

Professional Standards Council
of Western Australia

Financial Statements

For the year ended 30 June 2024

Protecting consumers
by improving professional
standards.





Auditor General

INDEPENDENT AUDITOR'S REPORT

2024

Professional Standards Council of Western Australia

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Professional Standards Council of Western Australia (Council) which comprise:

- the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Professional Standards Council of Western Australia for the year ended 30 June 2024 and the financial position as at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

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

Responsibilities of the Council for the financial statements

The Council is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Council.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are 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 the financial statements. 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.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Professional Standards Council of Western Australia. The controls exercised by the Professional Standards Council of Western Australia are those policies and procedures established to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with the State's financial reporting framework (the overall control objectives).

In my opinion, in all material respects, the controls exercised by the Professional Standards Council of Western Australia are sufficiently adequate to provide reasonable assurance that the controls within the system were suitably designed to achieve the overall control objectives identified as at 30 June 2024, and the controls were implemented as designed as at 30 June 2024.

The Council's responsibilities

The Council is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 Assurance Engagements on Controls issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

My independence and quality management relating to the report on financial statements and controls

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Council is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2024, but not the financial statements and my auditor's report.

My opinion on the financial statements and controls do not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements and controls, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Matters relating to the electronic publication of the audited financial statements

This auditor's report relates to the financial statements of the Professional Standards Council of Western Australia for the year ended 30 June 2024 included in the annual report on the Council's website. The Council's management is responsible for the integrity of the Council's website. This audit does not provide assurance on the integrity of the Council's website. The auditor's report refers only to the financial statements and controls described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.

Mark Ambrose
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
24 September 2024

Disclosures and legal compliance

Certification of financial statements

For the financial year ended 30 June 2024

The accompanying financial statements of the Professional Standards Council of Western Australia 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 2024 and the financial position as at 30 June 2024.

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



Mr John Vines OAM
Chair of the Professional Standards Council WA

24 September 2024



Ms Rachel Webber
Council Member

24 September 2024



Mr Rodolfo Montilva
A/Chief Finance Officer

24 September 2024



Professional Standards Council of Western Australia

Financial statements

The Professional Standards Council has pleasure in presenting its audited general purpose financial statements for the reporting period ended 30 June 2024 which provides users with the information about the Council's stewardship of resources entrusted to it. The financial information is presented in the following structure:

Index	Page
Certification of financial statements	2
Statement of comprehensive income	4
Statement of financial position.....	5
Statement of changes in equity	6
Statement of cash flows	7
Notes to the financial statements	8
1. Basis of preparation	8
Statement of compliance.....	8
Basis of preparation	8
Accounting for Goods and Services Tax (GST).....	8
Contributed equity	8
Comparative information	8
Judgements and estimates	8
2. Use of our funding	9
2.1 Supplies and Services.....	9
3. Our funding sources	10
3.1 Income from State Government.....	10
3.2 Other Income.....	10
4. Other assets and liabilities.....	11
4.1 Receivables.....	11
4.2 Payables.....	11
5. Financing.....	12
5.1 Cash and cash equivalents	12
6. Financial instruments and contingencies.....	12
6.1 Financial instruments	12
6.2 Contingent assets and liabilities.....	12
7. Other disclosures	13
7.1 Events occurring after the end of the reporting period.....	13
7.2 Key management personnel	13
7.3 Related party transactions	14
7.4 Related bodies	14
7.5 Affiliated bodies	14
7.6 Remuneration of auditors.....	14
7.7 Supplementary financial information	14

Professional Standards Council of Western Australia

Primary financial statements

Statement of comprehensive income

For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
COST OF SERVICES			
Expenses			
Supplies and services	2.1	215,589	224,855
Total cost of services		215,589	224,855
Income			
Scheme fees	3.2	139,400	132,600
Total income		139,400	132,600
Net cost of services		76,189	92,255
Income from State Government			
Resources received	3.1	91,027	97,452
Total income from State Government		91,027	97,452
Surplus for the period		14,838	5,197
Total comprehensive income/ (loss) for the period		14,838	5,197

The Statement of comprehensive income should be read in conjunction with the accompanying notes.



Professional Standards Council of Western Australia

Primary financial statements

Statement of financial position

As at 30 June 2024

	Notes	2024 \$	2023 \$
Assets			
Current Assets			
Cash and cash equivalents	5.1	365,126	315,451
Receivables	4.1	10,662	12,176
Total Current Assets		375,788	327,627
Total assets		375,788	327,627
Liabilities			
Current Liabilities			
Payables	4.2	80,435	47,112
Total Current Liabilities		80,435	47,112
Total liabilities		80,435	47,112
Net assets		295,353	280,515
Equity			
Accumulated surplus		295,353	280,515
Total equity		295,353	280,515

The Statement of financial position should be read in conjunction with the accompanying notes.



