

South Australian Superannuation Board

Financial report
for the year ended
30 June 2019



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To the Presiding Member South Australian Superannuation Board

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the South Australian Superannuation Board 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 South Australian Superannuation Board 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 Presiding Member of the South Australian Superannuation Board, the Chief Executive, State Superannuation Office and the Director, Finance and Business Transformation, State Superannuation Office.

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 South Australian Superannuation Board. 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 Chief Executive, State Superannuation Office and members of the South Australian Superannuation Board for the financial report

The Chief Executive, State Superannuation Office 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 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 that is free from material misstatement, whether due to fraud or error.

The members of the South Australian Superannuation Board are responsible for overseeing the entity's financial reporting process.

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.

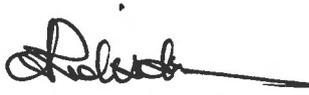
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- 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 South Australian Superannuation Board's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive, State Superannuation Office

- 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 Chief Executive, State Superannuation Office and Presiding Member of the South Australian Superannuation Board 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.



Andrew Richardson

Auditor-General

18 September 2019

South Australian Superannuation Board

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2019

	Note	2019	2018
		\$'000	\$'000
Expenses			
Administration expenses	4	29 085	28 353
Other expenses	5	301	31
Total expenses		29 386	28 384
Income			
Fees and charges	6	29 612	27 566
Interest revenues	7	24	27
Total income		29 636	27 593
Total comprehensive result	11	250	(791)

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

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STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Note	2019	2018
		\$'000	\$'000
Current assets			
Cash and cash equivalents	8	2 187	1 782
Receivables	9	19	20
Non current assets			
Loan Receivable	9, 17	556	548
Total assets		2 762	2 350
Current liabilities			
Payables	10	983	821
Total liabilities		983	821
Net assets		1 779	1 529
Equity			
Retained earnings	11	556	548
Reserves	11	1 223	981
Total Equity		1 779	1 529

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

South Australian Superannuation Board

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

	Note	Retained earnings	Reserves	Total
		\$'000	\$'000	\$'000
Balance at 30 June 2017		541	1 779	2 320
Total comprehensive result for 2017-18		(791)	-	(791)
Transferred from reserves		798	(798)	-
Balance at 30 June 2018		548	981	1 529
Total comprehensive result for 2018-19		250	-	250
Transferred (to) reserves		(242)	242	-
Balance at 30 June 2019	11	556	1 223	1 779

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

STATEMENT OF CASH FLOWS

For the year ended 30 June 2019

	Note	2019	2018
		\$'000	\$'000
Cash flows from operating activities			
Cash outflows			
Administration expenses paid		(31 950)	(29 627)
Other expenses		(314)	(33)
Cash (used in) operations		(32 264)	(29 660)
Cash inflows			
Interest received		17	21
Fees and charges paid		32 572	30 390
GST recovered from the ATO		80	299
Cash generated from operations		32 669	30 710
Net cash provided by operating activities	13	405	1 050
Net increase in cash and cash equivalents		405	1 050
Cash and cash equivalents at the beginning of the period		1 782	732
Cash and cash equivalents at the end of the period	8, 13	2 187	1 782

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

South Australian Superannuation Board

Note 1 Objectives and funding

Objectives of the South Australian Superannuation Board

The South Australian Superannuation Board (the Board) was established under Section 6 of the *Superannuation Act 1988* (the Act) and is responsible to the Treasurer (formerly the Minister for Finance) for all aspects of the administration of the Act (Pension and Lump Sum schemes), and the *Southern State Superannuation Act 2009* (Triple S Scheme, Flexible Rollover Product and Income Stream), except for investment matters relating to the schemes and products. Under clause 2(1)(d) of Schedule 3 of the Act, the Treasurer declared that the Board act as Trustee of the SA Ambulance Service Superannuation Scheme and be responsible for administering the Trust Deed and Rules.

The Act provides that the Board may make use of the staff or facilities of an administrative unit of the SA Public Sector. The State Superannuation Office, a branch of the Department of Treasury and Finance, provides administrative services to the Board. The State Superannuation Office adopts the "Super SA" name as administrator of the Board schemes and products. The superannuation legislation also provides for the Board to charge administration costs.

