



**Government
of South Australia**

**Mannum District Hospital
Health Advisory Council Inc.**

Mannum District Hospital Health Advisory Council Inc **2017-18 Annual Report**

Mannum District Hospital Health Advisory Council Inc

C/- Mannum District Hospital
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<http://www.sahealth.sa.gov.au/Mannum>

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Date presented to Minister: 28 September 2018

To:
Hon Stephen Wade MLC
Minister for Health and Wellbeing

This annual report is presented to Parliament to meet the statutory reporting requirements of the *Public Sector Act 2009*, the *Public Finance and Audit Act 1987* and the *Health Care Act 2008* 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 Mannum District Hospital Health Advisory Council Inc:

Peter Newton

Presiding Member



Signature

28 September 2018

Date

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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 Health Advisory Council was established by the then Minister for Health and Ageing to undertake an advocacy role on behalf of the community and to provide advice in relation to health matters, amongst other functions.

The constitution is available at <http://www.sahealth.sa.gov.au/>

Objectives

The Health Advisory Council undertakes an advocacy role on behalf of the community.

Key strategies and their relationship to SA Government objectives

The Health Advisory Council undertakes an advocacy role on behalf of the community.

Agency programs and initiatives and their effectiveness and efficiency

The Health Advisory Council undertakes an advocacy role on behalf of the community.

Legislation administered by the agency

The Health Advisory Council undertakes an advocacy role on behalf of the community.

Organisation of the agency

Health Advisory Councils in country South Australia undertake an advocacy role on behalf of the community. The Country Health SA Local Health Network Health Advisory Council Inc (Governing Council) acts as an 'umbrella body' for other Health Advisory Councils, providing advice from a whole of country perspective.

Regional Presiding Member representatives also come together as the Presiding Members Panel to facilitate communication exchange between the local Health Advisory Councils and the Governing Council.

Membership of the Health Advisory Council can include:

- Up to eight community members
- Nominee of Local Government
- A local Member of Parliament or their nominee
- A medical practitioner member
- A worker from Country Health SA Local Health Network

A list of current members is available at:

<http://www.sahealth.sa.gov.au/Mannum>

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

Country Health SA Local Health Network Inc

Country Health SA Local Health Network Health Advisory Council Inc (Governing Council)

Berri Barmera Health Advisory Council Inc

Coorong Health Service Health Advisory Council Inc

Loxton & Districts Health Advisory Council Inc

Mallee Health Service Health Advisory Council Inc

Murray Bridge Soldiers' Memorial Hospital Health Advisory Council Inc

Renmark Paringa District Health Advisory Council Inc

Waikerie & Districts Health Advisory Council Inc

Employment opportunity programs

The Health Advisory Council consists of volunteers who undertake an advocacy role on behalf of the community.

Agency performance management and development systems

The Health Advisory Council consists of volunteers who undertake an advocacy role on behalf of the community.

Work health, safety and return to work programs of the agency and their effectiveness

The Health Advisory Council consists of volunteers who undertake an advocacy role on behalf of the community.

Work health and safety and return to work performance

The Health Advisory Council consists of volunteers who undertake an advocacy role on behalf of the community.

Fraud detected in the agency

Category/nature of fraud	Number of instances
Nil	0

Strategies implemented to control and prevent fraud

Health Advisory Councils have specific functions and powers as defined in the *Health Care Act 2008* and the Constitution (for incorporated Health Advisory Councils or Rules (for non incorporated Health Advisory Councils), including actions that cannot be undertaken without the approval of the Minister.

Health Advisory Councils are instrumentalities of the Crown and subject to relevant Department of Treasury and Finance Treasurers Instructions.

The Constitutions / Rules identify the actions to be undertaken in the event of a conflict of interest. All declared conflicts of interest are reported to the Minister for Health through Country Health SA Local Health Network Inc.

Data for previous years is available at:

<https://data.sa.gov.au/data/dataset/country-health-sa-local-health-network>

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*

0

Data for previous years is available at:

<https://data.sa.gov.au/data/dataset/country-health-sa-local-health-network>

Executive employment in the agency

The Health Advisory Committee consists of volunteers who undertake an advocacy role on behalf of the community.

