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To the Judicial Conduct Commissioner Judicial Conduct Commissioner

Opinion

I have audited the financial report of the Judicial Conduct Commissioner for the financial year ended 30 June 2020.

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 2020, its financial performance and its cash flows for the year then ended in accordance with relevant 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 2020
- a Statement of Financial Position as at 30 June 2020
- a Statement of Changes in Equity for the year ended 30 June 2020
- a Statement of Cash Flows for the year ended 30 June 2020
- 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* (including Independence Standards) have been met.

I believe that the audit evidence I have 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 relevant 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

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 2020.

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

28 September 2020

Judicial Conduct Commissioner

Financial Statements

For the year ended 30 June 2020

Judicial Conduct Commissioner
Certification of the Financial Statements
for the year ended 30 June 2020

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 2020 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 Honourable Ann Vanstone QC
Judicial Conduct Commissioner

28 September 2020

Judicial Conduct Commissioner
Statement of Comprehensive Income
for the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Income			
Recoveries	2.1	6	6
Total income		<u>6</u>	<u>6</u>
Expenses			
Supplies and services	4.1	2	3
Other expenses	4.2	4	4
Total expenses		<u>6</u>	<u>7</u>
Net result		<u>-</u>	<u>(1)</u>
Total comprehensive result		<u>-</u>	<u>(1)</u>

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 2020

	Note	2020 \$'000	2019 \$'000
Current liabilities			
Payables	5.1	5	5
Total current liabilities		<u>5</u>	<u>5</u>
Total liabilities		<u>5</u>	<u>5</u>
Net assets		<u>(5)</u>	<u>(5)</u>
Equity			
Retained earnings		(5)	(5)
Total equity		<u>(5)</u>	<u>(5)</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 2020

	Retained earnings	Total equity
	\$'000	\$'000
Balance at 1 July 2018	(4)	(4)
Net result for 2018-19	(1)	(1)
Total comprehensive results for 2018-19	(1)	(1)
Balance at 30 June 2019	(5)	(5)
Net result for 2019-20	-	-
Total comprehensive results for 2019-20	-	-
Balance at 30 June 2020	(5)	(5)

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 2020

	2020 (Outflows) Inflows \$'000	2019 (Outflows) Inflows \$'000
Cash flows from operating activities		
Cash inflows		
Recoveries	6	6
Cash generated from operations	<u>6</u>	<u>6</u>
Cash outflows		
Payments for supplies and services	(6)	(6)
Cash used in operations	<u>(6)</u>	<u>(6)</u>
Cash and cash equivalents at the end of the reporting period	<u>-</u>	<u>-</u>

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 2020

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Judicial Conduct Commissioner

Notes to and forming part of the financial statements

for the year ended 30 June 2020

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 2020.

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 2019-20 financial statements the department adopted AASB 15 – *Revenue from Contracts with Customers*, AASB 16 – *Leases* and AASB 1058 – *Income of Not-for-Profit Entities*. Further information is provided in note 7.

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.

The Commissioner is liable for goods and services tax (GST). GST collections and payments are carried out by the Attorney-General's Department (AGD) on behalf of the Commissioner. GST in relation to the Commissioner is reported in the AGD Controlled Financial Statements.

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 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.

1.3. Impact of COVID-19 pandemic on the Commissioner

There has been no material impact on the operations of the Judicial Conduct Commissioner due to the COVID-19 pandemic.

Judicial Conduct Commissioner
Notes to and forming part of the financial statements
for the year ended 30 June 2020

2. Income

2.1. Recoveries

	2020 \$'000	2019 \$'000
Recoveries	6	6
Total recoveries	6	6

3. Board, committees and employees

3.1. 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.

4. Expenses

4.1. Supplies and services

	2020 \$'000	2019 \$'000
Marketing information	-	1
Information technology and communications charges	2	2
Total supplies and services	2	3

4.2. Other expenses

	2020 \$'000	2019 \$'000
Other expenses*	4	4
Total other expenses	4	4

*Audit fees payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$4 000 (\$4 000). No other services were provided by the Auditor-General's Department.

Judicial Conduct Commissioner
Notes to and forming part of the financial statements
for the year ended 30 June 2020

5. Liabilities

5.1. Payables

	2020 \$'000	2019 \$'000
Current		
Creditors	1	1
Accruals	4	4
Total current payables	5	5
Total payables	5	5

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

The net amount of GST recoverable from the ATO is included as part of payables.

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. AASB 16 Leases

The Commission has no lease contracts and therefore is not required to adopt AASB 16 *Leases* from 1 July 2019.

7.2. AASB 15 Revenue from Contracts with Customers

AASB 15 *Revenue from Contracts with Customers* establishes a revenue recognition model for revenue arising from contracts with customers. It requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 supersedes AASB 111 *Construction contracts*, AASB 118 *Revenue* and related Interpretations and applies to all revenue arising from contracts with customers.

Impact on retained earnings

On transition, there was no impact on retained earnings.

Judicial Conduct Commissioner
Notes to and forming part of the financial statements
for the year ended 30 June 2020

7.3. AASB 1058 Income of Not-for-Profit Entities

AASB 1058 *Income of Not-for-Profit Entities* establishes new income recognition requirements for not-for-profit entities. Its requirements apply where the consideration to acquire an asset, including cash, is significantly less than fair value principally to the entity to further its objectives. AASB 1058 also contains requirements for the receipt of volunteer services. AASB 1058 supersedes income recognition requirements in AASB 1004 *Contributions*, AASB 118 *Revenue* and AASB 111 *Construction Contracts*. However, elements of AASB 1004 remain in place, primarily in relation to restructures of administrative arrangements and other contributions and distributions by owners.

Accounting policies on transition

On transition, there was no impact on retained earnings.

7.4. Presentation of Financial Statements

Treasurer's Instructions (Accounting Policy Statements) issued on 1 June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The net cost of services is the total cost of services less any revenue retained by public authorities involved in the provision of services but does not include items classified as revenues from and payments to the South Australian Government. Presentation of the Statement of Comprehensive Income on an 'income and expense' basis allows information to be presented in such a way that eliminates potential confusion as to the source of funding for the department. As well as changes to the format of the Statement of Comprehensive Income, there are presentational changes to remove the net cost of services format from the Statement of Cash Flows. These statements now show income before expenses, and cash receipts before cash payments. Related disclosures also reflect this changed format.

8. Outlook

8.1. Unrecognised contractual commitments

There are no material commitments as at 30 June 2020.

8.2. Contingent assets and liabilities

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

8.3. COVID-19 pandemic outlook for the Commissioner

The COVID-19 pandemic is not expected to have a material impact on the operations of the Judicial Conduct Commissioner in 2020-21.

8.4. 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 continued existence of the Commissioner in its present form is dependent on State Government policy and recoveries provided by the Attorney-General's Department.

The Commissioner has received representation from the AGD that recoveries will be provided in 2020/21 to enable the Commissioner to continue its activities.