The Board is responsible for payment of the Service Level Agreement (SLA) Fee to the Department of Treasury and Finance for costs incurred in the administration of the schemes and products. This amount is then recouped from the various schemes and products as per the SLA.

The Board has carefully considered anticipated future expenditure and sets aside money to cover expected future specific costs.

Note 2 Summary of significant accounting policies

a) Statement of compliance

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

The Board has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Board is a not-for-profit entity. Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Board for the reporting period ending 30 June 2019. Refer to Note 3.

b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Board's 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; and
- compliance with Accounting Policy Statements issued pursuant to section 41 of the PFAA. In the interest of public accountability and transparency, the Accounting Policy Statements require the following note disclosures, which have been included in this financial report:
 - board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The Board'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 the historical cost convention except as otherwise noted.

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

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2019, and comparative information presented.

c) Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements required a change.

South Australian Superannuation Board

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

Where applicable, the restated comparative amounts do not replace the original financial statements for the preceding period.

d) Rounding

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

e) Taxation

The Board is not subject to income tax. The Board is registered for Goods and Services Tax (GST) and GST is recoverable and payable to the Australian Taxation Office (ATO).

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, 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.
- 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.

f) Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2019 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June 2019.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

g) Income and expenses

Income and expenses are recognised to the extent that it is probable that the flow of economic benefits to or from the Board will occur and can be reliably measured.

Income and expenses have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Income

Fees and charges are derived from the recovery of administration fees from the superannuation schemes and products which the Board administers. Revenue is recognised when earned.

Interest comprises of the interest received on the loan to the Treasurer (formerly the Minister for Finance) and cash held in the Board's Deposit Account, with the Treasurer, which receives interest at the applicable SA Government rate. Interest is recognised when earned.

Expenses

Administration expenses are the payment of the administration fees to the Department of Treasury and Finance for the provision of services to the Board. This expense is recognised upon delivery of the service.

h) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

i) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes deposits held in a Deposit Account held with the Treasurer.

South Australian Superannuation Board

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and cash equivalents as outlined above.

Cash is measured at nominal value.

j) Receivables

Receivables include amounts owing from services provided prior to the end of the reporting period that are unpaid at the end of the reporting period. Receivables include all amounts not received relating to the normal operations of the Board.

Refer to note 16 regarding the Loan Receivable.

k) Payables

Payables include creditors and accrued expenses.

Creditors represent the amounts owing for services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid amounts due relating to the normal operations of the Board.

Accrued expenses represent services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received, as per Treasurer's Instruction 11.

Note 3 New accounting standards and policies

The State Superannuation Office (Super SA) has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective. Treasurer's Instructions (Accounting Policy Statements) 2019 issued by the Treasurer on 22 March 2019 are effective for 2018-19 reporting period and are addressed below in relation to Standards not yet effective. There are no Accounting Policy Statements that are not yet effective.

The assessment of the impact of these new standards and interpretations is set out below.

Accounting Standards

AASB 15 – Revenue from Contracts with Customers

AASB 15 introduces a 5-step approach to revenue recognition. The objective of AASB 15 is that recognition of revenue depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. It provides extensive guidance as to how to apply this revenue recognition approach to a range of scenarios. *AASB 15 – Revenue from Contracts* replaces *AASB 111 – Construction Contracts* and *AASB 118 – Revenue*.

AASB 1058 – Income of Not for Profit Entities

AASB 1058 introduces consistent requirements for the accounting of non-reciprocal transactions by not-for-profit entities, in conjunction with AASB 15. These requirements closely reflect the economic reality of not-for-profit entity transactions that are not contracts with customers. AASB 1058 replaces parts of *AASB 1004 – Contributions*.

Related accounting policies

The *Treasurer's Instructions (Accounting Policy Statements) 2019* sets out key requirements that the Board must adopt for the transition to *AASB 15 – Revenue from Contracts with Customers* and *AASB 1058 – Income of Not for Profit Entities*. These requirements include that the Board will:

- apply AASB 15 and AASB 1058 retrospectively. The cumulative effect of initially applying the Standards will be recognised at 1 July 2019. Comparatives will not be restated.
- not apply the AASB 15 and the AASB 1058 to completed contracts as practically expedient.
- apply the AASB 15 practical expedient for all contract modifications that occur before the date of initial application.

