

# South Australian Superannuation Board

Financial report  
for the year ended  
30 June 2021



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## To the Presiding Member South Australian Superannuation Board

### Opinion

I have audited the financial report of the South Australian Superannuation Board for the financial year ended 30 June 2021.

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 2021, 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 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- 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, 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 the 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 (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 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 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.

In preparing the financial report, the Chief Executive, State Superannuation Office is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive, State Superannuation Office is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

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**

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 2021.

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:

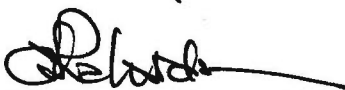
- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material 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
- conclude on the appropriateness of the Chief Executive, State Superannuation Office's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- 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 the 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**

23 September 2021

**South Australian Superannuation Board**

**Statement of Comprehensive Income**  
for the year ended 30 June 2021

	Note	2021 \$000	2020 \$000
<b>Income</b>			
Fees and charges	5	37 400	29 354
Interest revenue	6	1	10
Other revenue		75	-
<b>Total income</b>		<u>37 476</u>	<u>29 364</u>
<b>Expenses</b>			
Administration expenses	3	(33 057)	(27 937)
Other expenses	4	(18)	(25)
<b>Total expenses</b>		<u>(33 075)</u>	<u>(27 962)</u>
<b>Total comprehensive result</b>	9	<u>4 401</u>	<u>1 402</u>

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

**Statement of Financial Position**  
as at 30 June 2021

	Note	2021 \$000	2020 \$000
<b>Current assets</b>			
Cash and cash equivalents	11	1 721	4 377
Receivables	7	10 677	18
<b>Non current assets</b>			
Loan receivable	7, 14	559	559
<b>Total assets</b>		<u>12 957</u>	<u>4 954</u>
<b>Current liabilities</b>			
Payables	8	5 375	1 773
<b>Total liabilities</b>		<u>5 375</u>	<u>1 773</u>
<b>Net assets</b>		<u>7 582</u>	<u>3 181</u>
<b>Equity</b>			
Retained earnings	9	559	559
General reserve	9	7 023	2 622
<b>Total equity</b>		<u>7 582</u>	<u>3 181</u>

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

**South Australian Superannuation Board**

**Statement of Changes in Equity**  
for the year ended 30 June 2021

2021	Note	Retained earnings \$000	Reserves \$000	Total Equity \$000
<b>Opening Balance</b>		559	2 622	3 181
Total comprehensive result		4 401	-	4 401
Transferred to reserves		(4 401)	4 401	-
<b>Closing Balance</b>	9	<u>559</u>	<u>7 023</u>	<u>7 582</u>

2020		Retained earnings \$000	Reserves \$000	Total Equity \$000
<b>Opening Balance</b>		556	1 223	1 779
Total comprehensive result		1 402	-	1 402
Transferred to reserves		(1 399)	1 399	-
<b>Closing Balance</b>	9	<u>559</u>	<u>2 622</u>	<u>3 181</u>

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

**Statement of Cash Flows**  
for the year ended 30 June 2021

	Note	2021 \$000	2020 \$000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Interest received		1	8
Fees and charges paid		29 507	32 327
GST recovered from the ATO		-	85
<b>Cash generated from operations</b>		<u>29 508</u>	<u>32 420</u>
<b>Cash outflows</b>			
Administration expenses paid		(32 095)	(30 203)
Other expenses		(20)	(27)
GST paid to the ATO		(49)	-
<b>Cash (used in) operations</b>		<u>(32 164)</u>	<u>(30 230)</u>
<b>Net cash (used in)/provided by operating activities</b>	11	<u>(2 656)</u>	<u>2 190</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(2 656)	2 190
Cash and cash equivalents at the beginning of the period		4 377	2 187
<b>Cash and cash equivalents at the end of the period</b>	11	<u>1 721</u>	<u>4 377</u>

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

## South Australian Superannuation Board

### Notes to the Financial Statements

#### 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 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 (DTF), 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 DTF 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.

#### 2. 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 2021. Refer to note 2(b).

##### *(b) Impact of standards and statements not yet effective*

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period. The assessment of the impact of these new standards and interpretations is set out below.

The Board has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations. There are no Accounting Policy Statements that are not yet effective. The material impacts on the Board are outlined below.

##### *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*

The standard applies to reporting periods beginning on or after 1 July 2021. Early adoption is permitted. The standard replaces the reduced disclosure requirements previously included in all Australian Accounting Standards with simplified disclosure requirements which will apply to Tier 2 entities.

AASB 1053 Application of Tiers of Australian Accounting Standards will still apply in conjunction with AASB 1060. Application of AASB 1060 will significantly amend the content of Tier 2 financial reports.

