



State Supply Commission

Annual Report 2012-13

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Statement of Compliance

For the year ended 30 June 2013

To the Honourable Dr M Nahan MLA, Minister for Energy; Finance; Citizenship and Multicultural Interests.

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the Annual Report of the State Supply Commission for the financial year ended 30 June 2013.

The report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.



Anne Nolan
ACTING CHIEF EXECUTIVE OFFICER
STATE SUPPLY COMMISSION

6 September 2013

Overview

Summary

The *State Supply Commission Act 1991* (the Act) established the State Supply Commission (the Commission) in order to regulate government procurement of goods and services, primarily through the creation of supply policy. Over the past 20 years, public procurement of goods and services has matured markedly, due to the development of effective supply policies and through the introduction of a centralised procurement framework. This framework relies on well defined processes and trained procurement professionals, located within the Government Procurement business of the Department of Finance (Finance), who assist government agencies with their procurement activities.

Government has approved the transfer of the Commission's staff to Finance and the repeal of the Act. The Commission's staff and resources have now been transferred, and the State Supply Commission Board (the Board) is responsible for maintaining the framework for the procurement of goods and services and the policies that underpin that framework.

The Board continues to work with the State Solicitor's Office on a replacement framework. In light of this, Finance will continue to provide the administrative support required by the Board until such time as a replacement framework has been implemented.

Operational Structure

Enabling Legislation

The State Supply Commission was established as a statutory authority in 1991 under the *State Supply Commission Act 1991*.

Responsible Minister

The State Supply Commission is responsible to the Hon Dr M Nahan MLA, Minister for Energy; Finance; Citizenship and Multicultural Interests.

Mission

To achieve universal adoption of best practice in government procurement and disposals.

Board of the State Supply Commission

The Minister responsible for the *State Supply Commission Act 1991* appoints members to the State Supply Commission Board. During 2012-13, the Commission Board held one meeting.

The Chief Executive Officer of the State Supply Commission is an ex-officio member of the Commission Board in accordance with section 8(b) of the *State Supply Commission Act 1991*. Ms Anne Nolan is the Commission's Acting Chief Executive Officer and holds the ex-officio position.

Agency Performance and Disclosures

Performance indicators

Nil.

Significant issues impacting the agency

Nil. There has been no change in the activities of the State Supply Commission during the financial year.

Ministerial directives

Nil.

Other financial disclosures

Nil.

Employment and industrial relations

Nil.

Governance disclosures

Nil.

Other legal requirements

Nil.

Government policy requirements

A review of the State Supply Commission policies is being conducted with outcomes being delivered in the 2013-14 period.

Disclosures and Legal Compliance



Our Ref: 6325

Ms A Nolan
Director General
Department of Finance
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Dear Ms Nolan

DISPENSE WITH TWO AUDITS FOR YEAR-ENDING 30 JUNE 2013

- State Supply Commission
- Western Australian Building Management Authority

Pursuant to section 14(2) of the *Auditor General Act 2006*, the Auditor General has consulted with the Treasurer and I now advise that the State Supply Commission and the Western Australian Building Management Authority will not be audited for 2012-13. The consensus was that it would not be in the public interest to incur the cost of these audits.

These audits were also dispensed with for the 2009-10 and 2010-11 financial years and the required audit was conducted for 2011-12.

The Commission continues to have minimal activity and the Authority has ceased to operate. Both agencies are awaiting repeal of their legislation. Once abolished, a final audit of their records will be undertaken for the period from 1 July 2012 to their date of abolition.

Please note, however, that if an audit is not performed, the agencies are still required under the *Financial Management Act 2006* to prepare and table an annual report.

Should you wish to discuss any aspect of this matter, please contact me on 6557 7526.

Yours faithfully

DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL
ASSURANCE SERVICES
20 May 2013

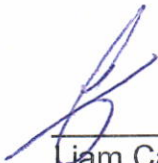
Financial Statements

Certification of Financial Statements

For the year ended 30 June 2013

The accompanying financial statements of the State Supply Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2013 and the financial position as at 30 June 2013.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Liam Carren
Chief Finance Officer

5 September 2013



Anne Nolan
Accountable Authority

6 September 2013

Statement of Comprehensive Income

For the year ended 30 June 2013

	Note	2013 \$	2012 \$
COST OF SERVICES			
Expenses			
Supplies and services ^(a)	4	659	500
Total cost of services		<u>659</u>	<u>500</u>
Income			
<i>Revenue</i>			
Other revenue		-	-
Total Revenue		<u>-</u>	<u>-</u>
Total income other than income from State Government		<u>-</u>	<u>-</u>
NET COST OF SERVICES		<u>659</u>	<u>500</u>
(DEFICIT) FOR THE PERIOD		<u>(659)</u>	<u>(500)</u>
OTHER COMPREHENSIVE INCOME			
Total other comprehensive income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>(659)</u>	<u>(500)</u>

(a) Supplies and services for the 2011/2012 financial year have been restated to include consumables.

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2013

	Note	2013 \$	2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents	8	383,794	384,440
Receivables ^(b)	5	300	313
Amounts receivable for services	6	22,000	22,000
Total Current Assets		406,094	406,753
TOTAL ASSETS		406,094	406,753
LIABILITIES			
Current Liabilities			
Payables ^(c)	7	3	3
Total Current Liabilities		3	3
TOTAL LIABILITIES		3	3
NET ASSETS		406,091	406,750
EQUITY			
Contributed equity		112,000	112,000
Accumulated surplus		294,091	294,750
TOTAL EQUITY		406,091	406,750

^(b) Receivables for the 2011/12 financial year have been restated to include other receivables and GST receivable.