The Treasurer's Instructions (Accounting Policy Statements) 2019 also sets out requirements for on-going application. These requirements include that the Board will:

- apply, where permitted, the short-term licences recognition exemption.
- adopt \$15,000 as the threshold to determine whether a licence is a licence for which the transaction price is of low value and will apply the low value licence recognition exemption for all low value licences.
- not recognise volunteer services when the services would not have been purchased if they had not been donated.

Super SA has assessed the new rules on behalf of the Board and determined that there will be no material impact on the financial statements as a result of *AASB 15 – Revenue from Contracts with Customers* and *AASB 1058 – Income of Not for Profit Entities*.

South Australian Superannuation Board

New accounting standards and policies – cont.

Accounting Standards

AASB 16 – Leases

AASB 16 sets out a comprehensive model for lease accounting that addresses recognition, measurement, presentation and disclosure of leases. The outcome will be that lease information disclosed will give users of financial statements a basis to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. *AASB 16 Leases* replaces *AASB 117 Leases* and *Interpretation 4 Determining whether an Arrangement contains a Lease*, *Interpretation 115 Operating Leases – Incentives* and *Interpretation*, and *Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. AASB 16 is first applicable for the year ending 30 June 2020. Assets and liabilities are to be reported on the statement of financial position for all leases with a term of more than 12 months, even if they were previously classified as an operating lease.

AASB 16 will also impact on the Statement of Comprehensive Income. Operating lease expenses previously included in supplies and services will mostly be replaced with:

- a depreciation expense that represents the use of the right-of-use asset; and
- borrowing costs that represent the cost associated with financing the right-of-use asset.

The Board has no operating leases, and Super SA has assessed the new standard on the Board, and has determined there will be no material impact on the Board's financial statements.

As a result of the above assessments there are no changes to related accounting policies.

Note 4 Administration expenses

	Note	2019	2018
		\$'000	\$'000
Administration fees		22 960	22 991
ICT Projects	17	6 125	5 362
Total administration expenses		29 085	28 353

Note 5 Other expenses

	2019	2018
	\$'000	\$'000
Other expenses ⁽ⁱ⁾	166	31
Election costs	135	-
Total other expenses	301	31

- (i) Other expenses includes amounts paid (or payable) which relate to the Auditor-General's Department work performed under the PFAA. No other services were provided by the Auditor-General's Department. Audit fees for the Board were \$16 300 (2018: \$16 100). Also paid in 2018-19 were \$150 000 for DTF ICT capital program costs.

Note 6 Fees and charges

	2019	2018
	\$'000	\$'000
Recovery of administration fees	29 612	27 566
Total fees and charges	29 612	27 566

South Australian Superannuation Board

Note 7 Interest revenues

	2019	2018
	\$'000	\$'000
Deposit Account held with the Treasurer	16	20
Loan to Southern Select Super Corporation ⁽ⁱ⁾	8	7
Total interest revenues	24	27

(i) Refer note 16

Note 8 Cash and cash equivalents

	2019	2018
	\$'000	\$'000
Cash at bank	2 187	1 782
Total cash and cash equivalents	2 187	1 782

Interest Rate Risk

Cash at bank, which represents deposits held with the Treasurer, earns a floating interest rate, based on the daily bank deposit rate. The carrying amount of cash and cash equivalents represents fair value.

Note 9 Receivables

	2019	2018
	\$'000	\$'000
Current receivables		
Sundry debtors	1	2
Audit fee recovery	18	18
Total current receivables	19	20
Non-current receivables		
Loan receivable ⁽ⁱ⁾	556	548
Total non-current receivables	556	548
Total receivables	575	568

All current receivables will be settled within 12 months of the reporting date.

(i) Refer note 16

Note 10 Payables

	2019	2018
	\$'000	\$'000
Audit fee payable	18	18
Administration fees payable	843	803
GST input tax payable	122	-
Total payables	983	821

All payables are normally settled within 30 days from the date of the invoice or date the invoice is first received.

