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To the Judicial Conduct Commissioner Judicial Conduct Commissioner

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Judicial Conduct Commissioner for the financial year ended 30 June 2019.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Judicial Conduct Commissioner as at 30 June 2019, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2019
- a Statement of Financial Position as at 30 June 2019
- a Statement of Changes in Equity for the year ended 30 June 2019
- a Statement of Cash Flows for the year ended 30 June 2019
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Judicial Conduct Commissioner.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Judicial Conduct Commissioner. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants* have been met.

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

Responsibilities of the Judicial Conduct Commissioner for the financial report

The Judicial Conduct Commissioner is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial report


My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Judicial Conduct Commissioner's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Judicial Conduct Commissioner
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Judicial Conduct Commissioner about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

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

Andrew Richardson

Auditor-General

27 September 2019

Judicial Conduct Commissioner

Financial Statements

For the year ended 30 June 2019

Judicial Conduct Commissioner
Certification of the Financial Statements
for the year ended 30 June 2019

I certify that the attached general purpose financial statements for the Judicial Conduct Commissioner:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards
- are in accordance with the accounts and records of the Judicial Conduct Commissioner
- present a true and fair view of the financial position of the Judicial Conduct Commissioner as at 30 June 2019 and the results of its operations and cash flows for the financial year.

I certify that the internal controls employed by the Judicial Conduct Commissioner for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



The Hon. Bruce Lander QC
Judicial Conduct Commissioner

26 September 2019

Judicial Conduct Commissioner
Statement of Comprehensive Income
for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Expenses			
Employee benefits expenses	2.2	-	2
Supplies and services	3.1	3	20
Other expenses	3.2	4	8
Total expenses		7	30
Income			
Recoveries	4.1	6	61
Total income		6	61
Net cost of providing services		1	(31)
Net result		(1)	31
Total comprehensive result		(1)	31

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

Judicial Conduct Commissioner
Statement of Financial Position
as at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Current liabilities			
Payables	5.1	5	4
Total current liabilities		<u>5</u>	<u>4</u>
Total liabilities		<u>5</u>	<u>4</u>
Net assets		<u>(5)</u>	<u>(4)</u>
Equity			
Retained earnings		(5)	(4)
Total equity		<u>(5)</u>	<u>(4)</u>

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Judicial Conduct Commissioner
Statement of Changes in Equity
for the year ended 30 June 2019

	<u>Retained earnings</u>
	<u>\$'000</u>
Balance at 1 July 2017	(35)
Net result for 2017-18	31
Total comprehensive results for 2017-18	<u>31</u>
Balance at 30 June 2018	<u>(4)</u>
Net result for 2018-19	(1)
Total comprehensive results for 2018-19	<u>(1)</u>
Balance at 30 June 2019	<u><u>(5)</u></u>

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

Judicial Conduct Commissioner
Statement of Cash Flows
for the year ended 30 June 2019

	2019 (Outflows) Inflows \$'000	2018 (Outflows) Inflows \$'000
Cash flows from operating activities		
Cash outflows		
Employee benefits payments	-	(20)
Payments for supplies and services	(6)	(41)
Cash used in operations	(6)	(61)
Cash inflows		
Recoveries	6	61
Cash generated from operations	6	61
Net cash provided by / (used in) operating activities	-	-
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the reporting period	-	-
Cash and cash equivalents at the end of the reporting period	-	-

The accompanying notes form part of these financial statements.

Judicial Conduct Commissioner
Notes to and forming part of the financial statements
for the year ended 30 June 2019

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Judicial Conduct Commissioner
Notes to and forming part of the financial statements
for the year ended 30 June 2019

1. About the Judicial Conduct Commissioner

The Judicial Conduct Commissioner (the Commissioner) was established pursuant to the *Judicial Conduct Commissioner Act 2015*.

As the Commissioner is a not-for-profit entity, Australian Accounting Standards that are applicable for not-for-profit entities have been applied. Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Commissioner for the period ending 30 June 2019.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statement issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards with reduced disclosure requirements.

For the 2018-19 financial statements the Commissioner adopted AASB 9 – *Financial Instruments* and is required to comply with new *Treasurer's Instructions (Accounting Policy Statements)* issued on 22 March 2019. Further information is provided in note 7.1.