The Board is not a Tier 2 financial reporting entity. The Board has assessed the impact of the amendments of AASB 1060, and has determined there will be no impact on the Board's financial statements.

##### *AASB 2020-2 Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*

The standard applies to reporting periods beginning on or after 1 July 2021. The standard removes the ability for certain for-profit private sector entities to self-assess their financial reporting requirements and prepare special purpose financial statements (SPFS) when they are required to prepare financial statements that comply with Australian Accounting Standards (AAS).

The Board is a statutory authority of the Crown and operates on a not-for-profit basis. The Board has assessed the impact of the new standard on the Board, and has determined there will be no impact on the Board's financial statements.

##### *AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts*

The standard applies to reporting periods beginning on or after 1 January 2021. The standard amends AASB 4 Insurance Contracts (August 2015) and AASB 17 Insurance Contracts (July 2017) as a result of the issuance of International Financial Reporting Standards Amendments to IFRS 17 and extension of the temporary exemption from applying IFRS 9.

The Board has no insurance contracts. The Board has assessed the impact of the new standards on the Board, and has determined there will be no impact on the Board's financial statements.



## South Australian Superannuation Board

### *AASB 2021-1 Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities*

The standard applies to reporting periods beginning on or after 1 July 2021. Earlier application is permitted, provided that AASB 1060 is also applied to the same period. The Standard amends new elements of AASB 1053 and amends AASB 1060 for first-time application to provide not-for-profit entities with optional relief from presenting comparative information in the notes to the financial statements where the entity did not disclose the comparable information in its most recent previous general purpose financial statements. This relief is only applicable where AASB 1060 is early adopted.

Amendments to AASB 1053 highlight that the relief set out in Appendix E of AASB 1053 is available only to for-profit private sector entities.

The Board operates on a not-for-profit basis and is not adopting AASB 1060. The Board has assessed the impact of the new standard on the Board, and has determined there will be no impact on the Board's financial statements.

#### **(c) 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 2021, and comparative information presented.

#### **(d) 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.

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.

#### **(e) Rounding**

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

#### **(f) Taxation**

The Board, as a wholly owned and controlled statutory authority of the Crown, 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 ATO, 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.

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.

#### **(g) Events after the reporting period**

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2021 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June 2021.

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.



## South Australian Superannuation Board

### (h) *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 (formally the Minister for Finance) and cash in the Board's Special Deposit Account held 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 DTF for the provision of services to the Board. This expense is recognised upon delivery of the service.

### (i) *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.

### (j) *Cash and cash equivalents*

Cash and cash equivalents in the statement of financial position includes cash in the Special Deposit Account held with the Treasurer.

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.

### (k) *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 14 regarding the Loan Receivable.

### (l) *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.

## 3. Administration expenses

	Note	2021 \$000	2020 \$000
Administration fees		30 536	26 920
Strategic projects	15	2 521	1 017
		<b>33 057</b>	<b>27 937</b>

## 4. Other expenses

	2021 \$000	2020 \$000
Other expenses <sup>(i)</sup>	17	25
Election costs	1	-
	<b>18</b>	<b>25</b>

- (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 \$16 600 (2020: \$16 500).

**South Australian Superannuation Board**

**5. Fees and charges**

	2021	2020
	\$000	\$000
Recovery of administration fees	37 400	29 354

**6. Interest revenue**

	2021	2020
	\$000	\$000
Deposit Account held with the Treasurer	1	7
Loan to Southern Select Super Corporation <sup>(i)</sup>	-	3
	1	10

(i) Refer note 14.

**7. Receivables**

	2021	2020
	\$000	\$000
<b>Current receivables</b>		
Sundry debtors	83	-
Administration fee recovery	10 576	-
Audit fee recovery	18	18
<b>Total current receivables</b>	<b>10 677</b>	<b>18</b>
<b>Non-current receivables</b>		
Loan receivable <sup>(i)</sup>	559	559
<b>Total non-current receivables</b>	<b>559</b>	<b>559</b>
<b>Total receivables</b>	<b>11 236</b>	<b>577</b>

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

(i) Refer note 14.

**8. Payables**

	2021	2020
	\$000	\$000
Administration fees payable	4 079	1 469
Strategic project expenses payable	1 271	-
Audit fee payable	18	18
GST input tax payable	7	286
	<b>5 375</b>	<b>1 773</b>

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

**9. Retained earnings and reserves**

	Opening	Total	Transfers	2021	2020
	Balance	Comprehensive	(To)	\$000	\$000
	\$000	Result	Reserve	\$000	\$000
<b>Retained Earnings</b>	559	4 401	(4 401)	559	559
	Opening	Transfers	Transfers	2021	2020
	Balance	To	From	\$000	\$000
	\$000	Reserve	Reserve	\$000	\$000
<b>General Reserve <sup>(i)</sup></b>	2 622	4 401	-	7 023	2 622

(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 2020 to June 2021 less strategic projects expenditure.