South Australian Superannuation Board

Note 11 Retained earnings and reserves

	Opening Balance \$'000	Total Comprehensive Result \$'000	Transfers (To) Reserve \$'000	2019 \$'000	2018 \$'000
Retained Earnings	548	250	(242)	556	548
Reserves	Opening Balance \$'000	Transfers To Reserve \$'000	Transfers From Reserve \$'000	2019 \$'000	2018 \$'000
General Reserve ⁽ⁱ⁾	981	242	-	1 223	981
Total Reserves	981	242	-	1 223	981

- (i) The *General Reserve* was established in December 2013. The Transfers to Reserve amount represents under spend in office expenditure and interest allocated from July 2018 to June 2019 and is partially offset by Board Election costs and the Board's share of DTF IT infrastructure costs.

The purpose of the *General Reserve* is to account for under and over spend in office expenditure, to provide for project expenditure as required from time to time and to provide funding for the triennial Board Election.

Note 12 Related parties

The South Australian Superannuation Board is a statutory authority and is wholly owned and controlled by the Crown.

Related parties of the Board 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

The key management personnel of the Board include the Treasurer, the governing board members, and the Chief Executive and the four members of the Executive Leadership Group, State Superannuation Office who have responsibility for the strategic direction and management of the Board.

The compensation detailed below excludes salaries and other benefits the Treasurer receives as their remuneration and allowances are set by the Parliamentary Remuneration Act 1990 and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance). The Chief Executive and Executive Leadership Group, State Superannuation Office, are compensated through the Department of Treasury and Finance so their compensation is also not included below.

The South Australian Superannuation Board

Gregory Boulton (Presiding Member - Appointed 29/11/18)

Virginia Deegan (Re-appointed 23/07/18)

Richard Dennis (Appointed 23/07/18)

Bill Griggs (Re-elected 02/10/18)

Alison Kimber (Elected 02/10/18)

Amanda Heyworth (Deputy Member - Appointed 29/11/18)

Liz Hlipala (Deputy Member - Re-appointed 23/07/18)

Leah York (Deputy Member - Re-appointed 29/11/18)

John Wright (Deputy Member - Re-appointed 23/07/18)

The South Australian Superannuation Board Audit, Risk and Finance Committee

Virginia Deegan (Convenor)

Gregory Boulton (Appointed 19/12/18)

Richard Dennis (Appointed 19/12/18)

John Wright

The South Australian Superannuation Board Member Services Committee

Jan McMahon (Convenor - Resigned 01/10/18)

South Australian Superannuation Board

Bill Griggs (Convenor)
Leah York
Gregory Boulton (Appointed 19/12/18)
Alison Kimber (Appointed 19/12/18)
Dascia Bennett

Compensation

	2019	2018
	\$'000	\$'000
Salaries and other short-term employee benefits	210	175
Total	210	175

Transactions with Key Management Personnel and other related parties

There were no transactions to disclose for key management personnel or related parties.

Significant transactions with government related entities

There were no significant transactions with government entities other than those disclosed elsewhere in the financial statements.

Note 13 Cash flow reconciliation

	2019	2018
	\$'000	\$'000

Reconciliation of cash and cash equivalents - at the end of the reporting period

Cash and cash equivalents disclosed in the Statement of Financial Position	2 187	1 782
Balance as per the Statement of Cash Flows	2 187	1 782

Reconciliation of total comprehensive result to net cash provided by operating activities:

Total comprehensive result	250	(791)
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Movement in operational assets and liabilities

(Increase)/Decrease in receivables	(7)	1 037
Increase in payables	162	804
Net cash provided by operating activities	405	1 050

Note 14 Financial instruments

The Board holds all cash in a Deposit Account with the Treasurer which receives interest at the applicable SA Government rate. The Board's current receivables and payables are non-interest bearing, while its Loan Receivable is interest bearing. There are no fair value differences as carrying values approximate fair value and there is minimal exposure to interest rate or market risk due to the nature of the financial assets and liabilities held.

The Board does not have any assets that are past, due or impaired and credit risk is limited to the Southern Select Corporation Loan Arrangement (Refer Note 16).

The Board's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

Note 15 Events after the reporting period

South Australian Superannuation Board

There were no significant events after the reporting period.