^(c) Payables for the 2011/12 financial year have been restated to include trade payable.

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

Statement of Changes in Equity
For the year ended 30 June 2013

	Contributed equity	Accumulated surplus	Total equity
	\$	\$	\$
Balance at 1 July 2011	112,000	295,250	407,250
Total comprehensive income for the period	-	(500)	406,750
Balance at 30 June 2012	112,000	294,750	406,750
Balance at 1 July 2012	112,000	294,750	406,750
Total comprehensive income for the period	-	(659)	(659)
Balance at 30 June 2013	112,000	294,091	406,091

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

Statement of Cash Flows

For the year ended 30 June 2013

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Supplies and services		(646)	(814)
Receipts			
Other receipts		-	-
Net cash provided by/(used in) operating activities	8	<u>(646)</u>	<u>(814)</u>
Net increase/(decrease) in cash and cash equivalents		(646)	(814)
Cash and cash equivalents at the beginning of the period		<u>384,440</u>	<u>385,254</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		<u>383,794</u>	<u>384,440</u>

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

Notes to the Financial Statements

For the year ended 30 June 2013

Note 1. Australian Accounting Standards

General

The Commission's financial statements for the year ended 30 June 2013 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

The Commission has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurer's Instruction 1101 *Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Commission for the annual reporting period ended 30 June 2013.

Note 2. Summary of significant accounting policies

(a) General statement

The Commission is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's Instructions (TI). Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The *Financial Management Act 2006* and the Treasurer's Instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for land, buildings and infrastructure which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

(c) Reporting entity

The reporting entity comprises solely of the State Supply Commission.

(d) Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to contributed equity.

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

(e) Income

Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable.

(f) Financial instruments

The Commission's financial instruments consist of cash at bank and an amount receivable for services – holding account.

(g) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand. This amount is at call and is subject to insignificant risk of changes in value.

(h) Amounts receivable for services (holding account)

The Commission previously accrued funding on an accrual basis that recognised the full annual cash and non-cash cost of services. The appropriations were paid partly in cash and partly as an asset (holding account receivable). The accrued amount receivable was to be accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

At year end, the Commission has paid all its leave obligations and disposed of all its property, plant and equipment. The Commission does not intend employing staff or replacing assets. Accordingly, the Commission will not require the balance of funds in this account. (See note 6.)

(i) Comparative figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

Note 3. Disclosure of changes in accounting policy and estimates

The Commission has not applied any Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2011, as there have been no additional standards or interpretations that have impacted the Commission.

Future impact of Australian Accounting Standards not yet operative

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Consequently, the Commission has not applied early any of the following Australian Accounting Standards that have been issued that may impact the Commission.

Note 4. Supplies and services ^(a)

	2013	2012
	\$	\$
Bank fees and charges	659	814
Consumables	-	(314)
	<u>659</u>	<u>500</u>

^(a) Supplies and services for the 2011/12 financial year have been restated to include consumables.

Note 5. Receivables ^(b)

	2013	2012
	\$	\$
Other Receivable	305	305
GST Receivable	(5)	8
	<u>300</u>	<u>313</u>

^(b) Receivables for the 2011/12 financial year have been restated to include other receivables and GST receivable.

Note 6. Amounts receivable for services (Holding Account)

	2013	2012
	\$	\$
Current	22,000	22,000
	<u>22,000</u>	<u>22,000</u>

Represents the non-cash component of service appropriations. See note 2(h) "Amounts receivable for services (holding account)". It is restricted in that it can only be used for asset replacement or payment of leave liability. The Commission does not expect to have either.

Note 7. Payables ^(c)

	2013	2012
	\$	\$
Trade Payable	3	3
	<u>3</u>	<u>3</u>

^(c) Payables for the 2011/12 financial year have been restated to include trade payable.

Note 8. Notes to the Statement of Cash Flows

Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2013	2012
	\$	\$
Cash and cash equivalents	383,794	384,440
	<u>383,794</u>	<u>384,440</u>

Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

	2013	2012
	\$	\$
Net cost of services	(659)	(500)
<i>Decrease in assets:</i>		
Current receivables	13	-
<i>(Decrease) in liabilities:</i>		
Current payables	-	(314)
Net cash (used in) operating activities	<u>(646)</u>	<u>(814)</u>

Note 9. Commitments

Recurring Operating Commitments

The Commission does not have any expenditure commitments at 30 June 2013.

Non-Cancellable Operating Lease Commitments

The Commission does not have any operating lease commitments at 30 June 2013.

Note 10. Financial instruments

Financial risk management objectives and policies

Financial instruments held by the Commission are cash and an amount receivable for services – holding account. The Commission has limited or no exposure to financial risks.

The following table details the exposure to liquidity risk and interest rate risk as at the balance sheet date. The Commission's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown on the following table. The contractual maturity amounts in the table are representative of the undiscounted amounts at the balance sheet date.

The Commission does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

The Commission does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

	Interest rate exposure	
	Non-interest bearing	Carrying Amount
	\$	\$
2013		
Financial Assets		
Cash and cash equivalents	383,794	383,794
	<u>383,794</u>	<u>383,794</u>
2012		
Financial Assets		
Cash and cash equivalents	384,440	384,440
	<u>384,440</u>	<u>384,440</u>

Note 11. Remuneration of senior officers

Remuneration of Members of the Commission

The State Supply Commission has three appointed board members and one appointed substitute board member, none of whom are remunerated by the Commission.

Note 12. Contingent liabilities and contingent assets

The Commission did not have any contingent liabilities or contingent assets at balance date.

Note 13. Events occurring after the end of the reporting period

No events to report occurred after the balance sheet date.