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.

## South Australian Superannuation Board

### 10. Related parties

The 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.

#### (a) Key management personnel

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

The compensation disclosed in this note excludes salaries and other benefits the Treasurer receives. The Treasurer's 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) under section 6 the *Parliamentary Remuneration Act 1990*. 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.

#### (b) The South Australian Superannuation Board

Gregory Boulton (Presiding Member - Re-appointed 09/09/19)  
 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)

#### (c) The South Australian Superannuation Board Audit, Risk and Finance Committee

Virginia Deegan (Convenor - Appointed 23/07/15)  
 Gregory Boulton (Appointed 19/12/18)  
 Richard Dennis (Appointed 19/12/18)  
 John Wright (Appointed 23/07/15)

#### (d) The South Australian Superannuation Board Member Services Committee

Bill Griggs (Convenor - Appointed 02/10/15)  
 Leah York (Appointed 02/10/15)  
 Gregory Boulton (Appointed 19/12/18)  
 Alison Kimber (Appointed 19/12/18)  
 Dascia Bennett (ex officio member November 2017)

#### (e) Compensation

	2021	2020
	\$000	\$000
Salaries and other short-term employee benefits	246	240

Compensation costs are included in administration expenses.

### 11. Reconciliation of cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents includes cash and deposits in the Board's Special Deposit Account held with the Treasurer. Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related item in the statement of financial position as follows:

	2021	2020
	\$000	\$000
Cash and cash equivalents	1 721	4 377
<b>Reconciliation of total comprehensive result to net cash provided by operating activities:</b>		
Total comprehensive result	4 401	1 402
<b>Movement in operational assets and liabilities</b>		
(Increase) in receivables	(10 659)	(2)
Increase in payables	3 602	790
<b>Net cash provided by operating activities</b>	<b>(2 656)</b>	<b>2 190</b>

## South Australian Superannuation Board

### 12. Financial instruments

The Board holds all cash in a Special 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.

#### *Interest Rate Risk*

Cash and cash equivalents, which represents cash held in a Special Deposit Account 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.

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 14).

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

### 13. Events after the reporting period

There were no significant events after the reporting period.

### 14. 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 2020-21 the Fund did not have a net surplus, but due to the current zero SA Government interest rate there was no interest capitalised (2020: \$3 000).

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 2020-21 there was no principal repayment required (refer to the Fund's Financial Report) (2020: \$Nil).

### 15. Strategic Projects

Super SA sets an annual strategic projects expenditure budget, which funds the Transformation program each year. Included in this program are infrequent and substantial projects, including system upgrades, replacements, product, structural and governance changes.

The annual budget for the Transformation program is set by the Board's strategic direction, and is governed by the Super SA Project Board.

The Board's Strategic Project expense (Note 3) reflects the reimbursement of Project costs incurred by DTF.

### 16. Coronavirus (COVID-19) impact

#### **Background**

COVID-19, which is a respiratory illness caused by a virus, was declared a world wide pandemic by the World Health Organisation in March 2020. COVID-19 has had a significant impact on the domestic and global economy and equity, debt and commodity markets.

Super SA has considered the impact of COVID-19 and provided advice to the Board in preparing its financial statements. Given the dynamic and evolving nature of COVID-19 as well as limited recent experience of the economic and financial impacts of such a pandemic, changes to the estimates and outcomes that have been applied in the measurement of assets and liabilities may arise in the future. Any such impacts will be accounted for in future accounting periods.

#### **Processes applied**

In preparing these financial statements the Board considered the impact of COVID-19 in the:

- evaluation of any areas of judgment or estimation uncertainty;
- stress testing scenarios, which are an integral component of Board's risk management framework, to assess the potential impacts of the COVID-19 pandemic on liquidity; and
- determination of the completeness and appropriateness of financial statement disclosures.

#### **Risk management**

The Board continues to apply its risk management framework and continues to monitor the impact of COVID-19 on its risk profile. The Board is focused on the effects of the global COVID-19 pandemic and is monitoring it as it unfolds.

South Australian Superannuation Board

Certification of the financial report

We certify that the:

- Financial statements of the Board:
  - are in accordance with the accounts and records of the authority;
  - comply with relevant Treasurer's instructions;
  - 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 for the financial year over its financial reporting and its preparation of financial statements have been effective.



Gregory Boulton AM  
PRESIDING MEMBER  
SA SUPERANNUATION BOARD



Dascia Bennett  
CHIEF EXECUTIVE  
STATE SUPERANNUATION OFFICE



Mark Hordacre  
DIRECTOR FINANCE  
STATE SUPERANNUATION OFFICE

Date 19/9/21.....