

Parliamentary Budget Advisory Service

Financial report
for the year ended
30 June 2018



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To the Chief Executive Department of Treasury and Finance

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Parliamentary Budget Advisory Service for the financial year ended 30 June 2018.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Parliamentary Budget Advisory Service as at 30 June 2018, its financial performance and its cash flows for year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- notes, comprising significant accounting policies and other explanatory information for administered items
- a Certificate from the Chief Executive and the Acting Director, Financial Services, Department of Treasury and Finance.

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 Parliamentary Budget Advisory Service. 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 have been met.

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

Responsibilities of the Chief Executive for the financial report

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, 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 that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial report

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
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- 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 Chief Executive 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.

A handwritten signature in black ink, appearing to read 'Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

Auditor-General

26 September 2018

We certify that the attached general purpose financial statements for the Parliamentary Budget Advisory Service:

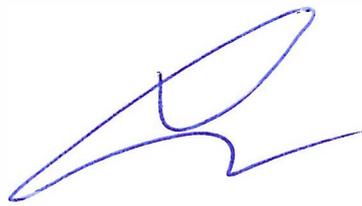
- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards
- are in accordance with the accounts and records of the entity; and
- present a true and fair view of the financial position of the entity 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 Parliamentary Budget Advisory Service for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



David Reynolds
Chief Executive
Department of Treasury and Finance

26 September 2018



Terry Crowe
A/Director, Financial Services
Department of Treasury and Finance

25 September 2018

**Parliamentary Budget Advisory Service
(PBAS)**

Financial Statements

For the year ended 30 June 2018

Parliamentary Budget Advisory Service
Statement of Comprehensive Income
for the year ended 30 June 2018

	Note	2018 \$'000
Expenses		
Employee benefits	3	462
Supplies and services	4	195
Total expenses		<u>657</u>
Net cost of providing services		<u>657</u>
Revenues from / (payments) to SA Government		
Revenues from SA Government	5	1 750
Payments to SA Government	5	(1 093)
Net result from operating activities		<u>657</u>
Total comprehensive result		<u><u>-</u></u>

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

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

Parliamentary Budget Advisory Service
Statement of Financial Position
as at 30 June 2018

The entity did not have any assets or liabilities as at 30 June 2018.

Parliamentary Budget Advisory Service
Statement of Changes in Equity
for the year ended 30 June 2018

	Retained Earnings \$'000	Total equity \$'000
Balance at 1 July 2017	-	-
Total comprehensive result for 2017-18	-	-
Balance at 30 June 2018	-	-

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

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

Parliamentary Budget Advisory Service
Statement of Cash Flows
for the year ended 30 June 2018

	2018
	\$'000
Cash flows from operating activities	
Cash outflows	
Employee benefit payments	(462)
Payments for supplies and services	<u>(195)</u>
Cash used in operations	<u>(657)</u>
Cash flows from SA Government	
Receipts from SA Government	1 750
Payments to SA Government	<u>(1 093)</u>
Cash generated from SA Government	<u>657</u>
Net cash provided by / (used in) operating activities	<u>-</u>
Net increase / (decrease) in cash and cash equivalents	<u>-</u>
Cash and cash equivalents at the beginning of the reporting period	-
Cash and cash equivalents at the end of the reporting period	<u><u>-</u></u>

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

Parliamentary Budget Advisory Service

Notes to and forming part of the Financial Statements

for the year ended 30 June 2018

1 Basis of financial statements

a) Reporting entity

The Parliamentary Budget Advisory Service (PBAS) was established under sections 27 and 28 of the *Public Sector Act 2009*, via the Public Sector (Parliamentary Budget Advisory Service) Proclamation 2017 to provide independent and consistent costings of policy undertakings made by registered political parties and other candidates for the 2018 South Australian election. The entity was abolished on 30 June 2018. All assets and liabilities of PBAS were transferred to Department of Treasury and Finance.

PBAS did not control any other entity and has no interest in unconsolidated structured entities. PBAS did not enter into any contractual arrangements which involve the sharing of control or significant influence over another entity.

b) Statement of compliance

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

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 provision of the *Public Finance and Audit Act 1987*.

PBAS has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the PBAS 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 PBAS for the period ending 30 June 2018.

c) 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 relevant accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes.
- accounting policies to be 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*.

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

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

d) Comparative information

Comparative information is not applicable as PBAS came into operation in 2017-18.

Parliamentary Budget Advisory Service
Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

1 Basis of financial statements (continued)

e) Taxation

PBAS is not subject to income tax. PBAS is liable for Payroll Tax, Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

The Department of Treasury and Finance (DTF) prepares the Business Activity Statements on behalf of PBAS under the grouping provision of GST legislation. Under these provisions, the net amount of GST recoverable from, or payable to the Australian Taxation Office (ATO) is included in DTF Financial Statements as DTF is liable for the payments and entitled to the recovery of 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
- receivables and payables which are stated with the amount of GST included.

2 Objectives

The Parliamentary Budget Advisory Service (PBAS) was established under sections 27 and 28 of the *Public Sector Act 2009*, via the Public Sector (Parliamentary Budget Advisory Service) Proclamation 2017 to provide independent and consistent costings of policy undertakings made by registered political parties and other candidates for the 2018 South Australian election.

Parliamentary Budget Advisory Service
Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

3 Employee benefits

	2018
	\$'000
Salaries and wages	334
Employment on-costs - superannuation	35
Employment on-costs - payroll tax	19
Annual leave	28
Skills and experience retention leave	3
Other employee related expenses	43
Total employee benefits	462

Key management personnel

Key management personnel of the agency included two members of the Executive team who had responsibility for the strategic direction and management of the agency. Total compensation for the entity's key management personnel was \$203 000.

Remuneration of employees

There were no staff whose remuneration exceeded the executive base level remuneration rate of \$147 000 in 2017-18.

4 Supplies and services

	2018
	\$'000
Accommodation and telecommunication	91
Corporate services charge	47
General administration and consumables	17
Information technology charges	25
Minor works, maintenance and equipment	15
Total supplies and services	195

5 Revenues from / (Payments to) SA Government

	2018
	\$'000
Revenues from SA Government	1 750
Return of cash balance to Consolidated Account	(1 093)
Total revenues from SA Government	657

Parliamentary Budget Advisory Service
Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

6 Unrecognised contractual commitments

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

There are not any unrecognised contractual commitments.

7 Related party transactions

PBAS was established to provide independent and consistent costings of policy undertakings made by registered political parties and other candidates for the 2018 South Australian election and was wholly owned and controlled by the Crown. Related parties of PBAS included 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.

Transactions with Key Management Personnel and other related parties

There were not any significant transactions identified between Key Management Personnel and other related parties.

8 Impact of standards and statements not yet implemented

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by PBAS for the period ending 30 June 2018.

9 Events after the reporting period

The entity was abolished effective 30 June 2018.