Data for previous years is available at:

<https://data.sa.gov.au/data/dataset/country-health-sa-local-health-network>

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
Consultancies below \$10,000 each		
Nil		
	Subtotal	0
Consultancies above \$10,000 each		
Nil		
Total all consultancies		0

Data for previous years is available at:

<https://data.sa.gov.au/data/dataset/country-health-sa-local-health-network>

See also 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

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

Contractor	Purpose	Value
Nil		0

Data for the past year is available at: <https://data.sa.gov.au/data/dataset/country-health-sa-local-health-network>

The details of all South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website [here](#).

The website also provides details of Across government contracts [here](#).

Financial performance of the agency

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

Donations and proceeds from fundraising activities received by the Health Advisory Council are held in its Gift Fund Trust. Distributions made from this trust must be to or for the benefit of the local public health service. A minimum distribution from the fund must be made annually in order to comply with the Australian Taxation Office guidelines. The net assets of the Gift Fund Trust as at 30 June 2018 were \$102,000.

The Health Advisory Council is also the registered proprietor of various land and buildings utilised by the local health service. As at 30 June 2018 the net assets of the Health Advisory Council were \$4,092,000.

Other financial information

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 under any other act or regulation

Health Care Act 2008
Part 4 Health Advisory Councils, Division 2 Functions and Powers, 18 Functions
<p>Act as an advocate to promote the interests of the community.</p> <ul style="list-style-type: none">• Provided membership to Mid Murray Council's Family Connection program to improve health parameters of local children.• Encourage community participation in programs: Eastern Hills Mallee Land Care Group were financed to attend to the landscaping of the Helipad surrounds.• Consult with other bodies that are interested in the provision of health services:- Liaised with Women's Legal Service to provide free legal counselling especially for domestic violence victims which is in progress.• Undertook local fundraising via People's Choice Credit Union raffle.• Ensured that correct dimensions of water tanks were installed adjacent helipad to meet with Civil Aviation Safety Authority guidelines. Tanks had to be lowered in height by approximately two metres to meet authorities standards.

Reporting required under the *Carers' Recognition Act 2005*

Not Applicable.

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

A whole of SA Health response will be provided in the 2017-18 Department for Health and Wellbeing Annual Report, which can be accessed at the following link:

<http://www.sahealth.sa.gov.au/wps/wcm/connect/public+content/sa+health+internet/about+us/publications+and+resources>

Data for previous years is available at:

<https://data.sa.gov.au/data/dataset/country-health-sa-local-health-network>

Appendix: Audited financial statements 2017-18

David Chant CA, FCPA
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MANNUM DISTRICT HOSPITAL HEALTH ADVISORY COUNCIL INC.

Report on the Financial Report

Audit Opinion

We have audited the accompanying financial report of Mannum District Hospital Health Advisory Council Inc. (the Health Advisory Council), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising summary of significant accounting policies and other explanatory information, and the statement by the presiding member and operational finance manager.

In our opinion, the financial report of Mannum District Hospital Health Advisory Council Inc. presents fairly in accordance with Treasurer's Instructions promulgated under the provisions of the Public Finance and Audit Act 1987, Department of Health Accounting Policies, the Health Care Act 2008, applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of Mannum District Hospital Health Advisory Council Inc. as at 30 June 2018 and the results of its operations and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Health Advisory Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia, and we have fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Health Advisory Council's Responsibility for the Financial Report

The Health Advisory Council is responsible for the preparation of the financial report that presents fairly in accordance with the Health Care Act 2008, Treasurer's Instructions promulgated under the provisions of the Public Finance and Audit Act 1987, Department of Health Accounting Policies, applicable Accounting Standards and other mandatory professional reporting requirements in Australia. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Auditor's Responsibility for the Audit of the Financial Report

Our 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 our 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Health Advisory Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Health Advisory Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Simon Smith CA, FCPA, Registered Company Auditor
Partner

11/09/2018

MANNUM DISTRICT HOSPITAL HEALTH ADVISORY COUNCIL INC
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Expenses			
Depreciation expense	6	177	170
Other expenses	3	236	-
Total expenses		<u>413</u>	<u>170</u>
Income			
Resources received free of charge	4	267	-
Total income		<u>267</u>	<u>-</u>
Net cost of providing services		146	170
Net result		<u>(146)</u>	<u>(170)</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment asset revaluation surplus		(64)	-
Total other comprehensive income		<u>(64)</u>	<u>-</u>
Total comprehensive result		<u>(210)</u>	<u>(170)</u>

