,217	4,544
Impairment of non-current assets	-	-
(Increments) /decrements on revaluation of non-current assets	(3,620)	(2,689)
(Increase)/decrease in receivables	(4,734)	1,238
(Increase)/decrease in other assets	-	2,964
Increase/(decrease) in payables	2,171	(3,128)
Increase/(decrease) in employee benefits	16 6,403	5,002
Increase/(decrease) in other liabilities	-	(5,959)
Net cost of providing services	<u>136,991</u>	<u>200,738</u>

18 Financial Risk Management

Risk management is managed by the Veterinary Surgeons Board of South Australia.

The Veterinary Surgeons Board of South Australia's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

Financial instruments used

The principal categories of financial instrument used by the Veterinary Surgeons Board of South Australia are:

- Receivables
- Cash at Bank
- Payables
- Balanced Return Fund

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051118

Notes to the Financial Statements
For the Financial Year Ended 30 June 2018

18 Financial Risk Management (continued)

Category of Financial Asset and Financial Liability	Note	2018 Carrying amount / Fair value (\$'000)	2017 Carrying amount / Fair value (\$'000)	2018 Contractual maturities		
				Within 1 year (\$'000)	1-5 years (\$'000)	More than 5 years (\$'000)
Financial assets						
Cash and equivalent						
Cash and cash equivalent		581,414	443,278	n/a	n/a	n/a
Loans and receivables						
Receivables	(a) (b)	6,821	3,500	n/a	n/a	n/a
Held- to-maturity investments						
Other financial assets		54,824	51,204	n/a	n/a	n/a
Total financial assets		643,059	497,982			
Financial liabilities						
Financial liabilities at cost						
Payables	(a)	33,039	18,823			
Borrowings		-	-			
Finance lease liability		-	-			
Other financial liabilities		-	-			
Total financial liabilities		33,038.6	18,823			

(a) The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Government taxes, fees and charges). In government, certain rights to receive or pay cash may not be contractual and therefore, in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

(b) The receivables amount disclosed here excludes prepayments. Prepayments are presented in note 11 as trade and other receivables in accordance with paragraph 78(b) of AASB 101 *Presentation of Financial Statements*. However, prepayments are not financial assets as defined in AASB 132 *Financial Instruments: Presentation* as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

406
05/11/18

Notes to the Financial Statements
For the Financial Year Ended 30 June 2018

18 Financial Risk Management continued

(i) Interest rate risk

The Veterinary Surgeons Board of South Australia is exposed to interest rate risk as funds are held in cash on deposit.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +0.25% and -0.50% (2017: +0.25%/-0.50%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions and economist reports.

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

	2018		2017	
	+0.25%	-0.50%	+0.25%	-0.50%
	\$	\$	\$	\$
Net results	334	(668)	497	(994)
Retained Earnings	1,081	(2,162)	584	(1,168)

19 Impact of Standards and Statements not yet implemented

The Board has assessed the impact of:

- new and changed Australian Accounting Standards Board Standards and Interpretations not yet implemented; and
- changes to Accounting Policy Statements issued by the Treasurer.

The material impacts on The Board are outlined below.

19.1 AASB 9 – FINANCIAL INSTRUMENTS

AASB 9 applies to reporting periods commencing after 1 January 2018. The application date for the Board is 1 July 2018.

No quantitative or other impacts identified.

19.2 AASB 15 – REVENUE FROM CONTRACTS WITH CUSTOMERS

This Standard establishes the principles that the Board shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

AASB 15 applies to reporting periods commencing after 1 January 2019. The application date for The Board is 1 July 2019.

No quantitative or other impacts identified.

19.3 AASB 16 – LEASES

This standard introduces a single accounting model for lessees. The standard requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

AASB 16 applies to reporting periods commencing after 1 January 2019. The application date for the Board is 1 July 2019.

No quantitative or other impacts identified.

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05/11/18

Notes to the Financial Statements
For the Financial Year Ended 30 June 2018

20 Contingencies

In the opinion of the Board, the Veterinary Surgeons Board of South Australia did not have any contingencies as at 30 June 2018 (30 June 2017: None).

The following matters give rise to potential contingencies:

Anticipated cost order against the Board

Anticipated cost order against the Board (\$30,000) due to a June 2018 finding made by the Board, after conducting an inquiry under section 62 of the *Veterinary Practice Act 2003*, that a veterinary surgeon is not guilty of unprofessional conduct (as defined by section 3(1) of the *Veterinary Practice Act 2003*).

Workers' Compensation

The Board is an exempt employer under the Workcover Corporation Act 1994. The Board is responsible for the management of workers rehabilitation and compensation. As at 30 June 2018, there were no known workers' compensation claims.

21 Events after the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Veterinary Surgeons Board of South Australia, the results of those operations, or the state of affairs of the Veterinary Surgeons Board of South Australia in future financial years.

22 Statutory Information

The registered office and principal place of business is:

Veterinary Surgeons Board of South Australia
33 Hutt Street
ADELAIDE SA 5000

406
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**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF MANAGEMENT OF THE
VETERINARY SURGEONS BOARD OF SOUTH AUSTRALIA
FOR THE YEAR ENDED 30 JUNE 2018**

Report on the Financial Report

I have audited the accompanying financial report of the Veterinary Surgeons Board of South Australia, which comprises the Statement of Financial Position as at 30 June 2018, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Certification of the Financial Report.

The Responsibility of the Board of Management for the Financial Report

The members of the Board of the Veterinary Surgeons Board of South Australia are responsible for the preparation of the financial report in accordance with the Treasurer's Instructions promulgated under the provisions of the Public Finance and Audit Act 1987, the Veterinary Practice Act 2003, applicable Accounting Standards and Australian Accounting Interpretations. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I have conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board as well as evaluating the overall presentation of the financial report.

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

506
051118

Liability limited by a scheme approved under Professional Standards Legislation

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**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF MANAGEMENT OF THE
VETERINARY SURGEONS BOARD OF SOUTH AUSTRALIA
FOR THE YEAR ENDED 30 JUNE 2018**

Independence

In conducting my audit, I have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In my opinion:

The financial report of the Veterinary Surgeons Board of South Australia is in accordance with the requirements of the Treasurer's Instructions promulgated under the provisions of the Public Finance and Audit Act 1987, Public Sector Act 2009, Public Sector Regulations 2010 and the Veterinary Practice Act 2003 including

- i. giving a true and fair view of the entity's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards (including Australian Accounting Interpretations).



S D FRY
Chartered Accountant

Signed at Adelaide this 5th day of November 2018.