

# Judicial Conduct Commissioner

Financial report  
for the year ended  
30 June 2018



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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 2018.

### 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 2018, 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 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- notes, comprising significant accounting policies and other explanatory information
- 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
- 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 'Andrew Richardson', with a long horizontal stroke extending to the right.

Andrew Richardson

**Auditor-General**

24 September 2018

**Judicial Conduct Commissioner**  
**Certification of the Financial Statements**  
*for the year ended 30 June 2018*

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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 2018 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

24 September 2018

# **Judicial Conduct Commissioner**

## **Financial Statements**

For the year ended 30 June 2018

**Judicial Conduct Commissioner**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2018*

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	Note	2018 \$'000	2017 \$'000
<b>Expenses</b>			
Employee benefits	3	2	66
Supplies and services	4	20	35
Other expenses	5	8	5
<b>Total expenses</b>		<u>30</u>	<u>106</u>
<b>Income</b>			
Recoveries	6	61	71
<b>Total income</b>		<u>61</u>	<u>71</u>
<b>Net cost of providing services</b>		<u>( 31)</u>	<u>35</u>
<b>Net result</b>		<u>31</u>	<u>( 35)</u>
<b>Total comprehensive result</b>		<u>31</u>	<u>( 35)</u>

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

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

**Judicial Conduct Commissioner**  
**Statement of Financial Position**  
*as at 30 June 2018*

	Note	2018 \$'000	2017 \$'000
<b>Current assets</b>			
Cash and cash equivalents		-	-
Receivables	7	-	1
<b>Total current assets</b>		-	1
<b>Total assets</b>			
		-	1
<b>Current liabilities</b>			
Payables	8	4	20
Employee benefits	9	-	10
<b>Total current liabilities</b>		4	30
<b>Non-current liabilities</b>			
Employee benefits	9	-	6
<b>Total non-current liabilities</b>		-	6
<b>Total liabilities</b>			
		4	36
<b>Net assets</b>			
		(4)	(35)
<b>Equity</b>			
Retained earnings		(4)	(35)
<b>Total equity</b>		(4)	(35)

The total equity is attributable to the SA Government as owner.

Unrecognised contractual commitments	12
Contingent assets and liabilities	13

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

**Judicial Conduct Commissioner**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2018*

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	<u>Retained earnings</u>
	\$'000
Balance at 30 June 2016	-
Net result for 2016-17	(35)
<b>Total comprehensive results for 2016-17</b>	<b>(35)</b>
Balance at 30 June 2017	(35)
Net result for 2017-18	31
<b>Total comprehensive results for 2017-18</b>	<b>31</b>
Balance at 30 June 2018	<b>(4)</b>

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

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

**Judicial Conduct Commissioner**  
**Statement of Cash Flows**  
*for the year ended 30 June 2018*

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	2018	2017
	(Outflows)	(Outflows)
	Inflows	Inflows
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
<b>Cash outflows</b>		
Employee benefits	(20)	(50)
Supplies and services	(41)	(21)
<b>Cash used in operations</b>	<u>(61)</u>	<u>(71)</u>
<b>Cash inflows</b>		
Recoveries	61	71
<b>Cash generated from operations</b>	<u>61</u>	<u>71</u>
<b>Net cash provided by / (used in) operating activities</b>	<u>-</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	<u>-</u>	<u>-</u>
Cash and cash equivalents at the beginning of the reporting period	-	-
<b>Cash and cash equivalents at the end of the reporting period</b>	<u><u>-</u></u>	<u><u>-</u></u>

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

**Judicial Conduct Commissioner**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**1 Basis of financial statements**

**1.1 Statement of compliance**

The Judicial Conduct Commissioner (the Commissioner) has prepared the financial statements in compliance with section 23 of the *Public Finance and Audit Act 1987* (PFAA).

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards (Reduced Disclosure Requirements) and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

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 2018.

**1.2 Basis of preparation**

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires the Commissioner to exercise his judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*.