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

MANNUM DISTRICT HOSPITAL HEALTH ADVISORY COUNCIL INC
STATEMENT OF FINANCIAL POSITION
As at 30 June 2018

	Note	2018	2017
		\$ '000	\$ '000
Non-current assets			
Property, plant and equipment	6	4,092	4,302
Total non-current assets		4,092	4,302
Net assets		4,092	4,302
Equity			
Asset revaluation surplus		384	448
Retained earnings		3,708	3,854
Total equity		4,092	4,302

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

MANNUM DISTRICT HOSPITAL HEALTH ADVISORY COUNCIL INC
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2018

	Asset revaluation surplus	Retained earnings	Total equity
Note	\$ '000	\$ '000	\$ '000
Balance at 30 June 2016	448	4,024	4,472
Net result for 2016-17	-	(170)	(170)
Total comprehensive result for 2016-17	-	(170)	(170)
Balance at 30 June 2017	448	3,854	4,302
Net result for 2017-18	-	(146)	(146)
Gain/(loss) on revaluation of land and buildings	6 (64)	-	(64)
Total comprehensive result for 2017-18	(64)	(146)	(210)
Balance at 30 June 2018	384	3,708	4,092

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

MANNUM DISTRICT HOSPITAL HEALTH ADVISORY COUNCIL INC
STATEMENT OF CASH FLOWS
For the year ended 30 June 2018

	Note	2018 \$ '000	2017 \$ '000
Net cash provided by/(used in) operating activities		-	-
Net cash provided by/(used in) investing activities		-	-
Net cash provided by/(used in) financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the period		-	-
Cash and cash equivalents at the end of the period		-	-

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

1 Basis of financial statements

1.1 Reporting entity

The Mannum District Hospital Health Advisory Council Inc (Advisory Council) was established as an incorporated advisory council under the Health Care Act 2008.

The financial statements include all controlled activities of the Advisory Council.

The Advisory Council does not control any other entity and has no interests in unconsolidated structured entities.

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

1.3 Basis of preparation

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).

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.

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.

The Advisory Council did not voluntarily change any of its accounting policies during 2017-18.

Significant accounting policies are set out below or in the notes.

1.4 Taxation

The Advisory Council is not subject to income tax but 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.

1.5 Equity

The Advisory Council uses the asset revaluation surplus to record increments and decrements in the fair value of land and buildings to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

MANNUM DISTRICT HOSPITAL HEALTH ADVISORY COUNCIL INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

2 Objectives and activities

The Mannum District Hospital Health Advisory Council Inc (Advisory Council) was established under the Health Care Act 2008 (the Act) to undertake an advocacy role on behalf of the community, to provide advice, and to perform other functions as determined under the Act.

The Advisory Council is established to:

- advise on the health service needs, priorities and issues within the Local Area with particular emphasis upon those issues in the context of consumers of health services, carers and volunteers
- ascertain the health needs of the Community and the attitude of the Community to the development of health services within the Community
- advocate on behalf of the Community to support the planning and provision of health services as part of an integrated statewide health system for the benefit of the Community
- hold assets for the benefit, purposes and use of, the Health Unit(s) on terms and conditions determined of approved by the Minister
- undertake such other activities as the Advisory Council may determine for the benefit or support of health services in the Local Area

The functions of the Advisory Council are to contribute significantly to the improved overall health status of all people by acting as an advocate and providing advice about the provision of health services, health issues, goals, priorities, plans and other strategic initiatives both inside and outside the Local Area.

3 Other expenses

	Note	2018 \$'000	2017 \$'000
Loss on revaluation of property	6	236	-
Total other expenses		236	-

4 Resources received free of charge

	2018 \$'000	2017 \$'000
Land and buildings	267	-
Total resources received free of charge	267	-

During 2017-18 completed capital works at the Mannum Health Service were transferred to the Advisory Council from Country Health SA Local Health Network Inc for nil consideration.

5 Property, plant and equipment

5.1 Acquisition and recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation. Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. Where assets are acquired at no or nominal value as part of a restructure of administrative arrangements, the assets are recorded at the value held by the transferor public authority prior to the restructure.

The Advisory Council capitalises all non-current tangible assets that it controls valued at or greater than \$10,000.

5.2 Depreciation

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

The useful lives and depreciation methods of all major assets held by the Advisory Council are reassessed on an annual basis. Changes in expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in an accounting estimate.

Land and non-current assets held for sale are not depreciated.