Professional Standards Council of Western Australia

Primary financial statements

Statement of changes in equity

For the year ended 30 June 2024

	Accumulated surplus/(deficit)	Total equity
	\$	\$
Balance at 1 July 2022	275,318	275,318
Total comprehensive income for the period	5,197	5,197
Total	280,515	280,515
Balance at 30 June 2023	280,515	280,515
Balance at 1 July 2023	280,515	280,515
Total comprehensive income/(loss) for the period	14,838	14,838
Total	295,353	295,353
Balance at 30 June 2024	295,353	295,353

The Statement of changes in equity should be read in conjunction with the accompanying notes.



Professional Standards Council of Western Australia

Primary financial statements

Statement of cash flows

For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
Cash flows from operating activities			
Payments			
Supplies and services		(94,270)	(123,263)
GST payments on purchases		(9,427)	(12,326)
Receipts			
Scheme fees		141,300	130,350
GST receipts from taxation authority		12,071	12,529
Net cash provided by/(used in)operating activities		49,674	7,290
Net increase/(decrease) in cash and cash equivalents		49,674	7,290
Cash and cash equivalents at the beginning of the period		315,451	308,161
Cash and cash equivalents at the end of the period	5.1	365,126	315,451

The Statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

1. Basis of preparation

The Professional Standards Council (the Council) is a Government not-for-profit entity controlled by the State of Western Australia, which is the ultimate parent. A description of the nature of its operations and its principal activities has been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the accountable authority of the Council on 24 September 2024.

Statement of compliance

The financial statements constitute general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by Treasurer's instructions. Several of these are modified by Treasurer's instructions to vary application, disclosure, format and wording.

The Act and Treasurer's instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards (AAS), the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board. 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.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest dollar.

Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- a) amount of GST incurred by the Council as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- b) receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Contributed equity

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 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.

Comparative information

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Professional Standards Council of Western Australia

Notes to the financial statements

2. Use of our funding

Expenses incurred in the delivery of services

This section provides additional information about how the Council's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Council in achieving its objectives and the relevant notes are:

	Notes
Supplies and Services	2.1

2.1 Supplies and Services

	2024	2023
	\$	\$
Supplies and services		
Agency and support services ^(a)	124,562	127,403
Services received free of charge (Note 3.1)	91,027	97,452
Total supplies and services expenses	215,589	224,855

(a) This expenditure is incurred by the NSW Department of Customer Service and is recharged to the Council pursuant to the Inter-Departmental Service Agreement and includes the Office of the Auditor General audit fee as disclosed in Note 7.6.

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

Professional Standards Council of Western Australia

Notes to the financial statements

3. Our funding sources

How we obtain our funding

This section provides additional information about how the Council obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Council and the relevant notes are:

	Notes
Income from State Government	3.1
Other Income	3.2

3.1 Income from State Government

	2024	2023
	\$	\$
Resources received from other public sector entities during the period:		
Services received free of charge from the Department of Justice (Corporate Services)	91,027	97,452
Total income from State Government	91,027	97,452

Resources received from other public sector entities is recognised as income equivalent to the fair value of those services that can be reliably determined and which would have been purchased if not donated.

3.2 Other Income

	2024	2023
	\$	\$
Scheme Fees	139,400	132,600
Total Other Income	139,400	132,600

Scheme Fees are pursuant to Professional Standards Regulations 1998. Application fees are recognised on receipt and annual fees are recognised on a straight line basis over the annual scheme period, with accruals raised where regulated fees have not been received at 30 June. Where a scheme year is not equal to the fiscal year, a portion of the revenue is deferred until the next fiscal year. During the current year and the prior comparative year there were no schemes in operation that required revenue deferral consideration.

Professional Standards Council of Western Australia

Notes to the financial statements

4. Other assets and liabilities

This section sets out those assets and liabilities that arose from the Council's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes
Receivables	4.1
Payables	4.2

4.1 Receivables

	2024	2023
	\$	\$
Current		
Receivables	3,350	5,250
GST receivable	7,312	6,926
Total receivables at end of the period	10,662	12,176

Receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e., impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

For receivables, the Council would recognise an expected credit loss on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. However, the Council does not issue invoices as its receivables are paid in terms of statutory regulation. The Council has had no historical credit loss experience, so no expected credit loss is recognised by the Council with respect to these receivables.

4.2 Payables

	2024	2023
	\$	\$
Current		
Accrued expenses	80,435	47,112
Total payables at end of period	80,435	47,112

Payables are recognised at the amounts payable when the Council becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value as settlement for the Council is generally within 20 days.

Professional Standards Council of Western Australia

Notes to the financial statements

5. Financing

This section sets out the material balances and disclosures associated with the financing and cash flows of the Council.