Note 16 Southern Select Corporation Loan Arrangement

At the 8 June 2012 Board meeting, the Board agreed to provide funding of \$500,000 from its then Capital and Development Reserve account for the purpose of establishing a new fund; Super SA Select (the Fund).

The terms of the loan are set out in Schedule 2 of the *Public Corporations (Southern Select Super Corporation) Regulations 2012* (the Regulations) and the tri-partite Funding Deed between the Board, the Minister for Finance and the Southern Select Super Corporation (the Trustee). The Funding Deed was executed on 28 June 2013 with a drawdown date of 5 July 2013.

The repayment of the loan by the Trustee from the Fund, together with interest, will be in accordance with Schedule 2 of the Regulations. If at the end of the financial year the Fund has a net surplus, defined as Net Assets exceeding Liability for Accrued Benefits Allocated to Members' Accounts, the interest receivable in that year must be received on or before 31 July of the following financial year. If the Fund does not have a net surplus at the end of the financial year, the interest receivable for that year will be capitalised into the principal amount receivable. At the end of 2018-19 the Fund did not have a net surplus, therefore the amount of interest capitalised into the principal amount receivable was \$8,000 (2018 \$7,000).

Principal repayments are required when administration fees charged to members of the Fund for the financial year exceed the cost of the administration of the Fund (other than investment management charges). For 2018-19 there was no principal repayment required (refer to the Fund's Financial Report) (2018: Nil).

Note 17 ICT Solution Project

The ICT Solution Project (the Project) commenced February 2016, with the intention of a two phase implementation. Phase one deployed in May 2018, with core functionality and expected service standards for members attained. Super SA management closed Phase one of the Project as at 31 December 2018.

Deployment of Phase one was impacted by unexpected defects and implementation delays, the resolution and workarounds of which temporarily affected member service levels. As a result of these matters, the Board resolved to continue administration of Phase two members on the legacy platforms.

The Project's funding is apportioned across schemes based on membership and the relative implementation benefits. The Board administered schemes have funded the Project via the General Reserve, Triple S Insurance Reserve, Triple S Administration Reserve and the Retirement Investment Fund Administration Reserve.

The Board's ICT Project expense (Note 4) reflects the reimbursement of Project costs incurred by the Department of Treasury and Finance (DTF). In accordance with the appropriate policies, the Bluedoor ICT asset has been recognised in the DTF asset register as at the 31 December 2018 close off date.

South Australian Superannuation Board

There were no significant events after the reporting period.

Note 16 Southern Select Corporation Loan Arrangement

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The repayment of the loan by the Trustee from the Fund, together with interest, will be in accordance with Schedule 2 of the Regulations. If at the end of the financial year the Fund has a net surplus, defined as Net Assets exceeding Liability for Accrued Benefits Allocated to Members' Accounts, the interest receivable in that year must be received on or before 31 July of the following financial year. If the Fund does not have a net surplus at the end of the financial year, the interest receivable for that year will be capitalised into the principal amount receivable. At the end of 2018-19 the Fund did not have a net surplus, therefore the amount of interest capitalised into the principal amount receivable was \$8,000 (2018 \$7,000).

Principal repayments are required when administration fees charged to members of the Fund for the financial year exceed the cost of the administration of the Fund (other than investment management charges). For 2018-19 there was no principal repayment required (refer to the Fund's Financial Report) (2018: Nil).

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The Board's ICT Project expense (Note 4) reflects the reimbursement of Project costs incurred by the Department of Treasury and Finance (DTF). In accordance with the appropriate policies, the Bluedoor ICT asset has been recognised in the DTF asset register as at the 31 December 2018 close off date.

South Australian Superannuation Board

Certification of the financial statements

We certify that the:

- Financial statements of the Board:
 - are in accordance with the accounts and records of the authority; and comply with relevant Treasurer's instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the authority at the end of the financial year and the result of its operations and cash flows for the financial year.
- Internal controls employed by the Board over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



Gregory Boulton AM
PRESIDING MEMBER
SA SUPERANNUATION BOARD



Dascia Bennett
CHIEF EXECUTIVE
STATE SUPERANNUATION OFFICE



Erin Fitzgerald
DIRECTOR, FINANCE AND BUSINESS TRANSFORMATION
STATE SUPERANNUATION OFFICE

Date 13.9.19