Depreciation is calculated on a straight line basis over the estimated or revised remaining useful life of the following classes of assets as follows:

<u>Class of asset</u>	<u>Useful life (years)</u>
Buildings and improvements	40 - 80
Site improvements	40 - 80

5.3 Revaluation

The Advisory Council revalues all land, buildings and site improvements triennially via a Certified Practising Valuer.

If at any time, management considers that the carrying amount of an asset greater than \$1 million materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Non-current tangible assets that are acquired between revaluations are held at cost, until the next valuation, when they are revalued to fair value.

Revaluation increases and revaluation decreases relating to individual assets within a class of property, are offset against one another within that class, but are not offset in respect of assets in different classes.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Upon disposal or derecognition, any asset revaluation surplus relating to that asset is transferred to retained earnings.

5.4 Impairment

The Advisory Council holds its property assets for their service potential (value in use). All non-current tangible assets are valued at fair value. Specialised assets would rarely be sold and typically any costs of disposal would be negligible, accordingly the recoverable amount will be closer to or greater than fair value. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement cost. The amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. For revalued assets, an impairment loss is offset against the revaluation surplus for that class of assets, to the extent that the impairment loss does not exceed the amount in the respective asset revaluation surplus.

There were no indications of impairment of property and infrastructure as at 30 June 2018.

5.5 Valuation of land and buildings

An independent valuation of land and buildings, including site improvements, was performed in March 2018 by a Certified Practising Valuer from AssetVal (JLT) Pty Ltd, as at 1 June 2018.

The valuer arrived at the fair value of unrestricted land using the market approach. The valuation was based on recent market transactions for similar land and buildings (non-specialised) in the area and includes adjustment for factors specific to the land and buildings being valued such as size, location and current use.

The valuer used depreciated replacement cost for specialised land and buildings, due to there not being an active market for such land and buildings. The depreciated replacement cost considered the need for ongoing provision of government services; specialised nature of the assets, including the restricted use of the assets; the size, condition, location and current use of the assets. The valuation was based on a combination of internal records, specialised knowledge and the acquisition/transfer costs.

6 Reconciliation of property, plant and equipment

The following table shows the movement:

2017-18	Land	Buildings	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	637	3,665	4,302
Assets received free of charge	-	267	267
Depreciation	-	(177)	(177)
Revaluation increment / (decrement)	(236)	-	(236)
Gains/(losses) for the period recognised in other comprehensive income:			
Revaluation increment / (decrement)	(21)	(43)	(64)
Carrying amount at the end of the period	380	3,712	4,092
Gross carrying amount	380	3,732	4,112
Accumulated depreciation	-	(20)	(20)
Carrying amount at the end of the period	380	3,712	4,092

MANNUM DISTRICT HOSPITAL HEALTH ADVISORY COUNCIL INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

2016-17	Land	Buildings	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	637	3,835	4,472
Depreciation	-	(170)	(170)
Carrying amount at the end of the period	637	3,665	4,302
Gross carrying amount	637	4,020	4,657
Accumulated depreciation	-	(355)	(355)
Carrying amount at the end of the period	637	3,665	4,302

7 Related party transactions

The Advisory Council is controlled by the SA Government.

Related parties of the Advisory Council 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 Advisory Council includes the Ministers, the Chief Executive of the Department, Chief Executive Officer of Country Health SA Local Health Network Inc and the members of the Advisory Council.

There were no transactions with key management personnel and other related parties that require disclosure.

8 Events after balance date

The Advisory Council is not aware of any material events occurring between the end of the reporting period and when the financial statements were authorised.

9 Remuneration of Council members

The total remuneration received or receivable by members was nil. In accordance with the Premier and Cabinet Circular No 016, government employees did not receive any remuneration for council member duties during the financial year. Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

MANNUM DISTRICT HOSPITAL HEALTH ADVISORY COUNCIL INC

CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the:

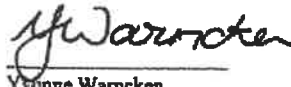
- attached general purpose financial statements of Mannum District Hospital Health Advisory Council Inc:
 - comply with the relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
 - are in accordance with the accounts and records of the Advisory Council; and
 - present a true and fair view of the financial position of the Advisory Council at the end of the financial year and the results of its operation and cash flows for the financial year.