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

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except:

- When the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, 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.

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.

1.2. Objectives

The office of the Judicial Conduct Commissioner opened on 5 December 2016. The principal function of the Commissioner is to receive and deal with complaints made in accordance with the *Judicial Conduct Commissioner Act 2015* about serving judicial officers in relation to the conduct of those judicial officers. The Judicial Conduct Commissioner's activity fluctuates depending on the number of complaints it receives.

Judicial Conduct Commissioner
Notes to and forming part of the financial statements
for the year ended 30 June 2019

2. Board, committees and employees

2.1. Key management personnel

The Judicial Conduct Commissioner is both independent and accountable to the Crown.

Related parties include all key management personnel and their close family members.

There were no individually significant transactions with key management personnel and other related parties.

Key management personnel include the Commissioner who has responsibility for strategic direction and management.

Total compensation for the Commissioner was nil.

2.2. Employee benefits expenses

	2019 \$'000	2018 \$'000
Salaries and wages	-	14
Long service leave	-	(6)
Annual leave	-	(6)
Total employee benefits expenses	-	2

3. Expenses

3.1. Supplies and services

	2019 \$'000	2018 \$'000
Shared Services SA charges	-	17
Marketing information	1	-
Information and communications technology	2	3
Total supplies and services	3	20

3.2. Other expenses

	2019 \$'000	2018 \$'000
Other expenses	4	8
Total other expenses	4	8

Judicial Conduct Commissioner
Notes to and forming part of the financial statements
for the year ended 30 June 2019

4. Income

4.1. Recoveries

	2019 \$'000	2018 \$'000
Recoveries	6	61
Total recoveries	6	61

5. Liabilities

5.1. Payables

	2019 \$'000	2018 \$'000
Current		
Creditors	1	-
Accruals	4	4
Total current payables	5	4
Total payables	5	4

6. Cash flow

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.

7. Changes in accounting policy

7.1. Treasurer's Instructions (Accounting Policy Statements)

On 22 March 2019 the *Treasurer's Instructions (Accounting Policy Statements)* 2019 were issued by the Treasurer under the *Public Finance and Audit Act 1987*. The Accounting Policy Statements replaced the following Accounting Policy Frameworks:

- Purpose and Scope
- General Purpose Financial Statements Framework
- Asset Accounting Framework
- Financial Asset and Liability Framework
- Income Framework
- Definitions.

The new Accounting Policy Statements have largely been prepared on a no-policy change basis.

These changes, however, do not impact on the amounts reported in the financial statements.

Judicial Conduct Commissioner
Notes to and forming part of the financial statements
for the year ended 30 June 2019

7. Changes in accounting policy (continued)

7.2. AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces the provisions of AASB 139 that relate to recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 from 1 July 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in financial statements.

As part of the adoption of AASB 9, the Commissioner adopted consequential amendments to other accounting standards and the *Treasurer's Instructions (Accounting Policy Statements)* arising from the issue of AASB 9 as follows:

- *AASB 101 Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of comprehensive income. In prior year, this information was presented as part of other expenses.
- *AASB 7 Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, these disclosures have been provided for the current year because the comparatives have not been restated.

In accordance with transitional provisions and the *Treasurer's Instructions (Accounting Policy Statements)*, AASB 9 *Financial Instruments* was adopted without restating comparative information for classification and measurement requirements. All adjustments relating to classification and measurement are recognised in retained earnings at 1 July 2018.

The adoption of AASB 9 has not had a significant effect on the recognition, measurement or classification of financial liabilities.

8. Outlook

8.1. Unrecognised contractual commitments

There are no material commitments as at 30 June 2019.

8.2. Contingent assets and liabilities

The Commissioner is not aware of any contingent assets or liabilities in relation to its activities.

8.3. Events after the reporting period

There are no known events after balance date that affects these financial statements in a material manner.

9. Measurement and Risk

9.1. Financial instruments

Liquidity / funding risk

The continual existence of the Commissioner in its present form is dependent on State Government policy and recoveries provided by the Attorney-General's Department (AGD).

The Commissioner has received representation from the AGD that recoveries will be provided in 2019-20 to enable the Commissioner to continue its activities.