The Commissioner's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

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

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

Significant accounting policies are set out in the notes.

**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, provided that the impugned conduct bears upon their judicial functions or judicial duties.

**Judicial Conduct Commissioner**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

**3 Employee benefits**

	2018	2017
	\$'000	\$'000
Salaries and wages	14	44
Long service leave	(6)	6
Annual leave	(6)	8
Employment on-costs - superannuation	-	5
Employment on-costs - other	-	3
<b>Total employee benefits expenses</b>	<b>2</b>	<b>66</b>

**Key management personnel**

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

Total compensation for the Commissioner was nil.

**4 Supplies and services**

	2018	2017
	\$'000	\$'000
Shared Services SA charges	17	8
Marketing information	-	7
Subcontractors	-	4
Information and communications technology	3	4
Records management	-	3
Consumer education	-	2
Consultants	-	2
Printing	-	2
Website development	-	2
Interpreting costs	-	1
<b>Total supplies and services</b>	<b>20</b>	<b>35</b>

The number of consultancies and dollar amount paid/payable (included in supplies and services expense) that fell within the following bands:

	2018	2018	2017	2017
	Number	\$'000	Number	\$'000
Below \$10 000	-	-	1	2
<b>Total paid / payable to the consultants engaged</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>2</b>

**5 Other expenses**

	2018	2017
	\$'000	\$'000
Other expenses	8	5
<b>Total other expenses</b>	<b>8</b>	<b>5</b>

**Judicial Conduct Commissioner**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**6 Recoveries**

	2018	2017
	\$'000	\$'000
Recoveries	61	71
<b>Total recoveries</b>	<b>61</b>	<b>71</b>

**7 Receivables**

	2018	2017
	\$'000	\$'000
<b>Current</b>		
GST receivable	-	1
<b>Total current receivables</b>	<b>-</b>	<b>1</b>
<b>Total receivables</b>	<b>-</b>	<b>1</b>

**8 Payables**

	2018	2017
	\$'000	\$'000
<b>Current</b>		
Creditors	-	14
Accruals	4	5
Employee on-costs	-	1
<b>Total current payables</b>	<b>4</b>	<b>20</b>
<b>Total payables</b>	<b>4</b>	<b>20</b>

**Employee on-costs**

As a result of an actuarial assessment performed by the Department of Treasury and Finance (DTF), the proportion of long service leave taken as leave has changed from the 2017 rate 40% to 41% and the average factor for the calculation of employer superannuation cost on-costs is 9.9% (2017: 10.1%). These rates are used in the employment on-cost calculation.

**Judicial Conduct Commissioner**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**9 Employee benefits liability**

	2018 \$'000	2017 \$'000
<b>Current</b>		
Accrued salaries and wages	-	2
Annual leave	-	7
Long service leave	-	1
<b>Total current employee benefits</b>	<u>-</u>	<u>10</u>
<b>Non-current</b>		
Long service leave	-	6
<b>Total non-current employee benefits</b>	<u>-</u>	<u>6</u>
<b>Total employee benefits</b>	<u>-</u>	<u>16</u>

AASB 119 *Employee Benefits* contains the calculation methodology for the long service leave liability. The actuarial assessment performed by DTF has provided a set level of liability for the measurement of long service leave. AASB 119 *Employee Benefits* requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds is 2.5%.

The actuarial assessment performed by DTF used a rate of 3% for annual leave liability.

**10 Related party transactions**

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

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

**Significant transactions with government related entities**

The Commissioner did not have any significant transactions with government related entities.

**Transactions with key management personnel and other related parties**

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

**11 Financial risk management / 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 AGD.

The Commissioner has received representation from the AGD that recoveries will be provided in 2018-19 to enable the Commissioner to continue its activities.

**12 Unrecognised contractual commitments**

There are no material commitments as at 30 June 2018.

**Judicial Conduct Commissioner**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**13 Contingent assets and liabilities**

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

**14 Events after balance date**

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