- Internal controls employed by Mannum District Hospital Health Advisory Council Inc over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



Peter Newton
Presiding Member of the Mannum District Hospital Health
Advisory Council Inc

5 / 9 / 2018



Yvonne Warnken
Chief Finance Officer
Country Health SA Local Health Network Inc

5 / 09 / 2018

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Simon Smith CA, FCPA
David Sullivan CA, CPA
Jason Seidel CA
Renaë Nicholson CA
Tim Muhlhausler CA
Aaron Coonan CA
Luke Williams CA, CPA
Daniel Moon CA



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MANNUM DISTRICT HOSPITAL HEALTH ADVISORY COUNCIL INC. GIFT FUND TRUST

Report on the Financial Report

We have audited the accompanying financial report of Mannum District Hospital Health Advisory Council Inc. Gift Fund Trust (the Gift Fund Trust), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising summary of significant accounting policies and other explanatory information, and the statement by the presiding member and operational finance manager.

In our opinion, the financial report of Mannum District Hospital Health Advisory Council Inc. Gift Fund Trust presents fairly in accordance with Treasurer's Instructions promulgated under the provisions of the Public Finance and Audit Act 1987, Department of Health Accounting Policies, the Health Care Act 2008, applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of Mannum District Hospital Health Advisory Council Inc. Gift Fund Trust as at 30 June 2018 and the results of its operations and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Health Advisory Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia, and we have fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Health Advisory Council's Responsibility for the Financial Report

The Gift Fund Trust is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Health Care Act 2008, Treasurer's Instructions promulgated under the provisions of the Public Finance and Audit Act 1987, Department of Health Accounting Policies, applicable Accounting Standards and other mandatory professional reporting requirements in Australia. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

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Auditor's Responsibility for the Audit of the Financial Report

Our 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 our 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Health Advisory Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Health Advisory Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Simon Smith CA, FCPA, Registered Company Auditor
Partner

11/09/2018

MANNUM DISTRICT HOSPITAL HEALTH ADVISORY COUNCIL INC GIFT FUND TRUST
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Expenses			
Supplies and services	3	2	4
Grants and subsidies	4	18	203
Total expenses		20	207
Income			
Other revenues/income	5	6	177
Total income		6	177
Net cost of providing services		14	30
Net result		(14)	(30)
Total comprehensive result		(14)	(30)

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

MANNUM DISTRICT HOSPITAL HEALTH ADVISORY COUNCIL INC GIFT FUND TRUST
STATEMENT OF FINANCIAL POSITION
As at 30 June 2018

	Note	2018 \$ '000	2017 \$ '000
Current assets			
Cash and cash equivalents	6	113	108
Receivables	7	-	8
Total current assets		<u>113</u>	<u>116</u>
Total assets		<u>113</u>	<u>116</u>
Current liabilities			
Payables	8	11	-
Total current liabilities		<u>11</u>	<u>-</u>
Total liabilities		<u>11</u>	<u>-</u>
Net assets		<u>102</u>	<u>116</u>
Equity			
Retained earnings		102	116
Total equity		<u>102</u>	<u>116</u>

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

MANNUM DISTRICT HOSPITAL HEALTH ADVISORY COUNCIL INC GIFT FUND TRUST
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2018

	Note	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2016		146	146
Net result for 2016-17		(30)	(30)
Total comprehensive result for 2016-17		(30)	(30)
Balance at 30 June 2017		116	116
Net result for 2017-18		(14)	(14)
Total comprehensive result for 2017-18		(14)	(14)
Balance at 30 June 2018		102	102

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

MANNUM DISTRICT HOSPITAL HEALTH ADVISORY COUNCIL INC GIFT FUND TRUST
STATEMENT OF CASH FLOWS
For the year ended 30 June 2018

	Note	2018 \$ '000	2017 \$ '000
Cash flows from operating activities			
Cash outflows			
Payments for supplies and services		(2)	(4)
Payments of grants and subsidies		(16)	(214)
GST remitted		-	(2)
Cash used in operations		<u>(18)</u>	<u>(220)</u>
Cash inflows			
GST recovered		17	-
Other receipts		6	182
Cash generated from operations		<u>23</u>	<u>182</u>
Net cash provided by/(used in) operating activities		<u>5</u>	<u>(38)</u>
Net increase/(decrease) in cash and cash equivalents		5	(38)
Cash and cash equivalents at the beginning of the period		108	146
Cash and cash equivalents at the end of the period	6	<u>113</u>	<u>108</u>

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

MANNUM DISTRICT HOSPITAL HEALTH ADVISORY COUNCIL INC GIFT FUND TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

1 Basis of financial statements

1.1 Reporting entity

The Mannum District Hospital Health Advisory Council Inc Gift Fund Trust (the Trust) was established by virtue of a deed executed between the Department for Health and Wellbeing and the Mannum District Hospital Health Advisory Council Inc (the Trustee).