	Notes
Cash and cash equivalents	5.1

5.1 Cash and cash equivalents

	2024	2023
	\$	\$
Cash and cash equivalents	365,126	315,451
Balance at end of period	365,126	315,451

For the purpose of the statement of cash flows, cash and cash equivalent assets comprise cash at bank which is subject to insignificant risk of changes in value.

6. Financial instruments and contingencies

This note sets out the key risk management policies and measurement techniques of the Council.

	Notes
Financial instruments	6.1
Contingent assets and liabilities	6.2

6.1 Financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2024	2023
	\$	\$
Financial assets		
Cash and cash equivalents	365,126	315,451
Financial assets at amortised cost ^(a)	3,350	5,250
Total financial assets	368,476	320,701
Financial liabilities		
Financial liabilities at amortised cost ^(b)	73,123	47,112
Total financial liability	73,123	47,112

(a) The amount of financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

(b) The amount of financial liabilities at amortised cost excludes GST payable to the ATO (statutory payable)

Measurement

All financial assets and liabilities are carried without subsequent remeasurement.

6.2 Contingent assets and liabilities

There were no contingent assets and contingent liabilities as at 30 June 2024 (2023: nil).

Professional Standards Council of Western Australia

Notes to the financial statements

7. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	7.1
Key management personnel	7.2
Related party transactions	7.3
Related bodies	7.4
Affiliated bodies	7.5
Remuneration of auditors	7.6
Supplementary financial information	7.7
Key Performance Indicators	7.8

7.1 Events occurring after the end of the reporting period.

There were no events occurring after the end of the reporting period.

7.2 Key management personnel

The Council has determined key management personnel to include Cabinet Ministers and members of the Council. The Council does not incur expenditures to compensate Ministers and those disclosures may be found in the *Annual Report on State Finances*.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for members of the Council for the reporting period are presented within the following bands:

Compensation band (\$)	2024	2023
50,001 – 100,000	1	1
0 – 50,000	13	9
	2024	2023
	\$	\$
Total compensation of senior officers	266,063	254,281

In accordance with the Professional Standards Agreement 2011, the remuneration for the Professional Standards Councils members is set by the NSW government in line with NSW guidelines. The NSW government manages payroll processing for the eight national Professional Standards Councils. The eight national Professional Standards Councils meet in unison. The above values represent total remuneration of the eight Professional Standards Councils. Per the Inter-Departmental Service Agreement, the Council is required to fund 2.62% (\$6,971) (2023: 2.67% (\$6,884)) of the Councils members' remuneration. Total compensation of \$266,063 (2023: \$254,281) includes the superannuation expense incurred by the Council in respect of members.

Following jurisdictional consultation of the remuneration of comparable bodies, in September 2018 the NSW Minister for Innovation and Better Regulation, in accordance with the Professional Standards Agreement 2011, set the rate of remuneration (Superannuation Guarantee exclusive) at \$20,000 per annum for Councils' members and \$50,000 per annum for the Councils' Chairperson.

Professional Standards Council of Western Australia

Notes to the financial statements

7.3 Related party transactions

The Council is a wholly owned public sector entity that is controlled by of the State of Western Australia.

Related parties of the Council include:

- all Cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all members and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities); and
- associates and joint ventures of a wholly-owned public sector entity.

Material transactions with related parties

Outside of normal citizen type transactions with the Council, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

7.4 Related bodies

The Council had no related bodies during the financial year (2023: nil)

7.5 Affiliated bodies

The Council had no affiliated bodies during the financial year (2023: nil)

7.6 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2024	2023
	\$	\$
Auditing the accounts, financial statements and controls	14,100	12,750

7.7 Supplementary financial information

(a) Write-offs

There were no losses of public moneys or other public property through theft or default during the financial year (2023: nil).

(b) Losses through theft, defaults and other causes

There were no write offs of public money or other public property during the financial year (2023: nil).

(c) Gift of public property

There were no gifts of public property during the financial year (2023: nil).

Professional Standards Councils Professional Standards Authority

pscinfo@psc.gov.au

psc.gov.au



Government of Western Australia
Department of Justice

© 2024 Professional Standards Councils of Western Australia

This addendum has been prepared by the Professional Standards Council of Western Australia for general and audit information purposes. Recipients should obtain their own independent advice before making any decisions that rely upon this information. You may copy, distribute, display, download and otherwise freely deal with this work for any purpose, provided that you attribute the Professional Standards Council of Western Australia as the owner, however, you must obtain permission from the Professional Standards Council of Western Australia if you wish to (a) charge others for access to the work (other than at cost), (b) include the work in advertising or a product for sale, or (c) modify the work.

Published in September 2024 by the Professional Standards Council of Western Australia.

psc.gov.au