The financial statements include all controlled activities of the Trust.

The Trust does not control any other entity and has no interests in unconsolidated structured entities.

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

1.3 Basis of preparation

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).

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.

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.

The Trust did not voluntarily change any of its accounting policies during 2017-18.

Significant accounting policies are set out below or in the notes.

1.4 Taxation

The Trust is not subject to income tax but 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.

2 Objectives and activities

The Trust is a public ancillary fund and has been endorsed by the Australian Taxation Office as a Deductible Gift Recipient (DGR).

The Trust is established to:

- Seek, collect and administer donations and bequests, to be used for the benefit of the local area health services that are DGRs
- Undertake fundraising activities, the proceeds from which are to be used for the benefit of the local area health services that are DGRs

3 Supplies and services

	2018	2017
	\$'000	\$'000
Other supplies and services	2	4
Total supplies and services	2	4

MANNUM DISTRICT HOSPITAL HEALTH ADVISORY COUNCIL INC GIFT FUND TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

4 Grants and subsidies

	2018	2017
	\$'000	\$'000
Other	18	203
Total grants and subsidies	18	203

5 Other revenues/income

	2018	2017
	\$'000	\$'000
Donations	2	171
Other	4	6
Total other revenues/income	6	177

6 Cash and cash equivalents

	2018	2017
	\$'000	\$'000
Cash at bank or on hand: non-government financial institutions	113	108
Total cash	113	108

7 Receivables

	2018	2017
	\$'000	\$'000
Current		
GST input tax recoverable	-	8
Total current receivables	-	8
Total receivables	-	8

8 Payables

	2018	2017
	\$'000	\$'000
Current		
Creditors and accrued expenses	11	-
Total current payables	11	-
Total payables	11	-

9 Related party transactions

The Trust is controlled by the SA Government.

Related parties of the Trust 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 Trust includes the Ministers, the Chief Executive of the Department, Chief Executive Officer of Country Health SA Local Health Network Inc and the members of the Mannum District Hospital Health Advisory Council Inc.

There were no transactions with key management personnel and other related parties that require disclosure.

MANNUM DISTRICT HOSPITAL HEALTH ADVISORY COUNCIL INC GIFT FUND TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

10 Financial instruments / financial risk management

10.1 Financial risk management

Risk management is managed by the Department for Health and Wellbeing's Risk and Assurance Services section and risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

The Trust's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

10.2 Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / financial liability note.

The carrying amounts of each of the following categories of financial assets and liabilities: held-to-maturity investments; receivables; and financial liabilities measured at cost are detailed below.

Category of financial asset and financial liability	Notes	2018 Carrying amount/ Fair value \$'000	2017 Carrying amount/ Fair value \$'000
Financial assets			
Cash and equivalent			
Cash and cash equivalents	6	113	108
Total financial assets		113	108
Financial liabilities			
Financial liabilities at cost			
Payables ⁽¹⁾	8	11	-
Total financial liabilities		11	-

⁽¹⁾ Receivable and payable amounts disclosed here exclude statutory receivables and payables such as GST receivables and payables.

11 Events after balance date

The Trust is not aware of any material events occurring between the end of the reporting period and when the financial statements were authorised.

12 Remuneration of Council members

The total remuneration received or receivable by members was nil. In accordance with the Premier and Cabinet Circular No 016, government employees did not receive any remuneration for council member duties during the financial year. Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

MANNUM DISTRICT HOSPITAL HEALTH ADVISORY COUNCIL INC GIFT FUND TRUST

CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the:

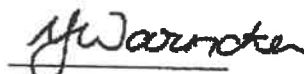
- attached general purpose financial statements of Mannum District Hospital Health Advisory Council Inc Gift Fund Trust:
 - comply with the relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
 - are in accordance with the accounts and records of the Trust; and
 - present a true and fair view of the financial position of the Trust at the end of the financial year and the results of its operation and cash flows for the financial year.
- Internal controls employed by Mannum District Hospital Health Advisory Council Inc Gift Fund Trust over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



Peter Newton

Presiding Member of the Mannum District Hospital Health
Advisory Council Inc (the Trustee)

5.9 / 2018



Yvonne Warncken

Chief Finance Officer
Country Health SA Local Health Network Inc

5.09 / 2018